



BERAR FINANCE LIMITED

CIN: U65929MH1990PLC057829

Registered Office: Avinisha Tower, Mehadia Chowk, Dhantoli,
Nagpur -440012.

Tel No.0712-6663999

Email: info@berarfinance.com

Website: www.berarfinance.com

AGM NOTICE

NOTICE is hereby given that the 30th Annual General Meeting ('AGM') of the members of Berar Finance Limited will be held on **Monday, the 28th day of September, 2020 at 11.00 A.M. (IST), through** Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility to transact the business mentioned below.

Ordinary Business

1. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT the Audited Financial Statements of the Company for the year ended 31st March 2020 and the Board's and Auditors' Reports thereon, be and are hereby approved and adopted."
2. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT the final dividend at the rate of ₹ 0.50 per share as recommended by the Directors be and is hereby declared for the financial year ended 31st March 2020 and that the same be paid to those shareholders whose names stand on the Register of Members as on 28th day of September, 2020."
3. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Shantaram Krishnarao Mahakalkar (DIN: 00379988), the retiring Director, be and is hereby re-elected as Director of the Company, liable to retirement by rotation."

SPECIAL BUSINESS

4. **APPROVING THE AMENDMENT, RE-STATEMENT AND ENTRENCHMENT OF THE ARTICLES OF ASSOCIATION OF THE COMPANY:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with Section 5 and Section 14 of the Companies Act, 2013 and other applicable provisions, if any, including statutory modification(s), enactment(s), re-enactment(s), thereof for the time being in force, the consent of the members be and is hereby accorded, by way of a special resolution, for adopting the amended and re-stated Articles of Association of the Company (a copy of which is attached as **Annexure 1** to this Notice), which incorporate the relevant provisions of the share subscription agreement dated December 20, 2019 entered into among Amicus Capital Private Equity I LLP ("**ACPE**"), Amicus Capital Partners India Fund I ("**ACPIF**" and together with ACPE, the "**Investors**"), the Company, Mr. Maroti Jawanjar, Mr. Sandeep Jawanjar, Maroti Jawanjar (HUF), Sandeep Jawanjar (HUF), Mrs. Jyoti Jawanjar, Mrs. Bakul Jawanjar and Avino Capcons Private Limited (together, the "**Transaction Parties**" and such agreement, the "**SSA**") and the shareholders' agreement dated December 20, 2019 entered into among the Transaction Parties (the "**SHA**" and together with the SSA, the "**Transaction Documents**") and are consonant with the provisions of the Companies Act, 2013, in substitution and exclusion of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT pursuant to Section 5(3) and (4) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and relevant rules framed thereunder, the consent of the members of the Company by way of a special resolution be and is hereby accorded for the inclusion and adoption of entrenchment provisions set out in the amended and re-stated Articles of Association.

RESOLVED FURTHER THAT Mr. Sandeep Jawanjar, Executive Director (DIN: 01490054), and the Company Secretary of the Company ("**Authorised Representatives**") be and are hereby jointly or severally authorised to carry out all such acts and execute

all necessary deeds, documents, agreements, forms and instruments, for and on behalf of the Company, as may be necessary or desirable to give effect to the foregoing resolutions including filing the Form MGT-14 with the Registrar of Companies.

RESOLVED FURTHER THAT the Authorised Representatives be and are hereby jointly or severally, authorised to delegate to any other officers or employees of the Company, or any lawyers, consultants or advisors as may be deemed necessary or prudent by such Authorised Representatives, their power to execute all documents and take all steps and do all such acts, matters, deeds and give such directions as may be required, necessary, or considered expedient or desirable for giving effect to the aforementioned resolutions, and to further comply with the requirements, if any, of applicable law including the Companies Act, 2013, the relevant rules framed thereunder and the secretarial standards.

RESOLVED FURTHER THAT the Authorised Representatives are hereby jointly or severally authorised on behalf of the Company to certify a copy of these resolutions and issue the same to all concerned authorities or parties."

5. REGULARISATION OF THE APPOINTMENT OF MR. MAHESH PARASURAMAN (DIN: 00233782), ADDITIONAL DIRECTOR, AS A DIRECTOR LIABLE TO RETIRE BY ROTATION:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and relevant rules framed thereunder read with the applicable provisions of the Articles of Association of the Company, Mr. Mahesh Parasuraman (holding DIN 00233782) (the **"Investor Director"**), who has been appointed as an Additional Director at the meeting of the board of directors of the Company (**"Board"**), held on February 20, 2020, and who holds office until the date of the next Annual General Meeting of the Company or the last date on which the Annual General Meeting should have been held, whichever is earlier, in terms of Section 161 of the Companies Act, 2013, and pursuant to the recommendation of the Nomination and Remuneration Committee of the Company at its meeting dated February 20, 2020 proposing the Investor Director as a candidate for the office of a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT the Company is hereby authorized to make necessary intimations to the Reserve Bank of India and any other applicable Governmental authority in relation to the appointment of the Investor Director on the Board and the consequent change in the Board.

RESOLVED FURTHER THAT Mr. Sandeep Jawanjali, Executive Director (DIN: 01490054), and the Company Secretary of the Company (**"Authorised Representatives"**) be and are hereby jointly or severally authorised by the Company to carry out all such acts and execute all necessary deeds, documents, agreements, forms and instruments, for and on behalf of the Company, as may be necessary or desirable to give effect to the foregoing resolutions including without limitation in relation to intimating the Reserve Bank of India regarding the appointment of the Investor Director on the Board and the consequent change in the Board and the filing of necessary forms with the Registrar of Companies such as the Form DIR-12.

RESOLVED FURTHER THAT the Authorised Representatives be and are hereby jointly or severally, authorised to delegate to any other officers or employees of the Company, or any lawyers, consultants or advisors as may be deemed necessary or prudent by such authorised Representatives, their power to execute all documents and take all steps and do all such acts, matters, deeds and give such directions as may be required, necessary, or considered expedient or desirable for giving effect to the aforementioned resolutions, and to further comply with the requirements, if any, of applicable law including the Companies Act, 2013, the relevant rules framed thereunder and the secretarial standards.

RESOLVED FURTHER THAT the Authorised Representatives are hereby jointly or severally authorised on behalf of the Company to certify a copy of these resolutions and issue the same to all concerned authorities or parties."

6. REVISION IN TERMS AND CONDITIONS OF EMPLOYMENT AGREEMENT OF MR. SANDEEP JAWANJALI (DIN:01490054) EXECUTIVE DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee of the Company and approval of the Board each at its meeting dated February 20, 2020 and subject to the provisions of the Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, approval of the Members of the Company be and is hereby accorded to revise the terms and conditions (as detailed in the explanatory statement annexed to the notice calling this Annual

General Meeting) of the employment agreement dated March 21, 2016 executed between the Company and Mr. Sandeep Jawanjal (DIN:01490054) Executive Director (Whole-Time Director) of the Company (the “**Erstwhile Employment Agreement**”), for the remainder of the term of appointment of Mr. Sandeep Jawanjal (DIN:01490054) as an Executive Director (Whole-Time Director) of the Company and any further period therefrom subject to the approval of the shareholders of the Company at duly convened meeting of the shareholders.

RESOLVED FURTHER THAT the remuneration payable to Mr. Sandeep Jawanjal, shall be as per the Erstwhile Employment Agreement and shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may prescribed from time to time.

RESOLVED FURTHER THAT any one of the members of Nomination and Remuneration Committee of the Company and the Company Secretary of the Company (“**Authorised Representatives**”) be and are hereby jointly or severally authorised on behalf of the Company to sign and execute all forms, agreements and documents as may be required to give effect to this resolution and all such forms and documents as may be required to be filed or submitted with the Registrar of Companies, in relation thereto as per the provisions of the Companies Act, 2013 and do all other acts, deeds and things that may be required to give effect to this resolution.

RESOLVED FURTHER THAT the Authorised Representatives be and are hereby jointly or severally, authorised to delegate to any other officers or employees of the Company, or any lawyers, consultants or advisors as may be deemed necessary or prudent by such Authorised Representatives, their power to execute all documents and take all steps and do all such acts, matters, deeds and give such directions as may be required, necessary, or considered expedient or desirable for giving effect to the aforementioned resolutions, and to further comply with the requirements, if any, of applicable law including the Companies Act, 2013, the relevant rules framed thereunder and the secretarial standards.

RESOLVED FURTHER THAT the Authorised Representatives are hereby jointly or severally authorised on behalf of the Company to certify a copy of these resolutions and issue the same to all concerned authorities or parties.”

7. AUTHORIZATION FOR ISSUANCE OF TRANCHE 2 SERIES A CUMULATIVE COMPULSORILY CONVERTIBLE PARTICIPATING PREFERENCE SHARES:

To consider and if thought fit, to pass with or without modification, the following resolution **as a Special Resolution**.

“**RESOLVED THAT** pursuant to Section 55 and Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, and/or other applicable provisions of law as may be required and on such conditions and modifications as may be prescribed, and subject further to such other terms, conditions, stipulations, alterations, amendments, modifications or variations, the consent of the Members of the Company be and is hereby accorded to authorize, create, offer and issue fully paid-up Tranche 2 Series A cumulative compulsorily convertible participating preference shares of face value of INR 10 (Indian Rupees Ten only) each at a premium of INR 200 (Indian Rupees Two Hundred only) per Tranche 2 Series A cumulative compulsorily convertible participating preference share, carrying a coupon of 0.1% (zero point one percent) per annum (the “**Tranche 2 Series A CCPS**”) to Amicus Capital Private Equity I LLP (“**ACPE**”); and Amicus Capital Partners India Fund I (“**ACPIF**” and together with ACPE, the “**Investors**”) in the manner set out below and, on the terms and conditions as provided in **Annexure 2** hereto.

Name of Investor	No. of Tranche 2 Series A CCPS	Consideration for Tranche 2 Series A CCPS (INR)
Amicus Capital Private Equity I LLP	3,45,829	7,26,24,090
Amicus Capital Partners India Fund I	35,124	73,76,040
Total	3,80,953	8,00,00,130

RESOLVED FURTHER THAT that the Tranche 2 Series A CCPS shall be subject to the following terms and conditions:

S. No.	Item	Terms of the Tranche 2 Series A CCPS
1.	Priority with respect to payment of dividend or repayment of capital vis-à-vis equity shares.	Yes. The Tranche 2 Series A CCPS will carry a preferential right vis-à-vis equity shares of the Company with respect to the payment of dividend and repayment of capital or repayment in case of winding up in accordance with Annexure 2 , the share subscription agreement dated December 20, 2019 entered into among the Investors, the Company, Mr. Maroti Jawanjar, Mr. Sandeep Jawanjal, Maroti Jawanjar (HUF), Sandeep Jawanjal (HUF), Mrs. Jyoti Jawanjar, Mrs. Bakul Jawanjal and Avino Capcons Private Limited (together, the “ Transaction Parties ” and such agreement, the “ SSA ”), as amended, the shareholders’ agreement dated December 20, 2019 entered into among the Transaction Parties (the “ SHA ”), as amended (the SSA and the SHA, each as amended, together, the “ Transaction Documents ”).
2.	Participation in surplus funds.	Yes. In accordance with Annexure 2 and the Transaction Documents.
3.	Participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid.	Yes. In accordance with Annexure 2 and the Transaction Documents.
4.	Payment of dividend on cumulative basis or non-cumulative basis.	To be paid on a cumulative basis in accordance with Annexure 2 and the Transaction Documents.
5.	Conversion of preference shares into equity shares.	Yes. The Tranche 2 Series A CCPS are compulsorily convertible into equity shares in accordance with Annexure 2 and the terms of the Transaction Documents.
6.	Voting rights.	As per applicable law.
7.	Redemption of preference shares.	Not be redeemed but shall be compulsorily convertible into equity shares of the Company, at the option of the Investors, in one or more tranches in accordance with Annexure 2 and the terms of the Transaction Documents.

RESOLVED FURTHER THAT to give effect to the aforesaid resolutions, Mr. Sandeep Jawanjal, Executive Director (DIN:01490054) and the Company Secretary of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as may be deemed necessary including modification and/or amendment to the terms of the Tranche 2 Series A CCPS as agreed in the Transaction Documents and settle any or all questions/matters arising with respect to the offer, issue and allotment (including deciding the terms and conditions for the same), utilization of the proceeds of the issue of the Tranche 2 Series A CCPS, execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to the aforesaid resolution, take such further steps as are required for the issuance of the Tranche 2 Series A CCPS as aforesaid, to take such other steps that are incidental and ancillary in this regard; and to do, take or accept actions, as may be considered desirable or expedient by such Director in the best interest of the Company and its shareholders in relation to the foregoing.”

8. **ISSUANCE OF TRANCHE 2 SERIES A EQUITY SHARES AND TRANCHE 2 SERIES A CCPS THROUGH PRIVATE PLACEMENT:**

To consider and if thought fit, to pass, with or without modification(s), the following resolutions **as a Special Resolution**.

“**RESOLVED THAT** pursuant to the provisions of Articles of Association of the Company, Section 42 read with Section 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and Rule 13 of the Companies (Share Capital and Debentures)

Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and the rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India, the Reserve Bank of India, or any other competent authority, whether in India or abroad, from time to time, to the extent applicable, the consent of the Members of the Company is hereby accorded to the Company to issue:

- (a) 5,18,742 (five lakhs eighteen thousand seven hundred and forty two) equity shares of face value INR 10 (Indian Rupees Ten only) each at a premium of INR 200 (Indian Rupees Two Hundred only) (the “**ACPE Tranche 2 Series A Equity Shares**”) per equity share; and 3,45,829 (three lakhs forty five thousand eight hundred and twenty nine only) Tranche 2 Series A cumulative compulsorily convertible participating preference shares carrying a coupon of 0.1% (zero point one percent) per annum of face value INR 10 (Indian Rupees Ten only) each at a premium of INR 200 (Indian Rupees Two Hundred only) (the “**ACPE Tranche 2 Series A CCPS**”) per Tranche 2 Series A cumulative compulsorily convertible participating preference share, for an aggregate subscription amount of INR 18,15,59,910 (Indian Rupees Eighteen Crores Fifteen Lakhs Fifty Nine Thousand Nine Hundred and Ten only) (the “**ACPE Additional Primary Investment Amount**”), to Amicus Capital Private Equity I LLP (“**ACPE**”); and
- (b) 52,686 (fifty two thousand six hundred and eighty six) equity shares of face value INR 10 (Indian Rupees Ten only) each at a premium of INR 200 per equity share (Indian Rupees Two Hundred only) (the “**ACPIF Tranche 2 Series A Equity Shares**”) and together with the ACPE Tranche 2 Series A Equity Shares, the “**Tranche 2 Series A Equity Shares**”; and 35,124 (thirty five thousand one hundred and twenty four) Tranche 2 Series A cumulative compulsorily convertible participating preference shares carrying a coupon of 0.1% (zero point one percent) per annum of face value INR 10 (Indian Rupees Ten only) each at a premium of INR 200 (Indian Rupees Two Hundred only) per Tranche 2 Series A cumulative compulsorily convertible participating preference share (“**ACPIF Tranche 2 Series A CCPS**” and together with the ACPE Tranche 2 Series A CCPS, the “**Tranche 2 Series A CCPS**”), for an aggregate subscription amount of INR 1,84,40,100 (Indian Rupees One Crore Eighty Four Lakhs Forty Thousand and One Hundred only) (the “**ACPIF Additional Primary Investment Amount**” and together with the ACPE Additional Primary Investment Amount, the “**Additional Primary Investment Amount**”), to Amicus Capital Partners India Fund I (together with ACPE, the “**Investors**”),
- on a private placement basis.

RESOLVED FURTHER THAT the Valuation Certificate dated 17th August, 2020 issued by M. B. Brahme & Co., Chartered Accountants, annexed hereto as **Annexure 3** is hereby perused.

RESOLVED FURTHER THAT the necessary filings with the statutory authorities, including but not limited to, the Registrar of Companies be made by the Company.

RESOLVED FURTHER THAT Mr. Sandeep Jawanjali, Executive Director (DIN: 01490054) and the Company Secretary of the Company (“**Authorised Representatives**”) be and are hereby severally authorized to:

- (a) issue the Private Placement Offer Letter to the Investors for and on behalf of the Company;
- (b) negotiate, finalise, execute, ratify or amend the Private Placement Offer Letter and to do all such acts, deeds and things as may be necessary or expedient to implement this resolution and to do and execute all acts and deeds as may be required in connection with the aforesaid;
- (c) open/designate a specific bank account with a nationalised bank for the purpose of receiving the Additional Primary Investment Amount;
- (d) to sign letters of undertaking, declarations, agreements, forms and other papers which may be required including without limitation with respect to the issuance of the Tranche 2 Series A CCPS and the Tranche 2 Series A Equity Shares in dematerialised form and generation of a separate ‘International Securities Identification Number’ as may be required in this regard; and

- (e) to sign and/or dispatch all forms, filings, documents and notices to be signed, submitted and/or dispatched by it under or in connection with the documents to which it is a party with any statutory authorities including but not limited to the Registrar of Companies and Reserve Bank of India and to take all such further steps as may be required to give effect to the aforesaid resolutions.

RESOLVED FURTHER THAT the Tranche 2 Series A CCPS once issued and allotted shall be convertible into equity shares of the Company of face value INR 10 (Indian Rupees Ten only) each, in one or more tranches and at the discretion of the Investors as per the provisions of **Annexure 2**, and the terms of the Transaction Documents, without any further approval of the shareholders prior to or at the time of conversion.

RESOLVED FURTHER THAT the equity shares to be issued on conversion of the Tranche 2 Series A CCPS shall rank *pari passu* in all respects with the existing fully paid-up equity shares of the Company of face value of INR 10 (Indian Rupees Ten only) each.

RESOLVED FURTHER THAT the aforesaid resolutions shall come into effect immediately and the board of directors of the Company be and is hereby also accorded the authority to furnish a certified copy of the foregoing resolutions to any person, as may be required, under the signature of the Authorised Representatives certifying the same to be a true and correct copy."

Registered Office:

Avinisha Tower,
Mehadia Chowk,
Dhantoli,
Nagpur- 440012.

By order of the Board of Directors
For Berar Finance Limited

Deepali Balpande
Company Secretary

Place: Nagpur

Date: 29.08.2020

Notes:

- i. In view of the outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated 5th May, 2020 read together with General Circular Nos. 14/2020 & 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively, (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") Circular No SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, permitted the holding of this AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the MCA & SEBI Circulars, the AGM of the Company is being held through VC/OAVM, without the physical presence of the Members at a common venue.

In accordance with the Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

- ii. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts in respect of the business under Item No. 4 to 8 above is annexed hereto. Further, the relevant details, pursuant to Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) by ICSI, with respect to Item No.3 and 5 is also annexed hereto.

The Board of Directors had conveyed Extra-ordinary General Meeting on 13th April, 2020 for considering the items at Sr. No.4 to 6 but could not be held due to Government guidance on public gathering on account of COVID-19 and was

postponed. Now the Board of Directors (The Board) has considered and decided to include these items as Special Business in this AGM as they are unavoidable in nature. Resolutions at item no. 7 and 8 are also unavoidable in nature.

- iii. M/S. Pravin Dhiran & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company at the Twenty-Ninth AGM held on 21st September, 2019. Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending Section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.

The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

- iv. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA AND SEBI CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.
- v. Corporate/Institutional Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM on their behalf and cast their votes through remote e-voting or at the AGM. Corporate/Institutional Members (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy of the Board Resolution/Authority Letter, etc., authorising their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting or during the AGM.

The said Resolution/Authorisation shall be sent to the Scrutinizer by email through its registered email address to cssunilzore@gmail.com with a copy marked to evoting@cdslindia.com and to the Company at deepali.balpande@berarfinance.com.

Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the AGM through VC/ OAVM and vote thereat.

- vi. In view of the massive outbreak of the COVID-19 pandemic, social distancing has to be a pre-requisite.
- Pursuant to the above mentioned MCA Circulars, physical attendance of the Members is not required at the AGM, and attendance of the Members through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- vii. The Company's Registrar and Transfer Agents for its Share Registry Work are M/s. Bigshare Services Pvt. Ltd., our Registrar & Share Transfer Agent (RTA) at 1st floor, Bharat Tin works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059 Ph.no. 022-62638200.
- viii. In line with the MCA General Circular dated 5th May, 2020 and SEBI Circular dated 12th May, 2020, the Notice of the AGM along with the Annual Report for the Financial Year 2019-2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ M/s. Bigshare Services Private Limited/ Depositories. A copy of the Notice of this AGM along with the Annual Report is available on the website of the Company at www.berarfinance.com, website of the Stock Exchange where the NCDs of the Company are listed, viz. BSE Limited at www.bseindia.com. For any communication, the Members may also send a request to the Company's email ID: deepali.balpande@berarfinance.com. The Company will not be dispatching physical copies of the Annual Report for the Financial Year 2019-2020 and the Notice of AGM to any Member.
- ix. Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, any amount transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to a fund called 'Investor Education and Protection Fund (IEPF)' set up by the Central Government. Accordingly, the unclaimed dividend amounts in respect of F.Y. from 2006-2007 to 2011-2012 were transferred by the Company to the said fund in the F.Y. from 2014-2015 to 2019-2020 respectively. No claim lies against the Company in respect of these dividend.

- x. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 21st September, 2019 (date of last AGM) on the website of the Company viz: <http://www.berarfinance.com> as well as on the website of the Ministry of Corporate affairs.
- xi. Due dates of transferring unclaimed and unpaid dividends declared by the Company for the Financial Year 2012-13 and thereafter to the IEPF are as under:

Financial year Ended	Date of declaration of dividend	Last date for claiming Unpaid/unclaimed dividend	Proposed period for transfer of unclaimed dividend to IEPF
31 st March, 2013	03.08.2013	01.09.2020	02.09.2020 to 01.10.2020
31 st March, 2014	23.08.2014	21.09.2021	22.09.2021 to 21.10.2021
31 st March, 2015	26.09.2015	25.10.2022	26.10.2022 to 24.11.2022
31 st March, 2016	27.08.2016	25.09.2023	26.09.2023 to 25.10.2023
31 st March, 2017	02.09.2017	01.10.2024	02.10.2024 to 31.10.2024
31 st March, 2018	08.09.2018	07.10.2025	08.10.2025 to 06.11.2025
31 st March, 2019	21.09.2019	20.10.2026	21.10.2026 to 19.11.2026

The Company urges all the Members to encash/ claim their respective dividend during the prescribed period. Members who have not encashed the dividend so far in respect of the aforesaid period(s), are requested to make their claim to the Company well in advance of the above due dates.

- xii. Pursuant to Section 124(6) of the Companies Act, 2013, as amended and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the IEPF Rules, 2016) and any further amendment thereof, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the IEPF Authority.

Accordingly, during F.Y. 2019-2020, the Company has transferred 1,750 equity shares of face value of Rs.10 each pertaining to 3 shareholders whose dividend has not been claimed for seven consecutive years or more to the demat account of the IEPF Authority.

In due compliance of the provisions of rule 6(3) of the IEPF Rules, the Company will send individual letters through speed post to all such members requesting them to claim the amount of unpaid dividend before the Company proceeds with the transfer of related shares to demat account of the IEPF Authority.

The Company will also be publishing notice in the Newspapers intimating the members of the said provisions and these details will be available on the Company's website www.berarfinance.com

As provided under the IEPF Rules, a member can claim such dividend and shares transferred to the Fund by the following procedure prescribed in the IEPF Rules which is available on the Company's website www.berarfinance.com.

- xiii. The Ministry of Corporate affairs by virtue of notification dated 10th September, 2018 has amended the Companies (Prospectus and Allotment of Securities) Rules, 2014. According to this notification;

Every holder of securities of an unlisted public company,

(a) who intends to transfer such securities on or after 2nd October, 2018, shall get such securities dematerialised before the transfer; or

(b) who subscribes to any securities of an unlisted public company (whether by way of private placement or bonus shares or rights offer) on or after 2nd October, 2018 shall ensure that all his existing securities are held in dematerialized form before such subscription.

To facilitate the shareholders of the Company to demat their shareholding in the Company, the Company has made admission of its securities on both Depositories namely Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). The Company has appointed M/s. Bigshare Services Pvt. Ltd., Mumbai as share Transfer Agent (RTA).

The members who are holding shares in Physical Form are requested to avail dematerialization facility. For further information, please refer to the FAQs posted by NSDL on its website www.nsdl.co.in and CDSL on its website www.cdslindia.com.

- xiv. Members can avail of the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014.

For the said purpose

1) Shareholders holding shares in electronic mode may approach their respective depository participants (DP)

And

2) Shareholders holding shares in physical mode can approach M/s. Bigshare Services Pvt. Ltd., our Registrar & Share Transfer Agent (RTA) at 1st floor, Bharat Tin works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059 ph.no. 022-62638200.

- xv. Members are requested to support the Green Initiative by registering / updating their e-mail addresses, with the Depository participants (in case shares held in dematerialized form) or with Big share Services Private Limited (in case shares held in physical form).

- xvi. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Nagpur-440012.

- a) Register of contracts or arrangements in which directors are interested under section 189 of the Act.
- b) Register of directors and key managerial personnel and their shareholding under section 170 of the Act.

In accordance with the MCA circulars, the said registers will be made accessible for inspection through electronic mode, and shall remain open and be accessible to any member during the continuance of the meeting.

- xvii. Relevant documents referred to in this Notice of AGM and Explanatory Statement, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. 28th September 2020. Members seeking to inspect such documents can send an email to deepali.balpande@berarfinance.com.

- xviii. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:

- a) Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant.
- b) Members holding shares in physical form may register their email address by informing the Company Secretary of the Company at her email id deepali.balpande@berarfinance.com.

Those Members who have already registered their email addresses are requested to keep their email addresses validated/updated with their DPs/ the Company to enable servicing of notices/documents/Annual Reports and other communications electronically to their email address in future.

- xix. The Board of Directors has appointed Mr. Sunil Purushottam Zore, Practicing Company Secretary (CP No.11837), having office at "A-wing, 202, Kolshet Road, Dhokali Naka, Cosmos Nest, Thane(W)– 400 607" and at "Block No.98,Wing III, Rajat Sankul, Baidyanath Square,Nagpur-440024" as the Scrutinizer for conducting E-Voting process(both remote e-voting as well as e-voting during the AGM) in a fair and transparent manner.

- xx. It may be noted that the remote e-voting facility is optional. The remote e-voting facility will be available at the link www.evotingindia.com during the following voting period:

The remote e-voting would commence on Thursday, the 24th September 2020 (9:00 A.M.) and end on Sunday, the 27th September 2020 (5:00 P.M.).

- xxi. During the above period, shareholders of the Company as on the cut-off date of 21st September 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on 27th September 2020. Once the vote on a resolution is cast by the shareholder, the shareholder cannot change it subsequently.

- xxii. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on Monday, 21st September, 2020. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date (21st September, 2020) only shall be entitled to avail the facility of remote e-voting / e-voting at the time of the meeting.

The facility for voting through electronic voting system shall also be made available at the time of the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

- xxiii. Notice is being sent to all the shareholders whose names appear on the Register of Members in the Register of Beneficial Owners maintained by the Depositories as at the close of business hours on Wednesday, 2nd September, 2020 and who have registered their email IDs with the Company/Depositories.
Any person, who acquires shares of the Company and becomes a member after dispatch of the Notice, but holds shares as on the cut-off date for remote e-voting i.e. Monday, 21st September, 2020 may obtain the login Id and password by sending a request to helpdesk.evoting@cdslindia.com or contact our Registrar & Share Transfer Agent at their address mentioned at point xiv.
- xxiv. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- xxv. Members can opt for only one mode of voting, i.e., either by remote-evoting or e-voting during the meeting. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through e-voting during the meeting shall be treated as invalid.
- xxvi. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") who shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/ OAVM facility and e-voting during the AGM. The procedures and instructions for 'remote e-voting', 'attending the meeting' and 'e-voting at the meeting'. Issued by CDSL, are furnished as part of this Notice.
- xxvii. The Scrutinizer will submit his report to the Company after completion of the scrutiny and the results of the remote e-voting / e-voting during the AGM, will be announced by the Company on its website – www.berarfinance.com within 48 hours of the conclusion of the AGM.
- xxviii. The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company to record additional details of Members, including their PAN details, email address, Aadhar Card Number etc. Members are requested to submit their details and changes therein;
a) In case shares held in Demat Form, to their respective depository participant
b) In case shares held in physical form, the member can approach the Company's RTA M/s. Big share Services Pvt. Ltd., our Registrar & Share Transfer Agent at 1st floor, Bharat Tin works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059 ph.no. 022-62638200.
- xxix. Pursuant to Finance Act 2020, dividend income will be taxable at the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from the dividend paid at the prescribed rates, if the dividend amount exceeds ₹ 5,000/-. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to deepali.balpande@berarfinance.com by Thursday, 10th September, 2020. Shareholders are requested to note that in case their PAN is not registered, tax will be deducted at a higher rate of 20%.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

SPECIAL BUSINESS

Resolution at Item No. 4:

Pursuant to the share subscription agreement dated December 20, 2019 entered into among Amicus Capital Private Equity I LLP (“**ACPE**”), Amicus Capital Partners India Fund I (“**ACPIF**” and together with ACPE, the “**Investors**”), the Company, Mr. Maroti Jawanjar, Mr. Sandeep Jawanjar, Maroti Jawanjar (HUF), Sandeep Jawanjar (HUF), Mrs. Jyoti Jawanjar, Mrs. Bakul Jawanjar and Avino Capcons Private Limited (“**Avino**” and such parties, together, the “**Transaction Parties**” and such agreement, the “**SSA**”) and the shareholders’ agreement dated December 20, 2019 entered into among the Transaction Parties (the “**SHA**” and together with the SSA, the “**Transaction Documents**”), the Investors propose to invest upto INR 50,00,00,000 (Indian Rupees Fifty Crores only) or such amount as mutually decided between the Transaction Parties in the Company. In terms of the Transaction Documents, the Company is required to substitute the existing Articles of Association of the Company with the revised Articles of Association of the Company.

The Revised Articles incorporate certain terms of the Transaction Documents and are in consonance with the provisions of the Companies Act, 2013.

The provisions of the Companies Act, 2013 (including any statutory modifications(s) or re-enactment thereof, for the time being in force) require the Company to seek the approval of the members of the Company by way of a special resolution for amending and re-stating its Articles of Association by way of substitution of its existing Articles of Association with the Revised Articles. Further, in terms of Section 5(3) read with Section 5(4) of the Companies Act, 2013, the Company may, by passing a special resolution, include entrenchment provisions in its Article of Association. Accordingly, the entrenchment provisions contained in the Revised Articles need to be approved by its members by way of a special resolution.

This item was a part of notice of the Extra-Ordinary General Meeting (EGM) of the Company scheduled to be held on 13th April, 2020 but due to COVID -19, the said EGM was postponed and now the Board recommends to consider this item at this ensuing AGM.

A copy of the Revised Articles of Association of the Company is annexed to this Notice as Annexure 1 and also available for inspection by the members through electronic mode.

None of the directors and key managerial personnel of the Company including their relatives are concerned or interested, directly or indirectly, financially or otherwise, in the resolution set out at Item No. 4, except to the extent of their shareholding in the Company.

In view of the above, the board of directors of the Company (the “**Board**”) recommends passing of the resolution set out as Item No. 4 as a **Special Resolution**.

Resolution at Item No. 5:

Pursuant to the terms of the Transaction Documents and the recommendation made by the Nomination and Remuneration Committee of the Company in its meeting dated February 20, 2020, Mr. Mahesh Parasuraman holding DIN 00233782 (the “**Investor Director**”), has been appointed as an Additional Director of the Company at the meeting of the Board, held on February 20, 2020 in accordance with the provisions of Section 161 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and relevant rules framed thereunder read with the applicable provisions of the Articles of Association of the Company.

The Investor Director has been appointed as an Additional Director of the Company and is entitled to hold office up to the date of ensuing Annual General Meeting of the Company or the last date on which the Annual General Meeting of the Company should have been held, whichever is earlier. The Nomination and Remuneration Committee of the Company at its meeting dated February 20, 2020 had recommended to regularize the appointment of the Investor Director as a Director of the Company liable to retire by rotation, at the Extra-ordinary General Meeting of the Company (EGM) or the Annual General Meeting of the Company, whichever is earlier.

This item was a part of notice of the Extra-Ordinary General Meeting (EGM) of the Company scheduled to be held on 13th April, 2020 but due to COVID -19, the said EGM was postponed and now the Board recommends to consider this item at this ensuing AGM.

The Investor Director holds a valid DIN as per Section 154 of Companies Act, 2013 and further is not disqualified as per Section 164 of Companies Act, 2013. Additionally, the Company has received his consent to act as a Director of the Company in Form DIR- 2 along with other requisite documents required for his appointment as a Director. Accordingly, the Board recommends this resolution for the appointment of the Investor Director, who has been appointed as an Additional Director of the Company, as a Director of the Company liable to retire by rotation, for the approval by the shareholders of the Company.

In terms of SS-2 –Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 (revised version effective from October 1, 2017), a brief profile of the Investor Director, including names of companies in which he holds directorships and memberships/chairmanships of committees of the board of directors of other companies, is provided below:

S. No.	Nature of Information	Particulars
1.	Name of the Director	Mr. Mahesh Parasuraman
2.	Director Information Number (DIN)	00233782
3.	Date of Birth	November 19, 1975
4.	Date of Appointment on the Board	February 20, 2020
5.	Terms and Conditions of Appointment	Mr. Mahesh Parasuraman has been appointed pursuant to the terms of the Transaction Documents. He shall be a Non-Executive Director on the Board and be liable to retire by rotation.
6.	Details of Remuneration	Mr. Mahesh Parasuraman shall be entitled to all rights and privileges of other Non-Executive Directors and to the sitting fees and expenses as well as all reasonable out-of-pocket-expenses (including travel, boarding and lodging expenses) for attending any shareholders' meeting or Board meeting of the Company or a meeting of the board of directors of subsidiaries of the Company (if any) and any other reasonable expenses incurred by him in the course of fulfilling his duties and obligations as a Director of the Company and/or a director of the subsidiaries of the Company (if appointed) in terms of the policy of the Company.
7.	Number of Shares held in the Company and the Shareholding in the Company	Mr. Mahesh Parasuraman does not hold any shares directly in the Company. Mr. Mahesh Parasuraman is a Designated Partner and Sponsor of ACPE and is a Sponsor of ACPIF. ACPE holds 997,778 equity shares of the Company and 498,889 cumulative compulsorily convertible participating preference shares of the Company, aggregating to 12.25% of the total share capital of the Company on a fully diluted basis. ACPIF holds 113,333 equity shares of the Company and 56,667 cumulative compulsorily convertible participating preference shares of the Company, aggregating to 1.39% of the total share capital of the Company on a fully diluted basis.
8.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil.
9.	Qualifications	Mr. Mahesh Parasuraman is an associate member of the Institute of Chartered Accountants of India (membership no. 212433). He is a qualified Cost Accountant (Grad CWA) and holds a Bachelor's Degree in Commerce (B.Com) from Bangalore University.
10.	Experience	<p>Prior to co-founding Amicus Capital in 2015, Mahesh was a Managing Director in the Asia Growth Capital team of The Carlyle Group based in Mumbai. During his ten plus years at Carlyle, Mahesh led investments across sectors such as technology, financial services and consumer.</p> <p>Before joining Carlyle, Mahesh worked for EY in their Corporate Finance Team for four years where he was closely involved in M&A engagements in the technology sector.</p> <p>Mahesh also worked for Arthur Andersen in their Tax and Business Advisory Group for four years.</p>
11.	Number of meetings of the Board attended/held	Mr. Mahesh Parasuraman has been appointed as an Additional Director of the Company pursuant to a meeting of the Board dated February 20, 2020. He has not attended/been part of any other meeting of the Board.
12.	Directorship held in other companies as on 31.03.2020	<p>As on March 31, 2020, Mr. Mahesh Parasuraman holds directorship in the following companies:</p> <ul style="list-style-type: none"> (a) AAUM Investment Advisers Private Limited; (b) D2C Consulting Services Private Limited; (c) D2C Insurance Broking Private Limited; (d) Capital Small Finance Bank Limited; and (e) Wonderchef Home Appliances Private Limited.
13.	Chairmanship/Membership of the committees of the board of directors of other companies as on 31.03.2020	<p>As on March 31, 2020 Mr. Mahesh Parasuraman holds chairmanship/ membership of the committees of the board of directors of the following companies:</p> <ul style="list-style-type: none"> * Audit Committee of Wonderchef Home Appliances Private Limited; and-

		* Compensation Committee of Wonderchef Home Appliances Private Limited.
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Other than the Investor Director, none of the directors and key managerial personnel of the Company including their relatives are concerned or interested, directly or indirectly, financially or otherwise, in the resolution set out at Item No. 5, except to the extent of their shareholding in the Company.

In view of the above, the Board recommends passing of the resolution set out as Item No. 5 as an **Ordinary Resolution**.

Resolution at Item No. 6:

Pursuant to the share subscription agreement dated December 20, 2019 entered into among Transaction Parties and the shareholders agreement dated December 20, 2019 entered into among the Transaction Parties, the Company is required to revise the terms and conditions of employment agreement dated March 21, 2016 of Mr. Sandeep Jawanjali (DIN:01490054) Executive Director of the Company

Pursuant to the recommendation of the Nomination and Remuneration Committee of the Company at its meeting dated February 20, 2020 and the approval of the Board at its meeting held on February 20, 2020, the terms and conditions of employment agreement dated March 21, 2016 with respect to Mr. Sandeep Marotrao Jawanjali (DIN:01490054) Executive Director(Whole-time Director) of the Company (the "Employee") have been revised for the remainder of his term as Executive Director(Whole-time Director) of the Company and any further period there from subject to the approval of the shareholders of the Company at duly convened meeting of the shareholders pursuant to the Revised Employment Agreement dated February 20, 2020 (the "Revised Employment Agreement"). This revision was subject to approval by the shareholders of the Company at the Extraordinary General Meeting (EGM) scheduled to be held on 13th April, 2020 but due to COVID- 19 ,the said meeting was postponed and hence Board has now recommended to consider this item at this ensuing AGM.

The summary of the key terms as contained in the Revised Employment Agreement are reproduced below:

1. Duties and Responsibilities of Employee

- 1.1 The Employee shall be in full-time employment of the Company and shall devote his whole time and all his attention and skill to the duties of his office and shall faithfully and diligently perform such duties in relation to the Business as may from time to time be assigned to him by the Board or any Person who has been authorized in this regard by the Board.
- 1.2 The Employee hereby agrees and undertakes to employ the best of his skills and abilities to promote the interest and welfare of the Company and shall not utilize or divulge any of the Company's trade secrets to any persons, during or after his Association.
- 1.3 The Employee shall report to the Board and shall have and exercise all the powers and authorities that are consistent with his role as the Executive Director subject to the supervision, control and direction of the Board. The Employee shall operate in accordance with the directions given by the Board and shall report to the Board at regularly scheduled meetings of the Board on at least a quarterly basis each calendar year regarding the Company's progress in achieving the goals set forth in the most current Business Plan and on such matters as the Board may require him to report, in his capacity as the Executive Director.
- 1.4 The Employee will forthwith on receipt of written instructions from the Board, cease to perform and/or exercise any of the duties, powers and/or responsibilities delegated to him by the Board.
- 1.5 The Employee shall, both during and after termination of his appointment, maintain strict confidentiality with respect to third parties as to all Confidential Information received or prepared by him during the Term, irrespective of how he has obtained such Confidential Information. All notes, memoranda, records and writings made by or made available by the Company to the Employee relating to the Business shall be and remain the exclusive property of the Company and shall be handed over by him to the Board from time to time on demand and in any event upon the expiry of the Term or termination of this Agreement.
- 1.6 The Employee shall not at any time make any untrue or misleading statement in relation to the Company. After the expiry or termination of his employment hereunder, he shall not represent himself as being directly or indirectly employed by the Company or connected with (except as a Shareholder and a Board member of the Company, if applicable) the Company.
- 1.7 The remuneration payable to the Employee as stated in this Agreement shall be deemed to include valuable consideration in respect of the non-competition and non-solicitation covenant and undertaking given by the Employee as stated in this Agreement and the Employee hereby acknowledges and admits the adequacy and sufficiency of such consideration.
- 1.8 Notwithstanding anything provided in this Agreement, the Employee shall not, during the Term, carry on any business or occupation for compensation or otherwise, or devote any part of his time in any capacity in the service of, or be employed by any firm, company or Person other than the Company.
- 1.9 The Employee shall at all times perform all of his obligations under this Agreement and shall on a best efforts basis cause the other employees of the Company to perform their obligations in strict conformity with applicable Law and the Policies. Notwithstanding the generality of the foregoing, the Employee shall at all times comply with the Anticorruption Laws and the Policies and shall cause the other employees of the Company to perform their obligations in strict conformity with the Anticorruption Laws and the Policies.

- 1.10 The Employee shall, in addition to **paragraphs 1.1 to 1.9**, have the specific powers, authority, duties and responsibilities as per **paragraph 2** which be altered in the sole discretion of the Board.

2. Powers, Authorities, Duties and Responsibilities of the Employee

A. Key Responsibility:

- (a) Managing the operations of the Company and achieving the targets of the Company as per the Business Plan; and
- (b) Providing leadership to the organization, ensure a robust organizational structure and development of the teams at all levels.

B. Duties and responsibilities of the Employee include:

- (a) Preparation of strategies of the Business in consultation with the Board to meet the Business Plan;
- (b) Building and appointing a core team of professionals in the Company to support the Business and manage the operations, business and delivery quality of the Company;
- (c) Setting up infrastructure for the Business;
- (d) Providing assistance for the day-to-day management of all logistics, infrastructure, back-end, call-center, service back-up and support to the Company, subject to the direction, control and superintendence of the Board; and
- (e) Subject to the provisions of this Agreement, complying with all obligations and responsibilities as laid down by the Board from time to time that are not obligations/responsibilities as stated in B(a) to (e).

- 3. The remuneration and compensation payable to the Employee shall not change pursuant to the Revised Employment Agreement.
- 4. The Employee shall also be subject to confidentiality, non-compete and non-solicit obligations in terms of the Revised Employment Agreement.

Capitalised terms used in **paragraphs 1-4** but not defined therein shall have the meaning assigned to such term in the Revised Employment Agreement.

A copy of the Revised Employment Agreement is available for inspection through electronic mode upto and including the date of AGM. The Board recommends passing of the resolution set out in Item no.6 of the accompanying Notice as an Ordinary Resolution.

Except Mr. Maroti Gendaru Jawanjar, Mr.Sandeep Marotrao Jawanjal and their relatives, none of the other Directors and their relatives are concerned or interested financially or otherwise in this resolution set out in Item no.6.

Resolution at Item No. 7:

Resolution at item no. 7 is a "**Matter Pertaining to Fundamental Issues**" as per the SHA (*defined below*), as amended.

A share subscription agreement, as amended dated December 20, 2019 has been entered into among Amicus Capital Private Equity I LLP ("**ACPE**"), Amicus Capital Partners India Fund I ("**ACPIF**" and together with ACPE, the "**Investors**"), Berar Finance Limited (the "**Company**"), Mr. Maroti Jawanjar, Mr. Sandeep Jawanjal, Maroti Jawanjar (HUF), Sandeep Jawanjal (HUF), Mrs. Jyoti Jawanjar, Mrs. Bakul Jawanjal and Avino Capcons Private Limited (together, the "**Transaction Parties**" and such agreement, the "**SSA**"); and (b) a shareholders' agreement, as amended dated December 20, 2019 has been entered into among the Transaction Parties (the "**SHA**" and together with the SSA, the "**Transaction Documents**").

Pursuant to the terms of the Transaction Documents, the Investors have on February 20, 2020 invested an aggregate amount of INR 30,00,00,060 (Indian Rupees Thirty Crores and Sixty only) in the Company by way of subscription to 11,11,111 (eleven lakhs eleven thousand one hundred and eleven only) equity shares of face value INR 10 (Indian Rupees Ten only) each (the "**Tranche 1 Series A Equity Shares**") and 5,55,556 (five lakhs fifty five thousand five hundred and fifty six) cumulative compulsorily convertible participating preference shares carrying a coupon of 0.1% (zero point one percent) per annum of face value INR 10 (Indian Rupees Ten only) each (the "**Tranche 1 Series A CCPS**").

In terms of the Transaction Documents, as amended, the Investors are desirous of making an additional investment in the Company and in this regard the Company proposes to issue:

- (a) 5,18,742 (five lakhs eighteen thousand seven hundred and forty two) equity shares of face value INR 10 (Indian Rupees Ten only) each at a premium of INR 200 (Indian Rupees Two Hundred only) per equity share (the "**ACPE Tranche 2 Series A Equity Shares**");

and 345,829 (three lakhs forty five thousand eight hundred and twenty nine) Tranche 2 Series A cumulative compulsorily convertible participating preference shares carrying a coupon of 0.1% (zero point one percent) per annum of face value INR 10 (Indian Rupees Ten only) each at a premium of INR 200 (Indian Rupees Two Hundred only) per Tranche 2 Series A cumulative compulsorily convertible participating preference share ("**ACPE Tranche 2 Series A CCPS**"), for an aggregate subscription amount of INR 18,15,59,910 (Indian Rupees Eighteen Crores Fifteen Lakhs Fifty Nine Thousand Nine Hundred and Ten only) (the "**ACPE Additional Primary Investment Amount**"), to ACPE; and

- (b) 52,686 (fifty two thousand six hundred and eighty six) equity shares of face value INR 10 each (Indian Rupees Ten only) each at a premium of INR 200 (Indian Rupees Two Hundred only) per equity share (the "**ACPIF Tranche 2 Series A Equity Shares**") and together with the ACPE Tranche 2 Series A Equity Shares, the "**Tranche 2 Series A Equity Shares**"; and 35,124 (thirty five thousand one hundred and twenty four) Tranche 2 Series A cumulative compulsorily convertible participating preference shares carrying a coupon of 0.1% (zero point one percent) per annum of face value INR 10 each (Indian Rupees Ten only) each at a premium of INR 200 (Indian Rupees Two Hundred only) per Tranche 2 Series A cumulative compulsorily convertible participating preference share ("**ACPIF Tranche 2 Series A CCPS**" and together with the ACPE Tranche 2 Series A CCPS, the "**Tranche 2 Series A CCPS**"), for an aggregate subscription amount of INR 1,84,40,100 (Indian Rupees One Crore Eighty Four Lakhs Forty Thousand and One Hundred only) (the "**ACPIF Additional Primary Investment Amount**" and together with the ACPE Additional Primary Investment Amount, the "**Additional Primary Investment Amount**"), to ACPIF,

on a private placement basis (the "**Proposed Transaction**").

The terms applicable to the Tranche 1 Series A Equity Shares and the Tranche 2 Series A Equity Shares will be identical and the terms applicable to the Tranche 1 Series A CCPS and the Tranche 2 Series A CCPS will be distinct on account of the distinct 'Conversion Ratios' applicable to Tranche 1 Series A CCPS and the Tranche 2 Series A CCPS, respectively, as set out in **Annexure 2**.

Pursuant to Section 55 of the Companies Act, 2013 read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 (the "**SCD Rules**"), the Company is required to specifically authorize an issuance of preference shares by way of a special resolution. Given that the Company intends to issue the Tranche 2 Series A CCPS to the Investors, the Members of the Company are required to authorize the issuance of such preference shares. In this regard, set out below is the information required to be provided by the Company in the notice and explanatory statement of the shareholders meeting in accordance with Rule 9 of the SCD Rules:

1. Size of issue and number of preference shares to be issued and the nominal value of each share: 3,80,953 (three lakhs eighty thousand nine hundred and fifty three only) fully paid up Tranche 2 Series A cumulative compulsorily convertible participating preference shares of face value Rs.10 (Indian Rupees Ten only) each.
2. Nature of shares: Each Tranche 2 Series A CCPS shall be a cumulative compulsorily convertible participating preference share carrying a coupon of 0.1% (zero point one percent) per annum of face value.
3. Objectives of the issues: The Company shall utilize the proceeds from the issue for expansion of its business and to improve its Capital Adequacy Ratio.
4. Manner of issue of shares: Private Placement.
5. The price at which such shares are proposed to be issued: INR. 210 (Indian Rupees Two Hundred and Ten only) each including a premium of INR 200 (Indian Rupees Two Hundred only) each.
6. Basis on which the price has been arrived at: As set out in the valuation certificate enclosed as **Annexure 3**.
7. Terms of Issue including terms and rate of dividend on each share, etc.: As provided under **Annexure 2** and the Transaction Documents.

8. Terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion: As provided under **Annexure 2** and the Transaction Documents.
9. Manner and modes of redemption: As provided under **Annexure 2**.
10. Current Shareholding Pattern of the Company: As provided under **Annexure 4**.
11. Expected Dilution in equity share capital upon conversion of preference shares: As provided under **Annexure 2**.

Interest of the Directors and KMP: Mr. Mahesh Parasuraman, who is a director on the board of directors of the Company is also a designated partner of ACPE, which proposes to subscribe to ACPE Tranche 2 Series A CCPS, and a Sponsor of ACPIF, which proposes to subscribe to ACPIF Tranche 2 Series A CCPS. Accordingly, he is interested in this resolution. Except Mr. Mahesh Parasuraman, none of the other directors, Key Managerial Personnel (KMP) of the Company and their relatives are interested in this resolution except to the extent of their shareholding in the Company.

In view of above, the board of directors of the Company recommends the passing of the resolution set out at Item No. 7 as a Special Resolution.

Resolution at Item No. 8:

Resolution at item no. 8 is a "**Matter Pertaining to Fundamental Issues**" as per the SHA, as amended.

In addition to the issuance of Tranche 2 Series A CCPS to the Investors (referred in S No. 7 above), the Company is also proposing to issue the Tranche 2 Series A Equity Shares to the Investors. Both the Tranche 2 Series A CCPS and the Tranche 2 Series A Equity Shares are proposed to be issued under Section 42 of the Companies Act, 2013 read with Section 62(1)(c) of the Companies Act, 2013 read with all applicable rules framed thereunder. Accordingly, the consent of the shareholders by way of special resolution is being sought pursuant to the provisions of Section 42 of the Companies Act, 2013 read with Section 62(1)(c) of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 for the issuance of the Tranche 2 Series A CCPS as well as the Tranche 2 Series A Equity Shares on a private placement basis. The Members of the Company are, therefore, requested to accord their approval for the board of directors of the Company to issue the Tranche 2 Series A CCPS and Tranche 2 Series A Equity Shares to the Investors on a private placement basis.

In terms of Section 42 of the Companies Act, 2013 read with Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "**PAS Rules**") and Section 62(1)(c) of the Companies Act, 2013 read with Rule 13(2)(d) of the SCD Rules, please see below the details required to be disclosed in the explanatory statement of a shareholders meeting with respect to the proposed issuance of the Tranche 2 Series A CCPS and the Tranche 2 Series A Equity Shares to the Investors, on a private placement basis:

I. Details as required under Section 62(1)(c) of the Act read with Rule 13(2)(d) of the SCD Rules:

S. No	Subject	Particulars
1.	The objects of the issue	The Company shall utilize the proceeds from the issue for expansion of its business and to improve its Capital Adequacy Ratio.
2.	The total number of shares or other securities to be issued	5,71,428 (five lakhs seventy one thousand four hundred and twenty eight) equity shares of INR 10 (Indian Rupees Ten only) each and 380,953 (three lakhs eighty thousand nine hundred and fifty three) Tranche 2 Series A cumulative compulsorily convertible participating preference shares of INR 10 (Indian Rupees Ten only) each.
3.	The price or price band at/within which the allotment is proposed	<u>Tranche 2 Series A CCPS:</u> INR 210 (Indian Rupees Two Hundred and Ten only) each including a premium of INR 200 (Indian Rupees Two Hundred only) each; and

		<u>Tranche 2 Series A Equity Shares</u> : INR 210 (Indian Rupees Two Hundred and Ten only) each including a premium of INR 200 (Indian Rupees Two Hundred only) each.
4.	Basis on which the price has been arrived at along with report of the registered valuer	Please see enclosed the valuation certificate dated 17 th August, 2020 issued by M. B. Brahme & Co., Chartered Accountants, annexed hereto as Annexure3 .
5.	Name and address of the valuer	M. B. Brahme & Co. Chartered Accountants, 901, Great Eastern Heights, Marve Road, Malad (W), Mumbai- 400 064.
6.	Relevant date with reference to which the price has been arrived at	30 th June, 2020. The Tranche 2 Series A CCPS shall be convertible in the manner set out in Annexure 2 .
7.	The class or classes of persons to whom the allotment is proposed to be made	Amicus Capital Private Equity I LLP ("ACPE") , <i>non-promoter, financial investor (SEBI registered Category II AIF)</i> . Amicus Capital Partners India Fund I ("ACPIF") , <i>non-promoter, financial investor (SEBI registered Category II AIF)</i> .
8.	Intention of promoters, directors or key managerial personnel to subscribe to the offer	Nil.
9.	The proposed time within which the allotment shall be completed	Before November 30, 2020.
10.	The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them.	1. <u>Amicus Capital Private Equity I LLP</u> : 17.66% (seventeen point six six percent) on a fully diluted basis; and 2. <u>Amicus Capital Partners India Fund I</u> : 1.93% (one point nine three percent) on a fully diluted basis.
11.	The change in control, if any, in the company that would occur consequent to the preferential offer.	There is no change of control pursuant to the issuance and subscription of the Tranche 2 Series A Equity Shares and Tranche 2 Series A CCPS. The Promoters of the Company will continue to be in control of the Company.
12.	The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price	2 (two). 1. The Company has issued and allotted 9,97,778 (nine lakhs ninety seven thousand seven hundred and seventy eight) equity shares of face value INR 10 (Indian Rupees Ten only) each at a premium of INR 170 and 4,98,889 (four lakhs ninety eight thousand eight hundred and eighty nine) cumulative compulsorily convertible participating preference shares carrying a coupon of 0.1% per annum of face value INR 10 (Indian Rupees Ten only) each at a premium of INR 170 (Indian Rupees One Hundred Seventy only) to ACPE on February 20, 2020.

		2. The Company has issued and allotted 1,13,333 (one lakh thirteen thousand three hundred and thirty three) equity shares of face value INR 10 (Indian Rupees Ten only) each at a premium of INR 170 (Indian Rupees One Hundred Seventy only) and 56,667 (fifty six thousand six hundred and sixty seven) cumulative compulsorily convertible participating preference shares carrying a coupon of 0.1% (zero point one percent) per annum of face value INR 10 (Indian Rupees Ten only) each at a premium of INR 170 (Indian Rupees One Hundred Seventy only) to ACPIF on February 20, 2020.
13.	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not applicable.
14.	The pre-issue and post-issue shareholding pattern of the Company shall be as follows	Please refer to enclosed Annexure 5 .

II. Details as required under Section 42 read with Rule 14(1) of the PAS Rules:

S. No	Subject	Particulars
1.	Particulars of offer including the date of board resolution	The offer is a private placement of the Tranche 2 Series A Equity Shares and the Tranche 2 Series A CCPS in accordance with the terms as set out in Table I above and Table II herein. The date of the board meeting approving the issuance is 29 th August, 2020.
2.	Kinds of securities offered and price at which securities are being offered	Please see S. No. 2 of Table I above.
3.	Basis or justification for the price (including premium, if any) at which the offer or invitation is being made;	Please see enclosed the valuation certificate dated 17 th August, 2020 issued by M. B. Brahme & Co., Chartered Accountants, annexed hereto as Annexure 3
4.	Name and address of the valuer	Please see S. No. 5 of Table I above.
5.	Amount which the Company intends to raise by way of such securities	INR 200,000,010 (Indian Rupees Twenty Crores and Ten only)
6.	Material terms of raising such securities.	The terms of the Tranche 2 Series A CCPS are set out in Annexure 2 . The Tranche 2 Series A Equity Shares will have the same characteristics as an ordinary share of the Company.
7.	Proposed time schedule for which the offer letter is valid.	Within 90 days from the date of passing resolution by the shareholders.
8.	Purposes or objects of offer.	Please see S. No. 1 of Table I above.
9.	Contribution being made by the promoters or directors either as part	Nil.

	of the offer or separately in furtherance of objects;	
10.	The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations	Nil.
11.	Principal terms of assets charged as securities	Not Applicable.

Interest of the Directors and KMP: Mr. Mahesh Parasuraman, who is a director on the board of directors of the Company is also a designated partner of ACPE, which proposes to subscribe to ACPE Tranche 2 Series A CCPS and the ACPE Tranche 2 Series A Equity Shares, and a Sponsor of ACPIF, which proposes to subscribe to ACPIF Tranche 2 Series A CCPS and the ACPIF Tranche 2 Series A Equity Shares. Accordingly, he is interested in this resolution. Except Mr. Mahesh Parasuraman, none of the other directors, Key Managerial Personnel (KMP) of the Company and their relatives are interested in this resolution except to the extent of their shareholding in the Company.

In view of above, the board of directors of the Company recommends the passing of the resolution set out at Item No. 8 as a Special Resolution.

Information regarding Resolution at Item No.3 on Director being re-appointed as required under Secretarial Standard-2 on General Meetings:

Name of the Director	Mr. Shantaram Krishnarao Mahakalkar
DIN	00379988
Date of Birth	04.07.1953
Date of Appointment on the Board	25.09.2002
Number of shares held in the Company	29,900
Relationship with Directors	None
Qualification	M.Com
Experience	33 years of experience in academics
Number of meetings of the Board attended/held	7/8
Directorship held in other Public companies (excluding Foreign companies and Government Bodies) as on 31.03.2020	Nil
Chairman /Member of the Committee of the Board of Directors of the Company as on 31.03.2020	Risk Management Committee & Asset Liability Management Committee: Member Stakeholder Relationship Committee: Chairman

PROCEDURES / INSTRUCTIONS

CDSL E-Voting System – For Remote E-Voting and E-Voting during AGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/ OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

MEMBERS INSTRUCTIONS FOR E-VOTING

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.berarfinance.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

A) THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on Thursday, 24th September, 2020 (9:00 A.M.) and ends on Sunday, 27th September, 2020 (5:00 P.M.) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 21st September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.

(v) Now enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e- voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

	For Shareholders holding shares in Demat Form and Physical Form
PAN	<ul style="list-style-type: none">• Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none">• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on “SUBMIT” tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; deepali.balpande@berarfinance.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self- attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to deepali.balpande@berarfinance.com.
2. For Demat shareholders, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to deepali.balpande@berarfinance.com.
3. The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

B) INSTRUCTIONS FOR THE MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS FOLLOWS:

1. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through laptops / IPads for better experience.
3. Further shareholders will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at deepali.balpande@berarfinance.com from 22nd September, 2020 (9:00 A.M. IST) to 24th September, 2020 (5:00 P.M. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Members who do not wish to speak during the AGM but have queries, may send their queries by e-mail to deepali.balpande@berarfinance.com mentioning their name, DP ID and Client ID/folio number, PAN, mobile number from 22nd September, 2020 (9:00 A.M. IST) to 24th September, 2020 (5:00 P.M. IST). These queries will be replied to by the Company suitably by email.

C) INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

ANNEXURE 1
ARTICLES OF ASSOCIATION
COMPANIES ACT, 2013
ARTICLES OF ASSOCIATION OF
BERAR FINANCE LIMITED

The Articles of Association of the Company is divided in two parts i.e. Part A and Part B. The provisions of **Part A** shall apply to all matters to which they pertain, to the extent, and only insofar as they are not inconsistent with the provisions of **Part B**. Notwithstanding anything contained in these Articles, in the event of any conflict or inconsistency between the provisions of Articles contained in Part A and Part B, the provisions of the Articles contained in Part B shall override and prevail over the provisions of the Articles contained in Part A.

The provisions of Articles 1 to 18(both inclusive) of Part B of these Articles shall have effect notwithstanding anything contained in any other provision of these Articles.

PART – A

1. The regulations contained in Table 'F' of Schedule I to the Companies Act, 2013 shall apply to the Company so far as are applicable to public companies except so far as they have been impliedly or expressly modified by what is contained in these Articles. In the event of a conflict between the regulations contained in Table 'F' of Schedule I to the Companies Act, 2013 and these Articles, the provisions contained in these Articles shall prevail.

I. Definitions

2. In Part A of these Articles—
- (i) “**Act**” means the Companies Act, 2013;
 - (ii) “**Article**” or “**Articles**” means the Articles of Association of the Company, as altered or amended from time to time;
 - (iii) “**Board**” means the board of Directors;
 - (iv) “**Company**” means Berar Finance Limited;
 - (v) “**Director(s)**” means a director of the Company; and
 - (vi) “**Seal**” means common seal of the Company.
3. Unless the context otherwise requires, 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 Articles become binding on the Company.

II. Share capital and variation of rights

4. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
- 5.
- (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 percent 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.
- 6.
- (i) Subject to the provisions of Part B of these Articles, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
 - (ii) To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least 2 (two) persons holding at least one-third of the issued shares of the class in question, subject to the provisions of Part B of these Articles.
7. Subject to the provisions of Part B of these Articles, 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.
8. 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.

III. Lien

- 9.
- (i) The Company shall have a first and paramount lien—
 - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.
 - (ii) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
10. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made—
- (i) unless a sum in respect of which the lien exists is presently payable; or
 - (ii) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- 11.
- (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
 - (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
 - (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 12.
- (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
 - (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

IV. Share Certificate

13. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided:
- (i) One certificate for all his shares without payment of any charges; or
 - (ii) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
14. Every certificate shall be under the Seal and shall specify the shares to which it relates, and the amount paid-up there on and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary:
- Provided that in case the company has a Seal it shall be affixed in the presence of the persons required to sign the certificate.
15. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

V. Duplicate Share Certificates

16. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
17. The provisions of Articles 13, 14, 15 and 16 shall *mutatis mutandis* apply to debentures of the Company.
18. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

VI. Calls on shares

- 19.
- (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

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

- (ii) Each member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
 - (iii) A call may be revoked or postponed at the discretion of the Board.
20. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
21. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 22.
- (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten percent per annum or at such lower rate, if any, as the Board may determine.
 - (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- 23.
- (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
 - (ii) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
24. The Board—
- (i) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
 - (ii) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 12% (twelve percent) per annum, as may be agreed upon between the Board and the member paying the sum in advance.

VII. Transfer of shares

25. Subject to the provisions of Part B of these Articles:
- (i) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee
 - (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
26. Subject to the provisions of applicable law and Part B of these Articles, the Board may, subject to the right of appeal conferred by section 58 of the Act, decline to register—
- (i) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or any transfer of shares on which the Company has a lien.
27. Subject to the provisions of applicable law and Part B of these Articles, the Board may decline to recognise any instrument of transfer unless—
- (i) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56 of the Act;
 - (ii) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (iii) the instrument of transfer is in respect of only 1 (one) class of shares.
28. On giving not less than 7 (seven) days' previous notice in accordance with section 91 of the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than 30 (thirty) days at any 1 (one) time or for more than 45 (forty-five) days in the aggregate in any year.

VIII. Transmission of shares

- 29.
- (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
 - (ii) Nothing in Article 29(i) above, shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- 30.
- (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
 - (a) to be registered himself as holder of the share; or

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

31.

- (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

32. Subject to the provisions of Part B of these Articles, a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

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

IX. Dematerialisation of Securities

33.

- (i) Definition(s) for the purpose of this Article:
 - (a) **"Beneficial Owner"** shall mean beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
 - (b) **"Depositories Act 1996"** shall include any statutory modification or re-enactment thereof.
 - (c) **"Depository"** shall mean a Depository as defined in clause (e) of subsection (1) of section 2 of the Depository Act, 1996.
 - (d) **"Member "** means members of the Company holding a share or shares of any class and includes the beneficial owner in the records of the Depository.
 - (e) **"Register"** means the Register of Members to be kept pursuant to the Companies Act and where shares are held in dematerialised form, the 'Register' includes the Register of Beneficial owners maintained by a Depository.
 Provided that the Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act and the provisions of Part B of these Articles) make and vary such regulations as it may think fit respecting the keeping of any such register.
- (ii) The Company shall be entitled to dematerialise its existing shares, debenture and other securities, re-materialise its shares, debentures and other securities held in the Depositories and/ or offer its fresh shares, debentures and other securities, in a dematerialised form pursuant to the Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
- (iii) Subject to the provisions of Part B of these Articles, every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required certificate of securities.
 If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the security.
- (iv) All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners. No share certificate(s) shall be issued for the shares held in a dematerialized form.
- (v) Subject to the provisions of Part B of these Articles, the Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.
 Save as otherwise provided above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
 The Beneficial Owner shall be deemed to be a member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.
 Where securities are held in a Depository, the records of the Beneficial Ownership may be served by such Depository on the Company by means of electronic mode.
- (vi) Subject to the provisions of Part B of these Articles, every holder of shares in or debentures of the Company may, at any time, nominate in the manner prescribed under the Act, a person to whom his shares in or debentures of the Company shall vest in the event of his death. Such nomination and right of nominee to be registered as holder of shares and/or debentures (as the case may

be) or for transfer of the shares and/or debentures (as the case may be) shall be governed by the provisions of section 72 and other applicable provisions of the Act.

(vii) Notwithstanding anything to the contrary, a transfer of securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository shall be subject to the provisions of Part B of these Articles.

(viii) Any reference to a registered holder or a shareholder or member shall deem to include Beneficial Owner.

X. Forfeiture of shares

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

35. The notice aforesaid shall—

- (i) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (ii) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

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

37.

- (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

38.

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

39.

- (i) A duly verified declaration in writing that the declarant is a Director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

40. The provisions of this Chapter X of the Articles, 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 the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

XI. Alteration of capital

41. Subject to the provisions of Part B of these Articles, the Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

42. Subject to the provisions of Part B of these Articles and provisions of section 61 of the Act, the Company may, by ordinary resolution—

- (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (ii) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (iii) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; and
- (iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

43. Subject to the provisions of Part B of these Articles, where shares are converted into stock—

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

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

- (ii) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage; and
- (iii) such of the provisions of these Articles as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those Articles shall include “stock” and “stock-holder” respectively.

44. Subject to the provisions of Part B of these Articles, the Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised, and consent required by law—

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

XII. Capitalisation of Profits

45.

- (i) The Company in general meeting may, upon the recommendation of the Board, resolve—
 - (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in Article 45(ii) below, amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 45(ii)(d), either in or towards—
 - (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (c) partly in the way specified in Article 45(ii)(a) and partly in that specified in Article 45(ii)(b);
 - (d) a securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares; and
- (e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article 45.

46.

- (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
 - (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
 - (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
- (iii) Any agreement made under such authority shall be effective and binding on such members.

XIII. Buy-back of shares

47. Subject to the provisions of Part B of these Articles and 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.

XIV. General meetings

48. Subject to the provisions of Part B of these Articles, all general meetings other than annual general meeting shall be called extraordinary general meeting.
49. Subject to the provisions of Part B of these Articles:
- (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
 - (ii) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any 2 (two) members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

XV. Proceedings at general meetings

50. Subject to the provisions of Part B of these Articles:
- (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
 - (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103 of the Act.
51. Subject to the provisions of Part B of these Articles, the chairperson, if any, of the Board shall preside as chairperson at every general meeting of the Company.
52. Subject to the provisions of Part B of these Articles, if there is no such chairperson, or if he is not present within 15 (fifteen) minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Directors present shall elect 1 (one) of their members to be chairperson of the meeting.
53. Subject to the provisions of Part B of these Articles, if at any meeting no Director is willing to act as chairperson or if no Director is present within 15 (fifteen) minutes after the time appointed for holding the meeting, the members present shall choose 1 (one) of their members to be chairperson of the meeting.

XVI. Adjournment of meeting

54. Subject to the provisions of Part B of these Articles:
- (i) The chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
 - (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
 - (iii) When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
 - (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

XVII. Voting rights

55. Subject to the provisions of Part B of these Articles and any rights or restrictions for the time being attached to any class or classes of shares—
- (i) on a show of hands, every member present in person shall have 1 (one) vote; and
 - (ii) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
56. Subject to the provisions of Part B of these Articles:
- (i) a member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once; and
 - (ii) the Company shall seek approval of shareholders through postal ballot with respect to the matters and in the manner prescribed in the Act from time to time and postal ballot shall include voting through electronic mode.
57. Subject to the provisions of Part B of these Articles:
- (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
 - (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
58. Subject to the provisions of Part B of these Articles, a member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
59. Subject to the provisions of Part B of these Articles, any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
60. Subject to the provisions of Part B of these Articles, no member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
61. Subject to the provisions of Part B of these Articles:
- (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
 - (ii) Any such objection made in due time shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.

XVIII. Proxy

62. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 (forty-eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
63. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105 of the Act.
64. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:
- Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

XIX. Board of Directors

65. The First Directors of the Company are:
- (i) Mr. Maroti S/o Gendaru Jawanjar
 - (ii) Mr. Shantaram S/o Krishnarao Mahakalkar
 - (iii) Mr. Pradeep S/o Namdeorao Wasurkar.
66. Subject to the provisions of Part B of these Articles:
- (i) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
 - (ii) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them—
- (a) in attending and returning from meetings of the Board or any committee thereof or general meetings of the Company; or

- (b) in connection with the business of the Company.
67. The Board may pay all expenses incurred in getting up and registering the Company.
68. The Company may exercise the powers conferred on it by section 88 of the Act, with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section 88) make and vary such regulations as it may think fit respecting the keeping of any such register.
69. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
70. 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.
71. Subject to the provisions of Part B of these Articles and subject to the provisions of section 149 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.
- XX. *Proceedings of the Board***
72. Subject to the provisions of Part B of these Articles -
- (i) The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A Director may, and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.
73. Subject to the provisions of Part B of these Articles, save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
74. Subject to the provisions of Part B of these Articles, the continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.
75. Subject to the provisions of Part B of these Articles-
- (i) The Board may elect a chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose 1 (one) amongst themselves to be chairperson of the meeting.
76. Subject to the provisions of Part B of these Articles -
- (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
77. Subject to the provisions of Part B of these Articles -
- (i) A committee may elect a chairperson of its meetings.
- (ii) If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the members present may choose 1 (one) amongst themselves to be chairperson of the meeting.
78. Subject to the provisions of Part B of these Articles -
- (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present.
79. Subject to the provisions of Part B of these Articles, all acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any 1 (one) or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.
80. Subject to the provisions of Part B of these Articles and save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
- XXI. *Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***
81. Subject to the provisions of Part B of these Articles and of the Act—
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
82. A provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by it being done by or to the same person acting both as Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.
- XXII. *Dividends and Reserve***
83. Subject to the provisions of Part B of these Articles, the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

84. Subject to the provisions of Part B of these Articles and provisions of section 123 of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.
85. Subject to the provisions of Part B of these Articles:
- (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.
 - (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
86. Subject to the provisions of Part B of these Articles -
- (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
 - (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article 86(ii), as paid on the share.
 - (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
87. Subject to the provisions of Part B of these Articles, the Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
88. Subject to the provisions of Part B of these Articles -
- (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct
 - (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
89. Subject to the provisions of Part B of these Articles, any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
90. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
91. No dividend shall bear interest against the Company.

XXIII. Accounts

92. Subject to the provisions of Part B of these Articles -
- (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors.
 - (ii) No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

XXIV. Borrowing Powers

93. Subject to Part B of these Articles, section 73 and 179 of the Act and directions issued by the Reserve Bank of India, the then Directors may, from time to time, raise or borrow any sums of money for and on behalf of the Company from the member or other persons, companies or banks or they may themselves advance money to the Company on such interest as may be approved by the Directors in accordance with the provisions of these Articles.
94. Subject to Part B of these Articles, the Directors may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respects as they deem fit and in particular by the issue of bonds or debentures or by pledge, mortgage, charge or any other security on all or any properties of the Company (both present and future) including its uncalled capital for the time being.
95. Subject to Part B of these Articles, the Directors, may, from time to time at their discretion raise or borrow or secure the payment of any sum(s) of money for the purposes of the Company at such time and in such manner and upon such terms and conditions in all respects as they think fit, and in particular by promissory notes, or by opening current accounts, or by receiving deposits and advances with or without security, or by the issue of bonds, perpetual or redeemable, debentures, or debenture stock of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, plant & machinery, goods or other property and securities of the Company or by such other means as to them may seem expedient.

XXV. Winding up

96. Subject to the provisions of Part B of these Articles and provisions of Chapter XX of the Act and rules made thereunder—
- (i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
 - (ii) For the purposes of Article 96(i) above, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

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

XXVI. Indemnity

97. Subject to the provisions of Part B of these Articles, every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal.

XXVII. Common Seal

- 98.
- (i) The Board shall provide for the safe custody of the Seal.
- (ii) The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of any of the Directors or such other person as the Board may appoint for the purpose; and that Director or other person aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

XXVIII. Secrecy

99. Subject to the provisions of applicable law and the Act, every manager, auditor, trustee, member of a committee, officer servant, agent accountant or other persons employed in the business of the Company shall, if so required by the Board before entering upon his duties, sign, declaration, pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals and in matters relating thereto and shall by such declaration pledge himself, not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any court of law and except so far as may be necessary in order to comply with their duties.

We the several persons, whose names, addresses, and descriptions are hereunder subscribed below are desirous of being formed into a Company in pursuance of these **ARTICLE OF ASSOCIATION** and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names :

Names, Addresses, and Description of Subscribers	No. of Equity Shares taken by each Subscriber	Signature of Subscribers	Name, Addresses and Description of witness
1) Maroti S/o Gendaru Jawanjar 19, Process Servers Colony, Swawlambnagar, NAGPUR-440 022. (Service)	100 (One hundred)	S/d (M.G. Jawanjar)	Witness to Sr. No. 1 to 5 S/d Omprakash S/o Shyamsunder Bagdia Dharmik Bhavan, Fawara Chowk, Gandhibag, NAGPUR. (Chartered Accountant)
2) Shantaram S/o Krishnarao Mahakalkar 188, Reshimbag, NAGPUR-440 009. (Service)	100 (One hundred)	S/d (S.K. Mahakalkar)	
3) Vishwas S/o Bhaskarrao Pathak 89, Ujjwalnagar, NAGPUR-440 025. (Service)	100 (One hundred)	S/d (V.B. Pathak)	
4) Pundlikrao S/o Sitaramji Mathurey 64, Dindayalnagar, NAGPUR-440 022. (Pensioner)	100 (One hundred)	S/d (P.S. Mathurey)	
5) Pradeep S/o Namdeorao Wasurkar 50, Sitanagar, Post : Khamla, NAGPUR-440 025. (Medical Practioner)	100 (One hundred)	S/d (P.N. Wasurkar)	
TOTAL	500 (Five hundred)		

Dated 26th day of July, 1990

PART – B

Notwithstanding anything contained in these Articles, in the event of any conflict or inconsistency between the provisions of Articles contained in Part A and Part B, the provisions of the Articles contained in this Part B shall override and prevail over the provisions of the Articles contained in Part–A.

1. Definitions and Interpretation

1.1 **Definitions.** In Part B of these Articles, unless the context otherwise requires or unless otherwise provided in Part B of these Articles, the following expressions shall have the following meanings:

“2019 ESOP Plan” means the Employee Stock Option Plan of 2019 of the Company;

“2019 ESOP Plan Options” mean 240,000 (two hundred forty thousand) stock options issued pursuant to the 2019 ESOP Plan;

“Act” means the CA 1956 and the CA 2013, as the case may be;

“Additional Primary Investor Securities” has the meaning assigned to it in clause 7.1 of the SSA;

“Additional Primary Investment Amount” has the meaning assigned to it in clause 1.1 of the SSA;

“Affiliate” means, in respect of a Person (**“Affiliate Person”**), any other Person existing as of the Effective Date or at any time in the future:

- (a) who is a Relative of the Affiliate Person;
- (b) who, is Controlling, Controlled by, or is under the common Control of, the relevant Affiliate Person; and
- (c) where more than 26% (twenty six percent) of the voting securities or voting interest of the Affiliate Person are directly or indirectly owned, legally and beneficially, by such Person;

without prejudice to the generality of the foregoing, the term “Affiliate”, in respect of the Investors shall be deemed to include (a) any fund, collective investment scheme, trust, partnership (including, any co-investment partnership), special purpose or other vehicle, in which an Investor is a general or limited partner, majority shareholder or majority unit holder, investment manager (directly or indirectly) or advisor, settlor, member of a management or investment committee or trustee; (b) any general or limited partner of an Investor; (c) any fund, collective investment scheme, trust, partnership (including, any co-investment partnership), special purpose or other vehicle in which any general partner of an Investor is a general partner, majority shareholder or majority unit holder, investment manager or advisor, settlor, member of a management or investment committee or trustee; and (d) any onshore or offshore fund managed by the same investment manager/advisor (or any investment manager/advisor comprising the key management of the current investment manager/advisor, or having the same ultimate beneficial owners as the current investment manager/advisor) as that of the Investor; whether on the Effective Date or any time thereafter, and further the term “Affiliate” shall not include (a) any portfolio company in which an Investor has made an investment; or (b) any Competitor;

“Agreed Form” means a document in a form agreed between the Promoters and the Investors and initialled for the purposes of identification by or on behalf of each of them (in each case with such amendments as may be agreed by or on behalf of such parties);

“Agreement” means the Shareholders’ Agreement dated December 20, 2019, executed by and between the Company, the Investors, the Individual Promoters, the Corporate Promoter and Other Founding Shareholders, together with its recitals, annexures and schedules, as may be amended and supplemented from time to time;

“Anticorruption Laws” mean laws, regulations or orders relating to anti-bribery or anticorruption (governmental or commercial), which apply to the Business and dealings of the Company, its Subsidiaries and their shareholders including, without limitation, laws that prohibit the corrupt payment, offer, promise, or authorization of the payment or transfer of anything of value (including gifts or entertainment), directly or indirectly, to any Government Official, commercial entity, or any other Person to obtain a business advantage; such as, without limitation, the Unlawful Activities (Prevention) Act, 1967; the Prevention of Corruption Act, 1988; Whistle Blowers Protection Act, 2011; the U.S. Foreign Corrupt Practices Act, 1977, as amended from time to time; the UK Bribery Act, 2010 and all national and international laws enacted to implement the OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions;

“Applicable Accounting Standards” means Indian GAAP or Ind AS or accounting standards applicable to the Company, as may be applicable;

“As If Converted Basis” means as if all instruments, options or securities issued and allotted by the Company had been converted into Equity Shares of the Company in accordance with the terms of its issuance;

“Assets” mean assets or properties of every kind, nature, character and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed or otherwise), including cash, cash equivalents, receivables, real estate, plant and machinery, equipment, Intellectual Property rights, raw materials, inventory, furniture, fixtures and insurance;

“Association” or **“Associated”** means any form of affiliation or association with the Company, its Subsidiaries, their respective Affiliates or Affiliates of the Promoters and/or the Other Founding Shareholders, including but not limited to affiliation or association as:

- (a) a shareholder, promoter, founder or principal;
- (b) an employee, consultant or advisor; and / or
- (c) a director, manager or officer,

of the Company, its Subsidiaries, their respective Affiliates or the Affiliates of the Promoters;

“Avino/Corporate Promoter” means Avino Capcons Private Limited;

“Avino Charter Documents” mean the memorandum of association and the articles of association of Avino; “

Avino Promoter Shareholders” mean the Avino Shareholders who are Promoters;

"Avino Shares" mean the equity shares, preference shares or any other class or series of shares or securities that may be issued by Avino from time to time;

"Avino Shareholder" means any Person holding any Avino Shares;

"Board" means the board of Directors of the Company;

"Business" means the business of the Company whether through itself or through its Subsidiaries, as carried out at present or to be carried out at any time in the future in accordance with the terms of the Transaction Documents and these Articles, and comprising the business of providing two wheeler loans, four wheeler loans, unsecured, loan, secured loans and 'Small and Medium Enterprises' loans and any other financial activity that is being undertaken by the Company in accordance with the regulations applicable to NBFCs;

"Business Day" means a day (excluding Saturdays and Sundays) on which banks are generally open in Nagpur (India), Bengaluru (India) and Mauritius for the transaction of normal banking business;

"Business Plan" has the meaning assigned to it in **Article 5.28** of Part B of these Articles;

"CA 1956" means the Companies Act, 1956 together with the rules made thereunder to the extent not repealed and replaced by notified provisions of the CA 2013, as amended from time to time and shall include any statutory replacement or re-enactment thereof;

"CA 2013" means the Companies Act, 2013 together with the rules made thereunder, as amended from time to time and shall include any statutory replacement or re-enactment thereof;

"Charter Documents" mean the memorandum and articles of association of the Company;

"Claim" means any contractual, legal, administrative or regulatory proceedings against any Person or Persons alleging in writing any act or omission or non-performance or failure by such Persons to perform any of their respective obligation, representation, warranty or covenants under any contract or agreement (including the SSA), or Law and includes the issue of a writ or notice or summons or cross claim or counter claim issued or initiated against or fixed upon such Person;

"Company" means Berar Finance Limited;

"Company Representative" means any of the Promoters, Key Management, or any director, officer, employee of the Company and its Subsidiaries or any representative, consultant, or any other person, acting for or on behalf of the Company or its Subsidiaries (individually or collectively);

"Competing Business" means: (a) any business which directly competes with Business or any business substantially similar or identical to the Business; (b) non-banking financial companies involved in microfinance and vehicle finance lending; and (c) banks;

"Competitor" means any (i) Person engaged in the Competing Business ("**Competing Person**"), (ii) Subsidiaries of such Competing Person, and (iii) any other Person who is Controlling, Controlled by, or is under the common Control of, such Competing Person. Notwithstanding the aforesaid, a Financial Investor shall not be considered a "Competitor" for the purposes of these Articles;

"Consent " means any permit, permission, license, approval, authorization, consent, clearance, grant, franchise, concession, agreement, exemption, report or notice of, registration, declaration, filing, waiver, no objection certificate or other authorization of whatever nature and by whatever name called which is required to be granted by any Person, Governmental Authority, creditor, or under any applicable Law;

"Conditions Precedent" means the conditions precedent as set out in clause 3 read with annexure 5 of the SSA;

"Control" together with its grammatical variations when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of the vote carrying securities, by contract or otherwise howsoever;

"Conversion Ratio" has the meaning assigned to it in **Annexure 2 to Part B** of these Articles;

"Corporate Event" means any Shares split, issue of Shares including by way of bonus, consolidation of Shares or reduction of Share Capital, reconstruction, combinations, amalgamations, merger, demerger, recapitalisations and similar other event;

"Corporate Promoter Representative" means the Individual Promoters, any other promoter of the Corporate Promoter or its Subsidiaries, or any key management personnel, director, officer, employee of the Corporate Promoter and its Subsidiaries, or any representative, consultant or any other person acting for or on behalf of the Corporate Promoter or its Subsidiaries (individually or collectively);

"Deed of Adherence" means the deed of adherence annexed as annexure 4 to the Agreement;

"Dilution Instrument" has the meaning assigned to it in **Article 4.1.2 of Part B** of these Articles;

"Director(s)" means a director of the Company;

"Effective Date" means December 20, 2019;

"Electronic Mode" means any video conferencing facility (i.e., audio visual electronic communication facility) employed by the Company which enables all Persons participating in that meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting;

"Encumbrance" means any:

- (a) encumbrance including any security interest, Claim, mortgage, pledge, charge, hypothecation, lien, lease, assignment, deed of trust, title retention, deposit by way of security, beneficial ownership (including usufruct and similar entitlements), or any other interest held by a third Person with respect to title, ownership, possession or use;
- (b) security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable Law; and/or
- (c) power of attorney in relation to the Shares, voting trust agreement, interest, option or right of pre-emption, right of first offer, or right of first refusal or transfer restriction in favour of any Person;

"Equity Shares" means fully paid-up equity shares of the Company of face value of INR 10 (Indian Rupees Ten only) each;

"ESG Laws" mean all applicable Laws that relate to issues concerning environmental, social and governance related matters including all codes, regulations, by-laws and standards, including those that are prescribed pursuant to the United Nations Principles of Responsible Investing;

"ESG Policy" has the meaning assigned to it in the Agreement;

"Exempted Issuance" means: (a) issuance of Shares pursuant to adjustment to the Conversion Ratio in accordance with the terms of the Agreement; (b) clause 10 of the SSA (*Indemnification by the Company and the Promoters*); (c) Equity Shares issuable upon conversion of any of the Investor Securities, or as bonus shares dividend or other distribution on the Investor Securities; (d) Equity Shares issued to an Investor pursuant to the anti-dilution rights under **Article 4.1** of Part B of these Articles; (e) issuance of Dilution Instruments pertaining to the 2019 ESOP Plan Options or an employee stock option plan approved in accordance with the Agreement or exercise of any options pursuant to such ESOP/employee stock option plan; (f) issuance of sweat equity Shares to the Individual Promoters; (g) issue of Shares pursuant to any IPO or QIPO undertaken in accordance with the Agreement; and (h) any issuance of Shares pursuant to **Article 7.8** of Part B of these Articles;

"Final Purchase Price" means the price per Investor Security determined by dividing the Primary Investment Amount by the total number of Investor Securities, on a Fully Diluted Basis (as adjusted for any Corporate Event). The Final Purchase Price shall be re-computed upon any additional investment made by the Investor(s), including the Additional Primary Investment Amount (or part thereof) and thereafter Final Purchase Price on a blended basis shall be applicable;

"Financial Investor" means any Person who is engaged in the business of making investments in an entity in order to gain a financial return and includes entities with pooled capital for investment purposes such as angel investors, venture capitalists, private equity investors, institutional investors, collective or alternative investment funds or vehicles, separate accounts managed by a third party investment manager, pension funds, provident funds, sovereign wealth funds, hedge funds, banks, non-banking financial institutions, trust companies and other financial institutions, family offices and high net worth individuals (that are engaged in the business of financial investment);

"Financial Year" means the 12 (twelve) month period commencing on April 1 and ending on March 31 of the succeeding year or such other 12 (twelve) month period as may be mandated under applicable Law;

"First Closing" has the meaning assigned to it in clause 5.2 of the SSA;

"First Closing Date" means the date when the First Closing occurs;

"First Tranche Post Money Equity Valuation" means Pre-Money Equity Valuation plus the Primary Investment Amount as may be adjusted in accordance with the terms and conditions of the SSA;

"FMV" means the fair market value determined in accordance with generally accepted valuation principles by any investment banker of international repute to be appointed by the Board;

"Fresh Issue" shall mean issue, by the Company, of any Shares;

"Fully Diluted Basis" shall mean that the calculation is to be made assuming that all outstanding securities (whether or not by their terms then currently convertible, exercisable exchangeable or granted) whether or not due to the occurrence of an event or otherwise, have been converted, exercised or exchanged into the maximum number of Equity Shares issuable upon such conversion, exercise and exchange, as the case may be, and giving effect to any accrued anti-dilution protection rights attached to such securities;

"Fundamental Issues" means the matters covered in **Article 6** of Part B of these Articles read with **Annexure 1** to Part B of these Articles;

"Government Official" means (i) any official, officer, employee, or representative of, or any Person acting in an official capacity for or on behalf of, any Governmental Authority, (ii) any political party or party official or candidate for political office; or (iii) any company, business, enterprise or other entity owned, in whole or in part, or controlled by any Person described in the foregoing clause (i) or (ii) of this definition;

"Governmental Approvals" mean any Consent, approval, authorization, waiver, permit, grant, franchise, concession, agreement, license, certificate, exemption, order, registration, declaration, filing, report or notice, of, with or to any Governmental Authority;

"Governmental Authority(ies)" means (i) any national, federal, state, county, municipal, local, or foreign government or any entity exercising executive, legislative, judicial, regulatory, taxing, or administrative functions of or pertaining to government, municipality or any local or other authority, trade agency, regulatory authority, court, tribunal or arbitral tribunal, (ii) any public international organization, (iii) any agency, division, bureau, department, or other political subdivision of any government, entity or organization described in the foregoing clauses (i) or (ii) of this definition; or (iv) any company, business, enterprise, or other entity owned, in whole or in part, or controlled by any government, entity, organization, or other Person described in the foregoing clauses (i), (ii) or (iii) of this definition;

"Income Tax Act" means the Income-tax Act, 1961 together with all applicable bye-laws, rules, regulations, orders, ordinances, policies, directions and the like issued thereunder;

"Ind AS" means the Indian accounting standards prescribed under section 133 of the CA 2013 as notified under the Companies (Indian Accounting Standards) Rules, 2015;

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

"Indemnified Parties" has the meaning assigned to it in the SSA;

"Indemnifying Parties" has the meaning assigned to it in the SSA;

"Indian GAAP" means the generally accepted accounting principles applicable in India;

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

"Individual Promoters" shall collectively mean Maroti Jawanjar (HUF), Sandeep Jawanjar (HUF), Maroti Jawanjar and Sandeep Jawanjar;

"Intellectual Property" means any registered intellectual property and/or intellectual property in respect of which registration has been applied for and is pending, in any jurisdiction and any and all registrations or rights to apply for (or applications for the grant of) the same, Know-how, patents, trademarks, service marks, designs, copyrights, moral rights and related rights, data base rights and mask works, trade or business names, internet domain names, inventions, processes, geographical indications, trade secrets, integrated circuits, exploitation of any present or future technologies, proprietary information, and other industrial property rights, and all rights or forms of protection having equivalent or similar effect to any of the foregoing which may subsist anywhere in the world;

"Investor A" means Amicus Capital Private Equity I LLP;

"Investor B" means Amicus Capital Partners India Fund I;

"Investor Consent" means the prior written consent of the Investors;

"Investor Securities" mean the Primary Investor Securities and the Additional Primary Investor Securities issued and allotted to the Investors. The term **"Investor Securities"** shall also include such other Shares as may be held by the Investors from time to time;

"Investors" mean collectively, the Investor A and Investor B;

"IPO" means an offering to the public of equity shares/ordinary shares/common shares of the Company, except for a QIPO;

"Key Management" has the meaning assigned to it in the Agreement;

"Know-how" for this purpose means the techniques, formulae, patterns, compilations, processes, inventions, practices, methodology, techniques, improvement, utility model, procedures, designs, skills, know-how, technical information, notes, experimental results, manufacturing techniques, samples, specifications of the products, labelling specifications, rights on software, and any other knowledge of any nature whatsoever throughout the world whether registered or unregistered and including all applications and rights to apply for the same generated by the licensee in the pre-development and post-development of the licensed patents;

"Law" means to the extent it applies to a Person, all applicable:

- (a) statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies issued by any Governmental Authority;
 - (b) administrative interpretation, writ, injunction, directions, directives, judgement, arbitral award, decree, orders or Governmental Approvals of, or agreements with, any Governmental Authority or recognized stock exchange; and
 - (c) international treaties, conventions and protocols including Anticorruption Laws and Sanctions Law and Regulations;
- as may be in force from time to time;

"Litigation" means and includes any notice, action, cause of action, Claim, demand, suit, proceeding, citation, summons, subpoena, inquiry, or investigation of any nature, civil, criminal, regulatory or otherwise, in Law or in equity, pending or threatened (with notice), by or before any court, tribunal, arbitrator, or any Governmental Authority;

"Liquidity Event" shall mean the following:

- (a) liquidation, winding-up or dissolution of the Company or its Subsidiaries;
- (b) Strategic Sale;
- (c) with the Investor Consent, a merger, acquisition, change of Control, consolidation, sale of Shares, trade sale or other transaction or series of transactions in which the Company's shareholders post such transaction will not, (i) retain a majority of the voting power of the surviving entity, or (ii) control the board of directors of the surviving entity;
- (d) transaction in accordance with **Article 7** (other than a QIPO) and **Article 10** of Part B of these Articles;

"Liquidity Preference Amount" has the meaning assigned to the term in the Agreement;

"Losses" mean all losses, liabilities, obligations, Claims, demands, actions, suits, judgments, awards, fines, Taxes, interest, penalties, fees, settlements and proceedings, fines, costs, expenses incurred (whether or not resulting from any Third Party Claims), deficiencies, damages, out-of-pocket expenses, including reasonable attorneys' and accountants' fees and disbursements, and deposits and guarantees required to be made in any proceedings and/or judicial awards and all related Taxes but excluding any indirect or exemplary damages;

"NBFCs" mean Non-Banking Financial Companies holding a license issued by the RBI under Chapter IIIB of the RBI Act;

"Other Founding Shareholders" shall collectively mean Mrs. Jyoti Jawanjar and Mrs. Bakul Jawanjar;

"Other Founding Shareholder Shares" means the Shares held by the Other Founding Shareholders;

"Ordinary Course of Business" means, in reference to a Person, an action taken by or on behalf of such Person that is:

- (a) recurring in nature and is taken in the ordinary course of such Person's normal day-to-day operations;
- (b) taken in accordance with sound and prudent business practices;
- (c) not required to be authorized by such Person's shareholders, board of directors or any committee of the board of directors and which does not require any other separate or special authorization of any nature by such Person; and
- (d) consistent with the past practice and existing policies of such Person (including with respect to quantity and frequency);

"Parties" has the meaning assigned to the term in the Agreement;

"Person(s)" means any individual, Hindu undivided family, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership (including a limited liability partnership), limited liability company, joint venture, Governmental Authority or trust or any other entity or organization whether acting in an individual, fiduciary or other capacity;

"Pre-Money Equity Valuation" has the meaning assigned to the term under clause 1.1 of the SSA;

"Primary Investment Amount" has the meaning assigned to it in clause 1.1 of the SSA;

"Primary Investor Securities" has the meaning assigned to it in clause 1.1 of the SSA;

"Promoters" shall collectively mean the Individual Promoters and Avino/Corporate Promoter;

"Promoter Shares" mean the Shares held by the Promoters;

"Public Shareholders" mean Shareholders other than the Promoters and Other Founding Shareholders;

"QIPO" means closing of a public offering of Equity Shares, managed by one of the reputed investments banks, with listing on BSE Limited or National Stock Exchange of India Limited or such other stock exchange as may be approved by the Company and the Investors in writing, with gross proceeds of the issue being at least the QIPO Amount at the QIPO Valuation;

"QIPO Amount" has the meaning assigned to the term under the Agreement;

"QIPO Minimum Number of Shares" mean the minimum number of Shares required to be offered to the public under the QIPO to cause a listing of the Shares on the relevant recognised stock exchange under applicable Law;

"QIPO Valuation" has the meaning assigned to the term under the Agreement;

"RBI" means the Reserve Bank of India established under the RBI Act;

"RBI Act" means the Reserve Bank of India Act, 1934, as amended from time to time

"Relative" has the meaning ascribed to it in the Act;

"Sanctions Law and Regulations" mean (i) any of The Trading With The Enemy Act of 1917, the International Emergency Economic Powers Act of 1977, the Iran Threat Reduction and Syria Human Rights Act, the United Nations Participation Act of 1945, or the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003, all as amended, or regulations of the US Treasury Department Office of Foreign Assets Controls, sanctions imposed on or any export control law or regulation applicable to US-origin goods, or any enabling legislation or executive order relating to any of the above, as collectively interpreted and applied by the US Government at the prevailing point in time (ii) any U.S. sanctions related to or administered by the Department of State; (iii) any sanctions measures or embargos imposed by the United Nations Security Council, Her Majesty's Treasury (UK), the European Union or other relevant sanctions authority; and (iv) the (Indian) Unlawful Activities (Prevention) Amendment Act, 2008 and the Prevention of Money Laundering Act, 2002 read with the applicable rules issued thereto;

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

"SEBI Act" means the Securities and Exchange Board of India Act, 1992, as amended from time to time;

"Second Closing Date" means the date of completion of the issue and allotment of Additional Primary Investor Securities to the Investors on the payment of the Additional Primary Investment Amount in terms of the SSA;

"Series A CCPS" means the (i) Tranche 1 Series A CCPS; and (ii) Tranche 2 Series A CCPS (if subscribed to by the Investors in terms of clause 7 of the SSA);

"Share Capital" means the total share capital of the Company on a Fully Diluted Basis and the reference to **"Shareholding"** of any Shareholder in these Articles shall mean the Shares held by such Shareholder in the Company on a Fully Diluted Basis;

"SSA" means the share subscription agreement dated December 20, 2019 executed by and between the Company, the Investors, the Individual Promoters, the Corporate Promoter and Other Founding Shareholders;

"Shares" mean the Equity Shares, preference shares or any other class or series of shares or securities that may be issued by the Company including shares or securities convertible or exchangeable for Equity Shares, from time to time;

"Shareholder" means a Person holding any Shares;

"Special Rights Period" has the meaning assigned to the term in the Agreement;

"Strategic Sale" means (i) the Transfer of 50% (fifty percent) or more of Shares on a Fully Diluted Basis of the Company; (ii) a transfer of the Control of the Company or its Subsidiaries to any Person who is not a party to the Agreement except for Transfers to Affiliates as may be permitted in the Agreement and these Articles; or (iii) the sale, assignment, securitization (including pass through certificates) or licensing of all or substantially all of the Business or Assets or loan portfolio or the Intellectual Property of the Company or its Subsidiaries, in each case whether achieved through one or more transactions

"Subsidiaries" has the meaning as assigned to it in the Act and shall include any foreign subsidiaries or joint venture companies; "

"Tax", "Taxes" or "Taxation" means:

- (a) all forms of tax, levy, duty, charge, impost, withholding or other amount whenever or wherever created or imposed by, or payable to any Governmental Authority or claimed to be owed in any relevant jurisdiction or country;
- (b) any income-tax, advance tax, self-assessment tax, tax deducted and/or deductible at source, withholding tax, or any income-tax payable in the capacity of a representative assessee, together with interest, penalties and shall include any cess and surcharge thereto in respect of the aforementioned taxes computed as per the provisions of the Income Tax Act; and
- (c) all charges, interest, penalties and fines incidental or relating to any tax falling within (a) and (b) above or which arise as a result of the failure to pay any tax on the due date or to comply with any obligation relating to tax;

“**Third Party Claims**” has the meaning assigned to the term under clause 10.5.1 of the SSA;

“**Tranche 1 Conversion Ratio**” has the meaning assigned to the term in **Paragraph 2.1 of Annexure 2 to Part B** of these Articles;

“**Tranche 2 Conversion Ratio**” has the meaning assigned to the term in **Paragraph 2.2 of Annexure 2 to Part B** of these Articles;

“**Tranche 1 Series A CCPS**” means fully paid-up cumulative compulsorily convertible participating preference shares of the Company having a face value of INR 10 (Indian Rupees Ten only) each, carrying a coupon of 0.1% (zero point one percent) per annum and carrying the rights set out in **Annexure 2 to Part B** of these Articles issued to the Investors in terms of the Transaction Documents;

“**Tranche 1 Series A Equity Shares**” has the meaning assigned to the term in the SSA;

“**Tranche 2 Series A CCPS**” means fully paid-up cumulative compulsorily convertible participating preference shares of the Company having a face value of INR 10 (Indian Rupees Ten only) each, carrying a coupon of 0.1% (zero point one percent) per annum and carrying the rights set out in Annexure 2 to Part B of these Articles to be issued to the Investors in terms of the Transaction Documents

“**Tranche 2 Series A Equity Shares**” has the meaning assigned to the term in the SSA;

“**Transaction Assistance**” includes (i) providing full co-operation and assistance to a Person to conduct diligence on the Company and its Subsidiaries including legal, financial, technical, commercial, tax or other due diligence whether by setting-up a virtual data room or otherwise; (ii) interaction and meetings with the Promoters, Directors, the Key Management, the employees of the Company and/or its Subsidiaries or any representative of the Promoter; (iii) providing detailed forward looking business plans as may be required to evaluate the Business; (iv) entering into definitive agreements such as share subscription, share purchase and shareholders' agreements, as may be required; (v) undertaking the requisite corporate actions (including passing the requisite resolutions at the Board and shareholders meetings); (vi) appointing intermediaries and advisors (including legal and financial) to facilitate the process, to the extent reasonably and customarily required; (vii) obtaining all necessary Consents from third parties and all regulatory approvals, whether Governmental Approvals or otherwise, as, when and to the extent required; (viii) providing intimations to third parties, whether Governmental Authorities or otherwise, as, when and to the extent reasonably and customarily required; and (ix) doing such other acts, deeds and things as may be required to be done in connection with a sale or issuance of the Shares;

“**Transaction Documents**” mean the Agreement, the SSA, the Charter Documents, the Avino Charter Documents and any amendments executed thereto, and shall include any other document executed in relation to the Agreement or the investment by the Investors in the Company;

“**Transfer**” means (in either the noun or the verb form and including all conjugations thereof with their correlative meanings) with respect to any ownership interests, the direct or indirect sale, assignment, Encumbrance, transfer or other disposition (whether for or without consideration, whether directly or indirectly, whether voluntary or involuntary or by operation of law) of any such ownership interests or of any direct or indirect beneficial interest therein or the creation of any third party interest in or over such ownership interests; and

Undefined capitalized terms used in this Part B of these Articles shall have the meaning assigned to them in the Agreement.

a. Interpretation. In these Articles, unless the context otherwise requires:

- i. the headings are inserted for ease of reference only and shall not affect the construction or interpretation of these Articles;
- ii. references to one gender include all genders;
- iii. any reference to any enactment or statutory provision is a reference to it as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted;
- iv. words in the singular shall include the plural and vice versa;
- v. “including”, “includes” or “in particular” means including, includes or in particular without limitation;
- vi. references to an “agreement” or “document” shall be construed as a reference to such agreement or document as the same may have been amended, varied, supplemented or novated in writing at the relevant time in accordance with the requirements of such agreement or document and, if applicable, of these Articles with respect to amendments;
- vii. unless stated otherwise, all rights available to the Investors under these Articles and the Transaction Documents shall be exercised by the Investors collectively;
- viii. obligations of the Company, the Other Founding Shareholders and the Promoters under these Articles are joint and several
- ix. when any particular date prescribed in these Articles is not a Business Day, the next succeeding day which is a Business Day shall be considered as such date; and

2. USE OF PROCEEDS

The Investment Amount shall be utilized by the Company only for expansion of the Business of the Company and its Subsidiaries, in accordance with **Article 5.28** of Part B of these Articles.

3. TRANSFER PROVISIONS FOR THE SHAREHOLDERS

3.1 As long as either of the Investors hold any Shares, the Promoters and the Other Founding Shareholders shall not, directly or indirectly, Transfer their Shares to any Person except as provided for in these Articles and any such Transfer shall be null and void *ab initio*, and the Company shall not register such Transfer and shall reject any such Transfer made or attempted, *suo moto*, without the necessity of a Board decision or an order of any Governmental Authority.

3.2 Lock-in of the Promoter Shares and the Other Founding Shareholder Shares

3.2.1 The Promoters and the Other Founding Shareholders shall not, directly or indirectly, Transfer any Shares without Investor Consent. The Investor Consent shall not be unreasonably withheld but shall be required for a Transfer of Shares between the Promoters, the Other Founding Shareholders and their Affiliates subject to the Promoters and the Other Founding Shareholders (as the case maybe) providing satisfactory documentation to the Investors in relation to such Transfer and such Transfer being solely for the purpose of Tax or estate planning of the Promoters and/or the Other Founding Shareholders (as

the case maybe). Provided, however, that as a condition precedent to such Transfer of the Promoter Shares to an Affiliate of the Promoters and/or the Other Founding Shareholder Shares to an Affiliate of the Other Founding Shareholders (as the case maybe) as contemplated in this **Article 3.2.1**, such Affiliate shall execute, and the Promoters and/or the Other Founding Shareholders shall ensure that such Affiliate executes, a Deed of Adherence to the Agreement. It is however clarified for the avoidance of doubt that any transfer of Shares by the Promoters and/or Other Founding Shareholder to their Affiliates pursuant to this **Article 3.2.1** shall not relieve the Promoters and/or Other Founding Shareholders of their obligations under the Agreement or any other Transaction Documents or change their roles and responsibilities as Promoters or Other Founding Shareholders or member(s) of Key Management unless the Investors provide otherwise. Provided that, if such Affiliate should subsequently cease to qualify as an Affiliate, then the Promoters and the Other Founding Shareholder (including such Affiliate) shall procure that, prior to its ceasing to qualify as an Affiliate, such Affiliate transfers the entire legal and beneficial interest and title in and to the Shares held by such Affiliate to another Person who is an Affiliate of the Promoter and/or the Other Founding Shareholder and such Person who is an Affiliate complies with the provisions of the Transaction Documents, including the execution of a Deed of Adherence.

3.3 Inter-se Transfer between Promoters and/or the Other Founding Shareholders

- 3.3.1 Each Promoter shall be entitled to Transfer any or all of the Shares held by such Promotor to other Promoters except to Avino, with prior written intimation to the Investors of at least 3 (three) Business Days. For the avoidance of doubt, it is clarified that no Promoter shall be entitled to Transfer its Shares to Avino.
- 3.3.2 Notwithstanding anything contained in this **Article 3**, Mr. Sandeep Jawanjali and Sandeep Jawanjali (HUF) shall, at all times, hold at least 75% (seventy five percent) of their Shareholding as of the Effective Date, adjusted for any Corporate Event.
- 3.3.3 Notwithstanding anything contained in the Transaction Documents: (a) the Promoters shall not be entitled to Transfer their Shares to the Other Founding Shareholders; (b) the Other Founding Shareholders shall not be entitled to Transfer any Shares other than *inter-se* between themselves or to the Individual Promoters, which Transfer of Shares by the Other Founding Shareholders shall only be with prior written intimation of at least 3 (three) Business Days to the Investors.

3.4 Personal Exigencies and Right of First Offer

- 3.4.1 Notwithstanding anything contained in **Article 3.2** of Part B of these Articles, and subject to the procedure set out in this **Article 3.4**, each Promoter and/or Other Founding Shareholder may, without Investor Consent, Transfer Shares to meet the relevant Promoter's and/or Other Founding Shareholder's (as the case maybe) personal exigencies, subject however to all Shares Transferred by all the Promoters and all the Other Founding Shareholders not exceeding an aggregate value of INR 75,000,000 (Indian Rupees Seventy Five Million only) ("**Liquidity Shares**").
- 3.4.2 In the event that any of the Promoters and/or Other Founding Shareholders are desirous of Transferring the Liquidity Shares pursuant to **Article 3.4.1** of Part B of these Articles, then the relevant Promoter and/or the Other Founding Shareholder shall first offer such Liquidity Shares exclusively to the Investors by sending a written notice to the Investors ("**Liquidity Shares Offer Notice**"), which shall specify the number of Liquidity Shares proposed to be Transferred and shall call upon the Investors to offer a price per Liquidity Share ("**Liquidity Share Offer Price**") as well as any other terms and conditions, for the purchase of the Liquidity Shares. It is hereby clarified that the Investors will have the right to exercise their right of first offer under this **Article 3.4** and purchase the Liquidity Shares either directly themselves, jointly or severally, or through or together with any of their Affiliates.
- 3.4.3 In the event the Investors propose to purchase the Liquidity Shares set out in the Liquidity Shares Offer Notice, then within 15 (fifteen) days of the receipt of the Liquidity Shares Offer Notice, the Investors shall issue written notice to the relevant Promoter and/or the Other Founding Shareholder (as the case maybe) for the purchase of the Liquidity Shares ("**Liquidity Shares Acceptance Notice**"), setting out (i) the Liquidity Share Offer Price; (ii) the date of the proposed purchase; and (iii) the terms and conditions of the proposed purchase of the Liquidity Shares. In the event, the Liquidity Shares Acceptance Notice is not issued within the period set out herein, then the Liquidity Shares Offer Notice shall be deemed to have been rejected. The Investors shall purchase all of the Liquidity Shares being offered by the Promoters and/or the Other Founding Shareholders (as the case maybe).
- 3.4.4 If the Investors have rejected (or deemed to have rejected) the Liquidity Shares Offer Notice, then the relevant Promoter and/or the Other Founding Shareholders (as the case maybe) shall have the right to sell the Liquidity Shares to a liquidity purchaser (the "**Liquidity Purchaser**"), subject to **Article 3.4.5.2** of Part B of these Articles.
- 3.4.5 In the event that any of the terms contained in the Liquidity Shares Acceptance Notice are not acceptable to the relevant Promoter and/or the Other Founding Shareholders (as the case maybe), such Promoter and/or the Other Founding Shareholders (as the case maybe) shall provide a written notice to the Investors in writing confirming the rejection of the Liquidity Shares Acceptance Notice within 7 (seven) Business Days of receipt such notice ("**Rejection Notice**"). Failure by the relevant Promoter and/or the Other Founding Shareholders (as the case maybe) to respond within such time period shall be treated as a deemed rejection by such Promoter and/or the Other Founding Shareholders (as the case maybe) of the Liquidity Shares Acceptance Notice. Upon issue of the Rejection Notice or deemed rejection as aforesaid, the relevant Promoter and/or the Other Founding Shareholders (as the case maybe) shall have the right to sell the Liquidity Shares to the Liquidity Purchaser, subject to:
 - 3.4.5.1 The sale of the Liquidity Shares being on terms no more favourable as set out in the Liquidity Shares Acceptance Notice and the price at which such sale is proposed to be undertaken being not less than the Liquidity Share Offer Price;
 - 3.4.5.2 The Liquidity Purchaser shall not be entitled to any rights in the Company or bound by the obligations set out in the Agreement save for **Article 3.5 (Right of First Refusal)** of Part B of these Articles, whereby the term "Promoter" shall refer to mean Liquidity Purchaser for the purpose of **Article 3.5 (Right of First Refusal)** of Part B of these Articles; and
 - 3.4.5.3 The Liquidity Purchaser executing a Deed of Adherence to the Agreement.

- 3.4.6 Any sale of Liquidity Shares by the Promoters and/or the Other Founding Shareholders (as the case maybe) to the Investors or the Liquidity Purchaser, as the case may be, shall be completed within a period of 90 (ninety) days from the date of issuance of the Liquidity Shares Offer Notice, failing which the sale shall again be subject to the provisions of this **Article 3.4**. For the purpose of computing the said 90 (ninety) day period, any time taken for receipt of necessary regulatory approvals shall be ignored provided such approvals are obtained within a period of 90 (ninety) days from the date of issuance of the Liquidity Shares Offer Notice.
- 3.4.7 The Promoters and the Other Founding Shareholders shall act in good faith to obtain all Consents that may be required for transfer of the Liquidity Shares.

3.5 Right of First Refusal

- 3.5.1 Without prejudice to the obligations of the Promoters or the Other Founding Shareholders under this **Article 3**, in the event that any of the Promoters and/or the Other Founding Shareholders are desirous of Transferring any of the Shares held by them in the Company, the relevant Promoter and/or the Other Founding Shareholders (as the case maybe) shall send a written notice ("**Offer Notice**") to the Investors indicating the total number of Shares that are proposed to be Transferred ("**Offer Shares**"), the name, identity and beneficial ownership of the proposed purchaser of such Shares ("**Purchaser**"), the price per Share at which such Offer Shares are proposed to be sold to the Purchaser, ("**Offer Price**") and the terms and conditions of the proposed Transfer. Upon receipt of the Offer Notice, the Investors shall have the first right to acquire the Offer Shares in accordance with the provisions of this **Article 3.5**. Provided however, that the Investors shall not be entitled to the right of first refusal under this **Article 3.5**, if the Shares are being Transferred by the Promoters and/or the Other Founding Shareholders (as the case maybe) in terms of **Articles 3.2 (Transfer to Affiliates)**, **3.3 (Inter-se Transfer)** or **3.4 (Personal Exigencies)** of Part B of these Articles.
- 3.5.2 Within a period of 15 (fifteen) Business Days, from the date of receipt of the Offer Notice ("**Offer Period**"), the Investors shall, by written notice, communicate to the relevant Promoter and/or the Other Founding Shareholders (as the case maybe) their intent to purchase the Offer Shares at the Offer Price on the same terms and conditions set out in the Offer Notice ("**Offer Response**").
- 3.5.3 If the Investors have not exercised their rights to acquire the Offer Shares as set out above, the Promoters and/or the Other Founding Shareholders (as the case maybe) shall, subject to Article 3.6 of Part B of these Articles, be entitled to sell the Offer Shares to the Purchaser, who shall not be a Competitor, subject to the Purchaser signing a Deed of Adherence to the Agreement; provided that the price at which such Offer Shares are sold to the Purchaser shall not be lower than the Offer Price and the terms and conditions of the sale shall be no more favourable than those set out in the Offer Notice.
- 3.5.4 Any sale of Offer Shares by the Promoters and/or the Other Founding Shareholders (as the case maybe) to the Investors and the Purchaser, as the case may be, shall be completed within a period of 90 (ninety) days after the expiry of the Offer Period, failing which the sale shall again be subject to the provisions of this Article 3. For the purpose of computing the said 90 (ninety) day period, any time taken for receipt of necessary regulatory approvals shall be ignored provided such approvals are obtained within a period of 90 (ninety) days from the expiry of the Offer Period.
- 3.5.5 The Promoters and the Other Founding Shareholders (as the case maybe) shall act in good faith to obtain all Consents and approvals that may be required for Transfer of the Offer Shares.

3.6 Co-Sale Rights

- 3.6.1 If the Investors do not exercise their right of first refusal as provided in **Article 3.5** of Part B of these Articles above, the Investors shall be entitled to co-sell their Shares with the Shares of the Promoters and/or the Other Founding Shareholders (as the case maybe) in the manner set out herein. Provided however, that the Investors shall not be entitled to the co-sale rights under this **Article 3.6**, if the Shares are being Transferred by the Promoters and/or the Other Founding Shareholders (as the case maybe) in terms of **Articles 3.2 (Transfer to Affiliates)**, **3.3 (Inter-se Transfer)** or **3.4 (Personal Exigencies)** of Part B of these Articles.
- 3.6.2 The Investors shall have the right to co-sell such number of Shares as is provided in this **Article 3.6 ("Co-Sale Shares")** by issuing a notice in writing to the Promoters and/or the Other Founding Shareholders (as the case maybe) during the Offer Period, requiring the Promoters and/or the Other Founding Shareholders (as the case maybe) to ensure that the Purchaser shall also purchase the Co-Sale Shares from the Investors at the Offer Price and on the same terms and conditions as are set out in the Offer Notice. Provided however, that the Investors shall not be required to make to the Purchaser any (i) representations, warranties and indemnities with respect to the Company and its Subsidiaries (other than title to the Shares held by the Investors and their respective legal standing); or (ii) any non-competition or similar agreements that would bind the Investors or their respective Affiliates. Any Transfer of Shares to the Purchaser under this **Article 3.6** shall be subject to the Purchaser executing a Deed of Adherence to the Agreement.
- 3.6.3 If the Investors decide to exercise their right to co-sell any Shares, the number of Co-Sale Shares that the Investors shall be entitled to sell on a Fully Diluted Basis shall bear the same proportion to the total number of Shares held by them respectively on a Fully Diluted Basis, which the Offer Shares bear as a percentage to the total Shares held by the Promoters and/or the Other Founding Shareholders (as the case maybe) on a Fully Diluted Basis.
- 3.6.4 Without prejudice to the rights of the Investors under **Article 3.7**, **Article 4.4**, **Article 7** and **Article 10** of Part B of these Articles and notwithstanding anything stated in this **Article 3.6**, the Investors shall be entitled to co-sell all their Shares in the event the Offer Shares proposed to be Transferred by the Promoters and/or the Other Founding Shareholders equals or exceeds 50% (fifty percent) of the Promoter Shares.
- 3.6.5 In the event the Purchaser is not willing to purchase the Offer Shares along with all the Co Sale Shares, the Promoters and/or the Other Founding Shareholders (as the case maybe) shall ensure that the Offer Shares and Co-Sale Shares being sold to the Purchaser shall be in proportion to the Offer Shares and the Co-Sale Shares originally offered for sale, such that the total number of Shares being sold to the Purchaser does not exceed the number of Shares that the Purchaser is willing to purchase. This provision is illustrated by the following example:

If the Offer Shares being sold by the Promoters and/or the Other Founding Shareholders equal 150 (one hundred fifty) Shares, the Co-Sale Shares of the Investors equal 50 (fifty) Shares, and the Purchaser is only willing to purchase 100 (one hundred) Shares, the Offer Shares and the Co-Sale Shares to be sold to the Purchaser shall be in the ratio of 1.5:0.5 respectively, such that the Purchaser purchases 100 (one hundred) Shares i.e. the Purchaser will acquire 75 (seventy five) Shares from the Promoters and/or the Other Founding Shareholders (as the case maybe) and 25 (twenty five) Shares from the Investor.

It is however clarified for the avoidance of doubt, where the Investors elect to co-sell all their Shares pursuant to **Article 3.6.4** of Part B of these Articles above, the Promoters and/or the Other Founding Shareholders (as the case maybe) shall ensure that the Purchaser simultaneously acquires all the Co-Sale Shares and any Offer Shares.

3.6.6 In the event the Purchaser is not willing to purchase all of the Co-Sale Shares in terms of either **Articles 3.6.3, 3.6.4 or 3.6.5** of Part B of these Articles above, the Parties agree that the Promoters and/ or the Other Founding Shareholders (as the case maybe) shall not be able to sell its Shares to such Purchaser and any such sale shall again be subject to the provisions of **Articles 3.5 and 3.6** of Part B of these Articles.

3.6.7 In the event that:

36.7.1 the Investors do not exercise the co-sale right within the Offer Period, the Promoters and/ or the Other Founding Shareholders (as the case maybe) shall be free to sell the Offer Shares to the Purchaser, provided that: (i) the sale price shall not be lower than the Offer Price and the terms and conditions of the sale shall be no more favourable than those in the Offer Notice; and (ii) the Purchaser shall execute a Deed of Adherence to the Agreement; or

36.7.2 the Investors exercise the co-sale right within the Offer Period to sell their Co Sale Shares in terms of this Article 3.6, the sale of the Offer Shares by the Promoters and/or the Other Founding Shareholders (as the case maybe) to the Purchaser would be subject to the Purchaser executing a Deed of Adherence to the Agreement. Notwithstanding anything contained in Article 3.5 of Part B of these Articles and this Article 3.6, if the Investors elect to exercise their co-sale right, the Promoters and/or the Other Founding Shareholders shall not be entitled to Transfer their Shares to the Purchaser, if on exercise of the co-sale right by the Investors in terms of this Article 3.6, the Investors do not receive at least the Liquidity Preference Amount; provided however that in the event that the Investors do not receive the entire Liquidity Preference Amount from the Purchaser on the Transfer of their Co-Sale Shares, the Promoters and/or the Other Founding Shareholders shall, simultaneously with the receipt of any payment from the Purchaser for their Offer Shares, ensure that the Investors receive at least the Liquidity Preference Amount by one or more of the following methods. It being clarified that the order of preference of the methods by which the Investors will receive its Liquidity Preference Amount is as follows:

(a) adjustment of the Conversion Ratio of the Series A CCPS;

(b) transfer of such number of Shares by the Promoters and/or the Other Founding Shareholders to the Investors; and/or

(c) cash payment to the Investors by the Promoters and/or the Other Founding Shareholders.

It is further clarified for the avoidance of doubt that, (a) if the Investors do not receive the Liquidity Preference Amount in accordance with this Article 3.6.7, the Promoters and/or the Other Founding Shareholders (as the case maybe) shall not be entitled to transfer any of their Shares to the Purchaser unless the Investors receive at least the Liquidity Preference Amount with respect to the Co-Sale Shares; and (b) the aggregate liability of the Promoters and the Other Founding Shareholders under Article 3.6.7.2(c) of Part B of these Articles above shall not exceed the aggregate value of all the Shares held by the Promoters and the Other Founding Shareholders in the Company. In the event, the Promoters and/or the Other Founding Shareholders Transfer any Shares after the Effective Date to their respective Affiliates pursuant to the terms of the Agreement and these Articles, the Shares so Transferred after the Effective Date shall be included in computing the value of the total Shareholding of the Promoters and/or the Other Founding Shareholders under Article 3.6.7.2(c) of Part B of these Articles.

3.6.8 The sale of the Offer Shares along with the Co-Sale Shares, if any, to the Purchaser shall be completed within a period of 60 (sixty) days from the expiry of the Offer Period. The Promoters and/ or the Other Founding Shareholders (as the case maybe) shall co-operate in good faith to obtain all Consents and approvals that may be required for transfer of the Co-Sale Shares, including Consents from the lenders, if required. In the event of a failure to so consummate the sale within the stipulated 60 (sixty) days period, the sale shall again be subject to the provisions of **Articles 3.5 and 3.6** of Part B of these Articles. For the purpose of computing the said 60 (sixty) day period, any time taken for receipt of necessary regulatory approvals shall be ignored provided such approvals are obtained within a period of 60 (sixty) days from the date of the Offer Period. The time period of 60 (sixty) days as set out in this **Article 3.6.8**, may be extended by mutual agreement between the Investors and the Promoters.

3.6.9 In the event that the Investors are exercising their rights under this **Article 3.6** prior to conversion of all the Series A CCPS, the number of Co-Sale Shares, which they shall be entitled to sell shall be determined on the basis of the Shareholding of the Parties in the Company on a Fully Diluted Basis, and the Offer Price to be paid to the Investors for the Series A CCPS held by the Investors shall be determined based on the number of underlying Equity Shares based on the applicable Conversion Ratio.

3.7 **Transfer of Investors' Shares**

37.1 The Investors shall have the right to Transfer all or part of their Shares to any Person subject to provisions of this **Article 3.7**, and the Company, the Other Founding Shareholders and the Promoters shall provide Transaction Assistance to the prospective third party buyer of the Shares held by the Investors. Provided however, that except with the prior written consent of the Promoters, the Investors shall not Transfer their Shares to a Competitor prior to the expiry of 63 (sixty three) months from the First Closing Date, other than any Transfer of Shares by the Investors to a Competitor pursuant to **Article 10.3.2** of Part B of these Articles. The Company, the Other Founding Shareholders and the Promoters shall also provide necessary representations and warranties and indemnities pertaining to the Company and its Subsidiaries (other than title to the Shares held by the Investors and their respective legal standing) to such third party acquirer. It is hereby clarified that the Investors shall not be required to make any (i) representations, warranties and indemnities with respect to the Company and its Subsidiaries (other than title to the Shares held by the Investors and their legal standing); or (ii) any non-competition or similar

agreements that would bind the Investors or their respective Affiliates. The representations, warranties and indemnities provided by the Company, Other Founding Shareholders and the Promoters to such third party acquirer shall be no less favourable than those provided to the Investors under the Transaction Documents.

- 372 In the event the Investors are desirous of Transferring any of their Shares to any Affiliate of the Investors, such Affiliate shall execute a Deed of Adherence to the Agreement. It is clarified that the rights acquired by an Affiliate of the Investors shall be exercised by the Investor and the Affiliate under the Agreement and these Articles collectively acting as a single block of Shareholders.
- 373 In the event the Investors are desirous of Transferring more than 7.5% (seven point five percent) of the Share Capital, the transferee shall acquire all the rights of the Investors under the Agreement and these Articles by signing a Deed of Adherence to the Agreement.
- 374 Subject to the provisions of **Article 15** of Part B of these Articles, in the event the Investors are desirous of Transferring less than 7.5% (seven point five percent) of the Share Capital, save and except the following rights, the transferee shall not acquire any rights of the Investors under the Agreement and these Articles.
- 374.1 **Article 3.5** (Right of First Refusal) of Part B of these Articles;
- 3742 **Article 3.6** (Co-Sale Rights) of Part B of these Articles;
- 3743 **Article 3.7** (Transfer of Investors' Shares) of Part B of these Articles;
- 3744 **Article 4.1** (Anti-dilution rights) of Part B of these Articles;
- 3745 **Article 4.2** (Pre-Emptive Rights) of Part B of these Articles;
- 3746 **Article 4.3** (Information Rights) of Part B of these Articles; and
- 3747 **Article 4.4** (Liquidity Preference) of Part B of these Articles.
- 375 In the event the Investors are desirous of Transferring 7.5% (seven point five percent) or more of the Share Capital and the Investors continue to hold at least 7.5% (seven point five percent) after such Transfer, both the transferee and the Investors shall be entitled to similar rights and privileges under the Agreement and these Articles by signing a Deed of Adherence to the Agreement. Provided that such transferee and the Investors shall collectively be entitled to appoint only such number of Directors as the Investors are entitled to appoint under the terms of the Transaction Documents; and provided further that the transferee shall be entitled to independently exercise its voting rights under the Agreement and these Articles including with respect to the Fundamental Issues, except only if such transferee is an Affiliate of the Investors that is not a limited partner of the Investor or any entity not directly or indirectly under the Control or ownership of a limited partner of the Investors (the "**Non-LP Affiliate**"), in which event, such Non-LP Affiliate and the Investors shall vote on Fundamental Issues as a single block of Shareholders.
- 376 It is however clarified for the avoidance of doubt, that in the event the shareholding of the Investors and the transferee cumulatively falls below 5% (five percent) of the Share Capital, the rights of the Investors and the transferee remaining under the Agreement and these Articles will be as per **Article 15** of Part B of these Articles.

4. OTHER RIGHTS OF THE INVESTORS

- 4.1 Anti-dilution rights. Notwithstanding anything contained in the Transaction Documents, the Investors shall have the following anti-dilution rights:
- 4.1.1 The Investors shall be protected against any dilution of their Shareholding in the event of a Corporate Event, any distribution in cash or kind by the Company or any other events of a similar nature.
- 4.1.2 If the Company (i) issues or proposes to issue ("**Dilution Event**") any Shares, or any rights, options, warrants, debentures, securities, appreciation rights or instruments entitling the holder to receive, subscribe, convert into and/or exchange for Equity Shares ("**Dilution Instrument**"), at a price ("**Dilution Price**") less than the Final Purchase Price; or (ii) makes any distribution of any nature whether in cash or kind to any holder of any Dilution Instrument, such that the effective price pertaining to such Dilution Instrument is less than the Final Purchase Price i.e. the Dilution Price, then the Investors shall be entitled to anti dilution rights. In such a case the revised Final Purchase Price under various scenarios shall be computed as follows:
- 4.1.2.1 If the Dilution Event occurs prior to the Second Closing Date, the Tranche 1 Conversion Ratio shall be adjusted or the Promoters shall transfer Equity Shares to the Investors, as applicable, in the following manner:
- (a) Scenario 1. If the Investors hold any Tranche 1 Series ACCPS, then the Tranche 1 Conversion Ratio shall be adjusted such that upon conversion of such Tranche 1 Series A CCPS, the revised Final Purchase Price is equal to the Dilution Price.
- (b) Scenario 2. If (i) the Investors do not hold any Tranche 1 Series A CCPS, or (ii) the adjustment envisaged under **Article 4.1.2.1(a)** of Part B of these Articles is not possible due to any restrictions under applicable Law or otherwise, then the Company shall issue or the Promoters shall sell such number of Equity Shares to the Investors at the lowest permissible consideration under applicable Law as may be necessary such that the revised Final Purchase Price, taking into account such transfer of Equity Shares and the consideration paid, is equal to the Dilution Price. Such sale of Equity Shares shall be completed prior to the issuance of the Dilution Instrument.
- 4.1.2.2 If the Dilution Event occurs on or after the Second Closing Date, the Tranche 1 Conversion Ratio and/or the Tranche 2 Conversion Ratio shall be adjusted or the Promoters shall transfer Equity Shares to the Investors, as applicable, in the following manner:
- (a) Scenario 1. If the Investors hold any Tranche 1 Series A CCPS and any Tranche 2 Series A CCPS, then the Tranche 1 Conversion Ratio and the Tranche 2 Conversion Ratio shall both be adjusted such that upon conversion of all such Series A CCPS, the revised Final Purchase Price is equal to the Dilution Price.

- (b) Scenario 2. If the Investors hold any Tranche 1 Series A CCPS but do not hold any Tranche 2 Series A CCPS, then the Tranche 1 Conversion Ratio shall be adjusted such that upon conversion of such Tranche 1 Series A CCPS, the revised Final Purchase Price is equal to the Dilution Price.
- (c) Scenario 3. If the Investors hold any Tranche 2 Series A CCPS but do not hold any Tranche 1 Series A CCPS, then the Tranche 2 Conversion Ratio shall be adjusted such that upon conversion of such Tranche 2 Series A CCPS, the revised Final Purchase Price is equal to the Dilution Price.
- (d) Scenario 4. If (i) the Investors do not hold any Series A CCPS, or (ii) the adjustments envisaged under **Articles 4.1.2.2(a), (b), or (c)** of Part B of these Articles are not possible due to any restrictions under applicable Law or otherwise, then the Company shall issue or the Promoters and/or the Other Founding Shareholders shall sell such number of Equity Shares to the Investors at the lowest permissible consideration under applicable Law as may be necessary such that the revised Final Purchase Price, taking into account such transfer of Equity Shares and the consideration paid, is equal to the Dilution Price. Such sale of Equity Shares shall be completed prior to the issuance of the Dilution Instrument.

It is clarified for the avoidance of doubt that the non-subscription or non participation to the Dilution Instrument by the Investors in terms of **Article 4.1 (Anti-dilution rights)** of Part B of these Articles, shall in no way prejudice the right available to the Investors under this **Article 4.1 (Anti dilution rights)**.

- 4.1.3 In addition to **Articles 4.1.2.1 and 4.1.2.2** of Part B of these Articles above, the Investors shall also be entitled to all pre-emptive rights provided for in **Article 4.2 (Pre-emptive rights)** of Part B of these Articles. For the avoidance of doubt, it is hereby clarified that the non-subscription or non participation to the Dilution Instrument by the Investors in terms of this **Article 4.1 (Anti-dilution rights)**, shall in no way prejudice the right available to the Investors in accordance with **Article 4.2 (Pre-emptive rights)** of Part B of these Articles.
- 4.1.4 For the purpose of this **Article 4.1**, the Company, the Other Founding Shareholders and the Promoters shall extend full co-operation to the Investors such that the Company forthwith takes all necessary steps to give effect to the terms and conditions of this **Article 4.1**, including by way of exercising all rights and powers available to them, voting at general meetings, and causing their nominee Directors on the Board to cast their votes to give effect thereto.
- 4.1.5 Nothing contained in this **Article 4.1**, shall apply to an issuance of Shares pursuant to the exercise of any of the 2019 ESOP Plan Options or any other employee stock option plan of the Company approved by the Board and the Investors in writing.

4.2

Pre-emptive Rights.

- 4.2.1 Save and except in case of an Exempted Issuance, the Investors (without prejudice to rights of the Investors in **Article 4.1** of Part B of these Articles) and the Promoters shall be entitled to a pre-emptive right to purchase such proportion of Shares or any rights, options, warrants, debentures, securities, appreciation rights or instruments entitling the holder to receive, subscribe, convert into and/or exchange for Shares ("**Further Shares**") offered by the Company to any other Person, on the same price, terms and conditions as the Company proposes to offer such Further Shares to such other Persons, as would enable the Investors and Promoters to maintain their proportion of Shareholding on a Fully Diluted Basis. The Investors shall also be entitled to subscribe to Further Shares not subscribed to by such other Persons (including the Promoters).
- 4.2.2 Notwithstanding anything contained in the Transaction Documents, Promoters shall not have any right to subscribe to Further Shares under this **Article 4.2** in the case of:
 - 4.2.2.1 investment of Additional Primary Investment Amount in accordance with clause 7 of the SSA;
 - 4.2.2.2 adjustment to the Conversion Ratio in accordance with the terms of the Agreement and these Articles and clause 10 of the SSA; and
 - 4.2.2.3 any issuance of Equity Shares pursuant to the conversion of the Investor Securities.
- 4.2.3 In the event the Investors or Promoters are desirous of purchasing or subscribing to any Further Shares, but are unable to participate due to any restrictions under Law or for any reason beyond the control of the Investors or Promoters, as the case may be, the Parties shall determine, in good faith, alternate legally viable means by which the Investors and Promoters may maintain their proportion of Shareholding after the conversion, allotment or exercise of the Further Shares.
- 4.2.4 The Company shall ensure that the following procedure is followed in issuing any Further Shares:
 - 4.2.4.1 At least 30 (thirty) days prior to the meeting of the Board held to approve the issuance of any Further Shares, the Company shall send a written notice ("**Pre-Emptive Notice**") to the Investors and Promoters informing them of the proposed plan of the Company to issue Further Shares, providing details of the number of Further Shares to be issued, the price at which they are to be issued and such other terms and conditions regarding the issue of Further Shares ("**Dilution Notice**"). The Dilution Notice shall also specify the number of Further Shares to be issued to the Investors and Promoters ("**Entitlement**") such that the Investors and Promoters can maintain their proportion of Shareholding.
 - 4.2.4.2 Within 15 (fifteen) days after the date of receipt of the Pre-Emptive Notice, the Investors and Promoters shall have the option of subscribing to their respective Entitlement specified in the Dilution Notice and the Investors shall have the option of subscribing to any portion of the Further Shares remaining unsubscribed (the "**Pre-emptive Right Period**").
 - 4.2.4.3 Within 45 (forty-five) Business Days of the expiry of the Pre-emptive Right Period, the Company shall ensure that the issue of Further Shares is approved by the Board and/or the Shareholders, as may be required under Law ("**Approval Date**").
 - 4.2.4.4 The allotment of Further Shares, including to the Investors or Promoters, as the case may be, shall be completed within 30 (thirty) Business Days of the Approval Date, failing which the provisions of this **Article 4.2** shall become applicable again to any issuance of Further Shares thereafter. All Consents and approvals required in issuing the Further Shares shall be obtained by the Company.

- 4.2.4.5 It is agreed that the procedure under this **Article 4.2** shall not be required to be followed if any Further Shares are being issued pursuant to **Articles 4.2.2.1; 4.2.2.2 or 4.2.2.3** of Part B of these Articles.
- 4.2.5 The Company agrees and undertakes that it shall not issue any securities in contravention of the provisions of **Articles 4.1 and 4.2 and Article 6** of Part B of these Articles.
- 4.2.6 For the purpose of this **Article 4.2**, the Company and the Promoters and the Other Founding Shareholders shall extend full co-operation to the Investors such that the Company forthwith takes all necessary steps to give effect to the terms and conditions of this **Article 4.2**, including by way of exercising all rights and powers available to them, voting at general meetings, and causing their nominee Directors on the Board to cast their votes to give effect thereto.
- 4.2.7 The Investors agrees that the aggregate Shareholding of the Investor shall not exceed the Shareholding of the Promoters, provided however that the foregoing limitation shall not apply in case of the following issuances of Shares to the Investors:
- 4.2.7.1 Pursuant to the Investors' anti-dilution rights under **Article 4.1** of Part B of these Articles;
- 4.2.7.2 Pursuant to an adjustment to the Conversion Ratio on account of the Investors' indemnification rights under clause 10 of the SSA, on account of Liquidity Preference or otherwise in terms of the Agreement and the Articles;
- 4.2.7.3 Any Transfer of Shares by the Promoters pursuant to **Article 3** of Part B of these Articles;
- 4.2.7.4 Any further investment by the Investors in the Company post the Second Closing Date, as may be mutually agreed between the Company, Promoters and the Investors; and/or
- 4.2.7.5 The occurrence of an Event of Default that has not been cured in terms of **Article 10.3** of Part B of these Articles.

4.3 Information Rights.

- 4.3.1 As long as the Investors hold any Shares, the Company shall, and the Promoters shall procure that the Company shall:
- 4.3.1.1 Deliver to the Investors the following relating to the Company and its Subsidiaries in a form acceptable to the Investors:
- (a) audited consolidated annual financial statements and management report within 90 (ninety) days after the end of each fiscal year;
 - (b) unaudited consolidated quarterly financial statements and management report within 30 (thirty) days after the end of each fiscal quarter;
 - (c) unaudited consolidated monthly financial statements and management report within 30 (thirty) days after the end of each month till March 31, 2020 and 15 (fifteen) days after the end of each month after March 31, 2020 in the Agreed Form;
 - (d) copies of all documents or other information sent to any Shareholder on the same day it is sent to any other Shareholder;
 - (e) a quarterly budget within 30 (thirty) days prior to end of each fiscal quarter till March 31, 2020 and 15 (fifteen) days prior to the end of each fiscal quarter after March 31, 2020; and
 - (f) an annual budget within 30 (thirty) days prior to the end of each fiscal year.
Provided that all financial statements to be provided to the Investors under Article 4.3.1.1(a) to Article 4.3.1.1(f) of Part B of these Articles, shall be prepared in accordance with the Applicable Accounting Standards, and all management reports to be provided to the Investors shall include a comparison of financial results with the corresponding quarterly and annual budgets;
 - (g) on a regular basis any information required for ensuring compliance with Anti-corruption Laws and Sanction Laws and ESG reporting on part of the Company and its Subsidiaries;
 - (h) copies of any reports filed by the Company and its Subsidiaries with any relevant securities exchange, regulatory authority or governmental agency, as may be requested by the Investors from time-to-time;
 - (i) details of any disputes, actions, Claims, suits, proceedings, by or against the Company including those in relation to lenders of the Company, immediately on the occurrence of any of the foregoing, save and except the disputes set out in Article 4.3.1.1(j) of Part B of these Articles;
 - (j) details of any disputes, actions, Claims, suits, proceedings, by or against the Company in relation to customers or borrowers of the Company, immediately, once the disputed amounts under such proceedings is in excess of INR 5,000,000 (Indian Rupees Five Million only) individually or INR 20,000,000 (Indian Rupees Twenty Million only) cumulatively in a Financial Year;
 - (k) on a regular basis any updates on Business, discussions with regulatory authorities, inorganic growth initiatives and any other significant business-related matter with respect to the Company and its Subsidiaries as may be requested by the Investors from time to time; and
 - (l) allow the Investors, after receipt of a prior notice of 5 (five) days from the Investors, as the case may be, to examine the books and records of the Company and its Subsidiaries, and/or to discuss the Business, operations and conditions of the Company and its Subsidiaries with their respective directors, officers, employees, accountants, legal counsel and investment bankers;
- 4.3.1.2 deliver a compliance certificate on a quarterly basis at each Board meeting and the meeting of the board of directors of the Subsidiaries;
- 4.3.1.3 update the Investors on the status of D&O Policy on a regular basis and as may be requested by the Investors from time to time; and

- 4.3.1.4 provide to the Investors details of any defaults under material contracts, notices having material effect on the Business immediately upon the occurrence of such event.

4.4 Liquidity Preference.

- 4.4.1 In any Liquidity Event, the distribution (whether from capital, reserves, surplus, earnings or sale consideration or otherwise) of proceeds realized from the occurrence of the relevant Liquidity Event (the "**Distributable Proceeds**") shall be distributed in the following manner:
- 4.4.1.1 First, on a *pari passu* basis, prior to any payments being made to any other Shareholder, to the Investors to the extent of the Liquidity Preference Amount.
- 4.4.1.2 Second, all remaining proceeds realized from the occurrence of such Liquidity Event shall be distributed to the Shareholders other than the Investors, in proportion to their *inter-se* Shareholding.
- 4.4.2 In the event that the Distributable Proceeds is lesser than the sum of the aggregate amounts invested by the Investors in the Company, then the entire proceeds will be distributed amongst the Investors, whether in one or more tranches.
- 4.4.3 In the event **Article 4.4.1** and **Article 4.4.2** of Part B of these Articles above is not enforceable under applicable Law, the following shall apply: after payment or provision for payment of the debts and other liabilities of the Company, the remaining proceeds realized from such Liquidity Event shall be distributed amongst the Shareholders in proportion to their respective Shareholding on a Fully Diluted Basis. In the event the amount received by the Investors is less than the Liquidity Preference Amount, then, the Investors may at their sole discretion, chose to receive the following, either independently or in a combination: (a) where after such Liquidity Event, the Investors continue to hold any Series A CCPS, then, subject to applicable Law, the Conversion Ratio of the Series A CCPS shall be adjusted, such that on conversion of such Series A CCPS, the Investors receive the Liquidity Preference Amount; and/or (b) the Promoters and the Other Founding Shareholders shall, out of the amounts received by them net of any Taxes, pay to the Investors such amount so that the Investors receive the Liquidity Preference Amount. It is clarified that in the event of a part sale of Shares by the Promoters and the Other Founding Shareholders, the obligation of the Promoters and the Other Founding Shareholders to pay the Investors the Liquidity Preference Amount shall continue and survive until the Investors receive the Liquidity Preference Amount.
- 4.4.4 Notwithstanding anything contained in the Transaction Documents, in the event that the applicable Law does not permit the Investors from receiving payments set out in Articles 4.4.1, 4.4.2 or 4.4.3 of Part B of these Articles, the Parties shall determine in good faith the manner in which the Investors shall be compensated to the extent of the Liquidity Preference Amount, including by way of making adjustments to the Conversion Ratio.
- 4.4.5 For the purpose of this Article 4.4, the Company and the Promoters shall extend full co-operation to the Investors such that the Company forthwith takes all necessary steps to give effect to the terms and conditions of this Article 4.4, including by way of exercising all rights and powers available to them, voting at general meetings, and causing their nominee Directors on the Board to cast their votes to give effect thereto.
- 4.4.6 For avoidance of doubt, the Parties agree that on the occurrence of a Liquidity Event pursuant to Article 3.6, Article 7 or Article 10 of Part B of these Articles, then the process for implementing the Liquidity Event shall be that as set out in Article 3.6, Article 7 or Article 10 of Part B of these Articles (as the case maybe). Provided however, that the Investors shall always be entitled to the Liquidity Preference Amounts as per this Article 4.4 in case of a Liquidity Event under Article 7 and Article 10 of Part B of these Articles.
- 4.4.7 Notwithstanding anything contained in these Articles, Promoter's and the Other Founding Shareholders' liability to pay any shortfall of the Liquidity Preference Amount to the Investor shall not exceed the aggregate value of all the Shares held by the Promoters and the Other Founding Shareholders in the Company. In the event, the Promoters and the Other Founding Shareholders Transfer any Shares after the Effective Date to their respective Affiliates pursuant to the Agreement and these Articles, the Shares so Transferred after the Effective Date shall be included in computing the liability of the Promoters and the Other Founding Shareholders with respect to computing the Liquidity Preference Amount under this Article 4.4.7.
- 4.4.8 It is hereby clarified that in case of partial sale of Investor Securities, the Liquidity Preference Amount shall be recomputed accordingly.

- 4.5 ESOP: In addition to the 2019 ESOP Plan, the Company shall, after obtaining Investor Consent, reserve further employee stock options as per business necessity, which shall dilute every Shareholder proportionately, and which shall be available for allocation subject to applicable Laws to the employees, officers and Directors (other than the Promoters) or such other person pursuant to any bona-fide employee stock option plan that may be approved by the Board and compensation committee of the Company. The Board and the compensation committee of the Company shall jointly determine the eligibility criteria for any future employee stock option grant.

- 4.6 Notwithstanding anything contained in the Agreement and these Articles, the liability of the Other Founding Shareholders in any event whatsoever shall only be limited to the aggregate value of all the Shares held by the Other Founding Shareholders in the Company. In the event, the Other Founding Shareholders Transfer any Shares after the Effective Date to their respective Affiliates pursuant to the Agreement and these Articles, the Shares so Transferred after the Effective Date shall be included in computing the liability of the Other Founding Shareholders with respect to computing the Liquidity Preference Amount under this Article 4.6.

5. **MANAGEMENT OF THE COMPANY**

The provisions of this Article 5 shall mutatis mutandis apply to the Company and each of the Subsidiaries and accordingly for the purpose of this Article 5, the term "Board" and "committee" shall mean the board of directors or committees, as the case may be, of the Company and each of its Subsidiaries, the term "Directors" shall mean the directors of the Company and each of its Subsidiaries, and the term "Company" shall include each of its Subsidiaries, as may be applicable.

- 5.1 Board Composition. The maximum number of Directors shall not at any time exceed 12 (twelve). The number of Directors shall not be changed except by way of amendment to the Charter Documents.

- 5.2 Without prejudice to Article 5.3 of Part B of these Articles, subject to applicable Law, the Investors and the Promoters shall be entitled to appoint such number of Directors (rounded off to the nearest integer) in proportion to their Shareholding on a Fully Diluted Basis. Provided however that the Investors shall at all times be entitled to appoint a minimum of 1 (one) Director (such Director, the "**Investor Director**") subject to the Investors holding at least 5% (five percent) of the Share Capital.
- 5.3 On the First Closing Date Investors shall have the right to appoint 1 (one) Investor Director(s), and thereafter the appointment of any Director, if any, shall be in accordance with Article 5.2 of Part B of these Articles.
- 5.4 Independent Directors. Appointment of new Independent Directors shall be after obtaining Investor Consent. Re-appointment of existing Independent Directors as on the First Closing Date will not require Investor Consent. The composition of the Board, other than the Investor Directors and Promoter Directors, shall be mutually agreed between the Investors and the Promoter within 12 (twelve) months from the First Closing Date.
- 5.5 Save and except the Independent Directors, if any, the board of directors of the Subsidiaries shall be identical to the Board.
- 5.6 The Investor Directors shall be non-executive Directors, shall not be responsible for the day-to-day management of the Company and shall not be liable for any failure by the Company to comply with Law. The Company shall nominate a Director or persons other than the Investor Directors as "persons in charge" or "principal officer" as contemplated under Law and shall ensure that the Investor Directors are not included within the scope of "officer who is in default" under Law or shown as such in any applications, filings, returns, registers or otherwise. The Investor Directors shall not be required to hold any qualification shares.
- 5.7 Committees of the Board. The Investors shall have the right to appoint the Investor Director(s) on all committees of the Board. The Company shall ensure that the Board constitutes an Audit Committee, Risk Management Committee, Asset Liability Management Committee, Credit Committee, Compensation Committee, Corporate Social Responsibility Committee and Corporate Governance Committee. Further, the Investors, the Promoters and the Company shall mutually agree on the scope of such committees so constituted and their respective policies within 90 (ninety) days from the First Closing Date.
- 5.8 Alternate Directors. The Investors shall be entitled to nominate persons to be appointed as alternate directors to the Investor Directors as permitted under applicable Law. Such alternate directors shall have the same rights as the Investor Directors.
- 5.9 Removal/Resignation of Directors. The Investors may remove or require the removal of Investor Directors by written notice and nominate another individual as an Investor Director in their place, and all Parties shall exercise all rights and powers available to them and shall cause their nominee Directors on the Board to cast their votes to give effect thereto. In the event of resignation, retirement or vacation of office of the Investor Director, the Investors shall be entitled to appoint another Director in place of such resigning Director, and the Parties shall exercise all rights and powers available to it and shall cause its nominee Directors on the Board to cast their votes to give effect thereto.
- 5.10 Observer. The Investors shall also be entitled to nominate 1 (one) observer to the Board, and the board of each of the Subsidiaries and to all the committees of the Board and the committees of the board of each of the Subsidiaries ("Observer"). The Observer shall be entitled to receive all notices and other communications given to the Directors or committee members and shall be entitled to attend all meetings of the Board and committees of the Board. For the avoidance of doubt, the Observer shall not be entitled to vote at the meetings of the Board and/or their committees or be counted towards the quorum for such meetings.
- 5.11 To retire by rotation. It is clarified for the avoidance of doubt that the Investor Director(s) shall be liable to retire by rotation. Where any Director is required to retire in compliance with the provision of the Act, the Parties shall ensure that they shall be reappointed to the Board. The Parties hereby undertake to vote at general meetings and board meetings of the Company and cause their nominee Directors to vote in such manner so as to ensure reappointment of Directors in accordance with this Article 5.11.
- 5.12 Meetings of the Board.
- 5.12.1 The Board of the Company shall meet at least once every 3 (three) calendar months at such locations as may be decided by the Board, provided that such location is approved, in writing, by the Investor Directors and Promoter Directors. A meeting of the Board or its committee shall be convened pursuant to a written notice of at least 7 (seven) Business Days to each of the Directors and their alternate directors. Any Director shall have the right to convene a meeting of the Board or committee through issue of a written notice as above. Notice may be waived, or a Board or committee meeting may be called by giving shorter notice with the consent of the majority of the Directors, provided that the consent of at least 1 (one) Investor Director is also obtained. The notice of each Board or committee meeting shall include a detailed agenda setting out the business proposed to be transacted at such meeting, and copies of all relevant papers connected therewith and/or proposed to be placed before or tabled before the Board or committee. Any Director may require any additional item to be put on the agenda by written notice sent to the company secretary or such other person as may be designated by the Board or to all the other Directors of the Board at least 7 (seven) Business days before the relevant meeting. Any matter outside the agenda shall not be discussed at such meeting, except with consent of at least 1 (one) Investor Director.
- 5.12.2 Subject to applicable Law, all matters shall be passed or decided at a Board or a committee meeting only if at a validly constituted meeting, such resolutions are approved by a simple majority of the Directors present and voting at such Board or committee meeting. Provided however that, if it relates to a Fundamental Issue, Investor Consent should have been obtained in the manner contained in **Article 6** of Part B of these Articles. No matter relating to any Fundamental Issue will be included in the agenda of any Board or committee meeting under any heading other than the heading "**Matter Pertaining to Fundamental Issues**". It is clarified for the avoidance of doubt that no Fundamental Issue shall be passed, approved or authorised in any Board meeting unless such Fundamental Issue is in verbatim either (i) approved in writing by the Investor Director; or (ii) where the Investor Director is not present in

such Board meeting, the Investor Consent has been obtained with respect to such Fundamental Issue prior to such Board meeting.

- 5.13 The Directors may in accordance with the applicable Law participate in a Board meeting through Electronic Mode as may be set out in the notice of the Board meeting, provided the Director intending to participate in the Board meeting by Electronic Mode intimates the Company in writing of his intention to participate in the particular Board meeting by Electronic Mode at least 1(one) day prior to the scheduled date of such Board meeting. Participation in the Board meeting through Electronic Mode shall constitute presence "in person" for purposes of constituting quorum for the Board Meeting only if each Director participating in the Board meeting by Electronic Mode attends at least 1 (one) Board meeting physically in every Financial Year. The place where the Chairman of the Board meeting is located shall be taken as place of the Board meeting and all recording shall be done at that place. In the event any Director participates in a Board meeting through the Electronic Mode, the Chairman of the Board meeting will be responsible for the conduct of such meeting in accordance with applicable Laws. All meetings of the Board undertaken through Electronic Mode shall be subject to the provisions relating to the conduct of a Board meeting under Part B of these Articles.
- 5.14 Minutes. All minutes of the meetings of the Board shall be an accurate reflection and representation of the meeting of the Board to which they relate and shall be circulated to the Directors as soon as practicable after the meeting to which they relate, and in any case no later than 10 (ten) Business Days after such meeting. All minutes of the meetings of the Board shall be confirmed by nominee Directors of all Parties who had attended such meeting to ensure that such minutes are an accurate reflection and representation of the meeting of the Board to which they relate. Notwithstanding anything stated in Article 5 of Part B of these Articles, the minutes of meetings of the Board attended by the Investor Directors shall only be conclusive evidence of any resolution of such meeting conducted in the manner as aforesaid and treated as 'confirmed' once they are confirmed in writing including by way of e-mail within 20 (twenty) Business Days from the date on which the relevant meeting of the Board is held, by such Investor Directors who had attended such meeting. Notwithstanding anything contained in Article 5 of Part B of these Articles, the minutes of the meetings of the Board, which are not attended by the Investor Directors and a decision on a Fundamental Issue is approved at such meeting, shall be conclusive evidence of any resolution passed at such meeting if such resolution is passed in accordance with the Investor Consent obtained for such Fundamental Issue.
- 5.15 At the end of every quarter of a Financial Year, a whole-time Director of the Company shall provide a compliance certificate to the Board, substantially in the form provided under annexure 6of the Agreement, stating that the business and affairs of the Company have been, are being and shall be conducted in compliance with Law and in the interest of the Company.
- 5.16 Quorum. The quorum for a meeting of the Board shall comprise 3 (three) Directors unless a higher quorum is prescribed by applicable Law; provided however, at least 1 (one) Investor Director and 1 (one) Promoter Director shall have to be present in person or through an alternate director, at the beginning of the meeting and throughout the meeting. If the quorum is not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting there is no longer a quorum and the Company has received a notice of waiver in writing from the Investor Director from attending such meeting, then the meeting shall be conducted subject to applicable Law. If such waiver is not obtained, the meeting shall be adjourned and reconvened, with the same agenda, at the same place and time 10 (ten) days later, or such shorter period as may be agreed to by the majority of the Directors, provided that the consent of at least 1 (one) Investor Director and 1 (one) Promoter Director is also obtained. At the reconvened meeting, the Directors present shall constitute the quorum; provided however that at such reconvened meeting, no decision on the Fundamental Issues can be passed, approved or authorized unless the Investor Consent has been obtained.
- 5.17 Chairman. Subject to there being no pending or unresolved notice of dispute issued by the Investors against the Company, the Promoters or the Other Founding Shareholders alleging any breach of the terms of the Transaction Documents, the Promoters shall be entitled to appoint the Chairman of each meeting of the Board. In the event any such notice of dispute is either issued or remains unresolved and outstanding, the Directors so present in the relevant meeting of the Board shall appoint the Chairman of such meeting of the Board. The Chairman shall not, in case of equality of votes, have a second and casting vote in any meeting of the Board or of any committee thereof.
- 5.18 Circular resolutions. A resolution by circulation shall be as valid and effectual as a resolution duly passed at a Board meeting called and held, provided it has been circulated in draft form, together with the relevant papers, if any, to all the Directors and has been approved by a majority of the Directors entitled to vote thereon. Provided however that, if it relates to a Fundamental Issue, Investor Consent should have been obtained in the manner contained in Article 6of Part B of these Articles. No circular resolution shall be valid unless the same has been circulated to all the Directors whether in India or abroad with at least 5 (five) days' notice. No decision on the Fundamental Issues set out in Article 6of Part B of these Articles can be passed, approved or authorized by a circular resolution unless Investor Consent has been obtained. In all other cases, no circulation resolution can be passed, approved or authorized, unless the same has been signed by a majority of the Directors. The said period of 5 (five) days may be reduced if a majority of the Directors on the Board consent, provided at least 1 (one) Investor Director and at least 1 (one) Promoter Director consents to the circular resolution being circulated with less than 5 (five) days' notice. If any Director fails or refuses to sign such circular resolution within 7 (seven) days from the date of circulation, he shall be deemed to have disapproved of the resolution circulated to the Directors for approval.
- 5.19 Sitting fees of the Investor Directors. The Investor Directors shall be entitled to all the rights and privileges of other non- executive Directors and to the sitting fees and expenses; provided that if the Investors so advise the Company, the sitting fees in relation to the Investor Directors shall accrue to the Investors and the same shall accordingly be paid by the Company to the Investors.
- 5.20 Expenses. The Investor Directors shall be paid all reasonable out-of-pocket-expenses (including travel, boarding and lodging expenses) by the Company for attending any Shareholders' meeting and Board meeting of the Company or a meeting of the board of directors of the Subsidiaries and any other reasonable expenses incurred by the Investor Directors in the course of fulfilling their duties and obligations as directors of the Company and/or the Subsidiaries in terms of the policy of the Company; provided that if the Investors so advise the Company, such expenses incurred by the Investor Directors shall accrue to the Investors and the same shall accordingly be paid by the Company to the Investors.
- 5.21 D&O insurance. The Company shall within 90 (ninety) days from the First Closing Date and at all times thereafter maintain and procure the maintenance of director and officer indemnity insurance policies ("D&O Policy") which are customary for similar companies in respect of all Directors and officers of the Company. In all such insurance policies, the Investor Directors shall be named as an insured in such a manner so as to provide such Investor Directors the same rights and benefits equal to or more than the other Directors and to protect such Investor Directors from Losses suffered on account of any acts or omissions by them in executing their role as non-executive Directors of the Company. Such insurance policies shall require prior written approval of the Investors (including any modification or

agreement to any terms and conditions therein) and shall be reviewed periodically by the Investors at least once in each calendar year and that all recommendations by the Investors shall be complied with.

5.22 Directors' indemnity.

5.22.1 Without prejudice to **Article 5.21** of Part B of these Articles above, the Company agrees to indemnify every person who is and has been an Investor Director ("**Indemnitee**") against any and all Losses and expenses (including all Losses incurred in connection with investigating, defending, appealing, being a witness in or otherwise participating in or preparing to defend, appeal, be a witness in or otherwise participate in a proceeding, amounts paid in settlement (if such settlement is approved in advance by the Company, which approval shall not be unreasonably withheld) and other charges in connection therewith ("**D&O Expenses**"), incurred by the Indemnitee in connection with any pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including without limitation a Claim, demand, discovery request, formal or informal investigation, inquiry, administrative hearing, arbitration or other form of alternative dispute resolution), including an appeal from any of the foregoing, which is in any way connected with, resulting from or related to the fact that the Indemnitee is or was a director of the Company, or by reason of any action or inaction on the part of the Indemnitee while serving in such capacity ("**Proceeding**"). The Company shall, in addition, pay the Indemnitee an amount equal to any Taxes imposed on the said Indemnitee in any jurisdiction as a result of the actual or deemed receipt of any payments under the Agreement and these Articles ("**D&O Taxes**"). The Company shall advance all D&O Expenses and D&O Taxes incurred by the Indemnitee. Such advances will be made by the Company as soon as practicable but in any event no later than 14 (fourteen) days after written demand by the Indemnitee is presented to the Company.

5.22.2 No indemnification shall be provided to the Indemnitee to the extent that the D&O Expenses and D&O Taxes are covered by a policy of insurance and fully paid or reimbursed by an insurer to the Indemnitee.

5.22.3 The right of indemnification provided herein shall not affect any other rights to which any Indemnitee may be entitled.

5.23 Exercise of rights. All Parties agree to use all their rights, including their voting rights in relation to any Equity Shares held by them, to effectuate the appointment and election of the Investor Directors as contemplated herein and to ensure that the Company abides by the terms and conditions imposed in this **Article 5**.

5.24 Quorum and Voting at Shareholder meeting. Voting on all matters to be considered at a general meeting of the Shareholders shall be by way of a poll unless otherwise agreed upon in writing by the Investor, subject however that if required by applicable Law, the Company shall provide postal ballot voting facility and e-voting facility to its Shareholders. The quorum for a general meeting shall be as per applicable Law subject to a minimum of 1 (one) representative of the Investors and 1 (one) representative of the Promoters, who are present and voting unless the Investors and/or the Promoters (as the case maybe) have waived their right to form quorum in writing to the Company. If the quorum is not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting there is no longer a quorum, the meeting shall be adjourned and reconvened, with the same agenda, at the same place and time 7 (seven) days later, or such shorter period as maybe agreed to by the Board. It is however agreed between the Parties that in the event the quorum of the Shareholders' meeting is not met solely on account of the absence of the Investors' representative, then, such meeting of the Shareholders will not be required to be adjourned, subject to: (a) the agenda for such Shareholders' meeting containing only such items that have been approved in writing by the Investor Directors in the Board meeting convening such Shareholders' meeting and no item outside such agenda is taken up at such Shareholders' meeting; and (b) no decision on a Fundamental Issue is passed, approved or authorized at such Shareholders' meeting unless such Fundamental Issue has been approved in writing by the Investor Directors in the meeting of the Board in which the decision to convene the Shareholders' meeting was taken and the notice of such Shareholders meeting has reproduced such Fundamental Issue in verbatim, that was (i) approved at such Board meeting in verbatim, or (ii) has been approved in writing by the Investors separately.

5.25 Notice for Shareholding meeting. Subject to the provisions of applicable Law, at least 21 (twenty one) days written notice of every Shareholder meeting of the Company shall be given to all Shareholders. The notice of each Shareholder meeting shall include a detailed agenda setting-out the business proposed to be transacted at the meeting, together with copies of all relevant papers connected therewith and/or proposed to be placed before or tabled at the Shareholder meeting. The business conducted at any meeting of the Shareholders shall only comprise those matters expressly stated in the notice convening such meeting unless otherwise agreed prior to in writing by the Investors. Notwithstanding anything to the contrary contained in the Transaction Documents, all decisions of the Company in respect of any of the Fundamental Issues shall be taken only in accordance with **Article 6** of Part B of these Articles. No matter relating to any Fundamental Issue will be tabled in the agenda of any Shareholders' meeting under any heading other than the heading "**Matter Pertaining to Fundamental Issues**".

5.26 Chairman. Subject to **Article 5.17** of Part B of these Articles, the Chairman of the Board shall be the Chairman of the Company. In the event that such Chairman is not present at a Shareholders' meeting or a notice of dispute by the Investors, is either issued or remains unresolved or outstanding, the Shareholders so present shall appoint the Chairman to preside over such meeting. The Chairman shall not, in case of equality of votes, have a second and casting vote in any meeting of the Shareholders.

5.27 Minutes. All minutes of the meetings of the Shareholders shall be an accurate reflection and representation of the meeting of the Shareholders to which they relate and shall be circulated to the Shareholders on request as soon as practicable after the meeting to which they relate, and in any case no later than 15 (fifteen) days after such meeting. All minutes of the meetings of the Shareholders shall be confirmed by the representatives of the Parties who had attended such meeting to ensure that such minutes are an accurate reflection and representation of the meeting of the Shareholders to which they relate. Notwithstanding anything stated in this **Article 5.27**, the minutes of general meetings of the Company attended by a representative of the Investors shall only be conclusive evidence of any resolution of any meeting conducted in the manner as aforesaid and treated as 'confirmed' once they are confirmed in writing including by way of e-mail by the representatives of the Investors who had attended such meeting. Notwithstanding anything contained in this **Article 5**, the minutes of the meetings of the Shareholders, which are not attended by the Investors' representatives and a decision on a Fundamental Issue is approved at such meeting shall be conclusive evidence of any resolution passed at such meeting if such resolution is passed in accordance with the Investor Consent obtained for such Fundamental Issue.

- 5.28 **Business Plan.** Without prejudice to the rights of the Investors under **Article 6** of Part B of these Articles, the Parties agree that the Investors shall be closely involved in the short, medium and long term business plan of the Company and its Subsidiaries, including budgeting, capex decisions, recruitment of senior management personnel, mergers and acquisitions, fund raising, financial forecasting, strategic planning exercises and sale of shares undertaken by the Company. A detailed business plan for the Company (which shall include details of operations, employment and social standards and policies, financials, projected financials, capital expenditure and other relevant targets for the Company and its Subsidiaries shall be presented to the Board for approval at least 30 (thirty) days prior to the commencement of the new Financial Year (such business plan, the "**Business Plan**"). The summary of the Business Plan for the Financial Years ending on March 31, 2020, March 31, 2021, March 31, 2022, March 31, 2023 and March 31, 2024 have been annexed as annexure 7 of the Agreement. The consideration received by the Company on account of the issue and allotment of Investor Securities to the Investors in accordance with the Agreement and these Articles and funds received by the Company through any debt financing shall be used solely in accordance with the Business Plan.
- 5.29 **Monthly Management Meeting:** Each month the Company shall prepare a Management Information System Report ("**MIS Report**") and circulate such report to the Investors. The Promoters, the Key Management and the Investors shall hold a meeting either as a physical meeting at the registered office of the Company or such other place as maybe mutually decided by the Promoters and the Investors; or through Electronic Mode to review the performance of the Company based on the information set out in such MIS Report.

6. FUNDAMENTAL ISSUES

- 6.1 The provisions of this **Article 6** and **Annexure 1** to Part B of these Articles shall *mutatis mutandis* apply to the Company and to each of the Subsidiaries and accordingly for the purpose of this **Article 6** and **Annexure 1** to Part B of these Articles, the term "Board" and "committee" shall mean the board of directors or committees, as the case may be, of the Company and each of its Subsidiaries or companies Controlled by or under common Control of the Company and the term "Company" shall include each of its Subsidiaries and such companies.
- 6.2 **Voting on Fundamental Issues.** Notwithstanding anything to the contrary contained in the Transaction Documents, in the event that the Company, or the Shareholders (other than the Investors), as the case may be, wish to take any action with respect to the Fundamental Issues at any general meeting of Shareholders (if such issue requires the approval of the Shareholders in general meeting) or by way of postal ballot as may be required under the Act, or at any meeting of the Board or committee (if such matters are delegated by the Board to such committee) or by way of a circular resolution, as the case may be, the Company shall obtain Investor Consent without which, the Company shall not be able to take any such action. In the event that Investor Consent is not obtained within a period of 7 (seven) days from the date on which it is sought, then such approval shall be deemed to have been refused.

7. EXIT OPTION FOR THE INVESTORS

- 7.1 The Company shall provide, and the Promoters and the Other Founding Shareholders shall procure that the Company provides, a complete exit to the Investors on or before the expiry of 4 (four) years from the First Closing Date, through either of the following options: (i) a QIPO or (ii) a Strategic Sale, or (iii) a sale to any Financial Investor, or strategic investor or other investor (together an "**Exit Event**").
- 7.2 The Promoters and the Other Founding Shareholders agree that if required for the purpose of complying with the provisions of Law or requirements of any underwriter or investment banker appointed for the QIPO (including any provision in respect of minimum offer size), the Promoters and the Other Founding Shareholders shall offer their Shares for sale in a QIPO. In the event the Investors decide to sell their Shares through an Exit Event, the Investors shall not be obliged to provide any representations, warranties or indemnities to the prospective buyer(s), except for the title and ownership of such Shares and on the authority to sell such Shares.
- 7.3 Notwithstanding anything contained in **Articles 7.1** or **7.2** of Part B of these Articles, the Investors shall, in their sole discretion, be entitled to offer a part or all of their Shares for sale in the QIPO ahead of the Promoters and the Other Founding Shareholders but will have no obligation to do so. If the Investors do not offer such number of Shares that meets or exceeds the QIPO Minimum Number of Shares, then the remaining Shares shall be offered by the (i) Company and/or (ii) Promoters and the Other Founding Shareholders in proportion to their then *inter-se* Shareholding as per the sole discretion of the Investors.
- 7.4 If the Company and/or the Promoters do not provide a complete exit to the Investors as provided in **Article 7.1** of Part B of these Articles above on or before 54 (fifty four) months from the First Closing Date (such period, the "**First Exit Period**"), then at the sole discretion of the Investors, the Investors may require the fulfilment of either or all of the following options:
- 7.4.1 **Offer for Sale.** The Company and the Promoters to arrange an offer for sale of all Shares held by the Investors through an IPO on a recognised stock exchange on terms and conditions determined by the Investors within a period of 180 (one hundred and eighty) days of receipt of a notice to such effect from the Investors. Notwithstanding anything contained in this **Article 7.4.1**, the Investors shall, in their sole discretion, be entitled to offer a part or all of their Shares for sale in the IPO ahead of the Promoters and the Other Founding Shareholders, but will have no obligation to do so;
- 7.4.2 **Buyback.** The Company shall and the Promoters shall procure the Company to, subject to Governmental Approvals, use, all of its surplus funds, free cash flows and reserves available to buy back the Shares held by the Investors at the FMV. In respect of the Series A CCPS, the FMV for such Series A CCPS shall be determined based on the FMV of the underlying Equity Shares. The computation of the FMV of the Equity Shares shall be done in accordance with generally accepted valuation principles by any investment banker of international repute who shall be jointly appointed by the Promoters and the Investors. It is agreed that the Other Founding Shareholders and the Promoters shall provide all assistance including by way of exercising all rights and powers available to them, voting at general meetings, and causing their nominee Directors on the Board to cast their votes to enable the Company to complete the buyback of Shares held by the Investors as envisaged under this **Article 7.4.2**.

Notwithstanding anything contained in the Transaction Documents, the Promoters, the Other Founding Shareholders and their respective Affiliates, shall abstain from offering their Shares in a buy-back of Shares by the Company; and

7.4.3 Fresh Issue.

- (a) In the event the Company proposes to raise additional funds through a Fresh Issue at any time after the First Exit Period, the Company shall provide a written notice to the Investors indicating the following (i) amount of capital proposed to be raised by the Company; (ii) the terms of issuance; (iii) the identity of and the price per Share payable by the Person proposing to subscribe to such Share (the "**Future Investor(s)**"); and (iv) the indicative timeframe within which such Fresh Issue will be completed (the "**Fresh Issue Intimation**"). Within 30 (thirty) days of the receipt of the Fresh Issue Intimation (the "**Fresh Issue Decision Period**"), the Investors may, by a written notice to the Company and the Promoters, communicate their willingness to participate in the Fresh Issue by way of sale of any or all of the Investor Securities (the "**Fresh Issue Acquisition Securities**") held by the Investors or their Affiliate, to the Future Investor(s) (the "**Fresh Issue Participation Notice**").
 - (b) If the Company receives a Fresh Issue Participation Notice from the Investors, the Company can undertake the Fresh Issue only after, or simultaneously with, the completion of the sale of the Fresh Issue Acquisition Securities.
 - (c) Within a period of 15 (fifteen) days from the expiry of the Fresh Issue Decision Period and subject to the issuance of the Fresh Issue Participation Notice from the Investors, the Company shall provide a written notice to the Investors (the "**Fresh Issue Acquisition Notice**"), setting out particulars of the Future Investor(s) who is/are proposing to invest in the Fresh Issue and the number of Shares that the Future Investor(s) intends to acquire (the "**Fresh Issue Acquisition Price**").
 - (d) The Investors and/or their Affiliates, as the case may be, shall provide representations or indemnities only in relation to the title of the Investor Shares, and the Promoters, the Other Founding Shareholders and the Company shall provide (if required) representations and indemnities with respect to the Business. The Company, the Other Founding Shareholders and the Promoters shall provide all necessary Transaction Assistance to the Future Investor in connection with the Fresh Issue.
 - (e) Within 15 (fifteen) days from the receipt of the Fresh Issue Acquisition Notice or such extended period, as may be required, due to any approval pending from the Governmental Authority, the Company shall, and the Promoters and the Other Founding Shareholders shall ensure consummation of the acquisition of Fresh Issue Acquisition Securities by the Future Investor(s) on the same terms as mentioned in the Fresh Issue Participation Notice including the Fresh Issue Acquisition Price.
 - (f) If the Investors do not provide the Fresh Issue Participation Notice within the time period specified above, then the Company may, subject to the rights of Investors set forth in the Agreement and these Articles, proceed with the issuance of Shares to the Future Investor(s) at the price and terms mentioned hereinabove and within the period specified in the Fresh Issue Intimation for completing the Fresh Issue, failing which, the Company shall have to once again follow the process set out in this **Article 7.4.3**.
 - (g) Notwithstanding anything contained in this **Article 7.4.3**, if the Future Investor does not purchase all of the Fresh Issue Acquisition Securities set out in the Fresh Issue Participation Notice, then the Company shall not be entitled to undertake the Fresh Issue without Investor Consent. It is hereby clarified that in the event any issue of Shares requires Investor Consent pursuant to terms of the Agreement and these Articles, any Fresh Issue by the Company shall be subject to the receipt of Investor Consent.
 - (h) The provisions of this **Article 7.4.3** shall apply with respect to every Fresh Issue proposed to be undertaken by the Company at any time until the Investors and their Affiliates (if applicable) are provided complete exit from the Company.
 - (i) Notwithstanding anything contained in this **Article 7.4**, the Investors shall be entitled to Anti-dilution rights under **Article 4.1** of Part B of these Articles for any Fresh Issue by the Company.
 - (j) Notwithstanding anything contained in this **Article 7.4.3**, if the indicative terms of a Fresh Issue have been agreed between the Company and the prospective investor on or before the expiry of the First Exit Period by way of a signed term sheet and such Fresh Issue has not been completed on or before the expiry of the First Exit Period, then such expiry of the First Exit Period shall be extended for a period of 3 (three) months or such longer period as decided at the sole discretion of the Investors. It is hereby clarified that nothing under this **Article 7.4.3** shall affect the time periods set out under **Article 7.8** and **Article 7.9** of Part B of these Articles.
- 7.5 The Company, Promoters and the Investors shall jointly decide on the execution procedure for the exit transactions contemplated in **Article 7.1** and **Article 7.4** of Part B of these Articles including without limitation with respect to the ideal corporate structure of the Company for facilitating an exit and the requirement for any restructuring thereof, appointment of the investment bankers and valuation of the Shares for a QIPO/IPO.
- 7.6 The Promoters and the Other Founding Shareholders shall provide and shall ensure that the Company provides all Transaction Assistance required by the Investors for completing the exit transactions contemplated under **Article 7.1** and **Article 7.4** of Part B of these Articles.
- 7.7 Notwithstanding anything contained in **Article 7.5** of Part B of these Articles, the Parties agree that any QIPO/IPO undertaken pursuant to **Articles 7.1** and **7.4.1** of Part B of these Articles shall be conducted as follows:
- 7.7.1 The Company shall and the Promoters and the Other Founding Shareholders shall procure that the Company shall undertake all steps and do all acts, deeds, matters and things as may be required, and extend all cooperation to the Investors, investment banks, lead managers, underwriters and other Persons as may be required for the purpose of expeditiously making and completing an QIPO/IPO, including:
- 7.7.1.1 Undertaking the requisite corporate actions, including passing the requisite resolutions at the Board and Shareholders' meetings. The Other Founding Shareholders shall also vote at general meetings and cause their nominee Directors on the Board if any to cast their votes to give effect thereto;

- 7.7.12 Appointing intermediaries and advisors (including legal and financial) to facilitate the process;
- 7.7.13 Providing reasonable access to various intermediaries and advisors (including legal, accounting, banking and financial), to the documents, offices and facilities of the Company and its Subsidiaries, in order to provide adequate disclosures under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or other applicable Law;
- 7.7.14 Extending all such co-operation to the QIPO/IPO merchant banker, the syndicate members, underwriters and all other advisors;
- 7.7.15 Conducting road shows with adequate participation of the Key Management;
- 7.7.16 Providing all necessary information and documents necessary to prepare the offer documents;
- 7.7.17 Preparation of all necessary marketing material and documents to position the Company appropriately for the QIPO/IPO;
- 7.7.18 Filing all requisite documents with appropriate Governmental Authorities;
- 7.7.19 Obtaining any necessary Consents in relation to the QIPO/IPO;
- 7.7.10 Providing all necessary resources and personnel (including members of the Key Management) to ensure compliance of the obligations set out in this **Article 7.7**;
- 7.7.11 Filing the draft red herring prospectus with SEBI and providing true, fair and correct responses to SEBI's observations on the draft red herring prospectus and finalizing and filing the red herring prospectus after the receipt of SEBI observations;
- 7.7.12 Finalizing the financial statements of the Company and its Subsidiaries as required for the QIPO/IPO and ensuring that the Company's and its Subsidiaries' auditors co-operate with the investment banks, lead managers, underwriters, managers and other advisors to the offer and provide all required certifications and comfort letters in customary form;
- 7.7.13 Satisfying the minimum promoter's contribution requirement;
- 7.7.14 Signing the final draft red herring prospectus prior to the same being filed with SEBI;
- 7.7.15 Settling or resolving such legal or regulatory proceedings as may be advised by the QIPO/IPO merchant banker as advisable for purposes of the QIPO/IPO;
- 7.7.16 Complying with and completing all necessary formalities to ensure listing; and
- 7.7.17 Doing such other acts, deeds and things as may be required to be done by the Company, the Other Founding Shareholders and the Promoters under applicable Law or as reasonably requested by the Investors to facilitate the consummation of the QIPO/IPO.
- 7.7.2 The QIPO/IPO shall be structured in a way such that none of the Investors will be considered as, or deemed to be, a "promoter", and none of the Shares held by any of the Investors will be considered as, or deemed to be, "promoter shares" under applicable Laws with respect to any public offerings by the Company (including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018) and the Promoters and the Other Founding Shareholders shall offer their Shares towards the satisfaction of any lock in requirements under applicable Law; and subject to applicable Law, the QIPO/IPO shall be undertaken in a manner that does not result in the imposition of any lock-in/moratorium or other Encumbrance in respect of any dealing in Shares by the Investors.
- 7.7.3 The Company shall, and the Promoters shall procure that the Company shall, make at its own cost any and all applications to statutory and regulatory authorities which may be required to ensure that the Shares held by the Investors are not subject to any such statutory or regulatory lock-in/moratorium or other Encumbrance.
- 7.7.4 The Investors shall not be required to give any representation, warranty or indemnity whatsoever in connection with the QIPO/IPO, including to the investment bank appointed for the purpose of the QIPO/IPO, other than that the Shares offered for sale by the Investors in the QIPO/IPO have clear title.
- 7.7.5 To the extent that the Investor Directors are required under applicable Law to give any other representation, warranty, indemnity or covenant (collectively, the "**Director Undertaking**") in connection with the QIPO/IPO, the Company shall be liable to in turn secure, reimburse, indemnify, defend and hold harmless the Investor Directors on demand, from and against any and all loss, damage, liability or other cost or expenses whatsoever arising out of, in relation to or resulting from such Director Undertaking.
- 7.7.6 Notwithstanding anything contained in the Transaction Documents, the Promoters and the Other Founding Shareholders (if applicable) shall exercise, and shall procure that their nominee Directors on the Board exercise, their voting rights in meetings of the Board, and the Promoters and the Other Founding Shareholders shall exercise their votes in meetings of the Shareholders in support of the QIPO/IPO and the Promoters, the Other Founding Shareholders and the Company shall not take any steps that could reasonably be adverse to the QIPO/IPO.
- 7.7.7 In the event that a QIPO/IPO is being effected by way of an offer for sale, the Investors shall have the right (and the Promoters, the Other Founding Shareholders and the Company shall ensure that the Investors shall be entitled) to offer up to all of its Shares in the offer for sale provided that where the aggregate of the number of Shares proposed to be offered for sale by the Investors exceeds the maximum number of shares that can be offered under applicable Law, then the Investors shall be entitled to offer for sale such number of Shares that can be offered under applicable Law. It is agreed that post the Investors offering all of its Shares in the offer for sale, the Promoters and the Other Founding Shareholders shall have the right to offer up to all of their Shares.
- 7.7.8 In the event, the Investors invest any additional funds, whether by way of the Additional Primary Investment Amount or otherwise, into the Company after the First Closing Date, the QIPO Amount shall be revised upwards. The Investors may agree

in writing to lower thresholds for the QIPO Amount or the QIPO Valuation, after consultations with the investment bank and the Company.

- 7.8 Notwithstanding anything contained in the Transaction Documents, if the Company does not provide a complete exit to the Investors as set out in **Article 7.1** or **Article 7.4** of Part B of these Articles above on or before 60 (sixty) months from the First Closing Date, then the Investors shall, at its sole option, either (i) have the right to sell, merge or amalgamate, in terms of **Article 7.9** of Part B of these Articles; and/or (ii) liquidate the Company, in whole or in part. The Promoters, the Other Founding Shareholders, their respective Affiliates (in the event any Promoter or Other Founding Shareholder Transfers its Shares to any of their respective Affiliates pursuant to **Article 3** of Part B of these Articles), the members of the Key Management (the "**Key Shareholders**") shall be required to offer their Shares at a valuation not less than the valuation being paid to the Investors in case of such a sale, merger or liquidation provided that the Investors shall receive the Liquidity Preference Amount. In the event the Investors do not receive the Liquidity Preference Amount, the valuation offered to the Promoters and the Other Founding Shareholders shall be adjusted downwards, and the Promoters and the Other Founding Shareholders shall ensure that the valuation offered to the other Key Shareholders is adjusted downwards, and/or the Conversion Ratio shall be adjusted such that the Investors receive the Liquidity Preference Amount. The Key Shareholders shall be obliged to co-operate and to offer the Shares held by them, in part or in full and in terms of **Article 7.9** of Part B of these Articles below, to facilitate an exit to the Investors on the terms and conditions set out in the Agreement and these Articles.
- 7.9 Drag Rights. Notwithstanding anything contained in the Transaction Documents, if the Company does not provide a complete exit to the Investors as set out in **Article 7.1** and **Article 7.4** of Part B of these Articles above on or before 63 (sixty three) months from the First Closing Date, then the Investors shall at their sole option have the right to require the Key Shareholders to sell, merge or amalgamate their Shareholding, in part or in full, in the Company to such third party *bona fide* buyer ("**Drag Buyer**") including a Competitor as may be identified by the Investors and to whom the Investors sell their entire Shareholding. In such an event, the procedure set out below shall apply:
- 7.9.1 The Investors shall notify the Key Shareholders (together "**Drag Shareholders**") of their decision to exercise their rights under this **Article 7.9** by delivering a notice in writing to the Drag Shareholders ("**Exit Notice**") giving the name and address of the Drag Buyer along with the terms and conditions, including the price ("**Exit Price**"), offered by the Drag Buyer to purchase all or part of the Shares held by the Drag Shareholders ("**Exit Shares**").
- 7.9.2 Upon delivery of the Exit Notice, the Drag Shareholders shall be required to Transfer the Exit Shares to the Drag Buyer, upon the same terms and conditions (including, without limitation, the Exit Price as adjusted downwards for the Drag Shareholders, if applicable) as agreed by the Investors and the Drag Buyer, and shall provide Transaction Assistance to the Drag Buyer and shall agree to the same conditions to the Transfer as the Investors agree. The Company and the Promoters shall also provide necessary representations and warranties and indemnities pertaining to the Company and its Subsidiaries (other than title to the Shares held respectively by the Investors and their respective legal standing) to such Drag Buyer. It is hereby clarified that the Investors shall not be required to make to any (i) representations, warranties and indemnities with respect to the Company and its Subsidiaries (other than title to the Shares held respectively by the Investors and their respective legal standing); or (ii) any non-competition or similar agreements that would bind the Investors, or their respective Affiliates. Notwithstanding the above, in the event the Investors do not receive the Liquidity Preference Amount on account of the Exit Price, the price per share for the Shares held by the Drag Shareholders shall be adjusted downwards and/or the Conversion Ratio shall be adjusted such that the Investors receive the Liquidity Preference Amount. It is agreed that the Exit Price at which the drag right is being exercised shall be higher than the exit price procured by the Promoters, the Other Founding Shareholders and the Company pursuant to a legally binding offer through a Strategic Sale and/or sale to a Financial Investor, or strategic investor or other investor as contemplated in **Article 7.1** of Part B of these Articles.
- 7.9.3 The sale of Shares by the Investors and Drag Shareholders, as the case may be, to the Drag Buyer shall be completed within a period of 120 (one hundred twenty) days from the date of the Exit Notice. The Drag Shareholders shall co-operate in good faith to obtain all Consents and approvals that may be required to consummate such sale of Shares, including Consents from the lenders, if required.
- 7.10 Each Party shall bear their own costs and expenses relating to the exit being provided to the Investors under **Article 7.1** of Part B of these Articles (including but not limited to all registration, filing, qualification and similar fees, merchant bankers' fees, attorney and accounting fees and disbursements, statutory fees, registration fees and brokerage, discount, underwriting, selling and distribution costs), subject however, the Company bearing the due diligence costs for exit under **Article 7.3** of Part B of these Articles. All other costs with respect to an exit under this **Article 7** shall be borne by the Company and if the Company is not permitted to bear the entire amount of these costs and expenses under applicable Law, then the Parties participating in the exit shall bear such portion of costs and expenses which is proportionate to their participation.

8. ROLE OF THE PROMOTERS / KEY MANAGEMENT, NON-COMPETE AND NON SOLICIT OBLIGATIONS/RIGHT OF FIRST REFUSAL FOR NEW VENTURES

- 8.1 For the purpose of the protection of the interests of the Investors, the Promoters, the Other Founding Shareholders and the Company jointly and severally undertake to the Investors as follows:
- Role of the Promoters and Key Management
- 8.1.1 As long as the Investors hold any Shares: (i) Mr. Sandeep Jawanjal shall devote his whole time and attention to the Business and shall not be involved or concerned in any other business or profit-making activity; and (ii) Mr. Maroti Jawanjar shall not work for or associate in any way (including but not limited to as shareholder or partner) with, or conduct business as a Competitor.
- 8.1.2 As long as the Investors hold any Shares, the Promoters and the Company shall, on best efforts and in good faith, procure that the Key Management shall devote their whole time and attention to the Business and shall not be involved or concerned in any other business or profit-making activity.

Right of First Refusal for New Ventures

- 8.1.3 Subject to the obligations of the Promoters and the Other Founding Shareholders under this **Article 8** and after obtaining Investor Consent, the Promoters are entitled to undertake any new business or venture, whether or not the business of such new undertaking/venture is identical or similar to the Business subject to the Investors having a right of first refusal to invest in such business or venture.

9. COMPLIANCE WITH ANTI-CORRUPTION, ESG LAWS & SANCTIONS LAW AND REGULATIONS

- 9.1 The Promoters, the Other Founding Shareholders and the Company agree that the Company and its Subsidiaries shall not and shall ensure that no Company Representative or Corporate Promoter Representative, directly or indirectly, makes or authorizes any offer, gift, payment, or transfer, or promise of, any money or anything else of value, or provide any benefit, to any Government Official, Governmental Authority or Person that would result in a breach of any Anticorruption Laws, by the Company or its Subsidiaries or any Promoter or any Other Founding Shareholder. Any breach by the Company Representative or a Corporate Promoter Representative of this **Article 9.1**, shall automatically result in immediate removal of such person by the Company or its Subsidiaries and/or the Corporate Promoter (as the case maybe) from any position held, or any engagement with, the Company and/or its Subsidiaries and/or the Corporate Promoter (as the case maybe).
- 9.2 The Promoters, the Other Founding Shareholders and the Company agree that the Company and its Subsidiaries shall remain in full compliance with applicable Laws, Anticorruption Laws, Sanctions Law and Regulations and ESG Laws and ESG Policies.
- 9.3 The Promoters, the Other Founding Shareholder and the Company agree that no Government Official will serve in any capacity within the Company and/or its Subsidiaries, including as a board member, employee, consultant, agent or otherwise.
- 9.4 The Promoters, the Other Founding Shareholders and the Company agree that the Company and its Subsidiaries shall make and keep books, records and accounts, which in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company and its Subsidiaries' assets, and devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:
- 9.4.1 transactions are executed in accordance with management's general or specific authorization and are recorded as necessary to permit preparation of financial statements in conformity with Applicable Accounting Standards to maintain accountability of such assets;
- 9.4.2 access to assets is permitted only in accordance with management's general or specific authorization; and
- 9.4.3 the recorded accountability for assets is compared with existing assets at reasonable levels and appropriate action is taken with respect to any differences.
- 9.5 The Company, the Other Founding Shareholders and the Promoters agree that so long as the Investors hold any Shares, the Company and its Subsidiaries shall provide the Investors and their Affiliates with a quarterly compliance certificate in relation to (i) ESG Laws; and (ii) Sanctions Law and Regulations, in the form attached as annexure 8 and annexure 9 respectively to the Agreement, with respect to the Company and its Subsidiaries. The Parties acknowledge that such certificates shall confirm statements on the lines set out in annexure 8 and annexure 9 of the Agreement as intimated by the Investors from time to time.
- 9.6 The Company, the Other Founding Shareholders and the Promoters agree that within 90 (ninety) days of the First Closing Date: (a) the Company and its Subsidiaries shall adopt or suitably amend and implement, to the satisfaction of the Investors, the ESG Policy; and (b) the Company and its Subsidiaries shall adopt or suitably amend and implement the anti money laundering policy, ethics and whistle-blower policy and sexual harassment policy anti corruption policy, and compliance procedures, training and monitoring programs in relation to new compliance policies. The Investors shall provide such co-operation as maybe reasonably required for such intimation. In the event of any adverse findings with respect to ESG Laws and ESG Policy, the Company and the Promoters shall, within 30 (thirty) days of such finding, such non-compliances will be remedied. The Company, its Subsidiaries, the Other Founding Shareholders and the Promoters shall arrange, and ensure attendance by selected officers and managers, training sessions in relation to the above.
- 9.7 The Promoters, the Other Founding Shareholders and the Company shall co-operate with any compliance audit or investigation by the Investors and provide all reasonable information and assistance requested upon an investigation or inquiry by a Governmental Authority including the RBI directed to the Company or its Subsidiaries or the Promoters or the Other Founding Shareholders.

10. EVENTS OF DEFAULT

- 10.1 Each of the events set out in clause 10.1 of the Agreement shall independently be an "**Event of Default**":
- 10.2 Consequences of an Event of Default.**
- 10.2.1 The Promoters, the Other Founding Shareholder and the Company shall immediately upon and in any event within 7 (seven) days of any of them becoming aware of the occurrence of any Event of Default, notify the Investors in writing of such occurrence.
- 10.3 Effect of an Event of Default.**
- In addition to and without prejudice to any other rights that the Investors have under the Transaction Documents, applicable Law or otherwise:
- 10.3.1 if an Event of Default occurs after the First Closing Date, the Promoters and the Other Founding Shareholder shall cure/remedy such Event of Default and pending such cure/remedy, the Promoters and the Other Founding Shareholder shall not, notwithstanding anything contained in the Transaction Documents including **Article 30** of Part B of these Articles, Transfer or otherwise dispose of any of the legal and beneficial right, title and interest in and to any of the Shares held by the Promoters or the Other Founding Shareholder including to their Affiliates.
- 10.3.2 in the event that an Event of Default is not capable of being cured or an Event of Default is not cured by the Promoters and/or the Other Founding Shareholder within 30 (thirty) days from the earlier of (i) the occurrence of an Event of Default; and (ii) notification of the same to the Investors in accordance with **Article 10.2** of Part B of these Articles above ("**EOD Timeline**"), then notwithstanding anything to the contrary contained in the Transaction Documents, the Investors shall, at their sole discretion, have the right to:

10.3.2.1 sell all or part of the Shares held by the Investors to the Promoters through a sale or to the Company through a buy back, or at the discretion of the Investors to both the Company and the Promoters, at the FMV at the relevant time by issuing a notice in writing ("**EOD Notice**") to the Promoters and/or the Company (as the case may be). In case the FMV computed on a per Share basis is lower than the Final Purchase Price:

- (a) The Promoters and/or Company shall pay the Liquidity Preference Amount to the Investors (and/or adjust the Conversion Ratio, if required to give effect to this **Article 10.3.2.1**) and complete the Transfer of the Shares held by the Investors within 30 (thirty) Business Days from the date of the EOD Notice.
- (b) Subject to applicable Law, the Promoters and Other Founding Shareholders shall cause (through exercise of all their voting and other rights) the Company to use, all of its surplus funds, free cash flows and reserves available to complete such buyback of Shares held by the Investors.
- (c) The Investors shall not be obliged to provide any representations and warranties, except for any representations and warranties on the title and ownership of the Shares held by the Investors and on the authority to sell such Shares.

In respect of the Series A CCPS, the FMV for such Series A CCPS shall be determined based on the FMV of the underlying Equity Shares. Notwithstanding anything contained in the Transaction Documents, the Promoters, the Other Founding Shareholders and their respective Affiliates shall abstain from offering their Shares in a buy- back of Shares by the Company.

Or

10.3.2.2 Sell all or any part of the Shares held by the Investors to any third party including any Competitor ("**EOD Drag Buyer**"). In the event that the Investors so require, the Investors shall have the right to require the Key Shareholders to sell all or part of their Shareholding to the EOD Drag Buyer ("**EOD Drag Right**"). The EOD Drag Right shall be undertaken, exercised and performed in accordance with below:

- (a) The Investors shall notify the Key Shareholders (collectively "**EOD Drag Shareholders**") of their decision to exercise their rights under this **Article 10.3** by delivering a notice in writing to the EOD Drag Shareholders ("**EOD Exit Notice**") giving the name and address of the EOD Drag Buyer along with the terms and conditions, including the price ("**EOD Exit Price**"), offered by the EOD Drag Buyer to purchase all or part of the Shares held by the EOD Drag Shareholders ("**EOD Exit Shares**").
- (b) Upon delivery of the EOD Exit Notice, the EOD Drag Shareholders shall be required to Transfer the EOD Exit Shares to the EOD Drag Buyer, upon the same terms and conditions (including, without limitation, the EOD Exit Price as adjusted downwards if applicable) as agreed by the Investors and the EOD Drag Buyer, and shall provide Transaction Assistance to the EOD Drag Buyer and shall agree to the same conditions to the Transfer as the Investors agree. The Company, the Other Founding Shareholders and the Promoters shall also provide necessary representations and warranties and indemnities pertaining to the Company and its Subsidiaries (other than title to the Shares held by the Investors and their respective legal standing) to such EOD Drag Buyer. It is hereby clarified that the Investors shall not be required to make to any (i) representations, warranties and indemnities with respect to the Company and its Subsidiaries (other than title to the Shares held by the Investors and their respective legal standing); or (ii) any non- competition or similar agreements that would bind the Investors or their Affiliates. Notwithstanding anything contained in this **Article 10**, in the event the Investors do not receive the Liquidity Preference Amount on account of the EOD Exit Price, the price per share for the Shares held by the EOD Drag Shareholders shall be adjusted downwards and/or the Conversion Ratio shall be adjusted such that the Investors receive the Liquidity Preference Amount.
- (c) The sale of Shares by the Investors and EOD Drag Shareholders, as the case may be, to the EOD Drag Buyer shall be completed within a period of 120 (one hundred twenty) days from the date of the EOD Exit Notice. The EOD Drag Shareholders shall co-operate in good faith to obtain all Consents and approvals that may be required to consummate such sale of Shares, including Consents from the lenders, if required. For the purpose of computing the said 120 (one hundred twenty) day period, any time taken for receipt of necessary regulatory approvals shall be ignored provided such approvals are obtained within a period of 120 (one hundred twenty) days from the date of the Offer Period.

10.4 All costs and expenses relating to actions contemplated under an Event of Default under this **Article 10** (including all registration, filing, qualification and similar fees, attorney and accounting fees and disbursements, diligence fees, statutory fees, registration fees and brokerage, discount, underwriting, selling and distribution costs) shall be borne by the Company.

10.5 If the Investors do not receive the Liquidity Preference Amount post completion of any of the actions set out in **Article 10.3.2** of Part B of these Articles, the Parties shall work together to enable the Investors to receive the Liquidity Preference Amount.

11. ACQUISITION OF SHARES FROM PUBLIC SHAREHOLDERS

11.1 As long as the Investors hold any Shares, if any Public Shareholder intimates the Company or the Promoters or the Other Founding Shareholders of their intent to Transfer all or part of their Shares to any of the Promoters or the Other Founding Shareholders (such Shares, the "**PS Shares**" and such intimation, the "**PS Intimation**"), the Investors shall have the right to acquire such PS Shares along with the Promoters and/or the Other Founding Shareholders in the proportion set out in **Article 11.4** of Part B of these Articles (the "**PS Purchase Right**").

11.2 On receipt of the PS Intimation, the Company or the Promoters or the Other Founding Shareholders (as the case maybe) shall, immediately but not later than 2 (two) Business Days from the receipt of such intimation, send a written notice ("**PS Offer Notice**") to the Investors indicating the total number of PS Shares that are proposed to be Transferred by such Public Shareholder, the name and identity of such Public Shareholder, the price per PS Share at which such PS Shares are proposed to be sold and any other terms and conditions of the proposed Transfer.

11.3 Within a period of 7 (seven) days from the date of receipt of the PS Offer Notice (the "**PS Acceptance Period**"), the Investors shall, by written notice, communicate to the Company, the relevant Promoter and/or the Other Founding Shareholders (as the case maybe) of their intent to purchase the PS Shares in accordance with the PS Offer Notice, subject to **Article 11.4** of Part B

of these Articles below (the “**PS Acceptance Notice**”). Without prejudice to the foregoing, if the Investors do not issue the PS Acceptance Notice within the PS Acceptance Period, it shall be deemed that the Investors do not intend to exercise the PS Purchase Right and the Promoters shall be entitled to purchase all of the PS Shares notwithstanding the provisions of **Article 11.4** of Part B of these Articles below.

- 11.4 Subject to issuance of the PS Acceptance Notice by the Investors within the PS Acceptance Period, the Investors on one hand and the Promoters and/or the Other Founding Shareholders on the other hand shall be entitled to acquire the PS Shares in a ratio of 1:4. This provision is illustrated by the following example:

If the PS Shares being sold by the Public Shareholder equals 100 (one hundred) PS Shares, the Investors shall be entitled to purchase 20 (twenty) PS Shares and the Promoters and/or the Other Founding Shareholders, together, shall be entitled to purchase 80 (eighty) PS Shares.

12. COVENANTS OF AVINO

- 12.1 Notwithstanding anything contained in the Transaction Documents, the obligations of each of the Individual Promoters as set out in the Transaction Documents shall apply *mutatis mutandis* apply to Avino.

13. TERMS OF THE SERIES A CCPS

The Shareholders hereby agree and acknowledge that the terms of the Series A CCPS as set out **Annexure 2** to Part B of these Articles shall form an integral part of these Articles.

14. INTENT AND EFFECT OF THE TRANSACTION DOCUMENTS AND THE ARTICLES

- 14.1 The Promoters, the Other Founding Shareholders, the Investors and the Company undertake to ensure that they, their representatives, proxies and agents representing them at general meetings of the Shareholders and general meeting of the Subsidiaries shall at all times exercise their votes and, through their respective nominated directors (or alternate directors) at board meetings and otherwise to the extent permitted by Law, act in such manner so as to comply with, and to fully and effectually implement, the spirit, intent and specific provisions of the Transaction Documents and the Articles.
- 14.2 The Promoters and the Other Founding Shareholders shall not act in any manner nor cause the Company, its Subsidiaries and/or the Key Management to act in a manner that is prejudicial to the rights of other Parties. The Promoters and the Other Founding Shareholders shall not act in any manner nor do any deed or thing under the Transaction Documents and these Articles that would derogate or adversely affect the rights of the Investors.
- 14.3 Subject to applicable Laws, the Promoters and the Other Founding Shareholders undertake to fully and promptly observe and comply with the provisions of the Transaction Documents and these Articles and charter documents of its Subsidiaries to the intent and effect that each and every provision thereof shall be enforceable by the Parties inter-se and in whatever capacity.

15. SUNSET ARTICLE

- 15.1 Even after the expiry of the Special Rights Period:

15.1.1 The Investors shall be entitled to Claim indemnity under clause 10 of the SSA in relation to Losses arising out of or in relation to or in connection with any Claims for any events that have taken place prior to the expiry of the Special Rights Period.

15.1.2 The provisions of this **Article 15.1**, clause 11 (Confidentiality) of the Agreement, clause 18 (Notices) of the Agreement and clause 19 (Governing Law and Dispute Resolution) of the Agreement shall also survive expiry of the Special Rights Period.

15.1.3 The following provisions of these Articles shall survive the expiry of the Special Rights Period:

Article 3.6 of Part B of these Articles Co-Sale rights

Article 3.7 of Part B of these Articles Transfer of Investors' Shares

Article 4.1 of Part B of these Articles Anti-dilution rights

Article 4.2 of Part B of these Articles Pre-emptive rights, subject however that Investors or any transferee to whom the Investors Transfer their Shares shall not be entitled to pre-emptive rights if such Investors or transferee holds less than 1% (one percent) of the Share Capital post such transfer, unless such transferee is an Affiliate of the Investors in which case both the Investors and such Affiliate shall be entitled to pre-emptive rights on their combined Shareholding.

Article 4.3 of Part B of these Articles Information Rights

Article 4.4 of Part B of these Articles Liquidity Preference

Article 5.10 of Part B of these Articles Right to appoint Observers

Article 5.22 of Part B of these Articles Rights of Indemnitees

Article 7 of Part B of these Articles Exit Option for the Investors, in case the Investors are not provided a complete exit by the Company.

- 15.2 Notwithstanding anything contained in these Articles, if the Company and the Promoters have failed to provide a complete exit to the Investors pursuant to the terms provided in **Article 7** of Part B of these Articles and as a result the Investors hold less than 5% (five percent) of the Share Capital (“**Residual Shareholding**”), the Investors shall continue to have all the rights that they have under the Agreement and these Articles as if the Investors hold equal to or greater than 5% (five percent) of the Share Capital, including the right of the Investors to appoint Directors in terms of **Article 5.2** of Part B of these Articles and the rights of the Investors pursuant to **Article 6** read with **Annexure 1** to Part B of these Articles.

- 15.3 In the event that the Investors transfer their Residual Shareholding to any transferee (which is not an Affiliate of the Investors), such transferee shall be entitled to the following rights under these Articles:

Article 3.6 of Part B of these Articles	Co-Sale rights
Article 3.7 of Part B of these Articles	Transfer of Investors' Shares
Article 4.1 of Part B of these Articles	Anti-dilution rights
Article 4.2 of Part B of these Articles	Pre-Emptive Rights, subject however that such transferee shall not be entitled to pre-emptive rights if such transferee holds less than 1% (one percent) of the Share Capital post such Transfer
Article 4.3 of Part B of these Articles	Information Rights
Article 5.10 of Part B of these Articles	Right to appoint Observers.

16. INDEMNIFICATION

- 16.1 The Indemnifying Parties shall jointly and severally indemnify, defend and hold harmless, promptly upon demand, at any time and from time to time, the Indemnified Parties, in the manner of and in accordance with the SSA.

17. MISCELLANEOUS PROVISIONS

- 17.1 Not a Promoter. The Shareholders acknowledge and agree that the Investors are Financial Investors. The Company and the Promoters shall not classify the Investors as 'promoters' of the Company for any reason whatsoever and shall ensure that their Shares are not subject to any restriction (including making disclosure requirements, providing a lock-in, or other restrictions such as providing collateral or pledge or guarantee for loans, etc.), which are applicable to promoters under any applicable Law; provided however that the foregoing understanding shall be without prejudice to any rights or privileges of the Investors pursuant to their investment in the Company.
- 17.2 More Favourable Rights. The Company, the Other Founding Shareholders and the Promoters shall not, without the Investor Consent, grant rights to any Person, other than rights which are subordinate to those granted to the Investors and provided such rights do not adversely affect the rights of the Investors herein. In the event the Promoters and the Other Founding Shareholders have any rights, privileges or protections or terms favourable than those offered to the Investors, then the Investors will enjoy similar rights and privileges or protections.
- 17.3 Further Assurances. The Parties agree to exercise their voting rights over the Shares held by the Parties, do all such further and other things, execute and deliver all such additional documents, to give full effect to the terms of these Articles. The Parties undertake that they will do or procure to be done all such further acts and things, execute or procure the execution of all such other documents and exercise all rights and powers, direct and indirect, available to them in relation to any Person so as to ensure the complete and punctual fulfilment, observance and performance of the provisions of these Articles and generally that full effect is given to the provisions of these Articles.
- 17.4 Assignment. Except as provided in these Articles, no Party shall be entitled to, nor shall they purport to, assign, transfer, charge or otherwise deal with all or any of its rights and/or obligations under the Agreement and these Articles nor grant, declare, create or dispose of any right or interest in it, in whole or in part provided that without prejudice to the rights of the Investors, the Investors shall be entitled to assign any or all of their rights and/or transfer any or all of their obligations hereunder to any Affiliate or any associate of the Investors or any fund or entity managed by the Investors or its Affiliates or its associates in which any of the Investors is a general or a limited partner or any Affiliate or associate of such fund or other entities subject to such Person executing a Deed of Adherence to the Agreement and such assignment is accompanied with the transfer of any or all of the Investor Securities held by such Investor, in accordance with these Articles and the Agreement. Provided that, save and except any assignment by the Investors to any Competitor pursuant to **Article 10.3** of Part B of these Articles, the Investors shall not assign pursuant to this **Article 17.4** to a Competitor prior to the expiry of 63 (sixty three) months from the First Closing Date.
- 17.5 Rights to apply to Subsidiaries and joint ventures: Unless expressly specified otherwise in these Articles, the rights of the Investor with respect to the Company in terms of these Articles shall *mutatis mutandis* apply to each Subsidiary and/or joint venture of the Company to the extent that such rights can be applied to such Subsidiaries and joint ventures.
- 17.6 Representative of the Promoters.
- 17.6.1 Notwithstanding anything contained in the Transaction Documents, the Promoters agree that their rights and obligations under the Transaction Documents, the Charter Documents and/or attached to the Shares held by the Promoters ("**PromoterRights**") shall be exercised and enforced only through Mr. Sandeep Jawanjal.
- 17.6.2 Mr. Sandeep Jawanjal is hereby authorised by the Promoters to do and perform all acts, deeds and matters on such terms as Mr. Sandeep Jawanjal may deem fit for the performance of the obligations of the Promoters under Transaction Documents and the Charter Documents as fully and effectually in all respects as each of the Promoters could do if personally present. Mr. Sandeep Jawanjal shall represent the Promoters (to the extent he is acting as their representative under this **Article 17.6** as a single block of shareholders and shall not discriminate between the group which he represents.
- 17.6.3 All actions and omissions including the exercise or enforcement of Promoter Rights by Mr. Sandeep Jawanjal on behalf of the Promoters shall be binding on the Promoters.
- 17.6.4 Each of the Promoters agrees to ratify and confirm all and whatsoever Mr. Sandeep Jawanjal shall do or purport to do or cause to be done by virtue of this **Article 17.6**.
- 17.6.5 Any act by any Promoter in breach of this **Article 17.6** shall be null and void and not binding on of the other Shareholders.
- 17.6.6 Other than as may be required to give full effect to the terms of the Transaction Documents and the Charter Documents, it is agreed that all economic benefits attached to the Shares owned by the Promoters shall accrue to the relevant Promoters holding such Shares. Further, it is agreed that the rights given to Mr. Sandeep Jawanjal are intended in giving Mr. Sandeep Jawanjal rights to deal with all obligations which the Promoters have towards the Investors under the Transaction Documents and the Charter Documents. Such right shall not be construed to give Mr. Sandeep Jawanjal any authority to deal with the Shares held by the Promoters in a manner other than to allow the Investors to exercise their rights as contemplated under the Transaction Documents and the Charter Documents.

17.6.7 The Promoters confirm and warrant that: (i) the provisions of this **Article 17.6** will not conflict with, result in a breach of, or constitute a default under any contract, understanding or agreement to which the Promoters are a party or by which any of them may be bound; and (ii) it has the necessary approvals as may be required in terms of any contract, understanding or agreement to which the Promoters are a party or by which any of them may be bound to give effect to the subject matter of this **Article 17.6**.

17.7 Representative of the Other Founding Shareholders.

17.7.1 Notwithstanding anything contained in the Transaction Documents, the Other Founding Shareholders agree that their rights and obligations under the Transaction Documents, the Charter Documents and/or attached to the Shares held by the Other Founding Shareholders ("**OFS Rights**") shall be exercised and enforced only through Mr. Sandeep Jawanjal.

17.7.2 Mr. Sandeep Jawanjal is hereby authorised by the Other Founding Shareholders to do and perform all acts, deeds and matters on such terms as Mr. Sandeep Jawanjal may deem fit for the performance of the obligations of the Other Founding Shareholders under Transaction Documents and the Charter Documents as fully and effectually in all respects as each of the Other Founding Shareholders could do if personally present. Mr. Sandeep Jawanjal shall represent the Other Founding Shareholders (to the extent he is acting as their representative under this **Article 17.7** as a single block of shareholders and shall not discriminate between the group which he represents.

17.7.3 All actions and omissions including the exercise or enforcement of OFS Rights by Mr. Sandeep Jawanjal on behalf of the Other Founding Shareholders shall be binding on the Other Founding Shareholders.

17.7.4 Each of the Other Founding Shareholders agrees to ratify and confirm all and whatsoever Mr. Sandeep Jawanjal shall do or purport to do or cause to be done by virtue of this **Article 17.7**.

17.7.5 Any act by any Other Founding Shareholder in breach of this **Article 17.7** shall be null and void and not binding on the other Shareholders.

17.7.6 Other than as may be required to give full effect to the terms of the Transaction Documents and the Charter Documents, it is agreed that all economic benefits attached to the Shares owned by the Other Founding Shareholders shall accrue to the relevant Other Founding Shareholder holding such Shares. Further, it is agreed that the rights given to Mr. Sandeep Jawanjal are intended in giving Mr. Sandeep Jawanjal rights to deal with all obligations which the Other Founding Shareholders have towards the Investors under the Transaction Documents and the Charter Documents. Such right shall not be construed to give Mr. Sandeep Jawanjal any authority to deal with the Shares held by the Other Founding Shareholders in a manner other than to allow the Investors to exercise their rights as contemplated under the Transaction Documents and the Charter Documents.

17.7.7 The Other Founding Shareholders confirm and warrant that (i) the provisions of this **Article 17.7** will not conflict with, result in a breach of, or constitute a default under any contract, understanding or agreement to which the Other Founding Shareholders are a party or by which any of them may be bound, and (ii) it has the necessary approvals as may be required in terms of any contract, understanding or agreement to which the Other Founding Shareholders are a party or by which any of them may be bound to give effect to the subject matter of this **Article 17.7**.

17.7.8 Without prejudice to anything contained in this **Article 17.7**, the Other Founding Shareholders shall execute a power of attorney in favour of Mr. Sandeep Jawanjal conferring a right on Mr. Sandeep Jawanjal to exercise all voting rights attached to their Shares on their behalf

18. CONFLICT BETWEEN THE TRANSACTION DOCUMENTS AND THE ARTICLES

18.1 In the event of any conflict between the Transaction Documents and these Articles and/or the charter documents of the Subsidiaries, the provisions of the Transaction Documents shall prevail and these Articles and the charter documents of the Subsidiaries shall be forthwith modified and/or amended by the Company, its Subsidiaries, the Individual Promoters, the Corporate Promoter and the Other Founding Shareholders to remove such conflict and to make these Articles and the charter documents of the Subsidiaries consonant with the Transaction Documents.

ANNEXURE 1

FUNDAMENTAL ISSUES

1. Changes in capital structure:

- (a) Alteration or change in the rights, preferences or privileges of any of the securities, Series A CCPS, preference shares, Equity Shares or any other class of Shares or convertible instruments;
- (b) Creation (by reclassification, bonus issue, rights issue or otherwise) of any new class or series of Shares having rights, preferences or privileges senior to or on a parity with the preference shares or Equity Shares;
- (c) Issue any fresh equity or equity linked instruments (including preference shares, convertible debentures, warrants or any other quasi equity instrument) either as a public offering or private sale or issue of shares;
- (d) Any decision to make an initial public offering or list the Shares in any stock exchange (including a QIPO / IPO), valuation, stock exchange and key terms;
- (e) Repurchase any outstanding shares of the Company's capital stock excluding repurchase of Shares from existing Public Shareholders which shall be in the ratio of 4:1 in favour of the Promoters and the Investors; and
- (f) Any change in the capital structure of the Company not contemplated above.

2. Corporation action, mergers and acquisitions, amalgamation, re-structuring, de-merger, joint venture or similar action including:

- (a) Any merger, acquisition or consolidation by or of the Company;
- (b) Formation or acquisition of any Subsidiary or business or the entry into any partnership or joint venture;
- (c) Liquidation, dissolution, disposition, sale, license or transfer of all or substantially all of the Assets of the Company and/or its

Subsidiaries;

- (d) Reorganize or restructure Company, its Affiliates, and / or Subsidiaries as a result of any tax or regulatory issues;
- (e) Recapitalization, reclassification, split-off, spin-off or bankruptcy of the Company;
- (f) Take steps to wind-up or dissolve or the making of an administration in order in respect of the Company;
- (g) Any Corporate Event; and
- (h) Any change in the registered name or trade name of the Company.

3. Indebtedness and Creation of Liens:

- (a) Incurrence of Indebtedness, factoring debts, or capital commitment and capital expenditure in excess of INR 30,000,000 (Indian Rupees Thirty Million only) other than in the Ordinary Course of Business over and above the amounts provided in the Business Plan approved by the Investors and the Board for such relevant period;
- (b) Any change in the liability structure of the Company including off-balance sheet items, such as leasing and any Encumbrances, Transfer, pledge and creation of lien beyond up to INR 30,000,000 (Indian Rupees Thirty Million only) over and above the amounts approved in the Business Plan for the relevant period and other than in Ordinary Course of Business;
- (c) Instigation or settlement of any Litigation or arbitration material to the Company, save and except for the collection of debts arising in the Ordinary Course of Business;
- (d) Making any loan or granting of credit to anyone other than in the normal course of business, except to the employees of the Company but not exceeding INR 1,000,000 (Indian Rupees One Million only) in any Financial Year to any 1 (one) employee; and
- (e) Giving any guarantee, indemnity or suretyship other than in the Ordinary Course of Business.

4. Business and Operations:

- (a) Make any treasury investments by way of deposits, loans or subscription to Shares and debentures other than normal treasury investments made as per the investment policy approved by the Board, but specifically excluding mergers and acquisitions, joint ventures or other strategic investments;
- (b) Any treasury operation of a non-standard nature excluding investments for the purpose of maintaining the 'Statutory Liquidity Ratio' applicable to the Company in accordance with the requirements laid down by the RBI;
- (c) Investments in pass through certificates wherein the cash collateral is equal to or more than 5% (five percent);
- (d) Purchase of any real estate other than as provided in the annual Business Plan;
- (e) Acquisition or disposal (including the lease to a third party) of Assets other than at market value or an arm's length basis;
- (f) Any related party transactions between the Company and its Promoters and/or the Other Founding Shareholders, Directors or their Affiliate organisations, firms, subsidiaries or other connected persons and entities, where monetary transactions or special rights / privileges are granted (except those agreed upon at the time of investment);
- (g) Transfer / modify / sell / vest / sub-contract any of the contracts entered into by the Company of a value more than as specified in the Business Plan; and
- (h) Purchase of securities, either private or publicly traded, for speculative or non-strategic investment purposes, other than purchase of or investment in high-grade money market securities.

5. Senior management and their compensation:

- (a) Establishment of any bonus, profit sharing, share option, or other incentive scheme for directors and / or employees, or the variation of the terms of any such scheme beyond what is agreed in the Business Plan;
- (b) Increase in the total compensation of the 15 (fifteen) most highly compensated employees of the Company in a 12 (twelve) month period; and
- (c) Appointment, termination, amend the terms of appointment or determination of the compensation of the Chairman, CEO, Managing Director, President, COO, CMO, CIO, Credit Head, and CFO, or anyone acting in those capacities.

6. Enter into transactions with Affiliates ("**Affiliates**" defined as members, directors, officers, key management employees, Promoters/ Founders or any person controlling, controlled by, under common control with or otherwise affiliated with, or a member of a family of, any such person) other than on terms based on arm's length basis.

7. Change or appoint internal auditor.

8. Make any speculative or non-speculative transaction by way of futures, options or any other derivative instrument for business purposes of otherwise.

9. Purchase of securities, either privately or publicly traded, for strategic investment purposes.

10. Undertaking of any new business or any material change in the scope, nature, structure and / or activities of the Company.

11. Business Plan and annual budget:

- (a) Approval of the annual Business Plan (including a short, medium and long-term Business Plan of the Company);
- (b) Approval of operating budgets at the start of each financial year and any significant variations thereto;
- (c) Any material changes from the annual Business Plan approved by the Investors and the Board;
- (d) Engage in any business materially different from that described in the then current Business Plan, change the name of the Company or cease any business undertaking of the Company;
- (e) Entering / investing / participating in any new business initiative by the Company and / or the Promoters or Other Founding Shareholders;

- (f) Incur cumulative capital expenses of more than a mutually agreed amount in quarter unless a higher amount is approved in an approved Business Plan;
 - (g) Borrow funds in any form or issue trade guarantees for incurring expenses or capex or debt in excess of 15% (fifteen percent) over and above the sums mentioned in the Business Plan approved by the Board;
 - (h) Alter / revise its Business Plan, create new Business Plans or deviate therefrom;
 - (i) Creation of any Encumbrance of any Asset of the Company or entering into any agreement whether written or oral in order to acquire, sell, lease, transfer or dispose in any way of any Asset of the Company other than as per approved Business Plan; and
 - (j) Transfer / modify / sell / vest / sub-contract any of the contracts entered into by the Company of a value more than 10% (ten percent) of the limits approved Business Plan.
12. Operating without a Business Plan or annual budget.
 13. Amend its Charter Documents or the Transaction Documents.
 14. Sell substantial assets of the Company.
 15. Any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the Investor under the Transaction Documents, including actions affecting the Investor's shares for a financial year.
 16. Declare or pay any dividends or declare or make any other distribution, directly or indirectly, on account of any Shares or preferred stock and/or common stock now or hereafter outstanding; provided the Investors will not unreasonably withhold the dividend policy as of the Effective Date of paying Re 1 (Indian Rupee One only) per Equity Share as dividend.
 17. Approve, amend or administer the 2019 ESOP Plan or any stock option plan or management incentive plan.
 18. Allow disposal of Shares of the Promoters and/or their nominees.
 19. Annual accounts including the following:
 - (a) Declaration or payment of any dividend;
 - (b) Change materially the accounting methods or policies unless required by applicable Law;
 - (c) Change / Appoint a statutory auditor;
 - (d) Approval of annual accounts; and
 - (e) Change the accounting year.
 20. Board and committees:
 - (a) The appointment or removal of any Director, or the making of any payment to a Director or any person connected with a Director otherwise than as approved by the Investors, the Board and the Shareholders;
 - (b) Delegation of any powers of the Board; and
 - (c) Increase or decrease the authorised size of the Board or any committee thereof.
 21. Intimation to the Central Government for investigation into the affairs of the Company.
 22. Intimation to the Central Government for investigation into the affairs of Company by Serious Fraud Investigation Office.
 23. Any change in the registered office of the Company.

ANNEXURE – 2

TERMS OF SERIES A CCPS

The rights, terms and conditions attached to the Series A CCPS are set out in this **Annexure 2**. The terms of the Series A CCPS set out in this **Annexure 2** are without prejudice to the other rights available to the Investors under the Transaction Documents and these Articles. This **Annexure 2** forms an integral part of these Articles.

1. Conversion.

- 1.1. The Series A CCPS issued to the Investors shall compulsorily convert into Equity Shares upon the occurrence of any of the following events:
 - (a) Listing of the Equity Shares under a QIPO or IPO ("**Public Offering**") ; or
 - (b) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment ("**Investment Period**").
- 1.2. The Investors may convert all or part of the Series A CCPS into Equity Shares any time prior to the expiry of the Investment Period or the Public Offering at the sole discretion of the Investors.
- 1.3. In the event the Investors exercise their rights to convert all or part of the Series A CCPS in accordance with the Transaction Documents, the Investors, shall notify the Company of the date on which the conversion of the Series A CCPS is proposed to take place ("**Conversion Notice**"). The Conversion Notice shall also set out the number of Series A CCPS proposed to be converted and the Equity Shares to be allotted upon conversion of the Series A CCPS which shall be determined based on the Conversion Ratio determined in accordance with **Paragraph 2** of this **Annexure 2**.
- 1.4. Within 15 (fifteen) days of receipt of the Conversion Notice, or within 15 (fifteen) days prior to the expiry of the Investment Period or immediately prior to the filing of a 'RHP' in connection with the Public Offering, as the case may be, the Company shall and the Promoters shall procure that the Company shall convert the Series A CCPS, in accordance with the Conversion Ratio determined in accordance with **Paragraph 2** of this **Annexure 2**. The Promoters and the Company undertake that the conversion of the Series A CCPS under this paragraph shall take place without any delay or any further discussion or approval from any other Party whatsoever. For such purpose, the Company and the Promoters agree that all necessary approvals including those from the Board and the Shareholders:
 - 1.4.1. have been obtained to issue the relevant number of Equity Shares upon conversion of the Tranche 1 Series A CCPS as a

condition precedent to the First Closing Date.

- 1.4.2. will be obtained to issue the relevant number of Equity Shares upon conversion of the Tranche 2 Series A CCPS as a condition precedent to the Second Closing Date.
- 1.5. The Promoters and the Company shall provide all necessary co-operation and assistance for conversion of the Series A CCPS into Equity Shares pursuant to the Conversion Notice.
- 1.6. In the event that upon such conversion, the Equity Shares proposed to be issued to the Investors are fractional in number, then the number of Equity Shares shall be rounded off to the next whole number.
- 1.7. Subject to the rights granted to the Investors under the Transaction Documents, the Equity Shares so issued and allotted to the Investors shall carry, from the date of conversion, all rights *pari passu* with the Equity Shares existing as of date.
- 1.8. The Company shall take all necessary Consents and requisite steps under applicable Law including filing of necessary forms with Governmental Authorities to effect the conversion of the Series A CCPS in terms of the Conversion Notice.
- 1.9. The Company shall at all times after the First Closing Date, maintain sufficient authorized share capital for issue of Equity Shares for the above purpose and for the purpose of conversion of the Series A CCPS in accordance with the Conversion Ratio arrived pursuant to **Paragraph 2** of this **Annexure 2**.

2. Conversion Ratio

- 2.1. Subject to the terms and conditions of the SSA and subject to **Paragraph 2.4** of this **Annexure 1**, the conversion ratio for the Primary Investment Amount shall be such that it shall entitle the Investors to an equity stake in the Company (including Tranche 1 Series A Equity Shares allotted on the First Closing Date) on a Fully Diluted Basis computed in terms of and in accordance with the Transaction Documents (the "**Tranche 1 Conversion Ratio**").
- 2.2. Subject to the terms and conditions of the SSA and subject to **Paragraph 2.4** of this **Annexure 1**, the conversion ratio for the Additional Primary Investment Amount shall be such that it shall entitle the Investors to an equity stake in the Company (against the Additional Primary Investment Amount and including the Tranche 2 Series A Equity Shares allotted on the Second Closing Date) on a Fully Diluted Basis computed in terms of and in accordance with the Transaction Documents (the "**Tranche 2 Conversion Ratio**").

(with respect to each of **Paragraph 2.1** and **2.2** above, the applicable conversion ratio shall be referred to as the "**Conversion Ratio**"). It is clarified for the avoidance of doubt that any reference to adjustment to Conversion Ratio under these Articles and the Transaction Documents shall also include any change to the terms of the Conversion Ratio.

- 2.3. Conversion Ratio on part conversion. Notwithstanding anything contained in the Transaction Documents, in the event that the Series A CCPS are converted into Equity Shares in more than one tranche, the number of Equity Shares to be issued upon each tranche of conversion of the Series A CCPS shall be calculated such that upon conversion of all the Series A CCPS, the aggregate of Equity Shares issued upon conversion and the already held Equity Shares is equal to the total Equity Shares that the Investors are entitled to, had the Series A CCPS been converted in one tranche.
- 2.4. Adjustment to Conversion Ratio. The Conversion Ratio shall be appropriately adjusted in terms of and in accordance with the Transaction Documents to give full effect to the provisions of the Transaction Documents.

3. Dividend:

- 3.1. The Company shall be liable to pay a fixed dividend in terms of and in accordance with the SSA.
- 3.2. Dividends shall be payable on an annual basis and shall be paid by the Company within 30 (thirty) days of the date of declaration of dividend.
- 3.3. In addition to the above, in respect of any Series A CCPS which are yet to be converted into Equity Shares, in the event that the Company declares dividend to its Shareholders holding Equity Shares, the Investors shall be entitled to participate in the dividend against such Series A CCPS, which shall be an amount equivalent to the positive difference between (a) the dividend which the Investors would be entitled to had such Series A CCPS been converted into Equity Shares as per the Conversion Ratio; and (b) the dividend payable by the Company on such Series A CCPS under **Paragraph 3.1** and/or **Paragraph 3.2** of this Annexure (as the case maybe). The dividend payable to the Investors pursuant to this **Paragraph 3.4** shall be simultaneously paid along with the dividend payable to any Shareholder holding Equity Shares.
- 3.4. Based on the above, subject to any adjustment in the Conversion Ratio as per the terms of the Transaction Documents and these Articles, the entitlement of the Investors to dividend shall be as per the terms provided in the Transaction Documents.

4. Voting:

- 4.1. The Investors shall be entitled to attend all general meetings of the Company and vote thereat along with the Shareholders. To the extent permitted under applicable Laws, the voting rights of the Investors shall be determined on an As If Converted Basis determined as per the Conversion Ratio and shall be exercisable in the manner set out in the Agreement.
- 4.2. Based on the above, the voting rights of the Investors at any general meeting of the Company, subject to applicable Law and any adjustment in the Conversion Ratio as per the terms of the SSA, shall be as per the terms provided in the Transaction Documents.

5. Alteration of terms of issue:

Investor Consent shall be obtained, for any amendment/alteration of the terms of issuance of the Series A CCPS.

Annexure 2

Definitions. In **this Annexure 2**, unless the context otherwise requires or unless otherwise provided in this Annexure 2, the following expressions shall have the following meanings:

"2019 ESOP Plan Options" has the meaning ascribed to the term in the SSA;

"ACPE Tranche 1 Series A CCPS" means 4,98,889 (four lakhs ninety eight thousand eight hundred and eighty nine) fully paid-up cumulative compulsorily convertible participating preference shares of the Company having a face value of INR 10 (Indian Rupees Ten only) each, carrying a coupon of 0.1% (zero point one percent) per annum and carrying the rights set out in this **Annexure 2**;

"ACPIF Tranche 1 Series A CCPS" means 56,667 (fifty six thousand six hundred and sixty seven) fully paid-up cumulative compulsorily convertible participating preference shares of the Company having a face value of INR 10 (Indian Rupees Ten only) each, carrying a coupon of 0.1% (zero point one percent) per annum and carrying the rights set out in this **Annexure 2**;

"Additional Primary Investment Amount" has the meaning ascribed to the term in the SSA;

"Additional Primary Investor Securities" has the meaning ascribed to the term in the SSA;

"As If Converted Basis" means as if all instruments, options or securities issued and allotted by the Company had been converted into Equity Shares of the Company in accordance with the terms of its issuance

"Avino Charter Documents" mean the memorandum of association and the articles of association of Avino;

"Avino" means Avino Capcons Private Limited;

"Board" means the board of Directors of the Company;

"Company" means Berar Finance Limited;

"Corporate Event" means any Shares split, issue of Shares including by way of bonus, consolidation of Shares or reduction of Share Capital, reconstruction, combinations, amalgamations, merger, demerger, recapitalisations and similar other event;

"Charter Documents" mean the memorandum and articles of association of the Company;

"Director(s)" means a director of the Company;

"Equity Shares" mean fully paid-up equity shares of the Company of face value of INR 10 (Indian Rupees Ten only) each;

"First Closing" has the meaning ascribed to the term in the SSA;

"First Closing Date" means the date when the First Closing occurs;

"First Tranche Post Money Equity Valuation" means Pre-Money Equity Valuation plus the Primary Investment Amount as may be adjusted in accordance with the terms and conditions of the SSA;

"Fully Diluted Basis" shall mean that the calculation is to be made assuming that all outstanding securities (whether or not by their terms then currently convertible, exercisable exchangeable or granted) whether or not due to the occurrence of an event or otherwise, have been converted, exercised or exchanged into the maximum number of Equity Shares issuable upon such conversion, exercise and exchange, as the case may be, and giving effect to any accrued anti-dilution protection rights attached to such securities;

"Governmental Authorities" has the meaning ascribed to it in the SSA;

"Investors" mean collectively, the Amicus Partners Private Equity I LLP and Amicus Capital Partners India Fund I;

"Investor Consent" means the prior written consent of the Investors;

"IPO" means an offering to the public of equity shares/ordinary shares/common shares of the Company, except for a QIPO;

"Law" has the meaning ascribed to it in the SSA;

"Pre-Money Equity Valuation" has the meaning ascribed to it in the SSA;

"Primary Investment Amount" has the meaning ascribed to the term in the SSA;

"Promoters" mean Mr. Maroti Jawanjar, Mr. Sandeep Jawanjal, Avino, Maroti Jawanjar (HUF) and Sandeep Jawanjal (HUF);

"QIPO" means closing of a public offering of Equity Shares, managed by one of the reputed investments banks, with listing on BSE Limited or National Stock Exchange of India Limited or such other stock exchange as may be approved by the Company and the Investors in writing, with gross proceeds of the issue being at least the QIPO Amount at the QIPO Valuation;

"QIPO Amount" has the meaning ascribed to it in the SSA;

"QIPO Valuation" has the meaning ascribed to it in the SSA;

"Shares" mean the Equity Shares, preference shares or any other class or series of shares or securities that may be issued by the Company from time to time;

"SHA" means the shareholders' agreement dated December 20, 2019 between the Company, the Investors, Mr. Maroti Jawanjar, Mr. Sandeep Jawanjal, Avino, Maroti Jawanjar (HUF), Sandeep Jawanjal (HUF), Mrs. Bakul Jawanjal and Mrs. Jyoti Jawanjar, as amended;

"SSA" means the share subscription agreement dated December 20, 2019 between the Company, the Investors, Mr. Maroti Jawanjar, Mr. Sandeep Jawanjal, Avino, Maroti Jawanjar (HUF), Sandeep Jawanjal (HUF), Mrs. Bakul Jawanjal and Mrs. Jyoti Jawanjar, as amended;

"Second Closing Date" has the meaning ascribed to the term in the SSA;

"Second Tranche Post Money Equity Valuation" means Second Tranche Pre-Money Equity Valuation plus the Additional Primary Investment Amount, as may be adjusted in accordance with the terms and conditions of the Transaction Documents;

"Series A CCPS" means the (i) Tranche 1 Series A CCPS; and (ii) Tranche 2 Series A CCPS;

"Tranche 1 Series A CCPS" means the aggregate of the ACPE Tranche 1 Series A CCPS and the ACPIF Tranche 1 Series A CCPS;

"Tranche 2 Series A CCPS" means 3,80,953 (three lakhs eighty thousand nine hundred fifty three) fully paid-up Tranche 2 Series A cumulative compulsorily convertible participating preference shares of the Company having a face value of INR 10 (Indian Rupees Ten only) each at a premium of INR 200 (Indian Rupees Two Hundred only), carrying a coupon of 0.1% (zero point one percent) per annum and carrying the rights set out in **Annexure 2** to be issued to the Investors in terms of the SSA as part of the Additional Primary Investor Securities;

"Tranche 2 Series A Equity Shares" mean 5,71,428 (five lakhs seventy one thousand four hundred twenty eight) fully paid-up Equity Shares at a premium of INR 200 (Indian Rupees Two Hundred only) per Equity Share to be issued to the Investors in terms of the SSA as part of the Additional Primary Investor Securities; and

"Transaction Documents" mean the SHA, the SSA, the Charter Documents, the Avino Charter Documents and any amendments executed thereto, and shall include any other document executed in relation to the SHA or the investment by the Investors in the Company.

1. Conversion.

1.1. The Series A CCPS issued to the Investors shall compulsorily convert into Equity Shares upon the occurrence of any of the following events:

(a) Listing of the Equity Shares under a QIPO or IPO ("**Public Offering**"); or

(b) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment ("**Investment Period**").

1.2. The Investors may convert all or part of the Series A CCPS into Equity Shares any time prior to the expiry of the Investment Period or the Public Offering at the sole discretion of the Investors.

1.3. In the event the Investors exercise their rights to convert all or part of the Series A CCPS in accordance with the SSA, the Investors, shall notify the Company of the date on which the conversion of the Series A CCPS is proposed to take place ("**Conversion Notice**"). The Conversion Notice shall also set out the number of Series A CCPS proposed to be converted and the Equity Shares to be allotted upon conversion of the Series A CCPS which shall be determined based on the Conversion Ratio determined in accordance with **Paragraph 2** of this **Annexure 2**.

1.4. Within 15 (fifteen) days of receipt of the Conversion Notice, or within 15 (fifteen) days prior to the expiry of the Investment Period or immediately prior to the filing of a 'RHP' in connection with the Public Offering, as the case may be, the Company shall and the Promoters shall procure that the Company shall convert the Series A CCPS, in accordance with the Conversion Ratio determined in accordance with **Paragraph 2** of this **Annexure 2**. The Promoters and the Company undertake that the conversion of the Series A CCPS under this **Paragraph 1.4** shall take place without any delay or any further discussion or approval from any other Party whatsoever. For such purpose, the Company and the Promoters agree that all necessary approvals including those from the Board and the Shareholders:

1.4.1 have been obtained to issue the relevant number of Equity Shares upon conversion of the Tranche 1 Series A CCPS as a condition precedent to the First Closing Date.

1.4.2 have been obtained to issue the relevant number of Equity Shares upon conversion of the Tranche 2 Series A CCPS as a condition precedent to the Second Closing Date.

1.5. The Promoters and the Company shall provide all necessary co-operation and assistance for conversion of the Series A CCPS into Equity Shares pursuant to the Conversion Notice.

- 1.6. In the event that upon such conversion, the Equity Shares proposed to be issued to the Investors are fractional in number, then the number of Equity Shares shall be rounded off to the next whole number.
- 1.7. Subject to the rights granted to the Investors under the Transaction Documents, the Equity Shares so issued and allotted to the Investors shall carry, from the date of conversion, all rights pari passu with the Equity Shares existing as of date.
- 1.8. The Company shall take all necessary Consents and requisite steps under applicable Law including filing of necessary forms with Governmental Authorities to effect the conversion of the Series A CCPS in terms of the Conversion Notice.
- 1.9. The Company shall at all times after the First Closing Date, maintain sufficient authorized share capital for issue of Equity Shares for the above purpose and for the purpose of conversion of the Series A CCPS in accordance with the Conversion Ratio arrived pursuant to **Paragraph 2** of this **Annexure 2**.

2. Conversion Ratio

- 2.1. Subject to the terms and conditions of the SSA and subject to **Paragraph 2.4** of this **Annexure 2**, the conversion ratio for the Primary Investment Amount shall be such that it shall entitle the Investors to an equity stake in the Company (including Tranche 1 Series A Equity Shares allotted on the First Closing Date) on a Fully Diluted Basis computed on the following basis ("**Tranche 1 Conversion Ratio**"):

(Primary Investment Amount / First Tranche Post Money Equity Valuation) X 100

- 2.2. Subject to the terms and conditions of the SSA and subject to **Paragraph 2.4** of this **Annexure 2**, the conversion ratio for the Additional Primary Investment Amount shall be such that it shall entitle the Investors to an equity stake in the Company (against the Additional Primary Investment Amount and including the Tranche 2 Series A Equity Shares allotted on the Second Closing Date) on a Fully Diluted Basis computed on the following basis ("**Tranche 2 Conversion Ratio**"):

(Additional Primary Investment Amount / Second Tranche Post Money Equity Valuation) X 100

(with respect to each of **Paragraphs 2.1** and **2.2** above, the applicable conversion ratio shall be referred to as the "**Conversion Ratio**"). It is clarified for the avoidance of doubt that any reference to adjustment to Conversion Ratio under the Transaction Documents shall also include any change to the terms of the Conversion Ratio.

- 2.3. Conversion Ratio on part conversion. Notwithstanding anything contained in the Transaction Documents, in the event that the Series A CCPS are converted into Equity Shares in more than one tranche, the number of Equity Shares to be issued upon each tranche of conversion of the Series A CCPS shall be calculated such that upon conversion of all the Series A CCPS, the aggregate of Equity Shares issued upon conversion and the already held Equity Shares is equal to the total Equity Shares that the Investors are entitled to, had the Series A CCPS been converted in one tranche.
- 2.4. Adjustment to Conversion Ratio. The Conversion Ratio in **Paragraphs 2.1** and **2.2** of **Annexure 2** shall be appropriately adjusted to give full effect to the SSA with respect to the entire Primary Investment Amount and the Additional Primary Investment Amount, including:
 - (a) For any Corporate Event;
 - (b) As per the provisions for Anti-Dilution under clause 4.1 of the SHA;
 - (c) As per the indemnity provisions under **Clause 10** of the SSA; and

- (d) To give effect to Liquidity Preference Amount (as defined in the SHA) including under **Clause 3.6.7.2, Clause 3.7, Clause 4.4, Clause 7** and **Clause 10** of the SHA.

Notwithstanding anything contained in **Paragraph 2.4** of this **Annexure 2**, the Conversion Ratio of the Series A CCPS shall not be affected by an issuance of the Shares issued pursuant to the 2019 ESOP Plan Options.

3. Dividend:

- 3.1. The Company shall be liable to pay a fixed dividend equivalent to an annual per share dividend of 0.1% (zero point one percent) of the face value of the Tranche 1 Series A CCPS calculated on and from the First Closing Date. Such dividend shall be payable in preference to any other class of Shares.
- 3.2. The Company shall be liable to pay a fixed dividend equivalent to an annual per share dividend of 0.1% (zero point one percent) of the face value of the Tranche 2 Series A CCPS calculated on and from the Second Closing Date. Such dividend shall be payable in preference to any other class of Shares.
- 3.3. Dividends shall be payable on an annual basis and shall be paid by the Company within 30 (thirty) days of the date of declaration of dividend.
- 3.4. In addition to the above, in respect of any Series A CCPS which are yet to be converted into Equity Shares, in the event that the Company declares dividend to its Shareholders holding Equity Shares, the Investors shall be entitled to participate in the dividend against such Series A CCPS, which shall be an amount equivalent to the positive difference between (a) the dividend which the Investors would be entitled to had such Series A CCPS been converted into Equity Shares as per the Conversion Ratio; and (b) the dividend payable by the Company on such Series A CCPS under **Paragraph 3.1** and/or **Paragraph 3.2** above (as the case maybe). The dividend payable to the Investors pursuant to this **Paragraph 3.4** shall be simultaneously paid along with the dividend payable to any Shareholder holding Equity Shares.
- 3.5. Based on the above, subject to any adjustment in the Conversion Ratio as per the terms of the SSA, the entitlement of the Investors to dividend shall be as follows:

Shareholder	Percentage of total dividend declared after First Closing Date but before Second Closing Date*	Percentage of total dividend declared after Second Closing Date*
Amicus Capital Private Equity I LLP	12.56%	18.09%
Amicus Capital Partners India Fund I	1.43%	1.98%

**Assuming the ESOPs have not been converted into Equity Shares.*

4. Voting:

- 4.1. The Investors shall be entitled to attend all general meetings of the Company and vote thereat along with the Shareholders. To the extent permitted under applicable Laws, the voting rights of the Investors shall be determined on an As If Converted Basis determined as per the Conversion Ratio and shall be exercisable in the manner set out in the SHA.
- 4.2. Based on the above, the voting rights of the Investors at any general meeting of the Company, subject to applicable Law and any adjustment in the Conversion Ratio as per the terms of the SSA, shall be as follows:

Shareholder	Nature of Security	Voting Rights on and from the First Closing Date*	Voting Rights on and from the Second Closing Date**
Amicus Capital	Equity Shares	10.95%	15.66%
Private Equity I LLP	Equity Shares and Series A CCPS*	12.56%	18.09%
Amicus Capital	Equity Shares	1.24%	1.71%
Partners India Fund I	Equity Shares and Series A CCPS*	1.43%	1.98%

* The right of the Investors to exercise voting rights attached to the Series A CCPS on an As If Converted Basis or Equity Shares allotted pursuant to the conversion of the Series A CCPS, is subject to the provisions of applicable Law.

** Assuming the ESOPs have not been converted into Equity Shares.

5. *Alteration of terms of issue:*

Investor Consent shall be obtained, for any amendment/alteration of the terms of issuance of the Series A CCPS.

Annexure 3

Valuation Report

17th August 2020

The Board of Directors
Berar Finance Ltd
Avinsha Tower
Mehadia Square
Dhantoli
Nagpur 440 012

Dear Sir,

Sub: Report on Share & CCPS Valuation of Berar Finance Ltd

We refer to the engagement letter dated 1st August 2020 requesting us to conduct an Share Valuation of your Shares as on 30th June 2020 for the purpose of Issuance of "Equity Shares" & "Cumulative Convertible Preference Shares" under section 42 of the Companies Act 2013.

We have performed the Valuation analysis to enable the stakeholders to ascertain the Share value of Berar Finance Ltd. Based on the assumptions and limiting conditions as described in this report, as well as the facts and circumstances as of the valuation date, we have determined the Share value of the business.

Distribution of this letter and report are to be distributed only in their entirety and are intended for and restricted to the Company/Stakeholders for Business Analysis purposes and may also be disclosed to the company's financial auditors & legal counsel. This report is not to be used, circulated, quoted or otherwise referred to, in whole or in part, for any other purpose or to any other party/person for any purpose without the express written consent of our firm. However, it may be submitted or referred to, in whole or in part, any registration report or in documents submitted to stock exchange authorities subject to our explicit written consent.

The approaches and methodologies used in our work is an expression of an opinion regarding the fair representation of financial statements or other financial information, whether historical or prospective, presented in accordance with generally accepted accounting principles.

No change in any item or part of the valuation report shall be made by anyone other than our firm and we shall bear no responsibility for any such unauthorized change. The working papers for this engagement are being retained in our files and available for reference. Unless otherwise stated in this valuation, the Company has not considered or incorporated the potential economic gain or loss resulting from contingent assets and liabilities or events existing as on the transaction date.

We express no opinion on and accept no responsibility for the accuracy and completeness of the financial information or other data provided to us by the company. We assume that the financial & other information provided to us is accurate and complete, and we have relied upon this information in performing our valuation report.

We have relied upon the representations of the owners, management except as specifically stated to the contrary in this report. We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the company has good title to all assets.

Our valuation judgement shown herein pertains only to the subject business, the stated value standard as at the stated Valuation date and only for the stated valuation purpose. The various estimates of value presented in this report apply to the Valuation Report only and may not be used out of context presented herein.

We have relied on the financial statements, projections and other input/data provided by your company to ascertain the Share value of your business.

Purpose of Valuation:

The Management has engaged us for ascertaining the Share Valuation of the Company on a GOING CONCERN basis vide Engagement letter dated 1st August 2020. The Company proposes to issue "Equity Shares" & "CCPS" under Section 42 of the Companies Act 2013. The Valuation has been done using the principles laid down in the Valuation Standards laid down by Institute of Chartered Accountants of India and applicable with effect from 1st July 2018.

Executive Summary:

Engagement Summary	Berar Finance Ltd through its Director, Mr Sandeep Jawanjal has engaged M.B. Brahme & Co. Chartered Accountants & Registered Valuers to ascertain the Share Value of Business.
Subject of Valuation	Share Valuation Report
Standard of Value	Fair Value (FV) as per Accounting standards & fair value measurements.
Premise of Value	In continued operation as a going concern.
Effective Date	30th June 2020
Value Conclusion	Value to Equity Shareholders – Rs 210/- per share & Value of CCPS is Rs 210/- per share.
Intended Users	Berar Finance Ltd , its financial & legal advisors and financial auditors.

An overview of NBFC Regulations:

A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property. A non-banking institution which is a company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions or in any other manner, is also a non-banking financial company (Residuary non-banking company).

Financial activity as principal business is when a company's financial assets constitute more than 50 per cent of the total assets and income from financial assets constitute more than 50 per cent of the gross income. A company which fulfils both these criteria will be registered as NBFC by RBI. The term 'principal business' is not defined by the Reserve Bank of India Act. The Reserve Bank has defined it so as to ensure that only companies predominantly engaged in financial activity get registered with it and are regulated and supervised by it. Hence if there are companies engaged in agricultural operations, industrial activity, purchase and sale of goods, providing services or purchase, sale or construction of immovable property as their principal business and are doing some financial business in a small way, they will not be regulated by the Reserve Bank. Interestingly, this test is popularly known as 50-50 test and is applied to determine whether or not a company is into financial business.

NBFCs lend and make investments and hence their activities are akin to that of banks; however there are a few differences as given below:

- NBFC cannot accept demand deposits;
- NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself;
- deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs, unlike in case of banks.

Housing Finance Companies, Merchant Banking Companies, Stock Exchanges, Companies engaged in the business of stock-broking/sub-broking, Venture Capital Fund Companies, Nidhi Companies, Insurance companies and Chit Fund Companies are NBFCs but they have been exempted from the requirement of registration under Section 45-IA of the RBI Act, 1934 subject to certain conditions.

NBFCs are categorized a) in terms of the type of liabilities into Deposit and Non-Deposit accepting NBFCs, b) non deposit taking NBFCs by their size into systemically important and other non-deposit holding companies (NBFC-NDSI and NBFC-ND) and c) by the kind of activity they conduct. Within this broad categorization the different types of NBFCs are as follows:

I. **Asset Finance Company (AFC)** : An AFC is a company which is a financial institution carrying on as its principal business the financing of physical assets supporting productive/economic activity, such as automobiles, tractors, lathe machines, generator sets, earth moving and material handling equipments, moving on own power and general purpose industrial machines. Principal business for this purpose is defined as aggregate of financing real/physical assets supporting economic activity and income arising therefrom is not less than 60% of its total assets and total income respectively.

II. **Investment Company (IC)** : IC means any company which is a financial institution carrying on as its principal business the acquisition of securities,

III. **Loan Company (LC)**: LC means any company which is a financial institution carrying on as its principal business the providing of finance whether by making loans or advances or otherwise for any activity other than its own but does not include an Asset Finance Company.

IV. **Infrastructure Finance Company (IFC)**: IFC is a non-banking finance company a) which deploys at least 75 per cent of its total assets in infrastructure loans, b) has a minimum Net Owned Funds of Rs 300 crore, c) has a minimum credit rating of 'A 'or equivalent d) and a CRAR of 15%.

V. **Systemically Important Core Investment Company (CIC-ND-SI)**: CIC-ND-SI is an NBFC carrying on the business of acquisition of shares and securities which satisfies the following conditions:-

- (a) it holds not less than 90% of its Total Assets in the form of investment in equity shares, preference shares, debt or loans in group companies;
- (b) its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its Total Assets;
- (c) it does not trade in its investments in shares, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;
- (d) it does not carry on any other financial activity referred to in Section 45I(c) and 45I(f) of the RBI act, 1934 except investment in bank deposits, money market instruments, government securities, loans to and investments in debt issuances of group companies or guarantees issued on behalf of group companies.
- (e) Its asset size is Rs 100 crore or above and
- (f) It accepts public funds

VI. **Infrastructure Debt Fund**: Non- Banking Financial Company (IDF-NBFC) : IDF-NBFC is a company registered as NBFC to facilitate the flow of long term debt into infrastructure projects. IDF-NBFC raise resources through issue of Rupee or Dollar denominated bonds of minimum 5 year maturity. Only Infrastructure Finance Companies (IFC) can sponsor IDF-NBFCs.

VII. **Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI)**: NBFC-MFI is a non-deposit taking NBFC having not less than 85% of its assets in the nature of qualifying assets which satisfy the following criteria:

- a. loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding Rs 1,00,000 or urban and semi-urban household income not exceeding Rs 1,60,000;
- b. loan amount does not exceed Rs 50,000 in the first cycle and Rs 1,00,000 in subsequent cycles;
- c. total indebtedness of the borrower does not exceed Rs 1,00,000;
- d. tenure of the loan not to be less than 24 months for loan amount in excess of Rs 15,000 with prepayment without penalty;
- e. loan to be extended without collateral;
- f. aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs;
- g. loan is repayable on weekly, fortnightly or monthly instalments at the choice of the borrower

VIII. **Non-Banking Financial Company – Factors (NBFC-Factors)**: NBFC-Factor is a non-deposit taking NBFC engaged in the principal business of factoring. The financial assets in the factoring business should constitute at least 50 percent of its total assets and its income derived from factoring business should not be less than 50 percent of its gross income.

IX. **Mortgage Guarantee Companies (MGC)** - MGC are financial institutions for which at least 90% of the business turnover is mortgage guarantee business or at least 90% of the gross income is from mortgage guarantee business and net owned fund is Rs 100 crore.

X. **NBFC- Non-Operative Financial Holding Company (NOFHC)** is financial institution through which promoter / promoter groups will be permitted to set up a new bank .It's a wholly-owned Non-Operative Financial Holding Company (NOFHC) which will hold the bank as well as all other financial services companies regulated by RBI or other financial sector regulators, to the extent permissible under the applicable regulatory prescriptions.

Background & Business overview

Berar Finance Ltd was incorporated in Nagpur on 22nd August 1990 under Registration No: 11-57829 having a Permanent Account No AAACB5861B. The Current Directors of the Company are Mr Maroti Jawanjar, Chairman & MD, Mr Shantaram Mahakalkar, Mr Viswhas Pathak, Mr Ashok Kachore, Mr Dattatraya Dalal, Mr Atul Sarda, Mr Mahesh Parasuraman and Mr Sandeep Jawanjal.

Business overview:

The Company started operations in 1990 and headquartered in Nagpur. The Company is a deposit taking NBFC engaged in financing of 2Wheeler and 2 W refinancing and used car finance. The Company targets business in the semi-urban and rural areas and is present across the states of Maharashtra, Chattisgarh, MP, Telangana, Karnataka & Gujarat. The Promoters have over 3 decades of experience in lending business and the Company has a dividend paying history of over 24 years.

The Company has a multi brand focus of Hero, Honda, Bajaj, TVS, Maruti etc. The Company offers flexible repayment options of 12 to 36 months as per requirements of customers. The company believes in minimal documentation and fast in-principle approvals.

The Product Portfolio focusing on semi urban and rural customers is as below :

New 2W financing

- **Description:** Loans to buy 2 W; major focus would be 100 – 150 cc 2W; Top brands financed include Hero and Honda
- **Customers:** 96,133
- **ATS:** INR 44,392
- **Average Yield:** 22.9%
- **GNPA:** 2.15%

2W refinance

- **Description:** Top-up loans to existing customers who have a good credit history
- **Customers:** 13,059
- **ATS:** INR 31,831
- **Average Yield:** 30.2%
- **GNPA:** 1.55%

Used Car

- **Description:** Loans to buy used car or provide refinance; Top brands financed include Honda, Maruti, Hyundai, Renault, Skoda
- **Customers:** 1,264
- **ATS:** INR 234,720
- **Average Yield:** 18.8%
- **GNPA:** 2.80%

The shareholding pattern in the company is as given below :

Shareholding Pattern

A. Promoter Group	43.98%
B. Institutional Investor	13.64%
C. Public (*)	42.38%
TOTAL	100.00%

(*) Public Shareholding comprises of close friends & relatives of promoters

The Financial Performance & Key indicators of the Operating Performance are below

Particulars (in INR Mn)	1999-00	2004-05	2009-10	2014-15	2017-18	2018-19	2019-20
AUM	17	91	304	1,282	2,885	3,620	4,761
Net-worth	6	31	112	309	585	723	1,181
PAT	1	8	25	68	124	147	169
Dividend Amount	0.5	2.1	10.7	12	9.6	9.6	9.6
Leverage	2.8x	3.0x	2.7x	4.1x	4.9x	5.0x	4.0x
RoAA	5.00%	8.30%	8.20%	5.90%	4.80%	4.50%	4.03%
RoAE	13.80%	24.70%	22.10%	24.10%	23.40%	22.50%	17.75%
GNPA	0.02%	0.06%	0.52%	2.44%	2.27%	2.30%	2.62%
NNPA	0.01%	0.04%	0.47%	1.75%	1.97%	2.00%	2.27%
Credit Rating	NA	NA	NA	BBB-	BBB-	BBB(Stable)	BBB(Stable)

Source of Information

We have examined the following as sources of information:

1. Audited Financials for the year 2019-20.
2. Historical Financial data and ratios for the years 2014-15 to 2019-20.
3. **Unaudited** Financial Statement upto 30th June 2020.
4. Terms of Issue of CCPS.
5. Company's Profiles and other sources of information & statement of facts submitted.
6. Discussions with the Directors and CFO.

Details of Valuer

M.B.Brahme & Co., Chartered Accountants is a five year old Proprietary firm specializing in Business Valuations, Brand Valuations and Valuations under IBC code, RBI Act. M B Brahme is a Commerce Graduate, LLB, ACA and ACS having 26 years of experience in Corporates as a "Finance Professional" having worked for multinational companies like Otis Elevator, Hindustan Ciba Geigy, TOTAL Oil India Pvt Ltd and has knowledge of Economic, Corporate laws, mergers and acquisitions and Valuations. Mr Brahme has passed the Registered Valuers Exam conducted by Insolvency & Bankruptcy Board of India under Asset Class " Securities/Financial Assets" and as such is competent to issue Valuation Reports under Companies Act & IBC.

Assumptions & Limiting Conditions:

1. Our opinion is intended for the use of Berar Finance Ltd Management. Under no circumstances shall we bear any liability to a third party that will receive our opinion with/without our consent.
2. For the purpose of this report, the company (Berar Group) has given us the historical audited financial statements & other documents & information of Berar Finance Ltd. We are not responsible for the independent examination of the information obtained and therefore have not conducted independent examination of the said information other than general prima facie reasonability tests.
3. In this Report, we have made reference to forward looking information provided to us by the Company's management. Forward looking information is uncertain, future oriented information based on information available to the Company as of the transaction date, including expectations or intentions by Company management as of the valuation date. Should these estimates by the Management fail to materialize, actual results may materially differ from results estimated or inferred from this information as much as it has been used in this Report.
4. Financial opinion is not considered an exact science and is supposed to reflect in a reasonable and fair manner, the situation as of a given time, based on known data, assumptions and estimates made. Changes made to major variables and/or to information may change the basis for these assumptions and therefore may also change the conclusions accordingly.
5. This Valuation is not a due diligence and it does not purport to include all information, tests or any other information included in a due diligence including checking of company contracts and agreements. This opinion does not constitute legal advice or opinion. We have interpreted various documents reviewed solely for the purpose of this opinion.

Analysis of Valuation Technique.

The Valuation of NBFC can be done using the Asset approach and/or the Income approach:

- A. Under the Asset Approach, the Net Asset Value (or Book value) of the company per share is worked out dividing the Net Worth by the Number of shares. In arriving at the Net worth the Tangible Assets or Investments held by the Company at Book value are revalued to arrive at the latest / accurate BV of the Company. The Book Value of comparable companies in similar business as the valued company is worked out and BV Multiple is multiplied by the BV of the company to arrive at the Fair value of the Company per share.
- B. Under the Income Approach, the Price Earning Multiple (PE) of comparable companies in the same line of business is worked out and multiplied by the Earnings per share of the Company (EPS) giving the Fair value of the Company.

An average of both the fair value methods will give the Fair Value per share of the company. Since the Legal entity is a closely held company, its shares are not easily marketable, hence a discount of 12% is assumed as Discount for Lack of Marketability (also called "DLOM")

Valuation Analysis :

The Fair value calculated as per the Asset approach or the Book value multiple & FV as per Income approach or the PE multiple is given below :

Value based on Book Value Multiple		Value based on PE Multiple	
Particulars	Price/ BV	Particulars	PE
Book Value per Share (as on 30th June 2020)	127.03	EPS (of the Company) (for 2019-20)	20.81
Price / BV Multiple (Comparable companies)	2.02	PE Multiple (Comparable companies)	10.53
Fair Value per Share (Rs)	256.70	Fair Value per Share (Rs)	219.05
No. of Equity Shares (includes 5,55,556 Preference Shares)	9,666,667	No. of Equity Shares (includes 5,55,556 Preference Shares)	9,666,667
Fair Equity Value of the Co. (Rs in Millions)	2,481	Fair Equity Value of the Co. (Rs in Millions)	2,117

The detailed working of the Net Asset Valuer per share of the Company is provided in in Annexure I below. The detailed workings of the BV and PE Multiple of comparable companies is provided in Annexure II & the Summary of Historical Financial data is provided in Annexure III below.

Conclusion / Summary :

The Fair value per share is an average of the FV per share using both the BV and PE multiples which is provided below :

Calculation of Fair Value / Share	
Particulars	PE
Using Book Value Multiple (Asset approach)	256.70
Using the PE Multiple (Income approach)	219.05
Average FV per Share (Rs)	237.87
Less : DLOM (Discount for lack of marketability)	<u>28.54</u>
Fair Value Per share	209.33
(Rounded off to Rs)	210.00

In short, the FV per share of the company is **Rs 210/- per share.**

Valuation of Compulsorily Convertible Participating Preference Shares (CCPS")

Terms of Issue of CCPS

The key rights, terms and conditions attached to the CCPS are set out herein below:

1. Conversion.

1.1. The CCPS shall compulsorily convert into Equity Shares upon the occurrence of any of the following events:

- Listing of the Equity Shares under a QIPO or IPO ("Public Offering"); or
- Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment ("Investment Period").

1.2. The holders of such CCPS may convert all or part of the CCPS into Equity Shares any time prior to the expiry of the Investment Period or the Public Offering at the sole discretion of such holders.

- 1.3. Subject to the rights granted to the holders of the CCPS under the Transaction Documents, the Equity Shares so issued and allotted to the holders of the CCPS shall carry, from the date of conversion, all rights pari passu with the Equity Shares existing as of date.
2. The conversion ratio shall be appropriately adjusted to give full effect to the Agreement with respect to the entire primary investment amount, including:
 - a) For any Corporate Event like additional share issue, bonus issue, reclassification, capital reduction etc;
 - b) Anti-Dilution;
 - c) Indemnity provisions; and
 - d) Liquidation preference provisions.
3. Dividend:
 - 3.1. The Company shall be liable to pay a fixed dividend equivalent to an annual per share dividend of 0.1% of the par value of the CCPS calculated on and from the First Closing Date. Such dividend shall be payable in preference to any other class of Shares.
 - 3.2. Dividends shall be payable on an annual basis and shall be paid by the Company within 30 (thirty) days of the date of declaration of dividend.
 - 3.3. In addition to the above, prior to the conversion of the CCPS, in the event that the Company declares dividend to its Shareholders holding Equity Shares, the holders of CCPS shall be entitled to participate in such dividend against the CCPS held by them, which shall be an amount equivalent to the positive difference between (a) the dividend which the holders would be entitled to had the CCPS been converted into Equity Shares; and (b) the dividend payable by the Company on the CCPS under Paragraph 3.1. The dividend payable pursuant to this Clause 3.3 shall be simultaneously paid along with the dividend payable to any shareholder holding Equity Shares.
4. Voting:
 - 4.1. The holders of CCPS shall be entitled to attend all general meetings of the Company and vote there at along with the other Shareholders. To the extent permitted under applicable Laws, the voting rights of the CCPS holders shall be determined on an As If Converted Basis and shall be exercisable in an agreed manner.

Valuation of CCPS

- A. Under the Asset approach, valuation of equity shares is made on the basis of Net assets of the Company. This method is not applicable in the present case as the shares being valued are not equity shares but CCPS. In the case of *ACIT vs. Golden Line Studio Pvt. Ltd.*,¹ the Mumbai Bench of the Income Tax Appellate Tribunal ("Tribunal") ruled that for the purposes of determining whether excessive premium has been charged on the issue of redeemable preference shares ("RPS"), **the fair market value ("FMV") of the RPS which is determined to ascertain the taxable amount, should not be calculated on the basis of the net asset value ("NAV") of the issuing company.** In doing so the Tribunal has made a clear distinction between the valuation of equity shares and the valuation of preference shares, appreciating that they both stand on a different footing. The ruling further clarifies that solely because premium charged is perceived as excessive, it cannot be considered as unexplained in nature for the purposes of taxation of unexplained cash credits under Section 68 of the Income Tax Act ("ITA")
- B. Under the Income approach, the PE multiple is also used to value equity shares of a company where Earnings per share of the company is multiplied by the PE multiple by Industry PE multiple. This method is also not applicable in the present case since the Shares are not equity but CCPS and the Price Earning Multiple applies to Equity Shares and not Preference Shares. Hence we cannot consider this method of Valuation.

Conclusion:

Hence having regard to the above terms & valuation methodology of CCPS, our discussions with the Company management and the likelihood of the CCPS converting to Equity Shares at a ratio of 1:1, the fair value of the CCPS per share at the time of the issue would be same as that of the Equity Shares of Rs 210/- (Indian Rupees Two hundred and ten only) per share.

Disclaimer

- *The information contained herein is absolutely confidential and is intended only for the purpose stated above.*
- *We have arrived at the Value of Shares based on inputs provided by the management at various stages including the Information Memorandum prepared by Investment Bankers, Financial Projections, Balance sheet as on 31st March 2020 & 30th June 2020, cashflow, Working capital & Capex estimations. The valuation is based on purely quantitative information and the sustainability of business. The quality of profits, the asset return relationship etc have not been dealt with for valuation purpose. We have no obligation towards events, trends or transactions relating to the company or the market / economy in general and occurrence, subsequent to the date of the report.*
- *We hereby confirm that we have no direct or indirect interest in the Share valuation conducted under this assignment and as such there is no conflict of interest.*

- *Further we are not responsible for the use of information and finding in this report by third party. Any person/ party intending to invest in the business of Company shall do so after seeking their own due diligence procedure to ensure that they are making an informed decision.*
- *Our liability for this valuation assignment shall not exceed the fee payable to us.*
- *Our recommendation of the Share value should not be considered as our advice to take buy or sell decision.*

We appreciate the opportunity to be of service to you. A copy of the Report and the detailed working papers from which it was prepared has been retained in our files. If you have any questions concerning this Share Valuation report, please contact us.

For M B Brahme & Co
Chartered Accountants
Firm Reg No: 141249W

CA M B Brahme
Registered Valuer – “Securities/Financial Assets”
Reg no: IBBI /RV /06 /2019 /10663
Dated: 17th August 2020
Place: Mumbai

UDIN No: 20039385AAAAAJ5831

Calculation of Net Asset Value Per Share of the company**Berar Finance Ltd****Valuation as at 30th June 2020****NET ASSETS METHOD****(Rs in Millions)**

Particulars	Amount	Amount
Fixed Assets (Plant, Property & Equipment) Net Block	177.77	
Add : Increase in Revaluation of Property	-	
Total Fixed Assets		177.77
Non current Investments	90.56	
Add / Less : Revaluation of Investments	-	
		90.56
Deferred Tax Assets (net)		13.71
Long Term loans & advances		1,869.45
Current Assets	3,318.10	
Less: Current Liabilities	(2,447.45)	
Net Current Assets		870.65
Other long term borrowings	(1,775.49)	
Other long term liabilities	-	
Long term provisions	(18.73)	
		(1,794.22)
Total Asset Value		1,227.92
<u>Add/(Less): Adjustments</u>		
Contingent Liabilities		-
Net Adjusted Asset Value		1,227.92
No. of Shares		9,666,667
Value per share (Face Value Rs. 10 each)		127.03

Calculation of BV & PE Multiples of Comparable Companies

Sr No	Company	Equity (Rs cr)	Face Value	B Value Per share	EPS Per share	Sh Price On 30/6/20	PE Multiple	Price / BV
1	Shriram City Union Finance	66.00	10	1,008.00	151.60	671.00	5.03	0.67
2	Shriram Transp Finance	226.88	10	695.95	86.45	689.00	8.13	0.99
3	Muthoot Finance	400.86	10	266.17	74.97	1,086.00	15.70	4.08
4	Mannapuram Finance	168.65	2	61.63	16.32	151.00	9.51	2.45
5	Chola Investment & Finance	163.98	2	98.58	13.39	189.10	14.26	1.92

Average of Multiples..... 10.53 2.02

Source : Annual Reports of Companies in simiar sector from BSE website

SUMMARY OF FINANCIALS

Particulars (In INR Mn)	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Interest Income	296	378	495	595	740	949
Other Income	54	72	90	128	156	193
Total Income	350	450	585	723	896	1142
<i>Growth Rate %</i>	<i>27%</i>	<i>29%</i>	<i>30%</i>	<i>24%</i>	<i>24%</i>	<i>27%</i>
Interest expense	126	164	221	285	356	457
PAT	68	82	99	124	147	169
<i>Margin %</i>	<i>19.4%</i>	<i>18.3%</i>	<i>16.9%</i>	<i>17.1%</i>	<i>16.4%</i>	<i>14.8%</i>
Networth	309	382	471	585	723	1180
Fund infusion		0	0	0	0	300
Total Debt	1,109	1,532	2,084	2,593	3,283	4,193
Total AUM	1,282	1,719	2,262	2,885	3,620	4,761
Disbursement	1,202	1,639	2,104	2,753	3,435	4,367
Leverage (x)	4.1	4.5	4.8	4.9	5.0	4.0
RoAE	24.1%	23.8%	23.2%	23.4%	22.5%	17.8%
RoAA	5.9%	5.5%	5.0%	4.8%	4.5%	4.0%
EPS (INR)	8	10	12	15	18	21
Dividend per share (INR)	1	1	1	1	1	1
BVPS (INR)	39	48	59	73	90	123
Shares outstanding (in Mn)	8.0	8.0	8.0	8.0	8.0	9.7
ROAA Tree (%)						
Avg. Yield	25.8%	25.2%	24.9%	23.1%	22.7%	27.3%
Avg. COB	13.1%	12.4%	12.2%	12.2%	12.1%	12.2%
Spread	12.7%	12.8%	12.7%	10.9%	10.6%	10.7%
NIM	14.9%	14.3%	13.8%	12.0%	11.8%	11.7%
Interest Income / AUM	25.8%	25.2%	24.9%	23.1%	22.7%	22.6%
Other Income / AUM	4.7%	4.8%	4.5%	5.0%	4.8%	4.6%
Interest Expense / AUM	11.0%	10.9%	11.1%	11.1%	10.9%	10.9%
Cost Ratio (Opex / AUM)	9.4%	9.6%	9.2%	9.1%	9.3%	9.4%
Credit Costs (Prov / AUM)	1.0%	1.2%	1.4%	1.1%	0.9%	1.0%
Tax Ratio	3.3%	2.8%	2.7%	2.1%	1.9%	1.4%
RoAA	5.9%	5.5%	5.0%	4.8%	4.5%	4.0%

Annexure 4

Current Shareholding Pattern of the Company

Name of the Shareholder	Equity Shares	Shareholding
Maroti Jawanjar	10,21,194	10.70%
Jyoti Jawanjar	2,74,550	2.88%
Sandeep Jawanjal	3,22,518	3.38%
Bakul Jawanjal	1,01,000	1.06%
Sandeep Jawanjal (HUF)	1,17,700	1.23%
Radhemohan Jawanjal	1,400	0.01%
Maroti Jawanjar (HUF)	8,68,954	9.11%
Avino Capcons Private Limited	14,88,484	15.60%
Amicus Capital Private Equity I LLP	11,68,346	12.25%
Amicus Capital Partners India Fund I	1,32,707	1.39%
Other Corporate Shareholders	3,050	0.03%
Public Shareholders	38,01,150	39.84%
ESOPs	2,40,000	2.52%
Total	95,41,053	100.00%

Annexure 5

Pre-Issue and Post-Issue Shareholding Pattern of the Company

Sl. No.	Category	Pre-Issue		Post-Issue	
		No of Shares held	Percentage Shareholding of	No of Shares held	Percentage Shareholding of
A	Promoters' Holding				
1	Indian				
-	Individual	27,07,316	28.38%	27,07,316	26.42%
-	Bodies Corporate	14,88,484	15.60%	14,88,484	14.52 %
	Sub-total	41,95,800	43.98%	41,95,800	40.94 %
2	Foreign promoters	-	0.00%	-	0.00%
-	Subtotal (A)	41,95,800	43.98%	41,95,800	40.94 %
B	Non-promoters' holding				
1	Institutional investors	13,01,053	13.64%	20,07,798	19.59 %
2	Non-institutional investors				
-	Private Bodies Corporate	3,050	0.03%	3,050	0.03%
-	Directors and relatives	8,12,266	8.51%	8,12,266	7.93%
	Indian public	29,84,334	31.28 %	29,84,334	29.12%
-	Others [including non-resident Indians (NRI)s]*	2,44,550	2.56 %	2,44,550	2.39%
-					
-	Sub-total (B)	53,45,253	56.02%	60,51,998	59.06 %
-	GRAND TOTAL	95,41,053	100%	1,02,47,798	100%

[* Includes share transfer to Investors Education and Protection Fund and options outstanding as part of the Employee Stock Option Plan 2019 of the Company]