

V. ADARSH KUNAR
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RL.NO.1-2-137 TO 154
94, MINERVA COMPLEX
S.D. ROAD
SECUNDERABAD - 500 003
LICENSE NO. 11/2012



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INVESTMENT AGREEMENT

This Investment Agreement is executed on 02 day of ^{FEBRUARY} ~~December~~, 2018 (Agreement Date) at Hyderabad by and amongst:

- (1) **AR PHARMACARE PRIVATE LIMITED**, a company incorporated under the Companies Act, 1956 having Corporate Identification Number U24239TG2000PTC035396 and having its registered office at 812/813, SWAPNALOK COMPLEX, 92/93, SARAJINI DEVI ROAD SECUNDERABAD Hyderabad TG 500003 (hereinafter referred to as the **Company**, which expression shall unless repugnant to the meaning or context thereof, be deemed to include its successors and permitted assigns);
- (2) **MR. M.P. AGRAWALL**, son of Late K.L. Agarwala, aged about 63 years, residing at Bungalow No.26, Palm County, Near H.S. Darga, Raidurg, P.O. Golconda, Hyderabad - 500008, having Permanent Account Number ADOPA8340C (hereinafter referred to as **Individual Promoter 1**, which expression shall, unless repugnant to the meaning or context thereof, be deemed to include his successors, legal heirs and administrators);
- (3) **MR. VINOD SAHNEY**, son of late J.C. Sahney, aged about 74 years, residing at Bungalow No.5, Palm County, Adj. to Safrani School, Near H.S. Darga, Raidurg, P.O. Golconda, Hyderabad - 500008, having Permanent Account Number AKAPS0200J (hereinafter referred to as **Individual Promoter 2**, which expression shall, unless repugnant to the meaning or context thereof, be deemed to include his successors, legal heirs and administrators);
- (4) **Landmark Capital Advisors Private Limited**, a company incorporated under the Companies Act, 1956, and having its registered office at 608-B Wing, Express Zone, Western Express Highway, Goregaon (E), Mumbai-400 097, in its capacity as a Portfolio Manager registered under the Securities and Exchange Board of India (Portfolio Manger) Regulations, (hereinafter referred to as the **Portfolio Manager**, which expression shall unless repugnant to the meaning or context thereof, be deemed to include its successors and assigns).

Each of Individual Promoter 1 and Individual Promoter 2 shall hereinafter individually be referred to as a **Promoter** and collectively referred to as the **Promoters**.

Each of the Company, the Promoters, and the Portfolio Manager shall hereinafter be referred to individually as a **Party** and collectively as the **Parties**.

For A.R. PHARMACARE PVT. LTD.
M. Mawall
DIRECTOR

[Signature]

[Signature]

WHEREAS:

- (A) The Company is in the business of real estate and (i) has entered into agreement to acquire land admeasuring 2200 sq.yards on outright basis as per Agreement for Sale dated 25 September 2008 ("Ownership Land") and (ii) is in process to acquire development right ("Development Right") on the adjacent land admeasuring 3280 sq.yards ("JD Land"), thereby aggregating to continuous land admeasuring 49,320 sq.ft. in Gachibowli, Hyderabad more particularly provided in Annexure I ("Project Land") for development of a residential project more particularly provided in Annexure II ("Project").
- (B) The Company intends to avail funding for working capital requirements of the Project and has accordingly requested the Portfolio Manager to subscribe to the NCDs (defined below) in accordance with this Agreement from the funds under its management.
- (C) In relation to the aforesaid, and as directed by the Promoters, the Company has appointed the Debenture Trustee to act as debenture trustee in relation to the NCDs (as defined below). The Company has, in this regard obtained the Debenture Trustee's consent and entered into an agreement for appointment of the Debenture Trustee dated on or about the date hereof ("Debenture Trustee Agreement").
- (D) At the request of the Company and the Promoters, and relying upon the representations, warranties, covenants, undertakings and indemnities provided by the Company and the Promoters as stated in this Agreement and other Definitive Agreements (defined below), the Portfolio Manager has agreed to invest, on behalf of its clients, an amount of upto INR 395,00,000/- (Rupees Three Crores ~~Fifty~~ ^{Ninety five} Lacs Only) by subscribing to the NCDs issued by the Company.
- (E) Accordingly, the Parties are desirous of executing this Agreement to set out the agreement and relationship amongst the Parties, and their rights and obligations in relation to the Investment and other matters in connection therewith.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are hereby expressly acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Account Bank shall mean HDFC Bank Limited, with whom the NCD Subscription Account, and the Construction Account shall be maintained by the Company;

Account Agreement shall mean the escrow agreement between the Company, Portfolio Manager and Account Bank governing the terms of utilization of NCD Subscription Account;

For A.R. PHARMACARE PVT. LTD.


DIRECTOR

Affiliates shall mean, with respect to any Person, any other Person which directly or indirectly, Controls, is Controlled by, or is under common Control with, the first named Person. In relation to the Portfolio Manager, the term **Affiliate** shall include the funds/client's portfolio managed and/or advised by the Portfolio Manager. If such Person is an individual, the term **Affiliate** shall include a Relative of such individual;

Agreed Form in respect of a document, shall be construed to mean, the agreement in writing of the Portfolio Manager and the Company on the form and substance of such document;

Agreement Date shall mean the date on which this Agreement is signed by each and all of the Parties;

Assets shall mean any and all assets or properties of every kind, nature, character and description (whether immovable, movable, tangible, intangible, absolute, accrued, or fixed) as operated, hired, rented, owned or leased by a Person from time to time, including cash, cash equivalents, receivables, securities, accounts and note receivables, real estate, land, building, any construction, plant and machinery, equipment, patents, copyrights, domain names, trademarks, brands and other intellectual property, raw materials, inventory, furniture, fixtures and insurance;

Business shall mean the business of constructing, developing and the transfer of the real estate properties comprising the Project;

Business Day shall mean a day on which scheduled commercial banks are generally open for business in Hyderabad and/or Mumbai, India;

M. J. Mawall
DIRECTOR

Business Plan shall mean the business plan formulated by the Company in respect of the Project in consultation and with the approval of the Portfolio Manager which shall *inter alia* include the list of approvals required for the Project and the timelines for obtaining such approvals, details of construction cost of the Project and construction and development schedule, product configurations, amenities in the Projects (like parking, etc.), pricing and sales schedules of the units and the minimum threshold price of the units comprised in the Projects, projected cash flow statements stating the sources and uses of funds and the detailed break-up of the total units of the Project to be sold. The initial Business Plan formulated by the Company and the Promoters is more particularly set out in Schedule VIII, which may be amended from time to time in accordance with the terms of this Agreement;

Change in Control occurs when:

- (a) any Person or Persons acting together acquires Control of the Company if such Person or Persons (acting together) does not or do not have, and would not be deemed to have, Control of the Company on the date hereof;
- (b) the Company consolidates with or merges into or sells or Transfers all or substantially all of the Assets of the Company to any other Person; or
- (c) one or more Persons (other than any Person referred to in sub-paragraph (a) above) acquires Control of the Company;

Charter Documents shall mean, with respect to a Person, the articles of association and memorandum of association, or similar organizational or incorporation documents of such Person;

Claims shall have the meaning as set forth in Clause 11.1;

Closing Certificate shall, with respect to Closing mean the certificate in the form annexed hereto as Schedule I, which shall be issued to the Portfolio Manager in accordance with Clause 4 hereof;

Closing Resolutions shall mean the following resolutions of the Board with respect to the Closing, in form and substance acceptable to the Portfolio Manager:

- (i) approving the issuance and allotment of the relevant NCDs to the Portfolio Manager for an aggregate subscription equal to the relevant NCD Subscription Amount and the issue and allotment of the NCDs in the dematerialized form/physical form for an aggregate subscription equal to the relevant NCD Subscription Amount; and
- (ii) approving necessary entries in the register and index of debenture holders of the Company to record the issue and allotment of the relevant NCDs issued against the relevant NCD Subscription Amount;

Collection Accounts shall mean RERA Account and Construction Account;

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For A.R. PHARMACEUTICALS


DIRECTOR





Companies Act or Act shall mean the (Indian) Companies Act, 2013 (as may be notified, amended or replaced from time to time) and any rules, regulations and notifications prescribed thereunder and to the extent applicable, the (Indian) Companies Act, 1956;

CP Completion Certificate shall mean the certificate in the form annexed hereto as Schedule V;

Conditions Precedent to Closing shall have the meaning as set forth in Clause 3.1(a);

Consents shall mean any Order, approval, consent, ratification, waiver, notice or other authorization of or from or to any Third Party (other than a Governmental Approval) that may be required for (i) the execution of the Definitive Agreements and (ii) the consummation of the transactions contemplated under this Agreement and other Definitive Agreements and/or (iii) carrying on the Business in a lawful manner and/or construction and development of the Projects on the Project Land;

Construction Account(s) shall mean the bank account(s) to which all receivables of the Project will be transferred from the RERA Account and shall be maintained and operated in terms of this Agreement and Escrow Agreement;

Contract shall, with respect to a Person, mean any agreement, contract, obligation, promise, undertaking, subcontract, lease, understanding, instrument, note, warranty, insurance policy, benefit plan or legally binding commitment or undertaking of any nature (whether written or oral or express or implied) entered into by such Person;

Control (including with correlative meaning, the terms **Controlled by**, **Controlling** and **under common Control with**) shall mean, with respect to a Person, the ownership or control of more than 50% (fifty per cent) of the voting rights or of the issued share capital of such Person or the right to appoint and/or remove all or the majority of the members of the board or other governing body of such Person and/or the right to control the management or policy decisions, exercisable by a Person or Persons acting individually or in concert, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting or management rights, through Contract or otherwise;

Cure Period means the applicable cure period (as mentioned in Clause 10.1 for curing any of the events set out in Clause 10.1, commencing from the date of occurrence thereof;

Debenture Trustee shall mean Axis Trustee Services Limited, a company registered under the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993, having its registered office at Axis House, Bombay Dyeing Mills Compound, PandurangBudhkar Marg, Worli, Mumbai 400 025

Debenture Trust Deed shall mean the debenture trust deed executed or to be executed on or about the Agreement Date by and amongst the Company, the Debenture Trustee and the Promoters, in form and substance acceptable to the Debenture Trustee;

Debenture Trustee Agreement means the debenture trustee agreement executed or to be executed on or about the Agreement Date setting out the terms and conditions of the appointment of the Debenture Trustee;

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For A.R. PHARMACARE PVT. LTD.

M. M. M. S.
DIRECTOR

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Deed of Adherence shall mean the deed of adherence in the form annexed hereto as Schedule IV;

Default Interest shall have the meaning as set forth in paragraph 4 of Schedule III;

Default Price shall have the meaning as set forth in Clause 10.2 (a);

Default Sale Notice shall have the meaning as set forth in Clause 10.2(b);

Definitive Agreements shall mean, collectively: (i) this Agreement; (ii) the Debenture Trust Deed; (iii) the Security Documents; (iv) the Debenture Trustee Agreement; (v) Account Agreement and (v) any other agreements and documents contemplated or in connection with this Agreement, or the transactions contemplated hereby, as may be designated by the Portfolio Manager as a Definitive Agreement;

Director(s) shall mean the director(s) on the Board of Directors;

Dispute Notice shall have the meaning set forth in Clause 12.1;

Drawdown Notice means the notice issued / to be issued by the Company, in the form attached hereto as Schedule VII, in accordance with this Agreement;

EGM shall mean any meeting of the shareholders, which is not an AGM;

Encumbrance shall mean any mortgage, hypothecation, pledge, non-disposal undertaking, escrow, power of attorney (by whatever name called), charge, lien or other security interest securing any obligation of any Person or any other agreement or arrangement having a similar effect, option, pre-emptive right, acquisition action, adverse claim, title retention agreement, conditional sale agreement, co-sale agreement, trust (other title exception of whatsoever nature) or other encumbrance of any kind, or a Contract to give or refrain from giving any of the foregoing, including any restriction imposed under applicable Laws or Contract on the Transferability of Shares, and the term **Encumber** shall be construed accordingly;

Environmental Law shall mean any common or statutory Law, regulation, directive or other law and all codes of practice, statutory guidance and the like in any jurisdiction relating to the environment, pollution of the environment, human health or safety or the welfare of any other living organism which applies to the Obligor and its premises or activities, or the Project;


Environmental Permit shall mean any Consent and/or Governmental Approval which is issued, granted or required under Environmental Law for the development of the Project;

Escrow Agreement shall mean an escrow agreement to be executed between the Company, Portfolio Manager and Escrow Agent for maintaining and operating of Construction Account as per this Agreement.

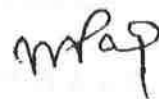
Equity Shares shall mean equity shares of face value of INR 10 (Rupees Ten only) each in the Share Capital of the Company;

Event of Default shall have the meaning as set forth in Clause 10.1;

For A.R. PHARMACARE PVT. LTD


DIRECTOR





Financial Indebtedness shall mean any indebtedness, including without limitation:

- (a) monies borrowed;
- (b) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialized equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase Contract which would, in accordance with applicable Law, be treated as a finance or capital lease;
- (e) receivables sold or discounted;
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing including the Promoter's or the Company's obligation to pay in relation to any call or put option relating to any interest owned by a party in the Company, as the case may be;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price including any credit support arrangement in respect thereof (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (h) shares or other securities which are expressed to be redeemable;
- (i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above;

Financial Statements shall mean the balance sheet, profit and loss account and cash flow statements of the Company prepared in accordance with the Accounting Standards;

Financial Year shall mean the period commencing from April 1 of one calendar year and ending on March 31 of the immediately succeeding calendar year;

Closing shall mean the fulfillment and completion of the issue and allotment of the NCDs in all respects for an aggregate subscription equal to the NCD Subscription Amount to the Portfolio Manager;

Closing Date shall mean such date after the satisfaction of the Conditions Precedent to Closing as may be mutually agreed to between the Company and the Portfolio Manager, on which Closing shall occur in accordance with Clause 4.1.

Long Stop Date shall mean 30 days from the Agreement Date;

For A.R. PHARMACARE PVT

DIRECTOR

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NCD Subscription Amount / Investment Amount shall mean INR 3,95,00,000/- (Rupees Three Crores ^{Ninety five} ~~Fifty~~ Lacsonly), invested by the Portfolio Manager in the Company, on behalf of its clients, by subscription of NCDs pursuant to this Agreement;

General Meeting shall mean either an EGM or an AGM;

Governmental Approvals shall mean any permission, approval, consent, license, permit, Order, decree, authorization, registration, filing, notification, exemption or ruling to or from or with any Governmental Authority;

Governmental Authority shall mean any national, state, provincial, local or similar government, governmental, regulatory or administrative authority, branch, agency, any statutory body or commission or any non-governmental regulatory or administrative authority, body or other organization in India to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of Law or any court, tribunal, arbitral or judicial body, or any stock exchange of India;

Indemnified Person shall have the meaning as set forth in 11.1;

Indemnifying Notice shall have the meaning as set forth in Clause 11.2(b);

Indemnifying Party shall have the meaning as set forth in Clause 11.1;

Information shall have the meaning as set forth in Clause 13.1;

INR or Rupees shall mean the lawful currency of Republic of India;

Interest shall have the meaning as set forth in paragraph 3 of Schedule III;

Interest Payment Dates shall have the meaning as set forth in paragraph 3 of Schedule III;

Investment Amount shall mean INR 3,95,00,000/- (Rupees Three Crores ^{Ninety five} ~~Fifty~~ Lacsonly) invested by the Portfolio Manager in the Company by subscription of the its NCDs pursuant to this Agreement;

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Portfolio Manager Observer shall have the meaning as set forth in Clause 8.2(i);

IRR shall mean the internal rate of return computed on a pre-tax basis paid to Portfolio Manager under this Agreement on the Investment Amount and calculated in Rupees at the time of such distribution using the XIRR function in Microsoft Excel (or if such program is no longer available, such other software program for calculating internal rate of return reasonably acceptable to the Portfolio Manager). XIRR provides return for a series of cash flows (inflow/outflow) that corresponds to a schedule of payments in dates;

Last Repayment Date means the date on which 48 (forty eight) months from the Closing Date are completed;

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For A.R. PHARMACARE PVT. LTD

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DIRECTOR

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Law shall mean any statute, law, regulation, ordinance, rule, judgment, notification, rule of common law, Order, decree, bye-law, Government Approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the date of this Agreement or thereafter;

Liquidation Event, with respect to the Company and/or the other Obligors shall mean any of the following:

- (a) Commencement of any proceedings, in relation to (i) a compromise or arrangement with the creditors/debtors of the Company or the Obligors (as the case may be) or (ii) a failure to pay debts, under which the Company may be wound up under the Companies Act;
- (b) Appointment of a receiver, administrator or provisional or official liquidator by an appropriate court under any applicable Law in any proceeding for insolvency, winding up or bankruptcy or similar proceeding initiated by a Third Party; or
- (c) Commencement of any insolvency proceedings, voluntary or involuntary liquidation, dissolution or winding up against the Company or the Obligors.

Lock-in Period shall have the meaning as set out in Clause 4.C(b)(i);

Losses means all losses, liabilities, obligations, claims, demands, actions, suits, judgments, awards, fines, penalties, taxes, fees, settlements and proceedings, fines, costs, expenses, royalties, deficiencies, damages (whether or not resulting from Third Party claims), including interests and penalties with respect thereto and out-of-pocket expenses, including reasonable attorneys' and accountants' fees and disbursements;

Material Adverse Effect shall mean any event or circumstance which, in the sole opinion of the Portfolio Manager, has or is likely to have an adverse effect on the transactions contemplated under the Definitive Agreements, including without limitation on:

- (i) the validity or enforceability of this Agreement or any of the Definitive Agreements, the validity or enforceability of any transactions contemplated thereunder, or of the rights or remedies of the Portfolio Manager; or
- (ii) the Assets, Business, properties, liabilities, financial condition, results or operations or prospects of any of the Obligors; or
- (iii) the ability of any of the Obligors to perform their respective obligations under the Definitive Agreements; or
- (iv) the ability of the Company to construct, develop and implement any of the Projects in the manner set out under this Agreement; or
- (v) the status and validity of any Material Contracts, Consents or Government Approvals required for the Obligors to carry on their respective business, including the Business; or

For A.R. PHARMACARE PVT. LTD.

M. J. Mawall
DIRECTOR

[Signature] *[Signature]*

- (vi) the right, title and interest of any of the Obligors on the Project / Project Land (as applicable) or any part thereof;
- (vii) the Security or any part thereof;
- (viii) the Warranties having become or been rendered likely to become untrue in any respect;

Memorandum of Association shall mean the memorandum of association of the Company as may be amended from time to time;

NCDs shall mean the INR denominated secured, cumulative redeemable and non-convertible debentures of the Company of a face value of INR 1,000/- (Rupee ^{ONE THOUSAND} ~~Five Lacsonly~~) aggregating up to INR 3,95,00,000/- (Rupees Three Crores ^{NINETY FIVE} ~~Fifty Lacsonly~~) to be issued by the Company to the Portfolio Manager in accordance with this Agreement and having such terms as set out in **Schedule III** and other terms of this Agreement;

NCD Premium shall have the meaning set forth in para 9 of Schedule III;

NCD Subscription Account shall mean the bank account to be maintained and operated by the Company with Account Bank as per terms of the Account Agreement in which the Portfolio Manager shall deposit the Investment Amount

Obligors shall mean collectively:

- (a) the Company; and
- (b) the Promoters;

Operating Account shall mean the bank current account of the Company into which all amounts from NCD Subscription Account and Construction Account will be transferred, to be used for payment of project expenses as per Business Plan;

Order shall mean any order, injunction, judgment, decree, ruling, writ, assessment or award of a court, arbitration body or panel or other Governmental Authority;

Ordinary Course shall mean an action taken by or on behalf of a Person that is: (i) recurring in nature and is taken in the ordinary course of the Person's normal day-to-day operations; (ii) taken in accordance with sound and prudent business practices; (iii) not required to be authorized by the Person's shareholders, board or any committee of the board and does not require any other separate or special authorization of any nature; and (iv) consistent with past practice and existing policies of such Person;

Pre-Closing Resolutions shall mean with respect to the Company:

- (a) a resolution of the Board, in a form and manner acceptable to the Portfolio Manager, and approving *inter alia*:

For A.R. PHARMACARE PVT. LTD.

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DIRECTOR

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- (i) the issuance of NCDs by the Company up to an amount of INR shall mean INR 3,95,00,000/- (Rupees Three Crores ^{SIXTY FIVE} Fifty Lacs only);
 - (ii) the execution of the Definitive Agreements and the transactions contemplated thereunder and any modifications, supplements or amendments thereto;
 - (iii) the appointment of the Debenture Trustee;
 - (iv) the opening of NCD Subscription Account and Operating Account with Account Bank;
 - (v) the making of necessary entries in the register of charges of the Company to record the creation of Security in accordance with this Agreement, the Debenture Trust Deed and the Definitive Agreements, and for filing of necessary forms, including forms to be filed with the jurisdictional Registrar of Companies, for perfection of the Security;
 - (vi) the convening of an EGM at short notice to adopt the matters set out in sub-clause (i) above;
- (b) a special resolution of the shareholders of the Company, in a form and manner acceptable to the Portfolio Manager, and approving *inter alia*:
- (i) issuance of NCDs up to an amount of INR shall mean INR 3,95,00,000/- (Rupees Three Crores Fifty Lacs only) under section 180(1)(c) of the Companies Act;
 - (ii) creation of charge over the assets of the Company to secure the NCDs under section 180(1)(a) of the Companies Act; and
 - (iii) issuance of the NCDs through private placement under Section 42 and Section 71 of the Companies Act together with Rule 14 (2) (a) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014;

Private Placement Offer Letter means the private placement offer letter prepared under Rule 14 and in Form PAS – 4 as set out under the Companies (Prospectus and Allotment of Securities) Rules, 2014 issued by the Company to the Portfolio Manager and includes the application form serially numbered, as required under the Companies Act;

Prepayment Date shall have the meaning as set forth in Clause 4.2(b)(iv);

Prepayment Notice shall have the meaning as set forth in Clause 4.2(b)(ii)(A);

Project Land means shall mean contiguous land admeasuring 49,320 sq.ft. in Gachibowli, more particularly provided in Schedule I

Project Construction Cost means the project construction cost for the Projects as set out in the Business Plan of the Company approved by the Portfolio Manager;

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For A.R. PHARMACARE PVT. LTD.

M. J. Mawla
DIRECTOR

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Project Permit shall mean any Consent and/or Governmental Approval that is issued, granted or required under applicable Law in respect of the Project and/or Project Land;

Project Schedule shall mean the time period for the 'entire completion' of the construction, development and implementation of the Project which shall be 60 months from the Closing Date. For the purpose of this definition, the 'entire completion' shall mean physical completion of the construction and development of the entire Projects along with services and external works, and making application for obtaining the completion certificate for the Projects;

Promoter Group shall have the meaning set forth in Section 2(1)(zb) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from to time);

"Receivables" shall mean any and all of the monies accruing to or arising out of or in relation or in connection with the sale and/or lease and/or license of the units (or part thereof) in the Project including, but not limited to, lease rentals, security deposits, common area maintenance charges, parking charges, etc. and all other amounts owing to, and received and/or receivable by the Company and/or any person on its behalf, all cash flows and receivables and proceeds arising from or in relation to or in connection with the sale / lease / license of the units in the Project and/or the sale / lease / license of the Project Land, Development Right and/or any part thereof, and all rights, title, interest, benefits, claims and demands whatsoever of the Company, to or in respect of the aforesaid monies, amounts, cash flows and receivables, both present and future from the Project.

Related Party shall have the meaning assigned to the term in Indian Accounting Standard 24 of the Accounting Standards;

Related Party Transactions shall mean transactions of any nature with any Related Party;

Relative shall have the meaning as set forth in Section 2(77) of the Companies Act;

Repayment Schedule shall mean the schedule for redemption/repayment of the NCDs as contained in Schedule VI;

RERA Account shall mean the bank account opened, established and maintained in terms of the provisions of the Real Estate (Regulation and Development) Act, 2016 and in which 70% (seventy percent) of the aggregate Sale Proceeds will be transferred;

Reserved Matter shall have the meaning as set forth in Clause 8.3;

Sale Proceeds shall mean all monies received or receivable by any of the Company from any prospective transferee of any of the units within the Projects including the following:

- (a) initial, progressive or final payments against the sale of the units in the Projects;
- (b) any charges levied for use of amenities relating to the Project or for any other purposes, including without limitation, brokerage charges, car parking charges, club-house charges, preferential location charges (PLC) or any other charges levied to recover the costs and expenses incurred in providing the amenities;

and excluding the following:

- (a) external development charges (EDC), enhanced EDC, internal development charges (IDC), external electrification charges (EEC) and fire-fighting equipment charges (FFC) and other Taxes that are payable to the Governmental Authorities, and security deposit for maintenance, which are pass through in nature;

Security shall mean:

- (a) first and exclusive charge by way of mortgage over Ownership Land and Development Rights along with all unsold units comprised in the Project and all constructions and saleable area now standing or made in the future on Project Land by way of along with all Receivables of the Company from the Project Land, Development Right, Projects and/or any part thereof, clear balance in the NCD Subscription Account, Construction Account and Operating Account and all other book debts, cash flows and receivables of the Company for the Project.
- (b) Personal Guarantee of the Promoters;

Securities shall have the meaning as set forth in Clause 8.3(a);

Security Documents means any documents creating, perfecting and/or evidencing Encumbrance in favour of the Debenture Trustee (for the benefit of the Debenture holders) to secure amounts due under the Definitive Agreements as amended and restated, modified, substituted or replaced from time to time pursuant to the transactions contemplated under this Agreement and any documents executed pursuant hereto or thereto designated as a 'Security Document' by the Debenture Trustee in consultation with the Portfolio Manager including the Personal Guarantees, Escrow Agreement, Account Agreement, Mortgage document and the Deed of Hypothecation;

Secured Obligations shall mean the obligation to pay any and all amounts payable to the holder of NCDs by the Obligor (as applicable) pursuant to the terms of the Definitive Agreements, including without limitation all the principal amounts of the NCDs then outstanding; Interest, NCD Premium; additional interest and Default Interest thereon; Default Price, indemnification payments, fees; and other monies payable by the Obligor (as applicable) to the Portfolio Manager and/or the Debenture Trustee (whether arising out of payment or performance obligations) under the Definitive Agreements;

Settlement Date shall mean the date on all Secured Obligations is paid by the Company to the Portfolio Manager in accordance with this Agreement;

Shares shall mean shares in the Share Capital, whether equity or preference;

Share Capital shall mean the share capital of the Company;

Tax or Taxes shall include without limitation all applicable taxes (Indian and where applicable to any other jurisdiction), including without limitation, income tax, withholding tax, dividend distribution tax, capital gains tax, fringe benefit tax, sales tax, customs duty,

wealth tax, gift tax, excise duty, service tax, occupation tax, value added or transfer taxes, governmental charges, fees, levies or assessments or other taxes, levies, fees, stamp duties, statutory gratuity and provident fund payments or other employment benefit plan contributions, withholding obligations and similar charges of any jurisdiction and shall include any interest, fines, and penalties related thereto and, with respect to such taxes, any estimated tax, interest and penalties or additions to tax and interest on such penalties and additions to tax;

Third Party shall mean a Person who is not a party to this Agreement;

Total Project Receipts shall have the meaning in Clause 4.C(b)(ii);

Transfer (including with correlative meaning, the terms **Transferred by** and **Transferability**) shall mean to transfer, sell, assign, place in trust (voting or otherwise), exchange, gift, Encumber or transfer by operation of Law; and

Warranties shall have the meaning as set forth in Clause 5.1.

1.2 Interpretation

- (a) Headings, bold typeface, titles and index are only for convenience and shall be ignored for the purpose of interpretation.
- (b) Unless the context of this Agreement otherwise requires:
 - (i) words using the singular or plural number also include the plural or singular number, respectively;
 - (ii) words of any gender are deemed to include the other gender; and
 - (iii) reference to the word include shall be construed without limitation.
- (c) The terms hereof, herein, hereby, hereto and derivative or similar words refer to this entire Agreement or specified Clauses of this Agreement, as the case may be.
- (d) The terms Clause and Schedule refers to the specified clause and schedule, respectively, of this Agreement.
- (e) The term paragraph refers to the specified paragraph of the relevant Schedule of this Agreement.
- (f) Reference to any legislation or Law or to any provision thereof shall include references to any such Law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, and any reference to statutory provision shall include any subordinate legislation made from time to time under that provision.
- (g) The Schedules shall constitute an integral part of this Agreement.

For A.R. PHARMACARE PVT. LTD

mawall
DIRECTOR

- (h) Time is of the essence in the performance of the Parties' respective obligations. If any time period specified herein is extended, such extended time shall also be of the essence.
- (i) Any word or phrase defined in the body of this Agreement as opposed to being defined in Clause 1.1 above shall have the meaning assigned to it in such definition throughout this Agreement, unless the contrary is expressly stated or the contrary clearly appears from the context.
- (j) If any provision in Clause 1 is a substantive provision conferring rights or imposing obligations on any Party, effect shall be given to it as if it were a substantive provision in the body of this Agreement.
- (k) In computing the shareholding / debentureholding of any Party for determining the rights and privileges available to such Party under this Agreement, the Shares / NCD, as case may be, held by its Affiliates shall be considered as being held by such Party.
- (l) Unless stated otherwise, when any number of days is prescribed in any document, the same shall be reckoned exclusively of the first and inclusively of the last day unless the last day does not fall on a Business Day, in which case the last day shall be the next succeeding day which is a Business Day.
- (m) Any obligation, covenant, warranty, representation or undertaking in this Agreement that is expressed to be made, undertaken or given by the Obligors shall be deemed *mutatis mutandis* to be jointly and severally made, undertaken and given by the Obligors, and each of the Obligors shall be jointly and severally responsible in respect of the same.
- (n) any determination with respect to the materiality or reasonableness of any matter including of any event, occurrence, circumstance, change, fact, information, document, authorisation, proceeding, act, omission, claims, breach, default or otherwise shall be made in the sole discretion of the Portfolio Manager.

2. AGREEMENT TO SUBSCRIBE TO NCDS

- 2.1 Subject to the terms and conditions of this Agreement and the Definitive Agreements and the fulfillment of the relevant Conditions Precedent (as applicable), and in reliance of the Warranties of the Obligors, the Portfolio Manager hereby agrees to subscribe to and the Company hereby agrees to issue and allot to the Portfolio Manager (or on direction of Portfolio Manager, to its clients) the NCDs for the Investment Amount, within the relevant Long Stop Dates.
- 2.2 The Investment Amount invested by the Portfolio Manager in the Company shall be utilized by the Company for the following purposes:

S. No.	Subscriptions	Description	Amount
1	NCD Subscription Amount	Payment towards consideration of Project Land and working capital requirements of the Projects	INR 3,95,00,000 (Rupees Three Crores Fifty Lacs only)

For A.R. PHARMACARE PVT. LTD. 15

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DIRECTOR

[Signature]

Map

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- 2.3 The Company shall, within 30 (thirty) days from the date of utilisation of (any or all of) the proceeds received by it, provide a certificate from the statutory auditor of the Company or a chartered accountant acceptable to the Portfolio Manager, confirming and evidencing the end use of the proceeds from the issuance of the NCDs in accordance with Clause 2.2 above.

3. **CONDITION PRECEDENT TO CLOSING**

3.1. **Conditions Precedent to Closing**

- (a) The obligation of the Portfolio Manager to deposit the NCD Subscription Amount into the NCD Subscription Account and to subscribe to the NCDs for an amount equal to the NCD Subscription Amount, in accordance with the terms of this Agreement, shall be subject to the fulfilment and satisfaction of the Portfolio Manager (unless waived in writing by the Portfolio Manager) of each of the following conditions precedent by the Obligor on or prior to the Long Stop Date (**Conditions Precedent to Closing**):
- (i) completion to the satisfaction of the Portfolio Manager of: (a) limited corporate, financial and technical due diligence by the Portfolio Manager or its advisors on the Company and the Project
 - (ii) each of the Pre-Closing Resolutions shall have been duly passed and the Portfolio Manager shall have been provided with certified true copies of the Pre-Closing Resolutions and shall have taken all necessary actions to enable allotment of NCDs in dematerialized form / Physical Form;
 - (iii) the Parties shall have agreed on the drafts of the Closing Resolutions relevant to the Closing;
 - (iv) certified true copies of the passport and the permanent account number of the Promoters and the Other Security Providers having been provided to the Portfolio Manager;
 - (v) a certified true copy of the specimen signature of each person authorised by the Pre-Closing Resolutions having been provided to the Portfolio Manager;
 - (vi) the Parties (as applicable) shall have executed each of the Definitive Agreements (other than the documents for creation of mortgage over the Project Property) in a form and substance acceptable to the Portfolio Manager;
 - (vii) the Company shall have provided to the Portfolio Manager, the Private Placement Offer Letter along with the application form serially numbered, in connection with the issuance of the NCDs on the Closing Date, as required under the Companies Act;
 - (viii) The Company has entered into agreement with depository participants and completed necessary formalities for issue of NCDs in dematerialized form, if required.

- (ix) The Promoters shall ensure that the Promoter Group shall acquire entire equity shares held by other shareholders not related with Promoter Group such that the Promoters (its Affiliates) shall hold beneficial interest and Control on 100% issued and paid up capital of the Company.
- (x) Undertaking from the Promoters that they shall have unencumbered beneficial interest and Control on not less than 76% of issued and paid up capital of the company until the redemption of all NCDs as per terms of this Agreement.
- (xi) the Company shall have provided the Portfolio Manager, a certificate from an authorized signatory of the Company certifying that:
- (A) the issuance of the NCDs together with any existing indebtedness of the Company would not cause any borrowing limit binding on it or on the Board to be exceeded;
 - (B) the securing, guaranteeing or otherwise collateralising, as appropriate, the Secured Obligations would not cause any securing, guaranteeing, collateralising or similar limit binding on it to be exceeded;
 - (C) the Warranties shall be true and correct in all respects, as of the Agreement Date and the Closing Date, with the same effect as if made on such day;
 - (D) no event has occurred which would, or is likely to result in a Material Adverse Effect and/or occurrence of an Event of Default or a potential Event of Default;
 - (E) each copy of the documents relating to it as specified in this Clause 3.1 (a) is correct, complete and in full force and effect and has not been amended or superseded as at a date earlier than the date of the certificate.
 - (F) Agreement for Sale dated 25th September 2008 executed between Sri L Krishan Singh, Sri L Ashok Singh, Sri L Naresh Singh, Sri L Santosh Singh, Sri L Nandu Singh, and the Company for acquiring part of the Project Land on ownership basis is valid and binding as of date and there is no dispute between the parties to the said agreement for transferring / conveying the said part of the Project Land admeasuring 2200 sq.yardin favour of the Company as per terms of said Agreement for Sale.
 - (G) The Company shall have provided a binding term sheet or memorandum of understanding or similar agreements entered with concerned landowner for acquisition of development right on the part of the Project Land admeasuring 3280 sq.yard.

- (xii) the Company shall have provided evidence to the satisfaction of the Portfolio Manager relating to the opening of the NCD Subscription Account and execution of Account Agreement, in accordance with this Agreement;
- (xiii) the Company shall have executed Account Agreement and opened NCD Subscription Account; and

The Parties agree and acknowledge that each of the provisions of this Clause 3.1 shall in any event be complied with prior to the Long Stop Date.

- (b) Upon fulfilment of the Conditions Precedent to Closing by the Obligors in accordance with Clause 3.1(a) above, the Company shall issue a CP Completion Certificate to the Portfolio Manager, together with all necessary supporting documents evidencing fulfilment of each of the Conditions Precedent to Closing to the sole and complete satisfaction of the Portfolio Manager (or waiver thereof by the Portfolio Manager at its sole discretion without any obligation).
- (c) If the Portfolio Manager is not satisfied with the compliance of any requirement under Clause 3.1 (a) above, it shall provide written notice thereof to the Company who shall re-send the CP Completion Certificate (together with the additional supporting documents requested by the Portfolio Manager, if any) under Clause 3.1 (a) above after complying with such requirements.
- (d) Upon fulfillment of the Condition Precedents to satisfaction of the Portfolio Manager, the Company shall provide the Portfolio Manager with a certified true copy of the Private Placement Offer Letter as required under the Companies Act, along with the Drawdown Notice. The Drawdown Notice shall set out the NCD Subscription Amount.
- (e) Notwithstanding the foregoing, the Portfolio Manager may, at any time, at the request of the Company or otherwise, and irrespective of the issue or otherwise of a CP Completion Certificate, by notice in writing to the Company waive the satisfaction of one or more of the Conditions Precedent to Closing and call upon the Obligors to undertake and complete the Closing.

4. CLOSING

4.1. Closing

- (a) The issue and allotment of the NCDs shall take place on Closing Date. The Parties shall mutually agree upon the Closing Date, which shall be a date falling no later than seven (seven) day from the receipt of the Drawdown Notice issued by the Company to the Portfolio Manager in respect of fulfillment of the Conditions Precedent to Closing (or waiver thereof).
- (b) On the Closing Date, the following events shall take place simultaneously:
 - (i) the Portfolio Manager shall issue irrevocable wire / payment instructions to remit to the NCD Subscription Account, the NCD Subscription Amount payable by the Portfolio Manager towards subscription of the Tranche NCDs;

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 For A.R. PHARMACARE PVT. LTD. 18
 M. J. JAWAHAR
 DIRECTOR

[Signature] *[Signature]*

- (ii) The Obligors (as applicable) shall ensure that the Company:
- (A) passes the Closing Resolutions relevant to Closing in the agreed form and the Portfolio Manager shall be provided with certified true copies of each of such Closing Resolutions;
 - (B) issues the Closing Certificate to the Portfolio Manager, duly signed by the Obligors;
 - (C) issues appropriate instructions to its depository to credit the NCDs (in dematerialized form) to the Portfolio Manager's (or on direction of Portfolio Manager, its client's) depository participant account;
 - (D) enters the name of the Portfolio Manager (or on direction of Portfolio Manager, its client's) into its register of debenture holders in respect of the NCDs and provides the Portfolio Manager with a certified true copy of the register of debenture holders updated to reflect the Portfolio Manager as the owner of the NCDs.
 - (E) Post dated cheque for interest, NCD Premium and Principal amount of NCDs.
- (c) All transactions contemplated by this Agreement to be consummated at the Closing Date shall be deemed to occur simultaneously and no such transaction shall be consummated unless all such transactions are consummated.
- (d) The Parties shall ensure that all the events contemplated under Clause 4.1(b) are initiated and completed on the same Business Day. Closing shall not be deemed to occur unless all of the events contemplated under Clause 4.1(b) are duly completed.

4A. POST CLOSING COVENANTS / CONDITION SUBSEQUENT

The Obligors undertake to the Portfolio Manager to comply the following:

- (i) Within 30 (thirty) days of the Closing, the Company shall have:
- (A) executed each of the Security Documents in a form and substance acceptable to the Portfolio Manager, and each such Security Document shall be in full force and effect; and
 - (B) carried any other security perfection related requirements (to the satisfaction of the Portfolio Manager) to perfect the Security created pursuant to the terms of this Agreement and the Definitive Agreements;
- (ii) Within 7 (seven) days of the Closing Date, the Company shall (and ensure that the relevant Obligor), in a form and manner satisfactory to the Portfolio Manager make all filings evidencing perfection of Security in accordance with this Agreement and the other Definitive Agreements (including filing form

For A.R. PHARMACARE PVT. LTD.

m. j. awadh
DIRECTOR

CHG-9 or CHG-1, as the case may be, issued under the Companies (Registration of Charges) Rules, 2014 with the jurisdictional Registrar of Companies) and provide the Portfolio Manager (to its satisfaction) with the necessary evidence in this regard.

- (iii) No later than 30 (thirty) days from the circulation of the Private Placement Offer Letter, in connection with the issuance of the NCDs on the Closing Date, the Company shall make all necessary filings with the relevant registrar of companies in relation to the private placement of the NCDs on the Closing Date and provide the Portfolio Manager (to its satisfaction) with the necessary evidence in this regard.
- (iv) No later than 30 (thirty) days from Closing Date, Execute a duly stamp duty paid conveyance deed / sale deed in favour of the Company for the land mentioned in Agreement for Sale and registered the same with sub-registrar of assurance alongwith obtaining peaceful and vacant possession of said land free from all encumbrances.
- (v) No later than 30 (thirty) days from Closing Date Execute a duly stamp duty paid development agreement in favour of the Company for the land admeasuring 3280 sq.yard forming part of the Project Land and registered the same with sub-registrar of assurance alongwith peaceful and vacant possession of said land free from all encumbrances.
- (vi) No later than 45 (thirty) days from Closing Date the company shall provide legal title report of the Project Land confirming the title of the Company is clear, marketable and free from all encumbrances from the law firm as may be appointed by the Portfolio Manager.
- (vii) No later than 60 (sixty) days from Closing Date, the Company shall create a first and exclusive charge on the Project including Project Land owned by the Company and Development rights on part of the Project Land and all present and future structure thereon by execution of the mortgage deed(s)/deposit of title deeds in form and manner satisfactory to the Portfolio Manager and register the same with sub-registrar of assurance at cost and expenses of the Company.
- (viii) certifying that no permission / certificate from the Assessing Officer under Section 281 of the Income Tax Act 1961 is required for the creation of mortgage over the Project Land as there are no proceedings against the Company (as an assessee) under the Income Tax Act, 1961 and the Mortgaged Properties forming part of stock-in trade in the course of business of the Company.
- (ix) No later than 60 (sixty) days from Closing Date, execution of Escrow Agreement with Escrow Agent for the Construction Account.
- (x) No later than 60 (sixty) days from Closing Date, the Company shall open Operating Account in its name exclusively for payment of the Project related

For A.R. PHARMACARE PVT. LTD.

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DIRECTOR

expenses as per Business Plan. The account shall be opened with any nationalized bank as may be approved by the Portfolio Manager. All money to be transferred from Construction Account and NCD Subscription Account for the construction and development of the Project shall be transferred to this Operating Account and all expenses related with the Project shall be incurred from the Operating Account only. No other payment to be credited to this account and no payment to be made from this account, if it is not related with the Project as per Business Plan.

4B NCD Subscription Account:

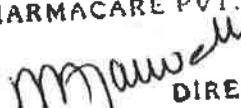
- (a) Upon fulfillment of the all Conditions Subsequent in accordance with Clause 4A above, the Company shall issue a certificate ("CS Completion Certificate") to Portfolio Manager confirming that all conditions mentioned in Clause 4A are duly complied with all necessary supporting documents evidencing fulfillment of each of the Conditions Subsequent mentioned in Clause 4A above.
- (b) Upon receipt of CS Completion Certificate, Portfolio Manager shall assess whether the Condition Subsequent have been fulfilled to its sole and complete satisfaction, upon which the Portfolio Manager may, at its sole discretion, issue instruction to Account Bank for transfer of NCD Subscription Amount in one or more tranches to Operating Account.
- (c) If the Portfolio Manager is not satisfied with the compliance of any requirement under clause 4B(b) above, it shall provide written notice thereof to the Company who shall re-send the CP Completion Certificate (together with the additional supporting documents as requested by the Portfolio Manager) under clause 4B(b) above after complying with such requirements
- (d) Until the fulfillment of all Conditions Subsequent to the complete satisfaction of the Portfolio Manager, the Obligors shall not demand to release any amount from NCD Subscription Account.
- (e) The Portfolio Manager shall have sole and exclusive rights to give instruction to Escrow Agent of NCD Subscription Account to transfer money to the Operating Account.
- (f) It is clarified that the Company shall be liable to pay Interest, Default Interest, NCD Premium and other charges and amounts on and from the Closing Date irrespective of Investment Amount laying in NCD Subscription Account.

4C. Redemption of NCDs

(a) Mandatory Redemption

- (i) Unless redeemed earlier, in accordance with the provisions of the Definitive Agreements, the Company shall redeem the NCDs subscribed to by the Portfolio Manager by paying the full Secured Obligation towards the NCDs on the dates mentioned in the Repayment Schedule.

For A.R. PHARMACARE PVT. LTD.


DIRECTOR

- (ii) Any redemption of the NCDs shall be subject to the Company first paying in full all accrued and unpaid Interest (including any additional/penal interest payable under the terms of this Agreement) and NCD Premium and other dues on the face value of any and all outstanding NCDs held by the Portfolio Manager along with principal amount of NCDs.
- (iii) Any failure by the Company to redeem the then outstanding NCDs in the manner aforesaid, shall be deemed to be an Event of Default under this Agreement and the Definitive Agreements and the Portfolio Manager shall be entitled to exercise any or all of its rights and remedies available to it, whether under this Agreement and other Definitive Agreements or in Law.

(b) Voluntary Redemption of the NCDs

- (i) **Initial Lock-in:** The Company shall not be permitted to redeem the NCDs prior to the expiry of 18 months from the Closing Date (**Lock-in Period**).

- (ii) **Pre-payment from sale proceeds or other cash flows of the Projects:**

- (A) At any time after the expiry of the Lock-in Period, the Company may redeem all or a part of the outstanding NCDs held by the Portfolio Manager out of all amounts received from the sale of residential units or saleable area of Project in accordance with this Agreement and the other Definitive Agreements (**Total Project Receipts**) by issuing an irrevocable notice to the Portfolio Manager (**Prepayment Notice**) of at least 45 (forty five) days prior to the Prepayment Date (defined below).
- (B) In case of partial prepayment, the Company shall ensure that the minimum amount prepaid shall be at least Rs.50,00,000/- (Rupees Fifty Lacs).
- (C) Any redemption of the NCDs shall be subject to the Company first paying in full all accrued and unpaid Interest and NCD Premium on the face value of any and all outstanding NCDs held by the Portfolio Manager.

- (iii) **Pre-payment from funds other than sale proceeds:**

- (A) At any time after the expiry of 18 months from the Closing Date, the Company may redeem all (and not less than all) of the outstanding NCDs from the Portfolio Manager out of funds other than the Total Project Receipts by issuing a Prepayment Notice to the Portfolio Manager of at least 45 (forty-five) days prior to the Prepayment Date.
- (B) Any redemption of the NCDs under this Clause 4.C(b)(iii) shall be subject to the Company paying on the Prepayment Date in full all accrued and unpaid Interest (including any additional / penal interest payable under the terms of this Agreement) and NCD Premium on the face value of any and all outstanding NCDs held by the Portfolio Manager and all other payments as per this Agreement.

- (iv) The Prepayment Notice delivered by the Company pursuant to sub-clause (ii) and (iii) above, shall indicate the date on which the Company intends to make a prepayment (**Prepayment Date**), and in case of a redemption of some (and not all) of the NCDs, specify the portion of the Investment Amount that it intends prepay. Failure of the Company to make payment on the Prepayment Date shall be an Event of Default.
- (c) In the event the Company deducting tax at source, the Company shall issue and submit TDS Certificate to the Portfolio Manager within the applicable time frame as prescribed by Income Tax Authorities from the date of deduction of tax. The Portfolio Manager shall be entitled to retain the Security till the time TDS Certificate is submitted by the Company to the Portfolio Manager and is sighted in Form 26 AS in NSDL's website, irrespective of the Redemption of NCDs. It is hereby agreed that in the event TDS Certificate is not submitted by the Company and not sighted in Form 26 AS within the aforesaid period the Company shall deposit an amount with the Portfolio Manager equal to the amount of TDS **within 15 (fifteen) Business Days** from the date of receipt of Notice from the Portfolio Manager in that regard, and upon deposit of such amount, the Portfolio Manager shall release the Secured Assets. It is clarified that the amount shall be retained by the Portfolio Manager until TDS Certificate is sighted in Form 26 AS in NSDL's website and upon such sight shall be released back to the Company **within 7 (seven) Business Days**. The Portfolio Manager shall have the right to sell off the Security to recover its dues/amount of the tax deducted.
- (d) The Obligors agrees, declares and confirms that notwithstanding any of the provisions of the Indian Contract Act, 1872 or any other Law or any of the terms and conditions contained in this Agreement and /or Security Document/s, any payment(s) received by the Portfolio Manager from the Obligors whether from Construction Account or otherwise, shall unless otherwise agreed to by the Portfolio Manager in writing be appropriated in the following manner:
- (i) Firstly towards costs, charges, expenses and other monies, due and payable to the Portfolio Manager;
 - (ii) Secondly towards Additional Interest/Liquidated Damages/Indemnification;
 - (iii) Thirdly towards arrears of Interest due and payable to the Portfolio Manager;
 - (iv) Fourth, towards NCD Premium
 - (v) Repayment of the Principal amount of Outstanding NCDs;
 - (vi) Lastly, towards any other charges payable under this Agreement.
- (e) Notwithstanding anything contained in above sub-clause (d), the Portfolio Manager may, at its absolute discretion appropriate any payment in any manner towards its dues, payable by the Company under this Agreement.

5. **REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE OBLIGORS**

For A.R. PHARMACARE PVT. LTD

M. Mawall
DIRECTOR

[Signature]

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- 5.1 The Obligors hereby jointly and severally represent and warrant to the Portfolio Manager that each of the representations, warranties and statements contained in **Schedule I** hereto is true and correct as of the date of this Agreement and shall be true and correct on and as of the Closing Date (the Warranties).
- 5.2 The Warranties shall be deemed to be repeated on the Closing Date in accordance with the terms of this Agreement by reference to the facts and circumstances then existing as if references in the Warranties to the date of this Agreement were references to the Closing Date.
- 5.3 Each of the Warranties shall be construed as a separate warranty and (save as expressly provided to the contrary herein) shall not be limited or restricted by inference from the terms of any other Warranty or any other terms of this Agreement.
- 5.4 The Obligors undertake to promptly notify the Portfolio Manager in writing if any of them becomes aware of any fact, matter or circumstance (whether existing on or before the date of this Agreement or arising afterwards) which would cause any of the Warranties given by them, to become untrue or inaccurate or misleading in any respect.

6. REPRESENTATIONS AND WARRANTIES OF THE PORTFOLIO MANAGER

- 6.1 The Portfolio Manager represents and warrants to the Company, as of the Agreement Date that:
- (a) it has full power and authority to execute and perform this Agreement and each of the Definitive Agreements to which it is a party; and
 - (b) this Agreement and each of the Definitive Agreements, when executed and delivered by it, shall constitute valid and binding obligations enforceable against it in accordance with the terms hereof.
- 6.2 The Portfolio Manager undertakes to promptly notify the Company in writing if it becomes aware of any fact, matter or circumstance (whether existing on or before the date of this Agreement or arising afterwards) which would cause any of the statements set out in Clause 6.1 to become untrue or inaccurate or misleading in any material respect.

7. COVENANTS OF THE COMPANY AND THE OBLIGORS

- 7.1 The Obligors shall ensure that the Company utilises the proceeds from the sale of unit or saleable area in the Project only for the purposes as set out in this Agreement.
- 7.2 The Obligors shall ensure that the 'entire construction' of the Projects shall be completed by the Company strictly in accordance with the Project Schedule. For the purpose of this paragraph, the 'entire construction' shall mean physical completion of the construction and development of the entire Projects along with services and external works, and making application for obtaining occupancy certificate for the Projects.
- 7.3 The Promoters shall ensure that the Company has sufficient working capital for the construction, development and implementation of the Projects in accordance with the

For A.R. PHARMACARE PVT. LTD.
mjauwal
DIRECTOR

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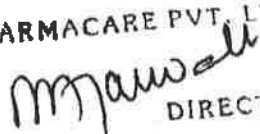
Business Plan and in case of any short fall, the Promoters hereby undertake to bring the subordinate debt / capital in the Company from its own sources from time to time.

It is clarified that all Promoter's funding in the Company shall be subordinated to the NCDs issued to the Portfolio Manager and the Company shall not make any payment of interest, coupon or payment of any amount howsoever in relation to the Promoter's funding or make any repayment/redemption of the Promoter's funding until the Secured Obligation is repaid in full along with all other accrued amounts under this Agreement to the Portfolio Manager.

7.4 The Obligors shall:

- (a) ensure that the Company complies with all applicable Laws in all jurisdictions in which the Company carries on the Business,
- (b) comply with all applicable Laws in all jurisdictions which are applicable to them;
- (c) promptly inform the Portfolio Manager of any circumstance which the Company is, or becomes, aware of, any event threatening to interfere with the implementation of the Business Plan or the performance by the Company and/or Obligors of their respective obligations under the Definitive Agreements;
- (d) ensure that the Company utilizes the Investment Amount exclusively in accordance with and for the purposes as set out in Clause 2.2;
- (e) ensure that the Company at all times, takes all necessary Governmental Approvals, Consents and Project Permits required to be obtained by the Company, and promptly (and in any case within the time period prescribed by Law) complies with all conditions imposed for the continuance of and compliance with any Governmental Approval, Consent, Project Permit or license issued to the Company;
- (f) ensure that the Company does not conduct and/or engage in and/or undertake any activity which will or is likely to cause a Material Adverse Effect;
- (g) ensure that the Company and the Obligors perform, observe and comply with terms of any Contract entered into by the Company and the Obligors in relation to the Project;
- (h) ensure that the Company conducts its business in the Ordinary Course and in accordance with applicable Laws;
- (i) ensure that the Company maintains the highest standards of corporate governance;
- (j) ensure that the Company and the Promoters execute all Contracts relating to the Projects and the Project Property in a form and manner compliant with applicable Laws;
- (k) ensure that the Company maintains adequate insurance cover with respect to all the Assets and to maintain all other forms of insurance cover required to be maintained by: (i) applicable Laws, or (ii) any Governmental Approval; and

For A.R. PHARMACARE PVT. LTD.


DIRECTOR





- (l) ensure that the Company pays all Taxes and file the requisite returns as required by Law and in accordance with this Agreement.
- (m) Ensure that any agreement for sale to be entered into by and between the Company and any customer for sale of any Units or any other premises in relation to the Project shall specify that the Project including the Project Land and all receivables arising therefrom have been charged in favour of the Debenture Trustee / Portfolio Manager.
- (n) Obligors shall ensure that all marketing communications undertaken by the Company in relation to the Project, including but not limited to brochures, hoardings, printed advertisements, etc. shall specify that the Project has been financed by the Portfolio Manager.
- (o) All the receivables from the RERA Account shall be deposited in the Construction Account maintained with the Escrow Agent in accordance with the Escrow Agreement.
- (p) The funds from the Construction Account shall be utilized in the manner mentioned herein below and also in the Escrow Agreement unless otherwise instructed by the Portfolio Manager:
 - i) Firstly, payment towards statutory dues of the Project;
 - ii) Secondly, payment towards Secured Obligation accrued and due for payment to Debenture Holders;
 - iii) Lastly, balance, if any, to be transferred to Operating Account of the Company for construction and development of the Project as per Business Plan of the Project;

Notwithstanding the conditions stipulated hereinabove, on occurrence of event of default, Debenture Trustee shall have a right to utilize all the monies received in Construction Account towards arrears of principal / interest / other charges and for the purpose of Redemption of outstanding NCDs, in a manner deemed fit by Portfolio Manager. Under such circumstances, monies received in Construction Account will not be released to the Borrower.

Further, notwithstanding to above waterfall mechanism, the Company's obligation to pay interest and Redemption amount on due date shall not be affected due to any shortfall in Construction Account and Company shall meet such obligation from its own sources.

- 7.5 The Company shall, and the Obligors shall cause the Company to keep proper, complete and accurate books of accounts in Indian Rupees in accordance with the Accounting Standards and applicable Laws. Such books and records shall be open for inspection by members of the Board, the Portfolio Manager and their respective representatives. The Company shall promptly provide the Portfolio Manager or its representatives such management and financial information as the Portfolio Manager may from time to time reasonably require.

For A.R. PHARMACARE

[Signature]
DIRECTOR

[Signature]

[Signature]

7.6 Each of the Obligors (as applicable) shall exercise its voting rights as a shareholder of the Company in such manner as to ensure that the Obligors (as applicable) comply with all of their respective obligations and covenants under the Definitive Agreements.

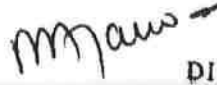
7.7 The Company shall be, and the Obligors (other than the Company) shall ensure that the Company is, responsible for:

- (a) obtaining all necessary Government Approvals and Consents, including Project Permits and Environmental Permits, as may be required in connection with the Project;
- (b) appointment of competent architects, consultants and contractors in relation to the implementation of the Projects, to the satisfaction of the Portfolio Manager;
- (c) setting up in-house teams and resources for the Company to manage the day-to-day operations of the Company;
- (d) ensuring that all operations of the Company shall be monitored by the Board of Directors;
- (e) dedicating sufficient resources and time of its management to effectively and safely manage the development, construction, marketing and sale of the Project within pre-agreed parameters of time, cost and quality. All costs attributable to the Project towards development shall be borne by the Company;
- (f) finalisation of detailed brief of the Projects with architects and consultants;
- (g) coordination for design drawings;
- (h) preparing the budget for the Projects and monitoring the same;
- (i) compilation of specifications, bill of quantities and tender documents;
- (j) procurement of resources/ material for the Projects in a timely manner;
- (k) ensure adherence to applicable Laws, local development guidelines, labour laws, environment, health and safety standards;
- (l) supervise and manage construction of the Projects; and
- (m) marketing and selling the Projects.

7.8 During the period between the Agreement Date and the Closing Date, the Obligors shall ensure that the Company and the Promoters conduct the Business in the Ordinary Course, and the Company and the Promoter (as applicable) shall not, whether pursuant to a single transaction and/ or a series of transactions, without the prior written consent of the Portfolio Manager:

- (a) take any action or enter into any transactions that may result in a change in the scope, nature or activities of the Company or of the Business;

For A.R. PHARMACARE PVT. LTD. 27


DIRECTOR





- (b) declare or pay any dividend or make any distribution upon any of the Shares or securities of the Company;
- (c) incur any indebtedness, i.e. avail of any loan or debt, whether secured or unsecured, either for the purposes of the Company or the Projects;
- (d) make any capital expenditure or investment material in nature; or
- (e) take or implement a decision or any action in connection with any of the Reserved Matters.

The Obligors shall, until the Settlement Date, promptly notify the Portfolio Manager in writing if any of them become aware of any fact, matter or circumstance (whether existing on or before the Agreement Date or arising afterwards) which would result in a Material Adverse Effect. In such event, the Obligors and the Portfolio Manager shall mutually agree upon the further course of action, and the Obligors shall perform such steps as have been approved in writing by the Portfolio Manager.

- 7.9 The Company and Obligors shall take all such steps to ensure that the main objects of the memorandum of association of the Company is amended to include undertaking real estate development and construction, within a period of 120 days from the Closing Date.

8. MANAGEMENT

8.1 Day to Day Management of the Company

The Company shall be managed and governed under the overall direction and control of the Board.

8.2 Board Observer

- (i) The Portfolio Manager has the right to nominate a person as its representative to observe and provide their decisions to the Board (**Portfolio Manager Observer**) and such Portfolio Manager Observer shall be a permanent invitee on the Board of the Company. The Portfolio Manager Observer shall be entitled to receive all the notices for meetings of the Board and the Portfolio Manager Observer shall be entitled to attend all meetings of the Board whose agenda relate to the implementation of the Projects, the Reserved Matters and/or any other matter affecting the rights of the Portfolio Manager under the Definitive Agreements. Any observations made by the Portfolio Manager Observer on any meetings of the Board shall be duly recorded in the minutes of such meeting of the Board;
- (ii) The Portfolio Manager shall be entitled, from time to time, to replace the Portfolio Manager Observer and appoint another person in such Portfolio Manager Observer's stead, by issuing a written notice to this effect to the Company; and
- (iii) The provisions of sub-clause (i) and sub-clause (ii) hereinabove shall *apply mutatis mutandis* to each committee of the Board and all meetings thereof.

8.3 Reserved Matters

The Obligors agree and undertake that no decisions on the following matters (**Reserved Matters**) at any meeting of the Board or committee or sub-committee thereof and/or, by resolution by circulation by the Directors shall be taken unless the prior written consent of the Portfolio Manager has been received by the Obligors with regard to the relevant Reserved Matter:

- (a) any issuance of Shares, quasi-equity or equity-linked securities, convertible debentures or other convertible instruments, employee stock options (**Securities**) of the Company, warrants, share-splits, bonuses, restructuring and reduction of capital, any reclassification or creation of new class or series resulting in the cumulative shareholding of the Promoters in the Company falling below 76% (seventy six percent);
- (b) any change to the capital structure of the Company resulting in the cumulative shareholding of the Promoters in the Company falling below 76% (seventy six percent);
- (c) any change in the shareholding pattern of the Company by way of Transfer of Shares or Securities of the Company by the Promoters which results in the cumulative shareholding of the Promoters or their Affiliates in the Company falling below 76% (seventy six percent);
- (d) borrowing of funds by the Company in any form, in relation to the Projects;
- (e) make any investments by the Company by way of deposits (other than in the Ordinary Course for a sum less than INR 10,00,000 (Rupees Twenty Five Lakh) per transaction and INR 25,00,000 (Rupees Twenty Five Lacs) cumulatively, loans or subscription to shares, Securities and debentures of any Person (excluding temporary deposits with banks or liquid mutual funds in the Ordinary Course of Business) other than those specifically agreed in the Definitive Agreements;
- (f) changes in the Financial Year, accounting year, and accounting policies / standards of the Company;
- (g) merge or demerge with or into any other company, acquire or be acquired by any Person, or enter into a joint venture in relation to the Projects;
- (h) any Liquidation Event affecting the Company;
- (i) any amendment to the Charter Documents of the Company to the extent that such amendment affects or alters the rights of the Portfolio Manager under the Definitive Agreements;
- (j) sale of any residential units or saleable area in the Projects to any Related Party and/or any of the Affiliates of the Company/Promoters on terms less favorable than the sale of any such residential units or commercial units under the respective Projects in the last 3 (three) months or the sale of the last 5 (five) units in case the number of units sold in the last 3 (three) months are less than 5 (five);

- (k) any Transfer of any Asset of the Company relating to the Projects , other than the Transfer as may be necessary in the Ordinary Course relating to the sale of residential units or saleable area in the Projects;
- (l) any change to or appointment or re-appointment of a statutory auditor or internal auditor of the Company;
- (m) Any transfer of Project Land and/or any part or development rights thereof;
- (n) Initiation of any litigation or defending of any litigation related with the Project or the Project Land or rights of the Company on the Project Land or any part thereof or any litigation where amount of claim is more than Rs.1 crore.
- (o) any change in Company's signatory to the Existing Company Accounts relating to Projects; and
- (p) Any opening of current account or any other bank account of the company other than Operating Account, RERA Account, Construction Account and NCD Subscription Account.
- (q) Any change in composition of the Board of Directors of the Company;
- (r) Declaration of dividend and payment thereof;
- (s) Any Financial Indebtedness exceeding Rs.1 crore;
- (t) Any material modification / alteration on the Business Plan;
- (u) Any amendment / alteration of Articles of Association of the Company;
- (v) Any related party transaction of value exceeding Rs. 25,00,000/-;
- (w) Any payment of remuneration to any Director of the Company;
- (x) Any payment of interest on promoters loan in the Company;

For avoidance of doubt the Parties agree that the Company shall be required to obtain the prior written consent of the Portfolio Manager before taking any action in relation to the aforesaid Reserved Matters.

The Promoters shall, and shall ensure that the Promoter Group will, at all times vote or cause to be voted, and take all other actions necessary to give full effect to the provisions of this Clause to ensure that the Company does not default under the provisions of this Clause.

9. TRANSFER OF SECURITIES

9.1 Provisions relating to Portfolio Manager:

For A.R. PHARMACARE PVT. LTD.

M. J. Mawall
DIRECTOR

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