

**TERMS FOR THE ISSUE OF**  
**SERIES C 0.001% FULLY AND COMPULSORILY CONVERTIBLE DEBENTURES**

**In these terms, except where the context otherwise requires the following words and expressions shall have the following meanings:**

**“Applicable Law”** means any and all applicable provisions of any (a) constitution, treaties, statutes, laws (including the common law), codes, rules, regulations, ordinances or orders of any Government Authority which have the force of law, (b) Governmental Approvals, and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Government Authority.

**“Articles of Association”** means the articles of association of the Company, and shall include all modifications to the articles of association made from time to time.

**“Arvon”** means Arvon Investments Pte Ltd, a company incorporated under the laws of Singapore having its registered office at 60B Orchard Road, #06-18 The Atrium @Orchard, Singapore – 238891 and shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns.

**“Asset”** means assets (whether movable or immovable, tangible or intangible or financial) of the Company and the right and privileges of any nature and all goodwill associated therewith, including any properties.

**“Big Four Accountancy Firms”** means Pricewaterhouse Coopers (PwC), Ernst & Young (EY), Deloitte and KPMG and/or their affiliated or associated accountancy firms.

**“Board”** means the board of directors of the Company from time to time.

**“Business Day”** means any day on which banks are generally open in Singapore, Chennai, India and Mumbai, India for the transaction of normal banking business but does not include Sundays.

**“Company”** means Dr. Agarwal’s Health Care Limited, a company incorporated under the laws of India having its registered office at 1st Floor, Buhari Towers, No. 4, Moores Road, off Greams Road, Near Asan Memorial School, Chennai – 600006 and shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns.

**“Completion Date”** means the date of allotment of the Series C CCPS and the Series C CCDs in accordance with the provisions of the Securities Subscription Agreement.

**Dr. Agarwal’s Health Care Limited**

**Regd. Office**

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**Corporate Office**

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Tel: +91 44 4378 7777 | +91 44 4378 7778 | CIN: U85100TN2010PLC075403 | GST No: 33AADCD4418M1ZO

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**“Constitutional Documents”** means, (i) the Memorandum of Association and Articles of Association, or (ii) the memorandum of association and articles of association or the applicable charter document(s) of each Other Group Entity, as the case may be.

**“Encumbrances”** means any right, title and/ or interest or equity of any nature whatsoever (including any right to acquire, option or right of pre-emption) or any mortgage, pledge, deed of trust, hypothecation, right of others (including right of set-off or counterclaim), security interest, burden, title defect, title retention agreement, lease, sublease, license, voting trust agreement, interest, right of first offer or refusal, proxy, lien, charge, covenant, purchase agreement, actionable claim or any security agreement, security arrangement, other restriction/s, limitations or encumbrance of any nature whatsoever.

**“Equity Securities”** means any Equity Shares or any securities representing or representing a right (upon conversion, exercise, exchange or otherwise) to receive, Equity Shares.

**“Equity Shares”** means equity shares of the Company having a par value of INR 10 (Indian Rupees Ten) per equity share and having, terms and privileges attached to them, all as set forth in the Shareholders’ Agreement and the Articles of Association.

**“Existing Investor”** means Value Growth Investment Holdings Pte. Ltd., a company incorporated under the laws of Singapore having its registered office at 5 Shenton Way, #13-03 UIC Building, Singapore – 068808 and shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns.

**“Financial Year”** means a financial year commencing from April 1 and ending on March 31 in the immediately succeeding year.

**“Fully Diluted Basis”** means the assumption that the exercise, and as may be applicable, the conversion of any notes, options (including employee stock options), warrants, contracts and instruments convertible into Equity Shares whether or not compulsorily convertible outstanding on the date of calculation have been exercised or exchanged for or converted into Equity Shares and all Equity Shares issuable pursuant to contractual or other obligations have been issued.

**“Government Authority”** means 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 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 or any other country.

**“Governmental Approvals”** mean any consent, approval or waiver from any Government Authority.

**“INR or Indian Rupees”** means the lawful currency of the Republic of India.

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“Investor” means Claymore Investments (Mauritius) Pte Ltd, a company incorporated under the laws of Mauritius having its registered office at Les Cascades, 5th Floor, Edith Cavell, Port Louis – 11324, Mauritius and shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns.

“IRR” means an internal rate of return of a specified percentage per annum, calculated using the “xIRR” function in Microsoft Excel (or if such program is no longer available, such other software program for calculating the internal rate of return as decided by the parties to the Shareholders’ Agreement).

“Long Stop Date” means the date of expiry of 60 (sixty) days from the Execution Date or such other date as may be mutually.

“Parties” means the parties to the Securities Subscription Agreement.

“Qualified Round” means: (i) capital raise pursuant to issuance of Equity Securities by the Company to any third party(ies) (other than the existing Shareholders including without limitation the Existing Investor or the Investor and, or, their Affiliates) for an amount not less than INR 1000,000,000 (Indian Rupees One Billion); or (ii) sale of Equity Securities of the Company held by an existing Shareholder to a third party(ies) for an amount not less than INR 1000,000,000 (Indian Rupees One Billion); or (iii) a combination of the transactions set out in sub-clause (i) and (ii) aggregating to an amount of not less than INR 1000,000,000 (Indian Rupees One Billion).

“Qualified Round Long Stop Date” means the date of expiry of 2 (two) years from the Completion Date or such other date as may be mutually agreed by the Parties.

“Second Amendment Agreement” means the second amendment to the Shareholders’ Agreement dated July 16, 2021 executed *inter alios* amongst the Company, the Promoters (as defined therein), the Existing Investor and the Investor.

“Securities Subscription Agreement” means the securities subscription agreement dated July 16, 2021 executed *inter alios* amongst the Company, the Promoters (as defined therein), the Existing Investor and Arvon.

“Series C Conversion Date” means the date of consummation of the Qualified Round or if the Qualified Round is not consummated before the Qualified Round Long Stop Date, then the Qualified Round Long Stop Date.

“Series C CCD(s)” means the fully and compulsorily convertible debentures with a face value of INR 1,200 (Indian Rupees One Thousand Two Hundred) each having such terms as set out in these terms.

“Series C CCPS” means the fully and compulsorily convertible non-cumulative participating preference shares with a face value of INR 100 (Indian Rupees Hundred) each having such terms as set out in these terms.

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“**Shareholder**” means any person in whose name any Equity Shares or Equity Securities or any other share forming part of the share capital of the Company is registered in the register of members of the Company.

“**Shareholders’ Agreement**” means the shareholders’ agreement dated January 15, 2019 executed *inter alios* amongst the Company, Promoters, Existing Investor and the Investor, as amended from time to time, including by way of the first amendment agreement dated January 13, 2020 and the Second Amendment Agreement.

“**Transfer**” means to transfer, sell, assign, pledge, hypothecate, create a security interest in or beneficial ownership over, or lien on, place in trust (voting or otherwise), exchange, gift or transfer by operation of Applicable Law or in any other way, subject to any Encumbrance or dispose of, whether or not voluntarily.

The Series C CCDs shall be issued on the terms and conditions contained in these terms.

Sr. No.	Particulars	Details
1.	Name of the Instrument	0.001% (zero point zero zero one per cent) Fully And Compulsorily Series C Convertible Debentures
2	Issue Price (in Rs.) (per security)	INR 1,200 (Indian Rupees One Thousand Two Hundred)
3	Maturity date (Conversion Date)	20/08/2023
4	Tenure of the instrument at the time of Issuance	2 Years, 0 Months, 0 Days
5	Allotment Quantity	1,67,366 0.001% Series C Fully And Compulsorily Convertible Debentures

#### 1. Interest and Participation in Dividend

- 1.1. Every Financial Year, each holder of the Series C CCDs shall be entitled to interest of 0.001% (zero point zero zero one per cent) per Series C CCDs held by it.
- 1.2. The holders of the Series C CCDs shall be entitled to participate in any dividend distribution to the holders of the Equity Shares on a Fully Diluted Basis.



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## 2. Voting

Subject to Applicable Law, the Existing Investor, being a holder of Series C CCDs, shall be entitled to exercise such voting rights in proportion to its shareholding in the Company on a Fully Diluted Basis.

## 3. Series C CCDs Conversion

3.1. Subject to the adjustments in Paragraph 4.4 and the terms of Paragraph 4.5, each Series C CCD shall convert into such number of Equity Shares as determined in accordance with Paragraph 3.2 on the Series C Conversion Date. It is hereby agreed and clarified that Paragraph 3.2 does not take into account any increase in the capital of the Company due to any future capital issuances. For avoidance of doubt, it is hereby clarified that any further issue of capital by the Company will be in accordance with clause 8.6 (*Further Infusion of Capital and Pre-emptive Rights*) of the Shareholders' Agreement.

3.2. Each Series C CCD shall be convertible into such number of Equity Shares, as computed as follows:

- (a) X in the event if a Qualified Round is consummated on or prior to the Qualified Round Long Stop Date; or
- (b) Y in the event a Qualified Round is not consummated until the Qualified Round Long Stop Date;

Where:

'X' means number of Equity Shares, the aggregate FMV of which translates into a 20% (twenty per cent.) IRR on the subscription amount actually invested by the holder of the relevant Series C CCDs. For the purposes of this provision, "FMV" means the higher of: (i) INR 1,200 (Indian Rupees One Thousand Two Hundred) per Equity Share; or (ii) the valuation at which the Qualified Round has taken place. For the avoidance of doubt, it is clarified that if the Qualified Round is undertaken both as a primary investment and a secondary investment at different valuations, the lowest valuation shall be considered for the purpose of (ii). The period for calculation of the 20% (twenty per cent.) IRR will be the time period between the Completion Date and the Series C Conversion Date.

'Y' means the number of Equity Shares, the aggregate FMV of which translates into a 20% (twenty per cent.) IRR on the subscription amount actually invested by the holder of the relevant Series C CCDs. For the purposes of this provision, "FMV" means the higher of: (i) INR 1,200 (Indian Rupees One Thousand Two Hundred) per Equity

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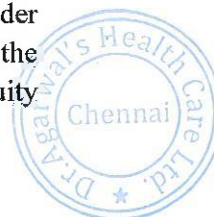
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Share; or (ii) a valuation undertaken by any one of the Big Four Accountancy Firms to be appointed by the Company with the prior written consent of the Existing Investor and the Investor. The period for the calculation of the 20% (twenty per cent.) IRR will be the time period between the Completion Date and the Series C Conversion Date.

#### **4. Mechanics of Conversion**

- 4.1. Prior to the Series C Conversion Date, the Company shall, if required under Applicable Law, (a) obtain all required Governmental Approvals for the issue of the Equity Shares to be issued upon conversion of the Series C CCDs; and/ or (b) take all corporate and/ or shareholder actions, as may be required, to allot such Equity Shares to the holder/s of the Series C CCDs. The Company will promptly advise the holder of the Series C CCDs of: (a) the procurement of such Governmental Approval, (b) the taking of any such corporate and/ or shareholder action and of any development relevant to such obtaining or such proceedings or action.
- 4.2. On the Series C Conversion Date, the Company, at its expense, will cause to be issued in the name of, and delivered to, the holder of the Series C CCDs (or any representative as such holder may designate) a certificate or certificates for the number of Equity Shares to which such holder shall be entitled upon such exercise. The holder shall be deemed to be the holder on record of the Equity Shares on the Series C Conversion Date, notwithstanding that the Register of Members of the Company may then be closed or that certificates representing such Equity Shares may not then be actually delivered to the holder. The Company shall within 20 (twenty) Business Days of the date of issue of the Equity Shares to the holder of the Series C CCDs in terms hereof, ensure that such Equity Shares are credited to such demat account of the holder of the Series C CCDs as such holder may specify. The holder of the Series C CCDs shall take all such actions within its control to give effect to the abovementioned conversion of Series C CCDs into Equity Shares.
- 4.3. The Company shall pay stamp duty payable in respect of the issue of the Equity Shares.
- 4.4. **Conversion Terms Adjustment Based on Other Events:**
- (i) If the Company should at any time fix a record date for the effectuation of a split or subdivision of the outstanding Equity Shares or the determination of holders of Equity Shares entitled to receive a distribution payable in additional Equity Shares or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional Equity Shares (hereinafter referred to as “**Equity Shares Equivalents**”) without payment of any consideration by such holder for the additional Equity Shares or the Equity Shares Equivalents (including the additional Equity Shares issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the conversion terms of the Series C CCDs shall be appropriately modified so that the number of Equity Shares issuable on conversion of each Series C CCDs shall be increased in proportion to such increase of the aggregate of Equity Shares outstanding and those issuable with respect to such Equity Shares Equivalents.

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- (ii) If the number of Equity Shares outstanding at any time is decreased by a combination/ consolidation of the outstanding Equity Shares, then, following the record date of such combination/ consolidation, the conversion terms for the Series C CCDs shall be appropriately modified so that the number of Equity Shares issuable on conversion of each Series C CCDs shall be decreased in proportion to such decrease in outstanding shares.
- (iii) If at any time or from time to time, with the prior written consent of the Existing Investor, there shall be a recapitalization or reclassification of the Equity Shares (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing corporation), provision shall be made so that the holders of the Series C CCDs shall thereafter be entitled to receive upon conversion of the Series C CCDs the number of shares or other securities or property of the Company or otherwise, to which a holder of Equity Shares deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Paragraph 4 with respect to the rights of the holders of the Series C CCDs after the recapitalization to the end that the provisions of this Paragraph 4 (including adjustment of the conversion terms then in effect and the number of shares issuable upon conversion of the Series C CCDs) shall be applicable after that event as nearly equivalent as may be practicable.

**4.5. No Fractional Shares and Certificate as to Adjustments:**

- (i) No fractional share shall be issued upon the conversion of any Series C CCDs, and the number of Equity Shares to be issued shall be rounded to the next whole share. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of Series C CCDs the holder holds at the time converting into Equity Shares and the number of Equity Shares issuable upon such aggregate conversion.
- (ii) Upon the occurrence of each adjustment of the conversion terms of the Series C CCDs pursuant to this Paragraph 4, the Company, at its expense, shall promptly compute such adjustment in accordance with the terms hereof and prepare and furnish to each holder of the Series C CCDs a certificate setting forth such adjustment and showing in detail the facts upon which such adjustment is based. The Company shall, upon the written request at any time from any holder of Series C CCDs, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustment and readjustment, (ii) the conversion terms for such Series C CCDs at the time in effect, and (iii) the number of Equity Shares and the amount, if any, of other property that at the time would be received upon the conversion of a share of Series C CCDs.

**4.6. Creation / Reservation of Shares Issuable Upon Conversion:**

The Company shall at all times reserve and keep available out of its authorized but unissued Equity Shares, solely for the purpose of effecting the conversion of the Series C CCDs, such number of Equity Shares as shall from time to time be sufficient to effect the conversion of all

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outstanding Series C CCDs; and if at any time the number of authorized but unissued Equity Shares shall not be sufficient to effect the conversion of all the outstanding Series C CCDs (taking into account the issuance of Equity Shares pursuant to any existing convertible security), the Company will take such corporate action as may be necessary to increase its authorized but unissued Equity Shares to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to the Constitutional Documents.

- 4.7. The Equity Shares so issued and allotted to the holder of the Series C CCDs on conversion of the Series C CCDs shall carry, from the date of conversion, all rights *pari passu* with the Equity Shares existing as on date.
- 4.8. The holder of the Series C CCDs shall be issued fully paid up Equity Shares and will not be required at the time of conversion of such Series C CCDs into the Equity Shares, to pay any amounts to the Company towards such Equity Shares.

## **5. Tenure of Series C CCDs**

- 5.1. Notwithstanding the other terms of issue of the Series C CCDs, any Series C CCDs which are outstanding on the Series C Conversion Date shall immediately and automatically be converted into Equity Shares of the Company in accordance with the provisions of Paragraph 3.

## **5.2. Impairment**

The Company will not, by amendment of its Constitutional Documents or through any reorganization, recapitalization, transfer of Assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by the Company, under these terms, but will at all times in good faith assist in the carrying out of all the provisions of this Paragraph 5 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Series C CCDs against impairment.

- 5.3. In respect of each holder of the Series C CCDs, the provisions as to conversion set out herein shall apply pro-rata to each holder's holding of Series C CCDs.

## **6. Liquidation Preference**

In the event that the Company commences winding-up proceedings (whether voluntarily or otherwise), subject to Applicable Law, the assets available for distribution after creditors (other than the Existing Investor) have been satisfied, if any, shall first be distributed in respect of the Series C CCPS and the Series C CCDs, in accordance with the provisions of clause 13.4.3 of the Shareholders' Agreement.

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**7. Transfers of Series C CCDs**

The Series C CCDs and the rights and obligations that attach thereto may be Transferred in accordance with the terms, and subject to the conditions set out in the Articles of Association.

**8. Cancellation**

All Series C CCDs which are converted into Equity Shares in accordance with the provisions of these terms will forthwith be cancelled.

**9. Costs and Expenses**

All costs and expenses (including stamp duty and valuation expenses) on the creation, issue, conversion of the Series C CCDs and on the issuance of the Equity Shares shall be to the account of the Company

**10. In the event that, for any reason whatsoever, the provisions of these terms cannot be effectuated (either fully or partially), then, the Parties shall endeavour in good faith to achieve the commercial intent of the aforesaid provisions to the maximum extent possible and for this purpose shall take all such actions as the Parties mutually agree.**

**11. Any amendment to the terms of the Series C CCDs shall be undertaken only with the prior written consent of the holders of the Series C CCDs and in case of any amendment that results in a change to the commercial understanding and/ or the economic benefits derived by the holders of the Series C CCDs, simultaneous amendments shall be made to the terms of the Series C CCPS to record such amended commercial understanding and/ or the economic benefits. It is hereby clarified that any amendment to the terms of the Series C CCDs that adversely impacts the commercial understanding in relation to the Series C CCPS and/ or the economic benefits derived or to be derived by the holders of the Series C CCPS shall be undertaken only with the prior written consent of the holders of both the Series C CCDs and the Series C CCPS.**

**FOR DR.AGARWAL'S HEALTH CARE LIMITED,**

PLACE: CHENNAI

DATE: 31/08 /2021



Signature of Authorised Signatory

Name: A.Thanikainathan

Designation: Company Secretary

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