

# **UGRO CAPITAL LIMITED**

## **Memorandum and Articles of Association**

**CIN: L67120MH1993PLCO70739**

### **UGRO CAPITAL LIMITED**

**Registered Office Address:** Equinox Business Park, Tower 3, 4th Floor, LBS Road, Kurla (West), Mumbai - 400070

**CIN:** L67120MH1993PLCO70739

**Telephone:** +91 22 41821600 | **E-mail:** [info@ugrocapital.com](mailto:info@ugrocapital.com) | **Website:** [www.ugrocapital.com](http://www.ugrocapital.com)



सत्यमेव जयते  
GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies

**Certificate of Incorporation pursuant to change of name**  
*[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]*

Corporate Identification Number (CIN):



Registrar of Companies

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Mailing Address as per record available in Registrar of Companies office:





आयुक्त-माहिती-कार्ड  
Form L R.

निगमन का प्रमाण-पत्र

# CERTIFICATE OF INCORPORATION

क्र. 11-76713 ..... का दि. ....  
No. .... of 1923 .....

मैं यहाँ प्रमाणित करता हूँ कि निम्न.....

कम्पनी अधिनियम 1956 (1956 का 1) के अन्तर्गत निगमित की गई है और यह  
कम्पनी सीमित है।

I hereby certify that CHOKHANI SECURITIES PRIVATE....  
LIMITED.....

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956)  
and that the Company is limited.

दिये प्रमाणित है आज का..... को दिया गया।

Given under my hand at BOMBAY this TWENTY  
day of FEBRUARY One thousand nine hundred and NINETEEN.

(S.R.V.V. SATYANARAYANA)

कम्पनियों का रजिस्ट्रार

ASSTT. Registrar of Companies  
Maharashtra

No. 11 - 70739

**CERTIFICATE OF CHANGE OF NAME  
UNDER THE COMPANIES ACT, 1956.**

In the matter of CHOKHANI SECURITIES PRIVATE LIMITED

I do hereby certify that pursuant to the provisions of section 23 of Companies Act, 1956 and the Special Resolution passed by the Company at its ~~XXXX~~ Extra-Ordinary General Meeting on the **4th JULY, 1994**

the name of "CHOKHANI  
SECURITIES PRIVATE LIMITED  
has this day been changed to "CHOKHANI SECURITIES LIMITED"

And that the said company has been duly incorporated as a company under the provisions of the said Act.

Dated this **TWENTYSIXTH** day of **JULY**  
One thousand nine hundred and ninety four.



*26.7.94*  
(S.R.V.V. SATYANARAYANA)  
Addl. Registrar of Companies  
Maharashtra, Bombay.



No. 11-70739

( Section 18(1) of the Companies Act, 1956 )

**CERTIFICATE OF REGISTRATION OF  
SPECIAL RESOLUTION PASSED FOR  
ALTERATION OF OBJECTS**

M/s. CHOKHANI SECURITIES LIMITED

having by Special Resolution passed on 18-04-2000

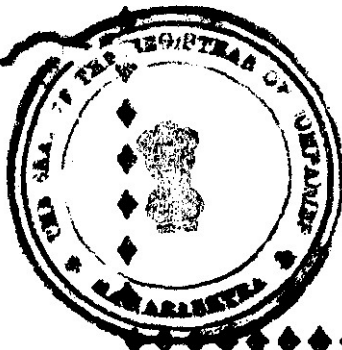
altered the provisions of its Memorandum of Association  
with respect to its objects, and a copy of the said resolution  
having been filed with this office on 13-06-2000

I hereby certify that the Special Resolution passed on 18-04-2000  
\_\_\_\_\_ together with the printed copy of the Memorandum  
of Association, as altered, has this days been registered.

Given under my hand at MUMBAI

this TWENTYSEVENTH day of JUNE

~~One thousand Nine hundred ninety TWO THOUSAND.~~  
TWO THOUSAND.



*(Signature)*  
(D.VIJAYA BHASKAR)

Dy. ~~ASSISTANT~~ REGISTRAR OF COMPANIES,  
MAHARASHTRA, MUMBAI.

*926-2716*

**THE COMPANIES ACT, 2013**  
**COMPANY LIMITED BY SHARES**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**UGRO CAPITAL LIMITED**

- I. The Name of the Company is **UGRO CAPITAL LIMITED\***
- II. The Registered Office of the Company will be situated in the state of Maharashtra.
- III. The objects for which the Company is established are:
  - 1. To invest the capital and other moneys of the Company in the purchase or upon the security of shares, stocks, debenture, debenture stock, bonds, mortgages, obligations and securities of any kind, carrying on business in shares, stocks, debentures, debenture stocks, bonds, mortgages, obligations and other securities, commissioners, Trust, Municipal or local Authority and to carry on the business of underwriters film financing, hire purchase financing, and to carry on business of financing industrial enterprises, trade and business financing.

Inserted vide special board resolution passed in extra ordinary general meeting held on April 18,2000.

- 1A.** To carry on the business of providing Fund/Non-fund based activities, Venture Capital, Stock Broking, Factoring, Arbitrage, Badla Finance, Portfolio Management services, Mutual Fund, Debt Market Operations, Forex Management services, Merchant Banking Activities, Insurance, Reinsurance, Future and Options, Derivatives, Depository Participants, etc.
- 1B.** To manufacture, assemble, purchase, sell, export, import, alter, repair, transfer, lease, hire, licence, use, dispose of, operate, fabricate, construct, distribute, design, charter, acquire, market, recondition, work upon or advice otherwise deal in, whether as manufacturers, dealers, developers, distributors, agents of other manufacturers or otherwise all kinds of products and services pertaining to computer software and hardware industry, software, system development, application software for microprocessor based information system, web portals, web enabling, web super markets, kiosks for “e” commerce, web migration, web based training / education, Learning systems, Knowledge management, retail broking, e-tail broking, Internet broking, net dynamics, client server development, platform development, Information Technology, Software development, e-commerce conversion of data, internet, web site, e-commerce, e-business, e-tailing, e-trade, advertisements, sponsorships, gamesites, application system, computer peripherals and accessories, information technology, Mapping,

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*\* Altered and substituted vide Special Resolution passed in the Extra Ordinary General Meeting of the Company on 18<sup>th</sup> September, 2018.*

Educational publications, computer aided design / computer aided manufacturing, workstations, scanners, scanner plotters, servers, digitizers, software procedures, and undertake turnkey projects, for developing computer software or hardware system, telephony, migration and reengineering, data warehousing, enterprise resource planning, product, development, and management and to provide all other allied services in India and abroad.

- 1C. #**To lend and advance money and assets of all kinds or give credit on any terms or mode and with or without security to any individual, firm, body corporate or any other entity (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company whether or not associated in any way with, the company), to enter into guarantees, contracts of indemnity and surety ship of all kinds, to receive money on deposits or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company)

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

- 2.** To borrow, advance, deposit or lend moneys, securities and property from, to or with such persons and on such terms as may seem expedient to discount, buy, sell, and deal in bills, notes, warrants, coupons, import, entitlements and other negotiable or transferable securities or documents, to guarantee or become liable for the payment of money or for the performance of any obligations, and generally to transact all kinds of guarantee business. Provided the Company shall not carry on Banking business or defined by Banking Regulation Act, 1949.
- 3.** To open branches and appoint agents, broker, sub-brokers in India and abroad to the said purposes.
- 4.** To set up infrastructure connecting to security business in India.
- 5.** To set up investors cell connecting to securities work in India
- 6.** To sell, exchange, mortgage, let on lease, royalty or tribute, grant licences, easements, options and other rights over and in any other manner deal with or dispose of the undertaking property, assets, rights and effects of the Company or any part thereof for such consideration as may be thought fit and in particular for stocks, shares, whether fully or partly paid up or securities of any other company.
- 7.** To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal in all or any part of the property and right of the Company.
- 8.** To advance, deposit with or lend money, securities and property to or receive loans or grant or deposits from the Government.
- 9.** To lend money either with or without security and generally to such persons and upon such terms and conditions as the company may thing fit.

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*# Altered vide Special Resolution passed on 7<sup>th</sup> May, 2018 through Postal Ballot.*

10. To guarantee the performance of the obligations of and payment of dividends and interest on any stock, shares or securities of any company, corporation, firm or person in any case in which such guarantee may be considered likely directly or indirectly to further the objects of the company or the interests of the shareholders.
11. To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture- stock, contracts, mortgages, charges, obligations, instruments and securities of any company or of any authority supreme, municipal, local or otherwise or of any persons whomsoever, whether incorporated or not incorporated, and generally to guarantee or become surety for the performance of any contracts or obligations.
12. To obtain any rights, concessions, privileges, permissions and the like, periodically or otherwise, which may be considered conducive to the interests or the business of the company from any Government, States, Municipalities, Local, Boards, Museums, Libraries, or any Authorities, Supreme or otherwise and to carry out use, exercise, and comply with such rights, privileges, concessions, permissions and arrangements.
13. To subscribe for, absolutely or conditionally, purchase or otherwise acquire, and to hold, dispose, of and deal in shares, stocks, and securities or obligations of any other company whether Indian or foreign.
14. Subject to the provision of the Act to invest any money of the Company not for the time being required for any of the purposes of the Company in such investments (other than shares or stock in the company) as may be thought proper and to hold sell or otherwise deal with such investments.
15. To borrow or raise or secure payment of money or to receive money on deposit at interest for any of the purposes, of the Company, and at such time or times and in such in manner as may be thought fit and in particulars, by the issue of debentures, or debenture – stocks, perpetual or otherwise, including debentures or debenture stocks convertible into shares of this or any other Company or perpetual annuities and as securities for any such money so borrowed raised or received, or of any such debentures or debenture stock so issued to mortgage, pledge or charge the whole or any part of the property assets, or revenue and profits of the Company, present or future including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may be seem expedient and to purchase, redeem, or pay off any such securities, provided, the Company shall not carry on Banking business as defined by the Banking Regulations Act, 1949.
16. To open account and accounts, with any individual, firm or Company or with any Bank or Shroffs and to pay into and to withdraw money from such account or accounts.
17. To draw, make, accept, discount, execute, endorse and issue bills of exchange, Government of India and other promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities.
18. To apply for purchase or otherwise acquire and protect, prolong and renew whether in India or elsewhere any patents, patent, rights, brevets d 'invention' trade marks designs, licences, protections, concessions and the like conferring any exclusive or non-exclusive or limited right of use any secret or other information as to any invention,

process or privilege which may seem capable of being used for any of the purposes of the company.

- 19.** To spend money in experimenting on and testing and in improving or seeking to improve any patents, rights, inventions, discoveries, process or information of the Company or which the Company may acquire or propose to acquire.
- 20.** To equip expeditions and commissions and to employ and remunerate exports and other agents in connection therewith a view to securing any of the objects of the Company.
- 21.** To acquire and undertake all or any part of the business, property and liabilities of any person or Company carrying on any business which this company is authorized to carry on.
- 22.** To take part in the supervision or control of the business or operations of any company or undertaking having similar objects and to act as Secretaries thereof and for that purpose to appoint and remunerate any Director, Accountants or other experts or agents.
- 23.** To procure the recognition of the Company in or under the laws of any place outside India.
- 24.** To form, Incorporate or promote any company or companies, whether in India or in any foreign country, having amongst its or their objects the acquisition of all or any of the assets or control, management or development of the opinion of the Company could or might directly or indirectly assist the Company in the management of its business or the development of its properties or otherwise prove advantages to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or Company in any manner it shall think fit for services rendered or to be rendered in obtaining subscriptions of or placing or assisting to place or to obtain subscriptions for or for guaranteeing the subscription of or the placing of any shares in the capital of the Company or any bonds, debentures, obligations or securities or the Company or any stock, shares, debentures, obligations, or securities of any other Companies may have an interest or in or about the formation or promotion of the Company or the conduct of its business or in or about the promotion or formation of any other Company in which the Company may have an interest.
- 25.** To amalgamate, enter into partnership or into any arrangement for sharing profits, or into any union of interests, joint-adventure, reciprocal concession or Company or Companies carrying on or engaged in or about to carry on or engage in or being authorized to carry on or engage in, any business or transaction which the Company is authorized to carry on or engage in or any similar business or transaction capable of being conducted.
- 26.** To enter into any arrangements and to take all necessary or proper steps with Governments or with other authorities, imperial, supreme, national, local, municipal or otherwise of any place in which the Company may have interests and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modification in the constitution of the Company or furthering the interests of its members and to oppose any such steps



taken by any other Company, Firm or person which may be consider likely directly or indirectly to prejudice the interests of the Company or its members and to promote or assist the promotion, whether directly or indirectly, any legislation which may seem disadvantageous to the company and to obtain from any such Government authority or any Company any charters, contracts, decrees, rights, grants, loans, privileges, or concessions which the company may think it desirable to obtain and carry out, exercise and comply with any such arrangements, charters, decrees, rights, privileges or concessions.

- 27.** To adopt such means of making known the business of the company as may be seem expedient and in particular by advertizing in the press by circulars by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
- 28.** To undertake and execute any trust, the undertaking of which may seem to the Company desirable, either gratuitously or otherwise.
- 29.** To apply the assets of the Company in any way in or towards the establishment, maintenance or extension of any association, institution or fund in any way connected with any particular trade or business or with trade or commerce generally including any association, institution or fund for the protection of the interests of the masters, owners and employers against loss by bad debts, strikes, combinations, fire, accidents or otherwise or for the benefit of any clerks, workmen or others at any time employed by the Company or any of its predecessors in the business or their families or dependants and whether or not in common with other persons or classes of persons and in particular of friendly, co-operative and other societies, reading rooms, libraries, educational and charitable institution refectories, dining and recreation rooms, churches chapels, schools and hospitals and to grant gratuities, pensions and allowances and to contribute to any funds raised by public or local subscription for any purpose whatsoever.
- 30.** To make donations to such person or institutions either of cash or any other assets as may be thought directly or otherwise expedient.
- 31.** To communicate with Chambers of Commerce and other mercantile public bodies throughout the world and concert and promote measures for the protection to trade, industry and persons engaged therein.
- 32.** To amalgamate with any other Company whose objects are or include objects similar to those of this Company.
- 33.** To create any reserve, sinking fund, insurance fund or any other special fund whether for depreciation or repairing, improving, extending or maintaining any property of the Company or for any other purpose conducive to interest of the Company.
- 34.** To distribute as bonus shares among the members or place to reserve or otherwise to apply as the Company may from time to time think fit, any money received by way of premium on shares or debentures issued at premium by the Company and any moneys received in respect of forfeited shares and moneys arising from the sale by the Company of forfeited shares, subject to the provisions of the Companies Act, 1958.

35. To aid, peculiarly otherwise any association, body or movement having for an object the solution, settlement or surrounding of industrial or labour problems or troubles or the promotion of industry or trade.
36. To subscribe or guarantee money for national, charitable benevolent, public, social, general or useful object or for any exhibition.
37. To establish and support or aid in the establishment and support of associations, instructions, funds, trusts and convenience calculated to benefit persons who are or have been Directors of or who are or have been employed by or who are serving or have served the Company or any Company which is subsidiary or associate of the Company or its predecessors in business or the dependents or connections of such persons and to grant pensions and allowance and to make payment towards insurance.
38. To carry on business either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise and to do all such things as are incidental or conducive to the attainment of the above objects.
39. Subject to provision of the Companies Act to distribute all or any of the property of the company amongst the members in specie or kind in the event of winding up of the company.
40. To purchase or otherwise acquire land with or without buildings and machinery or to accept leases thereof, and on such land to erect buildings also to purchase and erect plant and machinery for the works and purposes of the company.
41. To develop the resources and turn into account the land, buildings for the time being of the Company in such manner as may be deemed fit and in particular by clearing, draining, fencing, planting of fruit trees, gardening, dairy and agricultural farming or otherwise as may be considered suitable for the beneficial interests of the Company.
42. To remunerate or otherwise assist any person, firm or Company for the services of technical nature rendered in India or elsewhere for conducting any research or experiments which may be calculated directly or indirectly, to enhance the intrinsic value of the products of the Company or which may seem capable of being profitably dealt with in connection with any of the business of the Company.
43. To provide for the welfare of the officers, employees, ex-officers and ex-employees of the Company and the wives, widows, and families or the dependents or the connections of such persons, building or contributing to the building of houses, dwelling or chawls or any grant of money, pensions allowances bonus or other payments or by creating and from time to time subscribing or contributing to provident or other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instructions, recreation, hospitals, and dispensaries, medical and other attendance or other assistance as the Company shall think fit and subscribe or contribute to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, or any other institutions and objects which shall have any moral or other claim to support or aid by the Company either by reason of location of operation or of public, and general utility or otherwise.

- IV.** The liability of the members is limited.
- V.** The Authorized Share Capital of the Company is Rs. 2,15,00,00,000/- (Rupees Two Hundred Fifteen Crores only) divided into 19,45,00,000 (Nineteen Crores Forty-Five Lakhs) equity shares of Rs. 10/- (Rupees Ten Only) each and 2,05,00,000 (Two Crores Five Lakhs) preference shares of Rs. 10/- (Rupees Ten only) each. \*

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*\* Altered and substituted by Special Resolution passed through Postal Ballot by the shareholders of the Company on 1<sup>st</sup> December 2024.*

*Altered and substituted by Special Resolution passed at the Extra Ordinary General Meeting of the Company on 22<sup>nd</sup> March 2024.*

*Altered and substituted by Special Resolution passed through Postal Ballot by the shareholders of the Company on 11<sup>th</sup> May 2023.*

*Altered and substituted by Special Resolution passed in the Extra Ordinary General Meeting of the Company on 28<sup>th</sup> July, 2018.*

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

Signatures, names, addresses, descriptions & occupations of the Subscribers	No., of Equity Shares taken by each subscriber	Signatures, name, addresses description & occupation of witnesses
<p>11 Chokhan  (RAMAKANT R CHOKHANI  S/O  RULIRAM M CHOKHANI  9/16D BRITISH HOTELLAND  WASATWALA MANSION  FORT BOMBAY 1  BUSINESS</p>	10 (TEN)	<p>Witnesses for all  Dona v. D. P. Acharya S/O Sri P. Acharya  31-A, Malabar Hill C. D. Acharya  S/O M. Acharya  Fort Boreday - Survey  C. Acharya</p>
<p>N. R. Chokhan  N. R. CHOKHANI  2-16/17, Fort Manbrom  Borsten Hotel Road  136 May Fort  Borsten - 40000  Housewife</p>	10 (Ten)	
Total	20 (Twenty)	

Bombay, 28th day of January, 1993

**THE COMPANIES ACT, 2013**  
**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION\*<sup>§</sup>**  
**OF**  
**UGRO CAPITAL LIMITED**

1. Save as reproduced herein the regulations contained in “Table F” in the First Schedule to the Act shall not apply to the Company. Matters for which there is no provision in these Articles but is contained in Table F, the provisions of Table F shall apply only to that extent.
- 1A. These Articles of Association (“**Articles**”) of Ugro Capital Limited (the “**Company**”) comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency or conflict between the provisions of Part A and Part B, the provisions of Part B shall prevail over Part A and be applicable accordingly.

**PART A**  
**INTERPRETATION**

2. Unless the context otherwise requires words and expressions contained in these Articles shall bear the same meaning as in the Act as defined below in force at the date at which the Articles become binding on the Company.
  - (i) “The Company” or this Company means **UGRO Capital Limited**.
  - (ii) “The Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.
  - (iii) “AGM” means annual general meeting of the shareholders of the Company.
  - (iv) “Articles” means the articles of association of the Company from time to time.
  - (v) “Asset-Liability Committee” means the asset liability committee of the Board, constituted in accordance with this Articles.
  - (vi) “Audit Committee” means the audit committee of the Board, constituted in accordance with this Articles.
  - (vii) “Board” means the board of directors of the Company from time to time comprising each person appointed as a Director.

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*\* Adopted new set of Articles of Association of the Company in line with the Companies Act, 2013 and Corporate Governance Code vide special resolution passed on 7<sup>th</sup> May, 2018 through Postal Ballot*

*§ Adopted new set of Articles of Association of the Company in line with the Companies Act, 2013 and Corporate Governance Code vide special resolution passed on 11<sup>th</sup> May, 2023 through Postal Ballot*



- (viii) "Board Committees" means each committee of the Board constituted from time to time, including but not limited to, the Audit Committee, the Nomination and Remuneration Committee, Risk Management Committee, Stakeholders Relationship Committee and Asset - Liability Committee and any other such committee as may be constituted from time to time.
- (ix) "Business day" means a day when the banks are open for business in Mumbai (India), but excluding Saturdays and Sundays.
- (x) "Business plan" means the latest business plan adopted by the Board in accordance with this Articles from time to time.
- (xi) "CEO" means Chief Executive Officer of the Company.
- (xii) "CFO" means Chief Financial Officer of the Company.
- (xiii) "CRO" means Chief Risk Officer of the Company.
- (xiv) "Chairman of the Board" a person appointed pursuant to Paragraph 3.8 from time to time whose responsibilities are to conduct meetings of the Board and to oversee the functioning of the Board.
- (xv) "Code" means the Corporate Governance Code adopted by the Board of Directors in the meeting of the Board held on December 31<sup>st</sup>, 2017.
- (xvi) "Company Secretary" means the Company secretary of the Company.
- (xvii) "Director" means each member of the Board, appointed as a director and holding such office, from time to time.
- (xviii) "EGM" means extraordinary general meeting of the shareholders of the Company.
- (xix) "Employees" means employees of the Company.
- (xx) "Financial year" means period commencing from April 1 each year and ending on March 31 the next year or, subject to applicable law, such other period as may be determined by the Board to be the financial year for the Company.
- (xxi) "Fully diluted basis" the total number of Shares of the Company assuming that all options, warrants and other securities convertible into or exercisable or exchangeable for Shares (whether or not by their terms then currently convertible, exercisable or exchangeable) have been so converted, exercised or exchanged.

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*\* Altered and substituted by Special Resolution passed by the members in the 26<sup>th</sup> Annual General Meeting of the Company held on 18<sup>th</sup> September 2019*

- (xxii) "General meeting" an AGM or EGM held in accordance with this Articles, the Act and the Listing Regulations.
- (xxiii) "Independent Director" means shall have the meaning ascribed to it under the Act.
- (xxiv) "Internal auditor" means Internal Auditor of the Company, appointed in accordance with the Paragraph 7.2 of this Articles and Act.\*
- (xxv) "Key Managerial Personnel" means key managerial personnel of the Company appointed in accordance with Paragraph 5 of this Articles.
- (xxvi) "Large Shareholder" any shareholder of the Company holding at least 10% (ten percent) of the paid-up share capital of the Company on a Fully Diluted Basis, which securities were either subscribed by that shareholder consequent to an issuance of securities by way of a preferential allotment by the Company or were issued to such shareholder by the Company as consideration under a scheme of demerger approved by the National Company Law Tribunal directly involving the Company, (whether by itself or together with a "person acting in concert" with it as defined in the Takeover Regulations).
- (xxvii) Deleted\*
- (xxviii) "Listing Regulation" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (xxix) "Management Team" means the Managing Director and the Key Managerial Personnel collectively
- (xxx) "Managing Director" means the Managing Director of the Company.
- (xxxi) "Manual of Authority" means the manual of authority to be adopted in accordance with Paragraph 18 of this Articles.
- (xxxii) "NBFC" non-banking financial company.
- (xxxiii) "Nomination and Remuneration Committee" nomination and remuneration committee of the Board, constituted in accordance with this Articles.
- (xxxiv) "Promoters" means Promoters of the Company in accordance with the Act and the Listing Regulations.
- (xxxv) "Related Party" means shall have the meaning ascribed to it under the Act.
- (xxxvi) "Risk Management Committee" risk management committee of the Board, constituted in accordance with this Articles and under the Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015 or any other direction which may be issued from time to time.

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*\*Deleted by Special Resolution passed by the members in the 26<sup>th</sup> Annual General Meeting of the Company held on 18<sup>th</sup> September 2019*

- (xxxvii) "SEBI" Securities and Exchange Board of India.
- (xxxviii) "Senior Employees" means any Employee having an annual compensation exceeding Rs.1,00,00,000 (Rupees One Crore only).
- (xxxix) "Shares" equity shares of the Company having a face value of Rs.10 (Rupees Ten only) per equity share.
- (xl) "Stakeholders Relationship Committee" means stakeholder relationship committee of the Board, constituted in accordance with this Articles.
- (xli) "Statutory Auditor" means the statutory auditor of the Company, appointed in accordance with Paragraph 7.1 of this Articles and the Act.
- (xlii) "Takeover Regulations" means SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (v) "Month" means Calendar month.
- (xliii) "Votes" means all of the votes which are exercisable (by any person) in connection with the Shares at a General Meeting.
- (xliv) "Whole time director" means a Director, other than the Managing Director, in the whole-time employment of the Company.
- (xlv) Subject as aforesaid and except where the subject or context otherwise requires words or expressions contained in these regulations shall bear the same meaning as in the Companies Act as in force at the date on which these regulations become binding on the Company.

### **3. BOARD OF DIRECTORS**

- 3.1 Subject to the provisions of the Act, the Board shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorized to exercise and do. The property, business and affairs of the Company shall be managed by the Board. The Board shall act in accordance with the Code, the Articles, provisions of the Act and applicable law.
- 3.2 The Board shall comprise of a maximum of 15 (fifteen) Directors, which would consist of majority of Independent Directors. All the Directors shall be appointed by the shareholders in a manner contemplated under Section 152 and other applicable provisions of the Act.
- 3.3 The Promoter shall have the right to appoint a nominee director on the Board.
- 3.4 Each Large Shareholder shall have the right to nominate a representative as nonexecutive director on the Board.
- 3.5 The CEO of the Company (if any) shall be appointed as a Whole-Time Director on a case by case basis.
- 3.6 There shall be at least 1 (one) woman Director on the Board.
- 3.7 At least 1 (one) of the Directors on the Board shall be an Indian national.

- 3.8 The Chairman of the Board shall be appointed on a case by case basis and shall not have a casting vote.
- 3.9 Each of the nominee directors appointed by the Large Shareholder shall have the right to be a member of any committees that may be constituted by the Board including but not limited to the Audit Committee, the Nomination and Remuneration Committee and the Asset-Liability Committee.
- 3.10 The First directors of the company shall be:  
Mr. Ramakant R Chokhani  
Mrs. Neelam R Chokhani
- 3.11 The Board shall appoint the person nominated by Debenture Trustee as a Director of the Company in terms of clause (e) of sub regulation (1) of regulation 15 of the SEBI (Debenture Trustees) Regulations, 1993.<sup>#</sup>
- 3.12 Nominee Director<sup>@</sup>  
Notwithstanding anything to the contrary contained in the Articles and subject to provision of the Companies Act, the lenders/ regulator(s) of the Company shall have a right to appoint, from time to time, any person as a Director/Director(s) (which Director(s) is hereinafter referred to as "Nominee Director") on the Board of the Company and to remove from such office the person so appointed and to appoint any person in his or her place. The right of the lenders and terms of such appointment will be in accordance with the terms and conditions of the financing documents and right of the regulator(s) and terms of such appointment will be in accordance with the applicable provisions of the extant laws."

#### **4. APPOINTMENT OF INDEPENDENT DIRECTORS**

- 4.1 The Nomination and Remuneration Committee shall recommend 1 (one) candidate for each vacancy or anticipated vacancy for the position of an Independent Director on the Board. The Board shall resolve, subject to the procedures required under the Articles, whether to approve an appointment pursuant to such recommendation.
- 4.2 Further, an Independent Director who resigns or is removed from the Board shall be replaced by a new Independent Director by the Company at the earliest but not later than 3 (three) months from the date of such vacancy, if the constitution of the Board does not fulfill the criteria of minimum number of independent directors prescribed under the provisions of Listing Regulation, the Act or these Articles.<sup>##</sup>
- 4.3 An Independent Director shall not hold office for more than 2 (two) consecutive 5 (five) year terms. However, an Independent Director shall be eligible for appointment after the expiration of 3 (three) years of ceasing to become an Independent Director.

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<sup>#</sup>Inserted by Special Resolution passed by the members at the 30<sup>th</sup> Annual General Meeting of the Company held on 8<sup>th</sup> August 2023

<sup>##</sup>Altered and substituted by Special Resolution passed by the members at the 30<sup>th</sup> Annual General Meeting of the Company held on 8<sup>th</sup> August 2023

<sup>@</sup>Inserted by Special Resolution passed by the members through postal ballot on 2<sup>nd</sup> December 2023

4.4 The Independent Directors shall hold at least 1 (one) meeting in a year, without the presence of non-Independent Directors and the Management Team, and all the Independent Directors shall strive to be present at such meeting.

4.5 The Independent Directors in the meeting referred in Paragraph 4.4 above shall, inter alia:<sup>##</sup>

- a) review the performance of non-Independent Directors and the Board as a whole;
- b) review the performance of the Chairman of the Board, taking into account the views of executive directors and non-executive Directors;
- c) assess the quality, quantity and timeliness of flow of information between the Management team and the Board that is necessary for the Board to effectively and reasonably perform their duties.

4.6 The Independent Directors shall not be entitled to any stock option.

## **5. APPOINTMENT OF KEY MANAGERIAL PERSONNEL**

5.1 It shall be mandatory for the Company to have the following whole-time Key Managerial Personnel: (i) Managing Director; (ii) Company Secretary; (iii) CFO; and (iv) CRO, subject to the provisions of this Articles and the approval of the Board.

5.2 The Company may appoint a CEO, subject to the provisions of this Articles and approval of the Board, who shall also be a Key Managerial Personnel.

5.3 The Managing Director, CEO and the CFO shall provide a compliance certificate to the Board on a quarterly basis, certifying that:

- (a) They have reviewed financial statements and the cash flow statement for the year/ year till date and that to the best of their knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year/ year till date which are fraudulent, illegal or violative of the Company's code of conduct;
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies;

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<sup>##</sup>Altered and substituted by Special Resolution passed by the members at the 30<sup>th</sup> Annual General Meeting of the Company held on 8<sup>th</sup> August 2023



- (d) They have indicated to the auditors and the Audit Committee:
  - (i) significant changes in internal control over financial reporting during the year/ year till date;
  - (ii) significant changes in accounting policies during the year/ year till date and that the same have been disclosed in the notes to the financial statements;
  - (iii) details pertaining to all related party transactions between Key Managerial Personnel and their Related Party(ies) on a periodic basis; and
  - (iv) instances of significant fraud of which they have become aware and the involvement therein, if any, of the Management Team or an Employee having a significant role in the Company's internal control system over financial reporting.

5.4 The Company shall not appoint or re-appoint any person as its Managing Director, Whole-time Director or CEO for a term exceeding 5 (five) years at a time. Additionally, no re-appointment shall be made earlier than 1 (one) year before the expiry of the term of such Managing Director, Whole-time Director or CEO.

5.5 The appointment and replacement of, the terms and conditions for the appointment of, and the remuneration payable to, the Managing Director and CEO shall be subject to approval by the Board and the shareholders at the next General Meeting in accordance with this Articles.

5.6 The Company Secretary shall act as the secretary to all the Board Committees.

## **6. APPOINTMENT OF COMPLIANCE OFFICER**

6.1 The Board shall appoint the Company Secretary or any other suitably qualified Employee as the Compliance Officer of the Company.

6.2 Additionally, the Board shall appoint a suitably qualified Senior Employee of the Company as an Additional Compliance Officer of the Company.

6.3 The Compliance Officer of the Company shall be responsible for:

- a) ensuring conformity with the regulatory provisions applicable to the Company in letter and spirit and periodically notifying the shareholders of the Company if any lapse is identified (whether internally or by the Statutory Auditor of the Company);
- b) co-ordination with and reporting to SEBI, recognized stock exchange(s) and depositories with respect to compliance with rules, regulations and other directives of these authorities in a manner as specified from time to time;
- c) ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the Company under applicable SEBI regulations; and
- d) monitoring the email address of the grievance redressal division as designated by the

Company for the purpose of registering complaints by investors.

- 6.4 The Additional Compliance Officer of the Company shall be responsible for setting forth policies and procedures and shall monitor adherence to the applicable laws and regulations and policies and procedures including but not limited to directions of the Reserve Bank of India and other concerned statutory and governmental authorities.

## **7. APPOINTMENT OF STATUTORY AUDITOR AND INTERNAL AUDITOR\***

- 7.1 The Board shall appoint a Statutory Auditor having good reputation, and as per requirements, if any, laid down by the Reserve Bank of India and Ministry of Corporate Affairs, from time to time. Pursuant to approval of the Board, the appointment of the Statutory Auditor will be approved by the shareholders in accordance with provisions of the Companies Act, 2013 and rules made thereunder.\*
- 7.2 In the event Internal audit department needs assistance in conducting and carrying out the internal audit, an external firm will be appointed with appropriate skills and reputation by the Board of Directors to support the internal audit department. Any such appointment shall be in line with the requirements, if any, laid down by the Reserve Bank of India and Ministry of Corporate Affairs, from time to time.\*
- 7.3 The term of the Statutory Auditor and the Internal Auditor shall be as per provisions of Companies Act, 2013 and rules made thereunder, and/ or as per the requirements laid down by the Reserve Bank of India, from time. \*
- 7.4 The Company shall procure the rotation of the partners of the audit firm appointed as the Statutory Auditor or the internal auditor as may be prescribed by Reserve Bank of India or Ministry of Corporate Affairs from time to time.\*

## **8. NOMINATION AND REMUNERATION COMMITTEE**

### **8.1 Role of Nomination and Remuneration Committee**

The role of the Nomination and Remuneration Committee shall include the following:

- (a) formulation and evaluation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the Directors, Key Managerial Personnel, Senior Employees and other Employees;
- (b) formulation of criteria for evaluation of the performance of Independent Directors and the Board;
- (c) devising a policy on diversity of the Board;
- (d) identifying persons who are qualified to become Directors and who may be appointed to the Management Team in accordance with the criteria laid down by the Nomination and Remuneration Committee, and recommending to the Board their appointment and removal;

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*\*Altered and substituted by special resolution passed by the members in the 28<sup>th</sup> Annual General Meeting of the Company held on 1<sup>st</sup> September 2021*

- (e) whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors; and
- (f) formulating any employee stock option plan or sweat equity plan.

## **8.2 Constitution of the Nomination and Remuneration Committee**

- 8.2.1 The Board shall constitute the Nomination and Remuneration Committee which shall comprise of at least 3 (three) non-executive Directors and at least 50% (fifty percent) of the members shall be Independent Directors. In addition to the requirements specified under the Act and the Articles, matters relating to appointment of Independent Directors and remuneration of Key Managerial Personnel would require the positive vote of a majority of non-Independent Directors.
- 8.2.2 The chairman of the Nomination and Remuneration Committee shall be an Independent Director elected by the members of the Nomination and Remuneration Committee present at a duly convened committee meeting.
- 8.2.3 The quorum for a meeting of the Nomination and Remuneration Committee shall require the presence of three-fourths of the members of the Nomination and Remuneration Committee. Every resolution of this committee shall require the vote of at least three-fourths of the members of the Nomination and Remuneration Committee present and voting.
- 8.2.4 The Chairman of the Nomination and Remuneration Committee may be present at the AGM to answer any questions raised by the shareholders; however, it shall be up to the Chairman to decide who shall answer the questions raised by shareholders.

## **9. STAKEHOLDERS RELATIONSHIP COMMITTEE**

### **9.1 Role of the Stakeholders Relationship Committee**

The Stakeholders Relationship Committee shall consider and resolve the grievances of the security holders of the Company, including complaints related to the transfer of Shares, non-receipt of annual report and non-receipt of declared dividends.

### **9.2 Constitution of the Stakeholders Relationship Committee**

- 9.2.1 The Board shall constitute a Stakeholders Relationship Committee to consider and resolve the matters specified in Paragraph 9.1 above.
- 9.2.2 The chairman of this Stakeholders Relationship Committee shall be a nonexecutive Director and will be elected by the members of the Stakeholders Relationship Committee present at the meeting; and
- 9.2.3 The Board shall decide other members of the Stakeholders Relationship Committee in a

manner contemplated under the Articles.

## **10. RISK MANAGEMENT COMMITTEE**

### **10.1 Role of the Risk Management Committee**

The Board shall define the role and responsibility of the Risk Management Committee, which shall include, but not be limited to, reviewing/ amending internal policies of the Company and monitoring compliance with such internal policies, and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

### **10.2 Constitution of the Risk Management Committee**

10.2.1 The Board shall constitute a Risk Management Committee which shall comprise of at least 3 (three) non-executive Directors and at least 50% (fifty percent) of the members of such committee shall be Independent Directors. If a CEO and/ or any Whole-time Director has been appointed, then the Risk Management Committee may choose to include such CEO and/ or Whole-time Director as additional members of the Risk Management Committee, on a case by case basis.

10.2.2 The chairman of the Risk Management Committee shall be an Independent Director who will be elected by the members of the Risk Management Committee present at a duly convened committee meeting. The Risk Management Committee may invite the CRO to its meetings and otherwise consult with the CRO as it sees appropriate. The Risk Management Committee may invite other members of the Management Team of the Company and shall invite each of the Directors appointed by the Large Shareholders, to participate in discussions of the Risk Management Committee.

10.2.3 The quorum for a meeting of the Risk Management Committee shall require the presence of three-fourths of the members of the Risk Management Committee. Every resolution of this committee shall be passed with a vote of at least three-fourths of the members of the Risk Management Committee present and voting.

## **11. ASSET - LIABILITY COMMITTEE**

### **11.1 Role of the Asset - Liability Committee:**

11.1.1 The Asset - Liability Committee shall be a decision-making unit responsible for balance sheet planning from a risk-return perspective including the strategic management of interest rate and liquidity risks. The Board shall have to decide on the role of the Asset - Liability Committee, its responsibilities as also the decisions to be taken by it. The business and risk management strategy of the Company shall ensure that the Company operates within the limits/ parameters prescribed by SEBI and the Reserve Bank of India.

11.1.2 Successful implementation of the risk management process shall require strong commitment on the part of the senior management in the Company, to integrate basic operations and strategic decision making with risk management. The Board shall have

overall responsibility for management of risks and shall decide the risk management policy of the Company and set limits for liquidity, interest rate and equity price risks.

- 11.1.3 The Asset - Liability Committee shall be responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives.
- 11.1.4 Within 3 (three) months from the approval of this Articles, the Asset - Liability Committee shall formulate a policy for disbursement of loans including clear and identified guidelines and thresholds for granting of loans, disbursement of such loans (single asset, group exposure, guidelines for acceptance and rejection of proposals), and/or granting of commission to direct sales agents of the Company.
- 11.1.5 The business issues that the Asset - Liability Committee shall consider, *inter alia*, shall include product pricing for both deposits and advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for similar services/ products, etc.
- 11.1.6 Any loan disbursed by the Company (i) exceeding 1% (one percent) of the net worth of the Company (or such enhanced threshold as may be approved by the Board in its annual review, with at least two-thirds of the Directors present voting in favour of such enhancement); or (ii) to a Related Party of the Company or any of the Key Managerial Personnel, shall require the unanimous approval of the Asset - Liability Committee and be subject to the approval of the Board.
- 11.1.7 In addition to monitoring the risk levels of the Company, the Asset - Liability Committee shall review the results of and progress in implementation of the decisions made in the previous meetings of the committee.
- 11.1.8 The Asset - Liability Committee shall also articulate the current interest rate view of the Company and base its decisions for future business strategy on this view.
- 11.1.9 In respect of the funding policy, for instance, its responsibility shall be to decide on source and mix of liabilities or sale of assets. Towards this end, it will have to develop a view on future direction of interest rate movements and decide on funding mixes between fixed v/s floating rate funds, wholesale v/s retail deposits, money market v/s capital market funding, domestic v/s foreign currency funding, etc.

## **11.2 Constitution of the Asset - Liability Committee:**

- 11.2.1 The Board shall constitute the Asset-Liability Committee which shall comprise of at least 3 (three) non-executive Directors and at least 50% (fifty percent) of the members shall be Independent Directors. To ensure commitment of the Management Team and timely response to market dynamics, the Managing Director shall be the chairman of the Asset - Liability Committee and the CRO shall be a permanent invitee to the meetings of the Asset-Liability Committee.
- 11.2.2 The Asset-Liability Committee may invite other members of the Management Team to attend and participate in discussions of the Asset-Liability Committee.



- 11.2.3 The number of members of the Asset - Liability Committee shall depend on the size of the Company, the business mix and the organizational complexity.
- 11.2.4 The Asset-Liability Committee may have sub-committees and support groups which shall be constituted by the Asset-Liability Committee.

### **11.3 Meetings of the Asset - Liability Committee**

The Board shall have to decide the frequency of holding meetings of the Asset - Liability Committee. The quorum for a meeting of the Asset - Liability Committee shall require the presence of three-fourths of the members of the Asset - Liability Committee. Every resolution of this committee shall be passed with a vote of at least three-fourths of the members of the Asset - Liability Committee in attendance. The chairman of the Asset - Liability Committee will be elected by the members of the Asset - Liability Committee present at a duly convened committee meeting.

## **12. AUDIT COMMITTEE**

### **12.1 Role of the Audit Committee**

- 12.1.1 to ensure that an information system audit of the internal systems and processes of the Company is conducted at least once in 2 (two) years to assess the operational risks faced by the Company;
- 12.1.2 oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 12.1.3 recommendation for appointment, remuneration and terms of appointment of auditors of
- 12.1.4 approval of payment to Statutory Auditor and Internal Auditor for any other services rendered by the Statutory Auditor and Internal Auditor, respectively;
- 12.1.5 reviewing, with the Management Team, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
- a) matters required to be included in the director's responsibility statement to be included in the Board's report;
  - b) changes, if any, in accounting policies and practices and reasons for the same;
  - c) major accounting entries involving estimates based on the exercise of judgment by the Management Team;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of any Related Party transactions; and
  - g) modified opinion(s) in the draft audit report.

- 12.1.6 reviewing, with the Management Team, the quarterly financial statements before submission to the Board for approval;
- 12.1.7 reviewing, with the Management Team, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 12.1.8 reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;
- 12.1.9 approval or any subsequent modification of transactions of the Company with Related Parties;
- 12.1.10 scrutiny of inter-corporate loans and investments;
- 12.1.11 valuation of undertakings or assets of the Company, wherever it is necessary;
- 12.1.12 evaluation of internal financial controls and risk management systems;
- 12.1.13 reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 12.1.14 reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 12.1.15 discussion with internal auditors of any significant findings and following up there on;
- 12.1.16 reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 12.1.17 discussion with the Statutory Auditor before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 12.1.18 to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 12.1.19 to review the functioning of the whistle blower mechanism;
- 12.1.20 approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- 12.1.21 to review the IT security/ data integrity/ data security policies and processes of the Company;
- 12.1.22 carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and

12.1.23 the Audit Committee shall mandatorily review the following information:

- a) management discussion and analysis of financial condition and results of operations;
- b) statement of significant Related Party transactions (as defined by the Audit Committee), submitted by the Management Team;
- c) management letters/ letters of internal control weaknesses issued by the Statutory Auditor;
- d) internal audit reports relating to internal control weaknesses;
- e) the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee;
- f) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and
- g) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice.

12.1.24 The Company shall establish a vigil mechanism for Directors and Employees to report genuine concerns. If any of the members of the Audit Committee have a conflict of interest in a given case, they shall recuse themselves and the other members on the Audit Committee shall deal with the matter in hand.

12.1.25 The vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairman of the Audit Committee in appropriate or exceptional cases. The details of establishment of such mechanism shall be disclosed by the Company on its website, if any, and in the Board's report.

## **12.2 Constitution of the Audit Committee**

12.2.1 The Board shall constitute a qualified and independent Audit Committee which shall have a minimum of 3 (three) Directors with at least two-thirds of the members of the Audit Committee being Independent Directors.

12.2.2 All members of the Audit Committee shall be financially literate<sup>1</sup> and at least 2 (two) members shall have accounting or related financial management expertise.

12.2.3 The chairman of the Audit Committee shall be an Independent Director who will be elected by the members of the Audit Committee present at the committee meeting. The chairman of the Audit Committee shall be present at the AGM to answer queries from the shareholders of the Company.

## **12.3 Powers of the Audit Committee**

12.3.1 The Audit Committee shall have powers to investigate any activity within its terms of reference, seek information from any Employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

12.3.2 The Statutory Auditor and the Key Managerial Personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

#### **12.4 Meetings of the Audit Committee**

12.4.1 The Audit Committee shall meet at least 4 (four) times in a year and not more than 120 (one hundred and twenty) days shall elapse between 2 (two) meetings.

12.4.2 The quorum for an Audit Committee meeting shall either be 3 (three) members or three-fourths of the members of the Audit Committee, whichever is greater, with at least 2 (two) Independent Directors. Every resolution of the Audit Committee shall be passed with a vote of at least three-fourths of the members of the Audit Committee in attendance.

12.4.3 Deleted\*

### **13. GRIEVANCE REDRESSAL MECHANISM**

13.1 The Company shall ensure that adequate steps are taken for expeditious redressal of investor complaints.

13.2 The Company shall ensure that it is registered on the SCORES platform or such other electronic platform or system of SEBI as shall be mandated from time to time, in order to handle investor complaints electronically in the manner specified by SEBI.

13.3 The Company shall file with the recognized stock exchange(s) on a quarterly basis, within 21 (twenty one) days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter. The said statement shall be placed, on a quarterly basis, before the Board.

### **14. MEETINGS OF THE BOARD**

14.1 The Board shall hold regular meetings at the registered office of the Company, or such other location as is agreed by a majority of the Board, at least once in

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*\* Deleted vide special resolution passed by the members in the 28<sup>th</sup> Annual General Meeting of the Company held on 1<sup>st</sup> September 2021*

every 3 (three) months, and at least 4 (four) such meetings shall be held in every calendar year. The date of the next Board meeting shall be confirmed at the previous Board meeting. A meeting of the Board may be called by any Director, and the Company Secretary shall, upon requisition by a Director convene the same in accordance with this Paragraph 14.

- 14.2 The notice for any Board meeting and meeting of any Board Committees shall be sent to the Directors at least 7 (seven) Days prior to the meeting together with the agenda; provided however, that any Board meeting may be held by providing shorter notice if consent to such Board Meeting is given in writing or by electronic mode by all the Directors entitled to vote at such meeting. Such notice shall also contain all the relevant documents and supporting information for the same.<sup>##</sup>
- 14.3 A Board meeting may be called at shorter notice to transact urgent business subject to the condition that at least 1 (one) Independent Director shall be present at the meeting and that the decisions taken at such a meeting shall be circulated to all the Directors and shall be final only upon ratification by at least by 2 (two) Large Shareholder nominee Directors. Further, no business shall be transacted at any Board meeting duly convened and held other than that specified in the agenda.
- 14.4 The quorum for a meeting of the Board shall require the presence of at least 9 (nine) Directors, or a higher number of Directors, as prescribed under the Act, including the presence of at least half of the total nominee directors appointed by the Large Shareholders. However, in the event where at least half of the nominee directors appointed by the Large Shareholders are not able to attend a meeting, then presence of the remaining directors attending such meeting shall form a quorum subject to compliance with the extant provisions on quorum under the applicable laws and a written consent being obtained from such nominee directors who are not able to attend such meeting.<sup>##</sup>
- 14.5 Each Director (an "**Original Director**") shall be entitled to nominate an alternate director ("**Alternate Director**") in his/ her place and such Alternate Director shall serve in the absence of the Original Director in accordance with the provisions of the Act. No person shall be appointed as an Alternate Director for an Independent Director unless such a person is qualified to be appointed as an Independent Director.
- 14.6 Any appointment of an individual as an Alternate Director shall be done in accordance with Section 161 of the Act and shall take place as the first item of business at the Board meeting following receipt by the Company of such nomination. Upon the appointment of an Alternate Director, the Company shall ensure compliance with the provisions of the Act, including by filing necessary forms with the Registrar of Companies. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director (including in relation to meetings of Board Committees) and generally to perform all functions of the Original Director in his absence.

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<sup>##</sup>Altered and substituted by the special resolution passed by the members at the 30<sup>th</sup> Annual General Meeting of the Company held on 8<sup>th</sup> August 2023

- 14.7 Subject to the provisions of Paragraph 14.10 below and provisions of the Act, a decision made and/ or a resolution passed at a meeting of the Board shall be valid, only if passed at a validly constituted meeting, and such decisions/ resolutions are approved of by the majority of the Directors present and voting at such meeting of the Board.
- 14.8 A Director may attend a Board meeting through video conferencing or other audio visual means in accordance with the provisions under the Act and rules, circulars, notifications, guidelines, clarifications etc. issued thereunder.\*
- 14.9 A written resolution circulated in draft along with the necessary papers to all the Directors by email who are then members of the Board or a Board Committee shall be valid and effective only if approved by the requisite majority as prescribed for such matters under the Articles, as if decision on such matters were taken at a duly convened meeting of the Board or Board Committee.
- 14.10 Notwithstanding anything to the contrary in this Articles, the Board shall not make decisions or undertake any actions in relation to the following matters, unless at least three-fourths of the Directors (present and voting at a duly convened Board meeting) vote in favour of such matter:
- a) authorize or make any change in the issued, subscribed or paid-up share capital of the Company;
  - b) issue any Shares or other securities having structural or legal or preference over or ranking senior to (or *pari passu* with) the Shares with respect to any matter, including without limitation, dividend rights, voting rights or liquidation preference, either as a public offering or private sale or issue of any Shares or other securities of the Company;
  - c) reorganize the share capital of the Company, by way of fresh issuance of Shares or any securities or by redemption, retirement or repurchase/ buyback of any shares or securities;
  - d) issue of employee stock options or granting of similar benefits;
  - e) issue convertible debentures or warrants or grant any options over its shares or any stock splits or consolidation of its share capital;
  - f) make any changes (directly or indirectly) in class rights for Shares or share equivalents;
  - g) directly or indirectly declare, authorize or pay any dividend or make any distribution in relation to any Shares or share equivalents of the Company;
  - h) adopt, approve any new business plan in relation to the Company or any part of it or amend the Business Plan, in any material manner;

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*\*Altered and substituted by Special Resolution passed by the members in the 28<sup>th</sup> Annual General Meeting of the Company held on 1<sup>st</sup> September 2021*

- i) adopt or approve the annual budget in relation to the Company or any part of it or amend the annual budget of the Company;
- j) adopt, amend or repeal any provision in the Company's constitutional documents;
- k) amend or repeal or authorize any amendment or other action in respect of this Articles and/ or the Manual of Authority;
- l) amend or repeal or authorize any amendment or other action in relation to the powers of the members of the Management Team, the terms of the appointment letter of the members of the Management Team, or the appointment or removal of members of the Management Team;
- m) enter into derivative contracts of any kind;
- n) mergers, demergers, spin-offs, amalgamations, consolidations or any other similar form of corporate restructuring of the Company and/or its subsidiary;
- o) authorize or incur any financial indebtedness of the Company which is in excess of the limits set from time to time by the Asset Liability Committee with the approval of the Board;
- p) authorize or incur any financial indebtedness of the Company which results in the debt/ equity of the Company exceeding 5x levels or such other limit as may be approved by the Board in its review every 2 (two) years, with at least two-thirds of the Directors present voting in favour of such enhancement;
- q) incur any single item of capital or revenue expenditure by the Company (including acquiring a business or asset) greater than Rs.10,00,00,000 (Rupees Ten Crores only);
- r) authorize or undertake any arrangement for the disposal by the Company of any assets not in the ordinary course of business;
- s) approve the agenda for the General Meeting;
- t) give or renew security for, or the guaranteeing of financial indebtedness of the Company or any third parties, or creating any encumbrance on the assets of the Company and/ or the subsidiary;
- u) divest or sell capital assets (including but not limited to a transfer, surrender, lease or exchange) by the Company, other than inter-se transfers between the Company and its subsidiary, acquisition of assets under business transfer/ slump sale agreements or businesses, creation of joint ventures/ partnerships/ subsidiaries, or any other investments or entering into any such combination with any Person;
- v) appoint, remove or replace any Statutory Auditor;
- w) amend, extend or add to any Key Management Personnel and Senior

Employees incentive arrangements;

- x) enter into an agreement or arrangement between the Company and (i) any member of the Company, (ii) Key Managerial Personnel and (iii) any Related Party to any such member or Key Managerial Personnel;
- y) incorporate any subsidiary or close down, wind up or liquidate the Company or any subsidiary of the Company;
- z) acquire the whole or any part of any other business or undertaking (other than the purchase of supplies and stock in the ordinary course of business) or acquire any shares or any option over shares in the capital of any company;
- (aa) constitute a Board Committee and finalizing the role and responsibilities of such Board Committee including the committees constituted under this Articles;
- (bb) formulate, adopt or amend the terms of the Manual of Authority or any policy constituted under this Articles; <sup>##</sup>
- (cc) approve any expense (i) of Key Managerial Personnel and Senior Employees (above an agreed threshold); (ii) of an amount exceeding Rs.10,00,00,000 (Rupees Ten Crores Only); (iii) resulting in a deviation from the annual budget of the Company by more than 10% (ten percent) (or such enhanced deviation as may be approved by the Board in its annual review, with at least two-thirds of the Directors present voting in favour of such enhancement);
- (dd) make any treasury or other investments by the Company;
- (ee) withdrawal of authority to members of the Management Team;
- (ff) make any material change in the nature of the Company's business;
- (gg) disposal of all or substantially all of the assets of the Company; and
- (hh) any change to the listing status of the Company's Shares.

However, no Director shall vote on matters specified above, in which such a Director is interested. An interested Director shall mean a Director who in any way, whether by himself or through any of his relatives or any firm, body corporate or other association of individuals in which he or any of his relatives is a partner, director or a member, is interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company.

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<sup>##</sup> Altered and substituted by the Special Resolution passed by the members at the 30<sup>th</sup> Annual General Meeting of the Company held on 8<sup>th</sup> August 2023



## **15. SHAREHOLDER MEETING**

- 15.1 The Company shall hold at least 1 (one) General Meeting in any given calendar year. The AGM shall be held in each calendar year within 6 (six) months following the end of the previous Financial Year of the Company. All General Meetings other than the AGM shall be EGMs. All General Meetings shall be governed by the Act and the Articles.
- 15.2 The prior written notice of at least 21 (twenty one) days before the General Meeting shall be given to all shareholders of the Company either in writing or through electronic mode; provided however, that any General Meeting may be held on shorter notice if consent is given in writing or by electronic mode by not less than 95% (ninety five percent) of the members entitled to vote at such meeting. All notices shall be accompanied by an agenda setting out the particular business proposed to be transacted at such General Meeting. Every notice shall specify the place, date and hour of the General Meeting and shall contain an agenda and accompanying materials with a statement of the business to be transacted thereat and where any such business consists of special business, as defined under the Act, there shall be annexed to the notice an explanatory statement in accordance with Section 102 (statement to be annexed to notice) of the Act. No business shall be transacted at any General Meeting duly convened and held other than that specified in the notice. <sup>##</sup>
- 15.3 The following matters shall require the approval of two-thirds of the Votes cast in a General Meeting:
- (a) all matters in relation to a takeover of a company or acquiring a controlling or substantial stake in another company or purchase of the whole or substantially the whole of the undertaking of another company;
  - (b) appointment or removal of Independent Directors; and
  - (c) any matter referred to in Paragraph 14.10 and such other matters as the Board may resolve from time to time that requires the approval of two-thirds of the Votes cast at a General Meeting. <sup>##</sup>
- 15.4 All special resolution items as per the Act shall require the approval of three-fourths of the Votes cast in a General Meeting.

## **16. FLOW OF AUTHORITY AND MANAGEMENT TEAM**

- 16.1 In accordance with the Articles and this Articles, the Board may delegate certain powers of management to the Management Team led by the Managing Director.

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<sup>##</sup> Altered and substituted by the Special Resolution passed by the members at the 30<sup>th</sup> Annual General Meeting of the Company held on 8<sup>th</sup> August 2023

- 16.2 The members of the Management Team (other than the Managing Director) shall be appointed and removed by the Managing Director, provided always that the Managing Director shall not appoint any candidate to the role of CFO unless such candidate shall have been approved by the Audit Committee.
- 16.3 The Nomination and Remuneration Committee shall have oversight over the Management Team.
- 16.4 The flow of authority with respect to the operations of the Company is set out in Paragraph 18 below.
- 16.5 The Managing Director shall report to the Board, and all officers of the Company including the other members of the Management Team shall report to the Managing Director.
- 16.6 The powers of the Managing Director shall be as set out in this Articles (approved by the Board in accordance with the Articles). The Managing Director shall also be held accountable for due compliance of the provisions of this Articles. He shall be held responsible and accountable for any deviations from the provisions of this Articles and the Manual of Authority and any such breaches shall result in the termination of his appointment as Managing Director.

## **17. ROLES AND RESPONSIBILITY OF THE MANAGEMENT TEAM**

### **17.1 Managing Director**

The Managing Director will have primary responsibility for day to day operation of the Company's business and shall report to the Board.

- 17.2 The CEO (if appointed) shall be responsible for running the day to day functioning of the Company, under the supervision of the Managing Director and the Board.

- 17.3 The CFO is responsible for all financial functions of the Company including\*:

- (a) treasury, which includes banking, investment, hedging activity, cash management etc. within the limits defined by the Manual of Authority (once adopted);
- (b) financial accounting and reporting;
- (c) financial planning and control;
- (d) property (i.e. fixed assets of the Company); and
- (e) investor relations

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*\* Altered and substituted by Special Resolution passed by the members in the 28<sup>th</sup> Annual General Meeting of the Company held on 1<sup>st</sup> September 2021*

However, in case the Company appoints a separate designated official(s) to discharge any of the above duties then such official shall be responsible to manage the said function under the directions of the Managing Director.\*

17.4 The CRO is responsible for the following functions in relation to the Company and shall report to the Board:

- (a) manage the implementation of all aspects of the risk function, including implementation of processes, tools and systems to identify, assess, measure, manage, monitor and report risks;
- (b) provide an annual compliance certificate to the Board regarding the risk management practices, write off policies, credit disbursement mechanisms of the Company;
- (c) assist in the development of and manage processes to identify and evaluate business areas' risks and risk and control self-assessments;
- (d) manage the process for developing risk policies and procedures, risk limits and approval authorities;
- (e) monitor major and critical risk issues;
- (f) manage the process for elevating control risks to more senior levels when appropriate;
- (g) manage the corporate risk and control assessment reporting process as well as manage and maintain infrastructure elements (e.g. management reporting, including reporting to senior management); and
- (h) conduct compliance & risk assessments.

#### **18. AUTHORITY LIMITS OF THE MEMBERS OF THE MANAGEMENT TEAM**

The Board will, within 3 (three) months of first adoption of this Articles, seek to finalize and adopt a Manual of Authority which will specify in detail the matters in relation to which relevant categories of Employees may be authorized to approve routine decisions in connection with the Company's business. Until such policy and other required policies are approved by the Board, funds of the Company can only be invested with the approval of the Board and into government securities or AAA rated instruments. Until such policy is formulated and approved by the Board, the Company shall only use existing cash in its books for meeting expenses of the Company.

## **19. GENERAL GUIDELINES AND PRINCIPLES**

- 19.1 The overall financial limits in this Articles and the Manual of Authority will apply in respect to the powers delegated to the Management Team.
- 19.2 In the event of a contradiction between this Articles and various other internal policies/ manuals/ standard operating procedures, this Articles shall prevail.
- 19.3 A position holder delegated with authority shall not approve any expenditure or disbursement of loan for his own personal benefit or for the benefit of any Related Party of the Company. If there is any requirement to approve expenses for personal expenditure in connection with the Company's business, such approval should be obtained from higher authority only.
- 19.4 Authority limits contained in the Manual of Authority are determined in Indian Rupees. Expenditures in any other currency should be converted into Indian Rupees at the appropriate exchange rate as published by the Reserve Bank of India ("**RBI**") on its official website to ensure that the correct level of authority is applied to each transaction.
- 19.5 Any deviation from the approval requirements as set out in this Articles and the Manual of Authority is considered abuse of this Articles and is prohibited. Only the Managing Director can approve deviations up to his authority limit and deviations in excess of such authority limit will have to be approved by the Board.
- 19.6 A series of transactions that should be reasonably connected with each other because of the nature of the transactions shall be considered as a single transaction for the purpose of determining the approval and authority limits envisaged in this Articles. It is prohibited to split a commitment or transaction into 2 (two) or more parts to fit within the authority limit.
- 19.7 It is also prohibited to receive services or goods from a supplier, direct selling agents, recruitment agencies or advisors on behalf of the Company or provide such services or goods to a person on behalf of the Company without having the proper authority to do so or complying with the applicable procedures.
- 19.8 The Board will, within 3 (three) months of first adoption of this Articles, seek to finalize and adopt a Gift and Entertainment Policy which will specify in detail the gifts and entertainment that are prohibited and those that can be given or received, and other record keeping requirements for the Company.
- 19.9 The Board will, within 1 (one) month of first adoption of this Articles, seek to finalize and adopt a Treasury Operations and Surplus Cash Deployment Policy which will specify in detail the guidelines and policies for the treasury operations and surplus cash deployment of the Company.

19.10 Notwithstanding anything to the contrary in this Articles, the Articles shall be subject to applicable law; and in the event any provision, clause or Paragraph of this Articles is inconsistent with or contravenes applicable law (from time to time), the Board shall take necessary steps to modify or amend the Articles in order to make such provision, clause or Paragraph consistent with applicable law.

## **20. TEMPORARY DELEGATION OF AUTHORITY**

Temporary delegation of authority shall be allowed in circumstances where the delegator is not physically present to sign documentation due to an extended period of absence (for instance duty travel or leave). Notwithstanding the delegation of authority, the delegator will not be absolved from his responsibility. Each delegation of authority must be evidenced in writing. The signatory signing on behalf of others must sign "pp" (post of original signatory). The delegate shall not have the authority to further delegate to a third person (e.g. signatories to whom powers have been delegated cannot delegate such powers to their subordinate staff). In the absence of such signatories, these powers move upward to the superiors of the original signatory.

## **21. WITHDRAWAL OF AUTHORITY**

The Board may withdraw the authority granted to the Managing Director and other members of the Management Team only with the approval of the three-fourth majority of the Board in accordance with this Articles.

## **22. COMPLIANCE MONITORING**

- 22.1 The Audit Committee shall verify the compliance of this Articles as a part of its regular compliance audits.
- 22.2 In the event of any occurrence or arising of any matter which is likely to have a material impact on the business or the financial position of the Company, or the Company's ability to perform its obligations under this Articles, such information shall be communicated to all Directors without delay in writing, and no later than 48 (forty eight) hours of the Company becoming aware of its occurrence. Any Director or the Large Shareholders have the right to appoint an advisor to conduct an audit of the Company thereafter, at the cost of the Company. The Company shall support such advisor in its audit.

## **23. CHANGE MANAGEMENT PROCESS**

- 23.1 This Articles may be updated from time to time in line with the Company's requirements. The Board will be responsible for the maintenance of this Articles. Any request for a change of a particular paragraph of this Articles shall be submitted to the Board and no amendment shall be effective unless approved by the Board in accordance with this Articles.

23.2 The Managing Director will approve any change to the authority matrix set out in this Articles, as long as it is within the authorized limits of the Managing Director to do so. Any further deviations and/ or amendments will require the approval of the Board in the manner set out in this Articles.

23.3 Subject to Paragraph 14.10(cc), changes that do not affect the Managing Director's authority but impacts Employees below the level of the Managing Director are effective once approved by the Managing Director. However, such changes need to be notified to the Board. Changes to the authority of the Managing Director, Board and Board Committees will require the approval of the Board in the manner set out in the Articles .

#### **24. THE COMMON SEAL\***

The Board shall provide for the safe custody of the seal. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of the Managing Director or of a director and of the secretary or such other person as the Board or of a committee of the Board may appoint for the purpose; and such Managing Director or a director and the secretary or such other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

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*\* Inserted by Special Resolution passed by the members in the 29<sup>th</sup> Annual General Meeting of the Company held on 12<sup>th</sup> August, 2022*

## **PART B**

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

- (i) *Part B of the Articles provide for the rights and obligations of the relevant parties to the Investment Agreement executed on April 11, 2023, by and amongst, inter alia, Danish Sustainable Development Goals Investment Fund K/S, a limited liability partnership incorporated under the laws of Denmark represented by Investment Fund for Developing Countries, an investment fund incorporated under the laws of Kingdom of Denmark, with registration number CVR 23 59 86 12, having its principal place of business at Fredericiagade 27, DK 1310 Copenhagen, Denmark and the Company, ("**Agreement**"). These Articles from Article 1 to Article 7 of Part B shall have effect notwithstanding anything contrary (either expressly or by necessary implication) contained in Part A of the Articles. In the event of any conflict between Part A of the Articles and Part B of the Articles, Part B shall prevail. All references to an Article or Articles in this Part B shall be references to an Article or Articles of Part B of these Articles.*
- (ii) *In the event of any conflict between the terms of the Agreement and those of these Articles, as amongst the Parties hereto, and the Company, to the extent permitted by Applicable Law, the terms of the Agreement shall prevail over these Articles and the Parties shall take all such steps as are within their powers, to ensure that the terms and conditions of the Agreement are adhered to, and to the extent possible under the relevant Applicable Laws effect such amendments or alterations to these Articles to carry out the conditions of the Agreement in letter and in spirit.*
- (iii) *Part B of the Articles shall come into effect from the Closing Date (as defined below).*

### **2. INTERPRETATION**

#### **Definitions**

In the interpretation of these Part B of the Articles, the following words and expressions shall have the following meanings unless repugnant to the subject or the context:

**"Affiliates"** of a Person (the **"Subject Person"**) shall mean in the case of any Subject Person, other than a natural Person, any other Person that, either directly or indirectly through one or more intermediate Persons, Controls, is Controlled by or is under common Control with the Subject Person and where the Subject Person is a natural person, any immediate family of such Subject Person or any Person (other than a natural Person) directly or indirectly Controlled by such Subject Person. Further, with respect to the Investor, the term **"Affiliate"** shall also include: (i) IFU; (ii) all funds managed by the Investor and/or IFU; (iii) any direct or indirect shareholder of the Investor; (iv) any of such shareholder's general partners or limited partners; and (v) the fund manager managing such shareholder (and the shareholders, officers and employees thereof);

**"Agreement"** shall mean the agreement dated April 11, 2023 executed among the Parties;

**"Board of Directors"** or **"Board"** shall mean the board of directors of the Company;

**"Business Day"** shall mean a day on which the scheduled commercial banks are open for business in Copenhagen, Denmark and Mumbai, India;

**"Closing Date"** shall have the meaning ascribed to it in the Agreement;

**"Control"** (including with correlative meaning, the terms **"Controlled"** and **"Controlling"** and **"common Control"**) shall mean either: (i) the power to direct the management or policies of a Person, directly or indirectly; or (ii) the ownership of more than 50% (fifty percent) of the voting power of a Person; or (iii) the power to appoint over half of the members of the board of directors or similar governing body of such Person, each of which, through contractual arrangements or otherwise;

**“Director”** shall mean a director of the Company, appointed on the Board;

**“Equity Share(s)”** shall mean the equity share(s) of the Company having face value of INR 10/- (Indian Rupees Ten only);

**“Existing Investment Agreements”** shall mean: (i) the Investment Agreement dated December 31, 2017 entered into, *inter alia*, between the Company and Indgrowth Capital Fund I; (ii) the Share Subscription Agreement dated December 31, 2017 entered into, *inter alia*, between the Company and NewQuest Asia Investments III Limited; (iii) the Warrant Subscription Agreement dated August 16, 2018, entered into, *inter alia*, between the Company and Samena Fidem Holdings; and (iv) the Investment Agreement dated December 31, 2017 entered into, *inter alia*, between the Company and Clearsky Investment Holdings Pte. Ltd.;

**“Fully Diluted Basis”** shall mean the assumption that any preference shares, debentures, notes, options (including employee stock options), warrants, contracts, rights, instruments and securities granting the right, whether compulsorily or otherwise, to exchange for, convert into or otherwise acquire or subscribe to Equity Shares, and which are outstanding as on the date of calculation, have been so exercised and exchanged for or converted into or acquired or subscribed to the applicable Equity Shares and all Equity Shares issuable pursuant to contractual or other obligations have been issued;

**“Government”** or **“Governmental Authority”** shall mean: (i) any national, provincial, regional, central, state, municipal or local government, any instrumentality, subdivision, court, administrative, executive or regulatory agency, commission, board, tribunal, entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality; (ii) any court, tribunal or arbitrator; or (iii) any securities exchange or body or authority regulating securities exchanges, in each case, duly constituted in accordance with Laws applicable to relevant Person, and exercising competent jurisdiction on relevant Person pursuant to applicable Laws;

**“IFU”** shall mean the Investment Fund for Developing Countries, an investment fund incorporated under the laws of Kingdom of Denmark, with registration number CVR 23 59 86 12, having its principal place of business at Fredericiagade 27, DK 1310 Copenhagen, Denmark;

**“Investor”** shall mean Danish Sustainable Development Goals Investment Fund K/S;

**“Investor Securities”** shall mean the total number of Securities that are held by the Investor, including the Subscription Securities;

**“Law(s)”** shall mean all applicable laws and shall include all applicable legislations, statutes, enactments, by-laws, rules, regulations, orders, laws, ordinances, codes, guidelines, policies, directions, directives, notifications, judgments, decrees or other requirements or official directive of any Governmental Authority or Person acting under the authority of any Governmental Authority and/or of any statutory authority, having a right over such matters, in each case having the force of law;

**“Observer”** shall mean such person as shall be nominated by the Investor to be appointed as an Observer on the Board in terms of Article 4 below;

**“Parties”** shall mean the Company, the Promoter, PFEPL, the Investor and Mr. Shachindra Nath;

**“Person”** shall mean any individual or entity, whether a corporation, firm, limited liability company, an unlimited liability company, joint venture, trust association, organisation, an unincorporated organisation, partnership or proprietorship, body corporate, including any Governmental Authority, natural person in his capacity as trustee, executor, administrator or other legal representatives;



**“Promoter”** shall mean **POSHIKA ADVISORY SERVICES LLP**, a limited liability partnership registered under the laws of India, with Limited Liability Partnership Identification Number AAL-0334, Permanent Account Number AAVFP0398R, and having its registered office at 301- A, 3rd Floor, Banni Address One Golf Course Road, Sector-56 Gurgaon, Haryana – 122011;

**“PFEPL”** shall mean **POSHIKA FINANCIAL ECOSYSTEM PRIVATE LIMITED**, a private limited company incorporated under the laws of India, having its registered office at 301- A, 3rd Floor, Banni Address One Golf Course Road, Sector-56 Gurgaon HR 122011 IN;

**“Securities”** shall mean the Equity Shares and the Share Equivalents;

**“Share Capital”** shall mean the issued, subscribed and paid up share capital of the Company on a Fully Diluted Basis and shall include the Equity Shares and any Share Equivalents;

**“SEBI ICDR Regulations”** shall mean the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any statutory modifications, amendments or re-enactments thereof for the time being in force;

**“SEBI PIT Regulations”** shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, or any statutory modifications, amendments or re-enactments thereof for the time being in force;

**“Shareholder”** shall mean each of, the Promoter, the Investor and such other Persons who hold or may acquire the Securities from time to time;

**“Share Equivalents”** shall mean preference shares, debentures, bonds, loans, warrants, options, depositary receipts, debt securities, loan stock, notes, or any other instruments, securities or certificates which are convertible into or exercisable or exchangeable for, or which carry a right to, or any right to, subscribe to or purchase any equity or preference shares of the Company or which represent or bestow any beneficial ownership/ interest in the Share Capital or the voting rights in the Company or any other rights which are otherwise available to only equity shareholders of a company (including, any distribution rights) as currently existing or as may be issued by the Company from time to time;

**“Subscription Amount”** shall mean the aggregate amount of INR 240,00,00,000/- (Indian Rupees Two Hundred and Forty Crores only) payable by the Investor to the Company, in consideration towards the Subscription Securities;

**“Subscription Price”** means such price per Subscription Security calculated as per Regulation 164(1) read with Regulation 166A(1) of Chapter V of SEBI ICDR Regulations;

**“Subscription Securities”** shall mean such number of Equity Shares to be issued and allotted to the Investor on the Closing Date, in the manner as specifically provided under the Agreement and calculated by dividing the Subscription Amount by the Subscription Price;

**“Takeover Regulations”** shall mean the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or any statutory modifications, amendments or re-enactments thereof for the time being in force; and

**“UPSI”** shall mean unpublished price sensitive information as defined under the SEBI PIT Regulations.

### **3. PRE-EMPTIVE RIGHT**

- 3.1. Till such time that the Investor continues to hold at least 5% (five percent) of the Share Capital of the Company on a Fully Diluted Basis, the Company undertakes that in case of any issuance of Securities by

the Company by way of a preferential allotment, the Investor shall have the right to subscribe to the Securities proposed to be issued by the Company ("**New Securities**") *pro-rata* to the then existing shareholding of the Investor (along with its Affiliates) in the Company on a Fully Diluted Basis.

- 3.2. If the Board approves the issuance of New Securities, the Company shall give the Investor a written notice of its intention, describing the New Securities, the price per New Security as per the valuation of the Company at which the New Securities are proposed to be issued, their terms of issuance, and specifying the Investor's *pro-rata* share of such issuance (the "**Issue Notice**").
- 3.3. The Investor shall have 30 (thirty) days after the receipt of the Issue Notice, to give the Company a written intimation with regard to the number of New Securities it proposes to purchase (the "**Subscription Notice**").
- 3.4. Unless the applicable Law provides for a shorter period of time, 30 (thirty) Business Days after the expiry of the 30 (thirty) days' period referred to in Article 3.3 above:
  - 3.4.1 if the Investor has issued a Subscription Notice, the Investor shall subscribe to the number of New Securities specified by it in the Subscription Notice except where Investor has indicated that it is willing to acquire more than its *pro-rata* entitlement, in which case the obligation to acquire the New Securities, in excess of Investor's entitlement, shall be subject to confirmation from the Company;
  - 3.4.2 the Investor shall simultaneously pay the relevant consideration to the Company;
  - 3.4.3 the Company shall convene meetings of the Board issuing and allotting the New Securities to the Investor and update its register of members in this regard; and
  - 3.4.4 the Company shall also undertake such other filings and actions as may be required under applicable Law in relation to issue and allotment of such New Securities.
- 3.5. Notwithstanding the above, in the event, the subscription of any New Securities under this Article 3 would trigger the open offer requirements under the provisions of the Takeover Regulations, then the Investor shall be entitled to subscribe to only the maximum number of such New Securities which, taken together with the Investor Securities already held by the Investor, will not trigger the open offer requirements under the provisions of the Takeover Regulations.
- 3.6. If the Investor does not issue a Subscription Notice within the time period set out in Article 3.3 above or if the Investor, agrees to (or under Article 3.5 is required to) subscribe to a lesser number of Securities, then the Company shall be free to proceed to issue the Securities to any Person on the terms and conditions as set out in the Issue Notice.

#### 4. **OBSERVER**

- 4.1. The Investor shall have the right to nominate 1 (one) representative (an "**Observer**") to attend all meetings (whether in person, telephonic or other) of the Board in a non-voting observer capacity. In the event that the shareholding of the Investor in the Company, on a Fully Diluted Basis, falls below 5% (five percent) of the Share Capital, the right of the Investor to appoint the Observer shall fall away.
- 4.2. The Company shall provide to the Observer, concurrently with and in the same manner as distributed to the Directors, copies of all meeting notices, agendas, board materials, information, draft resolutions, proposed actions by written consent, and other communications so distributed.
- 4.3. The Observer shall have the authority to act as a non-voting observer only. Without a written proxy, power of attorney or other express written instrument, no Observer shall have the power or authority, as proxy holder, agent, attorney-in-fact, or otherwise, to vote shares, to grant waivers, approvals, or consents, to

enter into or amend agreements, to accept notices or legal process, or otherwise to represent or act on behalf of the Investor in any legally binding manner. The Company shall not be justified in relying on any action of the Observer on behalf of the Investor or on any assurance of the Observer relating to any future action or decision of the Investor unless and until such action or assurance is expressly acknowledged or provided in writing by an authorised signatory of the Investor.

- 4.4. The Observer shall not be recorded or represented to be a member of the Board or to have voted at any Board meetings or on any Board resolution nor shall the Observer be counted towards the quorum for any Board meeting or proceeding. All minutes and other records of proceedings of the Board shall clearly distinguish between the differing capacities of attendees or participants and, in the case of individual participants, between attendance at the meeting and voting on any resolutions or other proceedings. The Company agrees to promptly, on request of the Investor, provide the Investor with true and complete copies of all meeting notices, agendas, board materials, attendance records, minutes, and other records relating to any board meetings or proceedings and to make any required revisions to the minutes or other records within 3 (three) days from the date of the Investor's request, subject to necessary ratification and acceptance by the Board.
- 4.5. The Company shall pay or reimburse the Observer from time to time upon demand for all reasonable travel, lodging and meal expenses incurred by the Observer in attending Board meetings, at par with the payment or reimbursements made by the Company to any other observers appointed to the Board under the Existing Investment Agreements.

## **5. INFORMATION RIGHTS**

- 5.1. The Investor shall be entitled to seek such information in relation to the Company as it may be entitled to under applicable Law, and subject to compliance with applicable Law, including the SEBI PIT Regulations, the Company shall provide such information as may be reasonably requested by the Investor, as soon as reasonably practicable.
- 5.2. The Company undertakes not to selectively disclose to the Investor, any UPSI, and if any UPSI is disclosed to the Investor, the Company undertakes to make such information available to all the Shareholders of the Company on an expedited and immediate basis. Notwithstanding the generality of the foregoing, any reporting or information rights granted to the Investor hereunder, shall be provided to all the Shareholders, unless otherwise agreed.
- 5.3. The Company shall comply with the reporting requirements as separately agreed to in writing between the Parties.
- 5.4. The Company and the Promoter shall ensure that the Company shall, provide the Investor and its employees, agents and representatives with full access, upon prior written notice and during normal business hours, to all of the Company's assets, books, records, etc. which may be required by the Investor.

## **6. STATUS OF INVESTOR**

- 6.1 The Investor is investing in the Company in its capacity as a financial investor and that the rights and benefits granted to the Investor under the Agreement have been provided to the Investor in its capacity as a financial investor and for the protection of the Investor as a minority Shareholder in the Company. The rights and benefits provided to the Investor under the Agreement are reasonable given the status of the Investor as a financial investor in the Company. The Investor is not, and at no time shall be deemed to be, a "person acting in concert" (as defined under the Takeover Regulations) with the Promoter and that it is not the intention of the Parties that the Investor be deemed to be "persons acting in concert" with the Promoter by virtue of the rights and/or benefits provided to the Investor under the provisions of the Agreement. At no time shall the Investor be identified by the Company as being a 'promoter' of the

Company for any reason whatsoever, including, in any filing made by any of the Company with any Governmental Authority and the Investor Securities are not subject to any restriction (including that of lock-in or other restriction) which are applicable to 'promoters' under any applicable Laws. The rights and benefits provided to the Investor under the Agreement shall be read and interpreted in accordance with the foregoing.

#### **7. LARGE SHAREHOLDER**

Till such time the Investor continues to hold 10% (ten percent) of the Share Capital of the Company on a Fully Diluted Basis, the Investor shall be considered as a Large Shareholder for the purpose of these Articles.

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

Signatures, names, addresses, descriptions & occupations of the Subscribers	No., of Equity Shares taken by each subscriber	Signatures, name, addresses description & occupation of witnesses
<p>11 Chokhan  (RAMAKANT R CHOKHANI  S/O  RULIRAM M CHOKHANI  9/16D BRITISH HOTELLAND  WASATWALA MANSION  FORT BOMBAY 1  BUSINESS</p>	10 (TEN)	<p>Witnesses for all  D. M. V. D. P. A. Chokhan S/O M. R. Chokhan  D. M. V. D. P. A. Chokhan S/O M. R. Chokhan  31-A, Malabar Hill, Fort M. R. Chokhan  Fort Boreday - Fort M. R. Chokhan  Chokhan</p>
<p>N. R. Chokhan  N. R. Chokhan  2-16/17, Fort Mankam  Borsten Hotel Land  136 May Fort  Borsten - Fort  Housewife</p>	10 (Ten)	
Total	20 (Twenty)	

Bombay, 28th day of January, 1993