

NOTICE

Notice is hereby given that the **03/FY2023-24 Extra-Ordinary General Meeting (EGM)** of the Members of **Ather Energy Private Limited (“Company”)** shall be held on Wednesday, **December 6, 2023**, at **11 a.m. (IST) through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)** at shorter notice, to transact the following business:

SPECIAL BUSINESS

1. APPROVAL OF “AMENDED AND RESTATED ATHER ENERGY ESOP PLAN 2023”

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

“RESOLVED THAT pursuant to section 62(1)(b) of the Companies Act 2013 and Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereunder (including any statutory modification(s) or re-enactment thereof) approval of the shareholders of the Company be and is hereby accorded by way of special resolution for amending the existing Ather Energy Employee Stock Option Plan “Amended and Restated Ather Energy ESOP Plan 2022” by adoption of the “Amended and Restated Ather Energy ESOP Plan 2023” of the Company.

RESOLVED FURTHER THAT the Board (including any committee of the Board authorised in this regards) be and is hereby authorised to make any modifications, changes, variations, alterations, or revisions to the “Amended and Restated Ather Energy ESOP Plan 2023”, as it may deem fit, from time to time or to suspend, withdraw or revive, in conformity with the provisions of the Companies Act 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee of the Board authorised in this regards) be and is hereby authorized to take all such steps and actions and give such directions as it may in its absolute discretion deem necessary and to settle any question that may arise in this regard without being required to seek any further consent or approval of the shareholders of the Company to the end and intent that the shareholders of the Company shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT each of the Directors of the Company and Company Secretary be and is hereby severally authorized to do all such acts, matters, deeds and things necessary or desirable to give effect to the above resolutions including filing of necessary forms with the jurisdictional Registrar of Companies and to comply with all other requirements in this regard”.

2. TO CONSIDER AND APPROVE THE GRANT OF OPTIONS EQUAL TO OR EXCEEDING 1% OF THE ISSUED CAPITAL UNDER “ATHER ENERGY ESOP 2023”

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

RESOLVED THAT pursuant to section 62(1)(b) of the Companies Act 2013 and Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereunder (including any statutory modification(s) or re-enactment thereof), approval of the shareholders of the Company be and is hereby accorded to grant options to identified/eligible employees of the Company as determined by the Board (including any committee of the Board authorised in this regards) in terms of the “Amended and Restated Ather Energy ESOP 2023”, during any one year, equal to or exceeding one percent of the issued capital of the Company.

RESOLVED FURTHER THAT each of the Directors of the Company and Company Secretary be and is hereby severally authorized to do all such acts, matters, deeds and things necessary or desirable to give effect to the above resolutions including filing of necessary forms with the jurisdictional Registrar of Companies and to comply with all other requirements in this regard”.

3. APPROVAL FOR ISSUE OF BONUS COMPULSORILY CONVERTIBLE PREFERENCE SHARES.

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

“**RESOLVED THAT** pursuant to Section 55, 63 and other applicable provisions of the Companies Act, 2013 read with Rule 9 and 14 of the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and relevant provisions of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded for issue of 18,088 fully paid up Compulsorily Convertible Preference Shares (“CCPS”) of Rs. 10/- as bonus CCPS for an aggregate nominal value of Rs. 180,880/- (Rupees One Lakh Eighty Thousand Eight Hundred and Eighty Only) out of the sum standing to the credit of Securities Premium account of the Company, to the identified classes of Compulsorily Convertible Preference Share (“Identified CCPS Holders”) as mentioned below.

RESOLVED FURTHER THAT:

- The bonus issue of CCPS will be made in the ratio as mentioned below to the Identified CCPS Holders of the Company as on November 22, 2023 (Record Date).

Eligible series of CCPS	Name of shareholder	No of CCPS held	Ratio	Eligible Bonus CCPS
C	Sachin Bansal	29,699	1,000 : 6,607 (i.e. 1,000 Bonus CCPS of Rs. 10/- each for	4,495

			every 6,607 Series C CCPS of Rs. 10/- each held by the shareholder)	
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Eligible series of CCPS	Name of shareholder	No of CCPS held	Ratio	Eligible Bonus CCPS
C1	Hero MotoCorp Limited	20,688	1,000 : 4,401 (i.e. 1,000 Bonus CCPS of Rs. 10/- each for every 4,401 Series C1 CCPS of Rs. 10/- each held by the shareholder)	4,700

Eligible series of CCPS	Name of shareholder	No of CCPS held	Ratio	Eligible Bonus CCPS
E	Hero MotoCorp Limited	84,310	1,000 : 49,006 (i.e. 1,000 Bonus CCPS share of Rs. 10/- each for every 49,006 Series E CCPS of Rs. 10/- each held by the shareholder)	1,720
	National Investment and Infrastructure Fund II	76,546		1,561
	Caladium Investment Pte Ltd	30,558		623
	Innoven Capital India Fund	1,532		31
	Herald Square Ventures	633		12
	Amit Bhatia	70		1
	Karandeep Singh	50		1
	Amod Malviya	60		1

Eligible series of CCPS	Name of shareholder	No of CCPS held	Ratio	Eligible Bonus CCPS
E1	Caladium Investment Pte Ltd	51,276	1,000 : 10,387 (i.e. 1,000 Bonus CCPS of Rs. 10/- each for every 10,387 Series E1 CCPS of Rs. 10/- each held by the shareholder)	4,936
	Herald Square Ventures	83		7

b. The CCPS so issued shall upon allotment have the same rights of voting as the existing CCPS and be treated for all other purposes pari-passu with the existing CCPS of the Company.

c. CCPS share will be allotted in dematerialized form and will be credited to the respective demat account of the holders.

d. No members shall be entitled to a fraction of CCPS as a result of implementation of this resolution and no certificate or cash shall be issued for fraction of CCPS.

RESOLVED FURTHER THAT in accordance with provisions of Section 55 read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014, the terms and conditions of the issue of Bonus CCPS as set forth below as well as Annexure A attached to this notice be and are hereby approved.

Sl. No.	Characteristics	Bonus CCPS
1.	Priority with respect to payment of dividend or repayment of capital <i>vis-a-vis</i> equity shares	(i) Subject to applicable Law, each holder of the Bonus CCPS shall be entitled to receive a non-cumulative dividend at the rate of 0.001% (zero point zero zero one percent) per annum on the face value of each Bonus CCPS held by such holder, payable when, as and if declared by the Board. No dividend or distribution may be paid to or set aside for any other Shareholder unless dividend is paid to the holders of Preference Shares. (ii) In the event the Company declares a dividend on the Equity Shares at a rate which is higher than the rate mentioned herein, the holders of Bonus CCPS shall be entitled to receive, in priority to the holders of Equity Shares, a dividend at a rate per Bonus CCPS as would equal the product of (a) the higher dividend rate payable on each Equity Share, and (b) the number of Equity Shares issuable upon conversion of the Bonus CCPS.
2.	Participation in surplus fund	This will be as per Annexure to this resolution.
3.	Participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid	This will be as per the Annexure to this resolution.
4.	Payment of dividend on cumulative or non-cumulative basis	Non-cumulative
5.	Conversion of Bonus CCPS into equity shares	The Company shall mandatorily convert each Bonus CCPS into Equity Shares in the ratio of 1:1 upon the earlier of: (i) in connection with an IPO, prior to filing of a prospectus (or equivalent document, by

		whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable Law; or (ii) the date that is 1 (One) day prior to the expiry of 20 (Twenty) years from the date on which the Bonus CCPS were issued by the Company; or (iii) Key Investors jointly approving conversion of all of the then outstanding Preference Shares of the Company into Equity Shares.
6.	Voting rights	To the extent permissible under Companies Act, 2013, voting rights shall be exercised at any meeting of the Shareholders of the Company on an As If Converted Basis. to the extent permissible pursuant to the Act and the articles of association of the Company.
7.	Redemption of Bonus CCPS	There is no redemption of bonus CCPS for cash, as these are compulsorily convertible into Equity Shares.

“RESOLVED FURTHER THAT the Board of Directors of the Company and Company Secretary be and are hereby authorised severally to do all acts, deeds, matters and things necessary, proper or desirable including settling any question, doubt or difficulties that may arise with regard to or in relation to the issue or allotment of the bonus shares and to sign and execute all necessary documents, authority letters, applications, forms and returns as may be required with Registrar of Companies, Ministry of Corporate Affairs, NSDL, CDSL, RTA or any other authority/ies for the purpose of giving effect to the above resolutions.”

RESOLVED FURTHER THAT the copies of the foregoing resolutions, certified to be true by any Director, or Company Secretary of the Company may be furnished to any person(s) as may be required.”

**BY ORDER OF THE BOARD OF DIRECTORS
FOR ATHER ENERGY PRIVATE LIMITED**

Puja Aggarwal
Company Secretary
Membership No. - A49310

Date: November 22, 2023
Place: Bengaluru

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) allowed General Meeting through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) and dispensed the physical presence of the members at the meeting. Accordingly, the MCA issued Circular No. 14/2020 dated April 08, 2020, Circular 03/2022 dated May 5, 2022, Circular 11/2022 dated December 28, 2022 and Circular 09/2023 dated September 25, 2023 (collectively referred to as “MCA Circulars”) permitted convening the Extra-Ordinary General Meeting (“EGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue.
2. In accordance with circular issued by MCA and provisions of the Companies Act, 2013 (‘the Act’), the EGM of the Company is being held through VC/OAVM. The deemed venue for the EGM shall

be the Corporate office address of the Company. The detailed procedure for participation in the meeting through VC/OAVM is provided in this notice.

3. The Members can visit <https://atherenergy.zoom.us/j/82315391395?pwd=6Mj4NjVdiah1aayibdawkBCgleTlb.1> to attend the EGM on December 6, 2023. In case of any assistance while using the technology, the members may reach out to cs@atherenergy.com
4. As per the provisions of General Circular No. 14/2020 dated April 8, 2020, the matter of Special Business as appearing at Item No. 1-3 of the accompanying Notice considered to be unavoidable by the Board and hence forms part of this Notice.
5. This EGM is being convened at a shorter notice pursuant to Section 101(1) of the Companies Act, 2013 ("Act") with the consent given in writing/by electronic mode by majority in number of members entitled to vote and who represent not less than 95 % (ninety-five per cent) of such part of the paid-up share capital of the Company as gives a right to vote at the meeting. The members are requested to sign the consent for shorter notice to attend the EGM and send it to the Company.
6. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this EGM is being held through VC/OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the EGM and hence the Proxy Form and Attendance Slip are not annexed hereto. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM through VC/OAVM and participate thereat and cast their votes.
7. As per the provisions under the MCA Circulars, Members attending the EGM through VC shall be counted for the purpose of reckoning the quorum.
8. Body Corporates whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to send to the Company at cs@atherenergy.com, a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
9. Documents if any referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of EGM and during the meeting. The Members seeking to inspect such documents can send email to cs@atherenergy.com
10. The members can convey their vote to cs@atherenergy.com in case where a demand for poll is made by any member on any resolution during the meeting.
11. The explanatory statement as required under Section 102(1) of the Act in respect of special business is annexed hereto and forms an integral part of the Notice.

12. As the EGM is being held through VC, the route map is not annexed to this Notice. In case of any queries, the Members may write to cs@atherenergy.com to receive an email response.

**BY ORDER OF THE BOARD OF DIRECTORS
FOR ATHER ENERGY PRIVATE LIMITED**

Puja Aggarwal
Company Secretary
Membership No. - A49310

Date: November 22, 2023
Place: Bengaluru

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all the material facts relating to the business mentioned under item no. 1-3 of the accompanying notice:

ITEM NO. 1:

The Board proposes to amend the Ather Energy ESOP 2022 which was previously approved by the Members of the Company at their Extra-ordinary General Meeting held on 31st March, 2022.

The Board proposes to include amendment to the ESOP pool size by addition of 21,931 stock options, thereby increasing the ESOP pool size from 41,017 to 62,948 units and consequential changes as required along with few minor changes in the draft approved by the Board and available for inspection by members namely "Amended and Restated Ather Energy ESOP Plan 2023/ Ather Energy ESOP 2023".

The details as required under the rule 12(2) of the Companies (Share Capital and Debentures) Rules, 2014 were mentioned in the general meeting held earlier for approval of the original scheme:

The details of the proposed variation in the terms of existing ESOP scheme of the Company as required under rule 12(5) of the Companies (Share Capital and Debentures) Rules, 2014, is as mentioned below:

Details of variation	The variation in the existing ESOP scheme of the Company is w.r.t additional pool size of 21,931 along with few changes pertaining to definition and clarifications.
Rationale	The request for additional pool size is towards pay revision and offer to new hires. Other changes in the revised draft scheme are to remove ambiguity in the scenarios of retirement, termination, leave without pay, effect on ESOP in case of termination and resignation due to commission of Breach.
Details of the employees who are the beneficiaries	Applies uniformly to all employees covered under the revised ESOP scheme of the Company.

The company shall comply with the applicable accounting standards with respect to the abovementioned ESOP's.

In terms of section 62(1)(b) of the Companies Act, 2013 and Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, approval of the shareholders by way of special resolution is required in connection with the variation in terms of Employee Stock Option scheme of the Company.

The Board recommends the Special Resolution set out at Item No. 1 of the Notice for your approval.

None of the Directors or the Key Managerial Personnel of the Company and their relatives are in any way financially or otherwise concerned or interested in the passing of this Special Resolution as set out in this Notice.

ITEM NO. 2:

As per section 62 of Companies Act, 2013 read with Rule 12(4) of the Companies (Share Capital and Debentures) Rules, 2014, the Company proposes to grant options exceeding 1% of the issued share capital during any financial year. In this regard, approval of the members of the Company by way of a separate special resolution is sought for grant of options exceeding 1% of the issued share capital during any financial year.

Accordingly, the resolutions set out at Item No. 2 is being placed before the members to seek their approval by way of passing of special resolution.

None of the directors, managers or key managerial personnel of the Company or their relatives are in any way concerned or interested in the proposed resolution, except to the extent of their directorship/shareholding / their nominating shareholder's shareholding in the Company and their respective rights and obligations.

ITEM NO. 3:

Pursuant to Clause 16 of amended and restated Shareholder's Agreement dated September 5, 2023 ("Series E2 SHA") and Article 30 of Articles of Association of the Company, the holders of Compulsorily Convertible Preference Shares ("CCPS") of Series C, C1, E and E1 are entitled to subscribe to their respective anti-dilution entitlements.

The Board had proposed issuance of 18,088 fully paid up CCPS of Rs. 10/- each as bonus CCPS pursuant to anti-dilution entitlement to the Identified classes of CCPS Holders as on November 22, 2023 (Record Date) out of the sum standing to the credit of Securities Premium account of the Company. The new bonus CCPS to be allotted and issued shall be subject to the terms of Memorandum & Articles of Association of the Company and shall rank pari passu in all respects with the existing fully paid CCPS of the Company.

The disclosures as required under section 55 read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014, is given below:

1. The issue size is up to INR 1,80,880 (Rupees One Lakh Eighty Thousand Eight Hundred and Eighty only) comprising of 18,088 bonus CCPS of face value of Rs.10/- each.
2. The bonus CCPS to be issued are compulsory convertible, non-cumulative having participation rights as set out in Annexure-A to this Notice.
3. The object of the issue of bonus CCPS is issue of shares to eligible CCPS holders pursuant to anti-dilution entitlement under Series E2 SHA.

4. The bonus CCPS are proposed to be issued by way of 'bonus issue'.
5. Each bonus CCPS shall have a face value of INR 10 (Rupee Ten) each and shall be issued free of cost to the eligible CCPS holders.
6. The terms of issue, including the terms and rate of dividend on each bonus CCPS are set out in Annexure-A.
7. The terms of conversion are set out in Annexure-A.
8. The manner and mode of redemption: Not applicable since bonus CCPS are not redeemable.
9. Current shareholding pattern of the Company: attached as Annexure-B.
10. Expected dilution in the equity share capital of the Company upon conversion of CCPS bonus shares: attached as Annexure-B.

The ratio for issuing bonus shares to the holders of each class of identified CCPS is detailed in the resolution.

Pursuant to the provisions of Section 63 of the Companies Act, 2013 and Articles of Association of the Company, approval of the members is required for issuance of bonus CCPS by way of passing a Special Resolution.

Accordingly, the resolutions set out at Item No. 3 is being placed before the members to seek their approval for issuance of bonus CCPS. The Board of Directors is of the opinion that the aforesaid issue of bonus CCPS, is in the best interest of the Company and is in accordance with rights available with the Identified CCPS holders and hence recommends passing of the resolutions set out at Item No. 3 as Special Resolution.

None of the directors, managers or key managerial personnel of the Company or their relatives are in any way concerned or interested in the said resolution, except to the extent of their shareholding / their nominating shareholder's shareholding in the Company and their respective rights and obligations.

**BY ORDER OF THE BOARD OF DIRECTORS
FOR ATHER ENERGY PRIVATE LIMITED**

Puja Aggarwal
Company Secretary
Membership No. - A49310

Date: November 22, 2023
Place: Bengaluru

ANNEXURE-A
Terms of Issuance of Bonus CCPS shares

FOR THE PURPOSE OF THIS ANNEXURE, ALL CAPITALISED TERMS SHALL HAVE THE SAME MEANINGS, AS ASCRIBED TO THEM IN THE LATEST AMENDED AND RESTATED SHAREHOLDERS AGREEMENT DATED 5th SEPTEMBER, 2023 (SERIES E2 SHA) ENTERED INTO BY THE COMPANY WITH ITS SHAREHOLDERS.

1.1. Dividends.

1.1.1. Subject to applicable Law, each holder of the Bonus CCPS shall be entitled to receive a non-cumulative dividend at the rate of 0.001% (zero point zero zero one percent) per annum on the face value of each Bonus CCPS held by such holder, payable when, as and if declared by the Board. No dividend or distribution may be paid to or set aside for any other Shareholder unless dividend (in accordance with this paragraph 1.1) is paid to the holders of Preference Shares.

1.1.2. In the event the Company declares a dividend on the Equity Shares at a rate which is higher than the rate mentioned herein, the holders of Bonus CCPS share shall be entitled to receive, in priority to the holders of Equity Shares, a dividend at a rate per Bonus CCPS as would equal the product of (a) the higher dividend rate payable on each Equity Share, and (b) the number of Equity Shares issuable upon conversion of such Bonus CCPS.

1.2. **Voting Rights.** The Parties agree that voting rights shall be exercised at any meeting of the Shareholders of the Company on an As If Converted Basis. Accordingly, the holders of the Bonus CCPS shall enjoy such voting rights available to them under applicable Law and the Articles and, to the extent permissible pursuant to the Act, carry voting rights as if the Bonus CCPS have been fully converted into Equity Shares.

1.3. Liquidation Preference.

1.3.1. Preferential Payments to Holders of Bonus CCPS.

(a) Upon occurrence of a Liquidation Event, if the total proceeds of such Liquidation Event or assets of the Company available for distribution to its Shareholders (“**Proceeds**”) are lower than, or equal to, the aggregate amount invested to subscribe for Series Seed CCPS, Series A CCPS, Series B CCPS, Series B1 CCPS, Series C CCPS, Series C1 CCPS, Series D CCPS, Series E CCPS Series E1 CCPS, Series E2 CCPS and Bonus CCPS (which amount, for each holder of Preference Shares, would be determined by multiplying the relevant Original Issue Price and the number of the relevant Preference Shares held by such holder) plus declared but unpaid dividends thereon (such amount determined in respect of a holder of Preference Shares being the “**Preferential Amount**” of such holder and the aggregate of such Preferential Amounts of all holders of Preference Shares being the “**Aggregate**”

Preferential Amount”), the Proceeds shall be distributed pro-rata to each of the holders of the Preference Shares participating in the Liquidation Event based on their pro-rata share determined on the basis of their relevant Preferential Amount.

- (b) However, if the Proceeds are higher than the Aggregate Preferential Amount, each holder of Bonus CCPS that is participating in the Liquidation Event shall be entitled to receive the higher of: (i) the Preferential Amount of such holder; or (ii) the amount they would receive if they choose to participate in the Surplus with the holders of the Equity Shares and other holders of the Preference Shares (who have also opted to participate in such Surplus in accordance with this Paragraph 1.3.1(b)(ii)), on a Fully Diluted Basis. For the purposes of this Paragraph, “**Surplus**” shall mean the balance Proceeds available after payment of the Preferential Amount to holders of the Preference Shares who have opted to receive their Preferential Amount in accordance with Paragraph 1.3.1(b)(i) above. The holders of the Bonus CCPS shall indicate their preference between the options specified in Paragraphs 1.3.1(b)(i) or 1.3.1(b)(ii) above to the Company. The Company shall provide requisite information to the holders of the Preference Shares regarding the Liquidation Event to enable such decision.
- (c) It is clarified that (i) a holder of Bonus CCPS will not be entitled to receive the Preferential Amount and also participate in the Surplus on a *pro-rata* basis with the holders of the Equity Shares; and (ii) the respective proportionate share(s) in the Surplus of the holders of Preference Shares (who opt to participate in the Surplus in accordance with Paragraph 1.3.1(b)(ii) above) shall be distributed prior to any distribution to any holder of Equity Shares.
- 1.3.2. Payments to other Shareholders. Upon completion of the distribution to the holders of Preference Shares (as required under Paragraph 1.3.1), all of the remaining Proceeds available for distribution to Shareholders shall be distributed among all Shareholders of the Company (other than holders of Preference Shares) in proportion to their *inter se* shareholding in the Company on a Fully Diluted Basis.
- 1.3.3. Deemed Conversion. Notwithstanding the above, for the purposes of determining the amount each holder of a series of Preference Shares is entitled to receive with respect to a Liquidation Event, each such holder of such series of Preference Shares shall be deemed to have converted (regardless of whether such holder actually converted) such holder’s shares of such series of Preference Shares into Equity Shares immediately prior to the Liquidation Event if, as a result of an actual conversion, such holder would receive, in the aggregate, an amount greater than the amount that would be distributed to such holder if such holder did not convert shares of such series of Preference Shares into Equity Shares. If any such holder shall be deemed to have converted shares of a series of Preference Shares into Equity Shares pursuant to this Paragraph 1.3.3, then such holder shall not be

entitled to receive any distribution that would otherwise be made to holders of such series of Preference Shares that have not converted (or have not been deemed to have converted) into Equity Shares.

1.3.4. Consideration Other than Cash. In any Liquidation Event, if any Proceeds are received by the Company or its Shareholders other than in cash, the value of such Proceeds will be deemed to be its fair market value. Any securities shall be valued as follows:

- (a) If the securities are traded on (i) an Indian Stock Exchange, the value of such securities shall be determined in accordance with the SEBI Regulations; and (ii) any securities exchange of a foreign country, the value of such securities shall be determined in accordance with the applicable Law of such country; *provided, however*, that in the event such foreign country has not prescribed any regulations regarding the valuation of the securities, then the value of the securities shall be deemed to be the average of the closing prices of the securities on such exchange over the 20 (Twenty) trading day period ending 3 (Three) trading days prior to the closing of the Liquidation Event;
- (b) If the securities are of a nature not contemplated in Paragraph 1.3.4(a) above, the value of such securities shall, subject to applicable Law, be such value as mutually approved by the Board with Key Stakeholders Consent.

1.3.5. Notwithstanding anything contained herein and without prejudice to the provisions of Clause 6 of the Series E2 SHA, any (a) sale or transfer of Equity Securities of the Company *inter se* Existing Shareholders; and/or (b) issuance of Equity Securities by the Company to Persons who are the Existing Shareholders, pursuant to which transaction an Existing Shareholder, not in Control of the Company prior to such transaction, would, thereafter, acquire Control of the Company, will not constitute a Liquidation Event, and accordingly, the consequences mentioned in this Paragraph 1.3 will not be triggered.

1.4. **Conversion of the Bonus CCPS.**

1.4.1. Conversion Right. Each holder of Bonus CCPS shall be entitled (but not obligated) to require the Company to convert all or a part of such Bonus CCPS held by them into such number of Equity Shares in the ratio of 1:1 referred to herein as the “**Conversion Ratio**”.

1.4.2. Mandatory Conversion. The Company shall mandatorily convert each Bonus CCPS into Equity Shares at the Conversion Ratio Bonus CCPS upon the earlier of: (i) in connection with an IPO, prior to filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable Law; or (ii) the date that is 1 (One) day prior to the expiry of 20 (Twenty) years from the date on which such series of Bonus CCPS were first issued by the Company; or (iii) Key Investors jointly approving conversion of all of the then outstanding Bonus CCPS of the Company into Equity Shares.

- 1.4.3. Exercise of Conversion Right and procedure for conversion.
- (a) The Bonus CCPS holder may exercise the Conversion Right by (a) delivering a written notice (a “**Conversion Notice**”) to the Company of its intention to do so and (b) surrendering the relevant share certificates, if applicable representing the Bonus CCPS at the office of the Company together with the Conversion Notice. The Conversion Notice shall specify the number of Bonus CCPS that such Bonus CCPS holder elects to convert, such Bonus CCPS shall be referred to as the “**Relevant CCPS**”.
 - (b) As soon as reasonably practicable, but in no event later than 20 (Twenty) Business Days from the date of the Conversion Notice, the Company shall take all necessary corporate actions and obtain all necessary Consents and issue the appropriate number of Equity Shares into which the Relevant CCPS are convertible at the Conversion Ratio then in effect. Not later than the 20th Business Day from the date of the Conversion Notice, the Company shall deliver to such Bonus CCPS:
 - (i) duly stamped and executed share certificates with respect to the Conversion Shares issued on conversion of the Bonus CCPS /credit to respective demat accounts, as the case maybe;
 - (ii) certified true copies of all filings necessary to effect and validate the issue of the Conversion Shares, including e-Form PAS-3; and
 - (iii) certified true copy of the register of members of the Company showing the Bonus CCPS share as the registered owner of the Conversion Shares.
- 1.4.4. Procedure for Mandatory Conversion. In the case of a mandatory conversion of Bonus CCPS pursuant to Paragraph 1.4.2, the Company shall take all necessary corporate and other actions and obtain all Consents on or prior to the date of conversion and shall provide the documents / information listed in sub-paragraph (i), (ii) and (iii) of Paragraph 1.4.3(b) to the Bonus CCPS on the date of conversion of the Bonus CCPS.
- 1.4.5. No Fractional Shares. No fractional Conversion Shares shall be issued upon conversion of Bonus CCPS. If the computation of the number of Conversion Shares to be issued, results in a fraction, then:
- (a) If the fraction is up to 0.49, then the number of Conversion Shares shall be rounded off to the lower whole number; and
 - (b) If the fraction is 0.5 or more, then the number of Conversion Shares shall be rounded off to the higher whole number.
- 1.4.6. Conversion Price and Conversion Ratio. The holders of Bonus CCPS may convert in whole or part into equity shares at a ratio 1:1, subject to applicable law. The “**Conversion Price**” for Bonus CCPS shall initially be equal to the Face Value for such series.

- 1.4.7. Adjustment. The Conversion Price and Conversion Ratio for Bonus CCPS shall be continuously adjusted, until all the Bonus CCPS of such series are converted, for all bonus issues, stock splits, consolidations or similar events as set forth in this Paragraph 1.4.7. It is clarified that any adjustment of the Conversion Price and Conversion Ratio for Bonus CCPS shall not automatically result in conversion of the shares of such series of Bonus CCPS. In the event of any adjustment to the Conversion Price and the Conversion Ratio of Bonus CCPS, the Company shall inform the Bonus CCPS shares holders details of such adjustment in writing. Without limiting the foregoing, the Conversion Price and Conversion Ratio for a series of Bonus CCPS shares shall be subject to adjustment as follows:
- (a) In the event the Company should, at any time or from time to time after the issue of Bonus CCPS, fix a record date for the effectuation of a split or subdivision of the outstanding Equity Shares or for the determination of holders of Equity Shares entitled to receive a dividend or other 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 Share Equivalents**”), without payment of any consideration by such holder for the additional Equity Shares or the Equity Share 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 Price of each series of Bonus CCPS shall be appropriately decreased (and the Conversion Ratio of each series of Bonus CCPS shall be appropriately increased) so that the number of Equity Shares issuable on conversion of each Preference Share of such series shall be increased in proportion to such increase of the aggregate of Equity Shares outstanding and those issuable with respect to such Equity Share Equivalents.
 - (b) If the number of Equity Shares outstanding at any time after the issue of Bonus CCPS is decreased by a combination of the outstanding Equity Shares, then, following the record date of such combination, the Conversion Price for each series of Bonus CCPS shall be appropriately increased (and the Conversion Ratio of each series of Bonus CCPS shall be appropriately decreased) so that the number of Equity Shares issuable on conversion of each Preference Share of such series shall be decreased in proportion to such decrease in outstanding Equity Shares.
- 1.4.8. Conversion Cost. The Company shall bear all expenses arising from the conversion of the Bonus CCPS as set out in this Paragraph 1.4, including stamp duty applicable on the issuance of share certificates subsequent to conversion of the Bonus CCPS, provided, however that any capital gains tax required to be paid in relation to the conversion of Bonus CCPS as set out in this Paragraph 1.4 shall be borne solely by the holder of the Bonus CCPS being converted.

- 1.4.9. Other Distributions. In the event the Company declares a distribution payable in securities of other Persons, evidences of indebtedness issued by the Company or other Persons, assets (excluding cash dividends) or options or rights not referred to in Paragraph 1.4.7(a) above, then, in each such case, for the purpose of this Paragraph 1.4.9, the holders of Bonus CCPS shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of Equity Shares into which their Bonus CCPS are convertible as of the record date fixed for the determination of the holders of Equity Shares entitled to receive such distribution.

Recapitalizations. If, at any time or from time to time, there shall be a recapitalization of the Equity Shares (other than a split or subdivision of shares, combination of shares, Liquidation Event, or such other transaction provided for elsewhere in this Paragraph 1), provision shall be made so that the holders of Bonus CCPS shall, thereafter, be entitled to receive, upon conversion of the Bonus CCPS, the number of shares or stock 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 1 with respect to the rights of the holders of Bonus CCPS after the recapitalization to the end that the provisions of this Paragraph 1 (including adjustment of the Conversion Price and Conversion Ratio then in effect and the number of shares deliverable upon conversion of the Bonus CCPS) shall be applicable after that event as nearly equivalently as may be practicable.

ANNEXURE B – SHAREHOLDING PATTERN

#	CATEGORY	PRE-ISSUE		POST ISSUE**	
		NO. OF SHARES*	% SHAREHOLDING	NO. OF SHARES*	% SHAREHOLDING
A	Promoters' holding				
1	Indian:				
	Individual	-	-	-	-
	Bodies corporate	-	-	-	-
	Sub Total	-	-	-	-
2	Foreign promoters	-	-	-	-
	Sub Total (A)	0	0	0	0
B	Non-Promoters' holding				
1	Individuals	2,06,813	22.24	2,11,311	22.29
2	Others		0.00		0.00
	AIF's	1,532	0.16	1,563	0.16
	Foreign body Corporates	86,662	9.32	86,662	9.14
	Institutions	5,970	0.64	5,970	0.63
	Partnership firms	943	0.10	962	0.10
	Private Companies	30	0.00	30	0.00
	Public Companies	3,78,508	40.70	3,84,928	40.60
	Sovereign Funds	2,49,303	26.81	2,56,423	27.05
	Trusts	160	0.02	160	0.02
	Sub-total (B)	9,29,921	100	948,009	100
	Total (A)+(B)	9,29,921	100	948,009	100

*included Equity and CCPS

**Considering proposed issue of bonus CCPS