

**COMPANY OPERATIONS & SHAREHOLDERS AGREEMENT**

**BETWEEN**

**CADILA PHARMACEUTICALS LIMITED**

**AND**

**IRM TRUST**

**AND**

**ENERTECH DISTRIBUTION MANAGEMENT PRIVATE LIMITED**

**AND**

**IRM ENERGY PRIVATE LIMITED**

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**ENERTECH DISTRIBUTION MANAGEMENT PRIVATE LIMITED**, a private limited company incorporated under the laws of India (CIN : U40200GJ2016PTC092761) whose office is at 3, Kailash-B, Opp. Drive in Cinema, Beside HDFC Bank, Drive in Road, Ahmedabad, 380054 Gujarat (“**EDMPL**” which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns); and

**AND**

**IRM ENERGY PRIVATE LIMITED**, a private limited company incorporated under the laws of India (CIN No.:U40100GJ2015PTC085213) and whose registered office is at IRM House, Kalpana Society, Off CG Road, Ahmedabad, India, Gujarat (“**Company**” which expression shall unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns).

CPL, IRM TRUST, EDMPL and Company are hereinafter collectively referred to as the “**Parties**” and individually as a “**Party**”.

**WHEREAS:**

- (a) CPL and IRM Trust (“**Promoters**”) incorporated the Company to engage in the business of storage, supply, distribution, sale and to otherwise deal in natural gas, and lay, operate, maintain and expand city gas distribution networks.
- (b) The Company participated in the 6<sup>th</sup> bidding round for grant of city gas distribution (“**CGD**”) authorisation in identified geographical areas that was conducted by the Petroleum and Natural Gas Regulatory Board (“**PNGRB**”) and pursuant to the same has been awarded the authorisation for laying, operating, maintaining and expanding city gas distribution networks in the geographical areas of (i) Banaskantha District (“**Banaskantha CGD Project**”) and (ii) Fatehgarh Sahib District (“**Fatehgarh Sahib CGD Project**”);
- (c) The Company shall implement and undertake the Banaskantha CGD Project, the Fatehgarh Sahib CGD Project as well as other projects for the development, laying, operating, maintaining and expanding city gas distribution network for the relevant geographical region for which it succeeds, from time to time, in obtaining authorisations from PNGRB under the PNGRB Act (“**CGD Projects**”);
- (d) EDMPL is engaged in the business of bid advisory, consulting and infrastructure development in energy sector and has expertise in the business of gas trading, gas transmission, gas sourcing, strategic management of energy business, managing operation of city gas distribution business. The Promoters, in light of the EDMPL’s strategic know how, commercial and management expertise in CGD sector, have requested EDMPL to provide advice in bidding for CGD mandates and support and participate in the management of the Company and provide its expertise to the Company for the CGD Projects;
- (e) EDMPL has agreed to support the Company with its strategic know how and sector specific expertise and also participate in the management of the Company including by way of subscribing to preference and equity share capital as mutually agreed and to select the required human resources for the Company, develop the business plan for the Company and enable the Company to manage the implementation of the CGD Projects, on the conditions as specifically enumerated herein;

  
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- (f) The Parties expect that with the financial strength and support of the Promoters and the strategic know how on commercial and management aspects and sector expertise being provided by EDMPL, the Company would participate in bidding for CGD mandates from time to time and shall endeavour to obtain another three (3) CGD mandates over a period of time. The Company shall further endeavour to achieve more than Rs. 800,00,00,000/- (Rupees Eight Hundred Crores) turnover over a period of 5 (five) years of operations, subject always to continued cooperation between the Parties in accordance with this Agreement; and
- (g) The Parties acknowledge that a non-compete and non-solicitation obligation is necessary to achieve the investment objective in the Company and therefore agree to undertake the non-compete and non-solicitation obligations provided herein.

**NOW THEREFORE**, in consideration of the mutual promises and agreements made herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

## **1. Definitions and Interpretation**

### **1.1. Definitions**

In this Agreement (including the recitals and schedules), the following words and expressions, unless the context otherwise requires, have the meanings set forth below:

“**Act**” means the Companies Act, 2013 (to the extent notified) and the Companies Act, 1956 (to the extent that such enactment is in force).

“**Affiliate**” of a Party shall mean, in the case of any Party other than a natural person, any other person that, either directly or indirectly through one or more intermediate persons, Controls, is Controlled by or is under common Control with such Party.

“**Agreement**” means this Company Operations and Shareholders Agreement entered into between the Parties.

“**Applicable Laws**” means 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 authority having jurisdiction over the matter in question, whether in effect as of the date of this Agreement or thereafter.

“**Articles of Association**” means the articles of association of the Company.

“**Auditor**” means such statutory auditor(s) of the Company.

“**Big Four Accounting Firms**” means KPMG, Ernst & Young, Price Waterhouse Coopers and Deloitte Haskins & Sells, or any of their Indian Affiliates and any successor firm of any of them.

“**Board**” means the board of directors of the Company.

  
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“**Business Day**” means a day which is not a Sunday or a bank or public holiday in Ahmedabad.

“**Business Plan**” shall mean the business plan of the Company comprising of objective of the Company for the financial year, project implementation plan along with schedule, yearly projection of profit and loss, capital expenditure and revenue expenses, annual budget, source of fund etc.

“**CEO**” means the chief executive officer of the Company.

“**CFO**” means the chief financial officer of the Company.

“**CGD Projects**” shall have the meaning assigned to it in Recital (c).

“**Closing**” shall mean, as applicable, the completion of the First Closing, or Second Closing.

“**Company**” shall have the meaning assigned to it in the Recitals.

“**Company’s Business**” or “**Business**” means the implementation of the CGD Projects and undertaking the development, operation, maintenance of city as distribution networks in cities across India and participating in competitive bid process for obtaining authorisation from PNGRB for the same.

“**Confidential Information**” shall have the meaning assigned to it in Clause 13.

“**Control**” as applied to any Person, means the possession, directly or indirectly, of the power or ability to direct or cause the direction of the management or policies of that Person whether through ownership of voting securities, by contract or otherwise; provided that in all events, the direct or indirect ownership of more than 50% (fifty percent) of the paid-up and issued Equity Share Capital and right to appoint majority of directors of a Person shall be deemed to constitute control of such Person (the terms “**Controlled**” and “**Controlling**” shall have correlative meanings);

“**Deadlock**” means: (i) the failure to pass any resolution or resolve any matter which is required to be passed or resolved by the Board or the Shareholders in a general meeting and which, if not passed or resolved, is likely to materially and adversely affect the continued existence or financial viability of a material portion of the Business of the Company and which is not resolved by conciliation in negotiation in good faith within 3 (three) months; or (ii) if the Shareholders are unable to take a decision pertaining to any matter, in any agenda, that is required to be taken by unanimously under Clause 9 of this Agreement; or (iii) an irretrievable breakdown of the relationship between any of the Shareholders that is materially undermining the day-to-day operations of the Company for a continued period of ninety (90) days; but excluding any dispute which is subject to the arbitration procedures under Clause 14.

“**EDMPL Securities**” means the Equity Shares, OCCPS, and instruments convertible into, or exchangeable for, equity shares and any further equity shares that may be subscribed to or held by from time to time by EDMPL.

“**Effective Date**” shall have the meaning assigned to it in Clause 2 hereof;

  
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“**Equity Condition Precedent**” means the prior written consent of PNGRB that is required before Equity Shares can be issued to EDMPL by the Company.

“**Equity Shares**” or “**Shares**” means equity shares of Rs. 10 each (or such other denomination as may be approved by the Shareholders) in the Company;

“**Equity Share Capital**” means the issued and paid-up equity share capital of the Company;

“**Event of Default**” shall have the meaning specified in Clause 11.1.

“**Fair Market Value**” means value of shares calculated using the valuation mechanism specified in Clause 11.3.

“**First Closing**” shall have the meaning specified in Clause 5.5.

“**Fully Diluted Basis**” means that the calculation should be made in relation to the Equity Share Capital of the Company, assuming that all outstanding convertible preference shares or debentures, and other equity securities convertible into or exercisable or exchangeable for Equity Shares of the Company (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to equity shares, assuming that neither the Company nor the Promoters are in default of the terms of issuance;

“**Gas**” or “**Natural Gas**” means gas obtained from bore-holes and consisting primarily of hydrocarbons and includes-

- (i) gas in liquid state, namely, liquefied natural gas and degasified liquefied natural gas,
- (ii) compressed natural gas,
- (iii) gas imported through transnational pipe lines, including CNG or liquefied natural gas,
- (iv) gas recovered from gas hydrates as natural gas,
- (v) methane obtained from coal seams, namely, coal bed methane, but does not include helium occurring in association with such hydrocarbons<sup>1</sup>

“**Governmental Approvals**” means all consents, approvals, orders, permits, no-objection letters or authorizations of, and registrations, declarations and filings with, and expirations of waiting periods imposed by, any Governmental Authority, including any approvals required in connection with this Agreement and the transactions contemplated herein;

“**Governmental Authorities**” means any national, state, regional or local government or governmental, administrative, judicial, or government-owned body, department, commission, authority, court, tribunal, agency or entity in India;

“**Group**” means, in relation to a Party, that Party and its Affiliates;

“**India**” means the Republic of India;

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<sup>1</sup> Same definition as in s.2(za) PNGRB Act.

  
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“**Independent Financial Advisor**” shall mean the financial advisor selected in pursuant to Clause 11.3.

“**Memorandum of Association**” means the memorandum of association of the Company;

“**Non-Defaulting Party**” shall have the meaning specified in Clause 11.1.

“**Non-Selling Shareholder**” shall have the meaning specified in Clause 8.7.

“**OCCPS**” means the optionally convertible cumulative preference shares issued by the Company under Clause 5.2.1 of this Agreement;

“**PNGRB EOI**” means the bid document that had been issued by PNGRB for the 6<sup>th</sup> bidding round for grant of city gas distribution authorisation pursuant to which the Company received authorisation for the Banaskantha CGD Project and the Fatehgarh Sahib CGD Project and shall include all bid documents in bidding rounds for grant of city gas distribution authorisation in which the Company participates after the execution of this Agreement.

“**PNGRB CGD Authorisation**” means the authorisation for laying, building operating and maintaining CGD network within a geographical area, issued by PNGRB under the PNGRB Act read with the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008 (as amended from time to time)

“**Person**” means any individual, firm, company, corporation, government, state or agency of a state, or any association, trust or partnership (whether or not having separate legal personality), body corporate or any two or more of the above;

“**Promoters**” has the meaning assigned to it in Recital (a);

“**Promoter Securities**” means the Equity Shares, Redeemable Preference Shares, preference shares and instruments convertible into, or exchangeable for, equity shares and any further equity shares, that may be subscribed to or held by from time to time by the Promoters.

“**Rs.**” or “**Rupees**” means the lawful currency of India;

“**Redeemable Preference Shares**” means preference share that are issued by the Company to the Promoters and/or EDMP at par, and which shall be: (a) redeemable after ten (10) years from the date of their issuance and (b) entitled to 10% annual dividend till their redemption.

“**Securities**” includes Equity Shares, Redeemable Preference Shares, OCCPS and any other instrument falling under the classification of “securities” under Applicable Law that is issued by the Company.

“**Shareholders**” means Cadila Pharmaceuticals Limited, IRM Trust and Enertech Distribution Management Private Limited and shall include, from time to time, such of their respective Affiliates that hold the Promoter Securities and the EDMPL Securities (as the case may be).

  
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“**Shareholding Percentage**” means in respect of a Person, the respective percentage proportions which the Equity Shares held by that Person bear to the Equity Share Capital of the Company from time to time, in each case calculated on a Fully Diluted Basis, it being agreed that the percentage proportions of the Promoter Securities and the EDMPL Securities shall be 70% and 30% respectively.

“**Tag Along Securities**” means with respect to EDMPL, such number of Securities as are arrived at by multiplying the number of Securities held by EDMPL and its Affiliates with a fraction, the numerator of which is the number of Sale Securities and the denominator is the total number of Securities then held by the Promoters and their Affiliates;

“**Target Amount**” means the total amount of monies required to be invested, in accordance with Clause 5.2 of this Agreement, in the Company by the Promoters and EDMPL, upon the Company receiving certain number of PNGRB CGD Authorization, which shall be undertaken through subscription of Equity Shares; *provided however that*, until the satisfaction of the Equity Condition Precedent, the same shall be undertaken through subscription of OCCPS (after taking into account amounts already invested by way of Equity Shares).

“**Tax**” means all statutory, governmental, state, provincial, local government or municipal taxes, impositions, duties, contributions, rates, cess, fees and levies, and shall include any other similar charges, whenever and wherever imposed.

“**Transfer**” means, with respect of any Share or other Security, direct or indirect sale, transfer, assignment, mortgage (whether by way of fixed or floating charge), pledge, encumbrance or other alienation or disposition of, in any way, any Shares or other security, or any rights relating to such Shares or other security (including by way of amalgamation or merger with any Person), and “**Transferred**” shall be construed accordingly.

## 1.2. Interpretation

In this Agreement, unless the context requires otherwise,

- (a) reference to a statutory provision includes any regulations or subordinate legislation made or promulgated from time to time under that provision;
- (b) reference to any gender includes all genders and reference to the singular includes the plural and vice versa;
- (c) reference to a document shall be a reference to that document as modified, amended, novated or replaced from time to time;
- (d) reference to this Agreement includes any recitals and schedules to this Agreement as from time to time amended and shall have the same force and effect as if expressly set out in the body of this Agreement; and references to Clauses and Schedules are to Clauses of and Schedules to this Agreement;
- (e) headings are for convenience only and shall be ignored in construing or interpreting any provision of this Agreement;

  
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- (f) if in terms of this Agreement, the day or date for taking any action by any Party falls on a day that is not a Business Day, then such action would be required to be taken on the immediately succeeding Business Day;
- (g) this Agreement is a joint draft product of the Parties and any rule of statutory interpretation interpreting agreements against a party primarily responsible for drafting the agreement shall not be applicable to this Agreement; and
- (h) any reference to any statute or statutory provision shall include:
  - (i) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);
  - (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Agreement) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to any transactions entered into under this Agreement and (to the extent liability thereunder may exist or can arise) shall include any past statutory provision (as from time to time amended, modified, re-enacted or consolidated) which the provision referred to has directly or indirectly replaced.

## 2. Entry into Effect

This Agreement shall become effective and binding on all Parties on the date of execution hereof (“**Effective Date**”).

## 3. Purpose of This Agreement

- 3.1. The purpose of this Agreement is to set out the rights and obligations of the Parties and the terms and conditions on which they have agreed that the Company’s Business would be undertaken and the CGD Projects implemented.
- 3.2. The Parties agree that their respective rights in the Company shall be regulated by this Agreement.
- 3.3. The Parties shall:
  - (a) promote the best interests of the Company; and
  - (b) Ensure that the Company’s Business is conducted and the CGD Projects are undertaken in accordance with the provisions of this Agreement, sound and good business practices and in accordance with the Business Plan, as approved by the Board from time to time.

## 4. Government Approvals for Company’s Business

The Company shall obtain and maintain all Governmental Approvals, including approvals from Petroleum and Natural Regulatory Gas Board (PNGRB) required for the conduct of the Company’s Business. The Parties shall support and provide such assistance to the Company as is required in order to enable the Company to obtain the required Governmental Approvals.

  
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## 5. Capital Structure, Closing and Related Matters

### 5.1. Capitalisation of Company as on Effective Date

The Company's authorized equity, as on the Effective Date, is share capital of Rs.50,00,00,000 (Rupees Fifty Crore only), divided into a 5,00,00,000 (Five Crore) Equity Shares of Rs.10/- (Rupees Ten) each.

As on the Effective Date, the Company has an issued Equity Share Capital of 20,50,000 (Twenty Lakhs Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten) each (amounting to a total investment into the Company of Rs. 2,05,00,000 /- (Rupees Two Crore Five Lakhs only)) that has been subscribed by the Promoters as follows:

- (i) CPL has subscribed to 15,37,500 (Fifteen Lakhs Thirty Seven Thousand Five Hundred) Equity Shares of Rs.10/- (Rupees Ten) each amounting to equity investment of Rs. 1,53,75,000 (Rupees One Crore Fifty Three Lakhs Seventy Five Thousand only), in the Company.
- (ii) IRM Trust has subscribed to 5,12,500- (Five Lakhs Twelve Thousand Five Hundred) Equity Shares of Rs.10/- (Rupees Ten) amounting to equity investment of Rs. 51,25,000 (Rupees Fifty One Lakhs Twenty Five Thousand only), in the Company.

### 5.2. Target Amount

5.2.1 The Promoters, EDMPL and the Company hereby agree and undertake that in order to enable the due implementation of the CGD Projects for which the Company receives PNGRB CGD Authorisation, and to ensure that the rights of EDMPL are not adversely effected, the Company shall be capitalised in the following manner:

- (i) till the satisfaction of the Equity Condition Precedent, the Promoters and EDMPL shall invest into the Company through subscription of OCCPS upto the applicable Target Amount, and which OCCPS shall be converted into Equity Shares on satisfaction of the Equity Condition Precedent so as to ensure that the ratio of the shareholding is as stipulated in Clause 5.3.1 below; and
- (ii) after satisfaction of the Equity Condition Precedent, further capitalization shall be by issue of Equity Shares till the applicable Target Amount is achieved; and
- (iii) once the relevant applicable Target Amount has been achieved, all further investment for meeting the capitalisation and financing requirements of the Company shall be undertaken by the Promoters only through the subscription of Redeemable Preference Shares in accordance with Clause 5.4 below.

5.2.2 The Promoters, EDMPL and the Company hereby agree that the Target Amount to be achieved in relation to the number of PNGRB CGD Authorizations obtained shall be as follows:

  
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Sl. No.	Number of PNGRB CGD Authorisations received and accepted by the Company	Applicable Target Amount (i.e. sum of investment through subscription of Equity Share and OCCPS to be made by The Promoters and EDMPL for the relevant number of PNGRB CGD Authorisations received)
1.	Two (2) PNGRB CGD Authorisations	Rs. 21,50,00,000/- (Rs. Twenty One Crores Fifty Lakhs) (“ <b>First Target Amount</b> ”)
2.	Three (3) PNGRB CGD Authorisations	Rs. 29,00,00,000/- (Rupees Twenty Nine Crores) (“ <b>Second Target Amount</b> ”)
3.	Four (4) PNGRB CGD Authorisations	Rs. 37,00,00,000/- (Rupees Thirty Seven Crores) (“ <b>Third Target Amount</b> ”)
4.	Five (5) PNGRB CGD Authorisations	Rs. 45,00,00,000/- (Rupees Forty Five Crores) (“ <b>Fourth Target Amount</b> ”)

The additional funding required above the Target Amount shall be brought in by The Promoters in accordance with Clause 5.4.3 herein below. However, before making any bid to the PNGRB for new CGD location(s), the Parties will jointly discuss and arrive at a consensus during the Management Committee meeting, considering the need for bid amount, performance bank guarantee and the estimate of funds required for new location(s).

### 5.3. EDMPL Participation

5.3.1 The Parties hereby agree that the Company’s Business shall be undertaken, in accordance with the terms and conditions of this Agreement. Any capital contributions from the Parties, after the Effective Date, shall be in the ratio of 51:30:19 by CPL, EDMPL and IRM Trust respectively subject to Clause 5.2, this Clause 5.3 and Clause 5.4 below. The capital contribution made by the Parties shall be used only to establish and operate the Company’s Business.

5.3.2 The Parties agree and acknowledge that the subscription by EDMPL of the Equity Share Capital of the Company requires the satisfaction of the Equity Condition Precedent. The Parties agree that the Company shall, apply to PNGRB for obtaining its consent to the issuance and allotment of upto 30% Equity Share Capital of the Company to EDMPL.

5.3.3 Until such time as the Equity Condition Precedent, stipulated in Clause 5.3.2 above are satisfied, the Parties agree that the following provisions shall govern the Company:

- (a) The CPL, shall, within fifteen (15) days from the execution of this Agreement, duly execute and provide to EDMPL a power of attorney, in accordance with the format provided in Schedule A to this Agreement, in respect of Equity Shares equivalent to 30% (thirty percent) of the issued and paid up Equity Share Capital of the Company (“**Subscription Shares**”) in favour of the persons nominated by EDMPL, which would authorise the exercise of the voting and other rights associated with the relevant Equity Shares with the nominees of EDMPL and which power of attorney shall stand terminated upon the issuance of Equity Shares upon the satisfaction of the Equity Condition Precedent (this power of attorney hereinafter referred to as “**Equity POA**”). The consideration for the issuance of the Equity POA by the

  
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Promoter shall be the execution of this Agreement by EDMPL and to provide the technical assistance and nominate the key persons to enable the management of the Company and the implementation of the CGD Projects. The said Equity POA cannot be terminated or withdrawn till such time as the Promoters shall hold the Equity Shares in respect of which the said Equity POA has been issued for the benefit of the person(s) in whose favour the said Equity POA has been issued.

- (b) The Promoters shall exercise their voting rights so as to ensure the appointment of two (2) representatives of EDMPL within fifteen days from the execution of this Agreement;
- (c) The Promoters shall exercise their voting rights in accordance with the provisions of this Agreement

Upon satisfaction of the Equity Condition Precedent the OCCPS issued to the EDMPL shall be converted into Equity Shares and EDMPL shall thereafter hold 30% of the Equity Share Capital of the Company, whereupon the Equity POA shall be cancelled and returned to the Promoter.

- 5.3.4 The Promoters and the Company hereby agree that, within 60 (sixty) days from Effective Date, EDMPL shall invest into the Company, by way of subscription to optionally convertible cumulative preference shares (“OCCPS”), an amount equivalent to thirty percent (30%) of whatever the total issued and paid up Equity Share Capital of the Company (post allotment) is as of the Effective Date. The OCCPS shall be issued to EDMPL under this Clause 5.3.4, in accordance with the terms and conditions specified in Schedule B to this Agreement.

The Parties hereby agree that, during the period prior to the satisfaction of the Equity Condition Precedents, the Promoters shall not undertake investment in the Company so as to increase their holding of the issued Equity Share Capital and undertake investment into the Company only through either OCCPS or Redeemable Preference Shares in accordance with Clauses 5.2 and 5.4 hereof.

The Company can issue further Equity Shares only on satisfaction of Equity Condition Precedent and only in compliance with the provisions of Clause 5.2 and 5.4 hereof, in a manner that does not dilute the rights of the EDMPL under this Agreement. The Promoter hereby assures EDMPL that further issuance of Equity Shares will be undertaken only with the mutual consent of EDMPL and, if necessary, with the modification of the conversion ratio of its OCCPS in a manner so as to ensure that on conversion EDMPL would receive 30% Equity Shares of the Company at the time of conversion after satisfaction of the Equity Condition Precedent.

- 5.3.5 The Promoters and the Company hereby assure EDMPL that, within 30 days from the date of approval by PNGRB, the required resolutions for amending the Articles of Association to reflect this Agreement shall be passed.

5.4. **Capital Structure on Achieving Applicable Target Amount**

- 5.4.1 The Promoters, EDMPL and the Company hereby agree that in consideration of the investment in accordance with this Agreement and the provisions of the EDMPL’s strategic know how on commercial and management aspects and sector expertise to the Company, the rights of EDMPL under this Agreement shall not in any manner be diluted

  
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and that :

- (i) all additional funding required once the applicable Target Amount (corresponding to the number of PNGRB CGD Authorisations received by the Company at the relevant time) has been achieved, shall be undertaken only by the Promoters and only through subscription to Redeemable Preference Shares and/or inter-corporate deposits; and
- (ii) the Promoters shall subscribe to Redeemable Preference Shares to the extent of Rs. Twenty Five Crores (Rs. 25,00,00,000/-) for funding the Company when it has achieved the First Target Amount (as per Clause 5.2 above) and shall increase by such differential funding upto a cap of Rupees Fifty Five Crore (Rs. 55,00,00,000/-) (“**Promoter RPS Cap**”) upon the Company achieving the Fourth Target Amount.

In the event the Company has achieved the Fourth Target Amount and the issued Redeemable Preference Shares that are pending redemption by the Company are at the Promoter RPS Cap then, thereafter the Equity Share Capital (including OCCPS) shall be enhanced as decided by the Board and both Promoters and EDMPL shall subscribe to such increase in Equity Share Capital in the ratio of 70:30.

- 5.4.2 The Promoters and the Company hereby agree that the total cash investment by EDMPL shall not exceed 30% of the relevant applicable Target Amount and in consideration of the same and the provisions of EDMPL’s strategic know how on commercial and management aspects and sector expertise to the Company, the rights of EDMPL under this Agreement shall not in any manner be diluted and that: (a) all additional funding, once the applicable Target Amount has been achieved, would be undertaken by the Promoters through Redeemable Preference Shares; and (b) the conversion ratio of the optionally convertible redeemable preference shares shall be maintained (and modified from time to time) in such a manner so as to ensure that EDMPL would be able to obtain 30% Equity Shares.
- 5.4.3 The Promoters hereby agree and undertake that additional financing beyond the applicable Target Amount would be undertaken only through Redeemable Preference Shares, without recourse to or impacting the EDMPL’s Shareholding Percentage or in any way diluting the ratio of EDMPL’s shareholding in the Company below 30%. The additional financing would be undertaken without affecting the rights of EDMPL under this Agreement. Accordingly, Company shall raise such financing as may be required using such other quasi equity or debt or non convertible instruments or other instruments, derivatives, securities as may be feasible so as to ensure that the EDMPL’s shareholding and rights are not diluted.
- 5.4.4 In the event the Company has won more than five (5) PNGRB CGD Authorizations, and if an offer is made by the Company to Promoters and EDMPL to subscribe to additional Equity Shares in accordance with Clause 5.2 read with 5.4.1 and EDMPL does not wish to exercise its right to acquire Shares under such offer, then all or part of such shortfall (“**Shortfall**”) shall be dealt as per Clause 5.4.5 below.
- 5.4.5 In the event of Shortfall the Company may allow any Party to provide funds to the Company in form of loan or to guarantee the Company’s obligations and to charge interest or a fee in respect of any such loan or guarantee on an arm’s length basis. Nothing contained in this Clause shall constitute an obligation on any Party to advance any funds by way of loan or guarantee any loan obligation of the Company without the prior written

  
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consent of such Party.

5.4.6 In addition to the capital contribution, if the Board in accordance with this Agreement determines that the Company requires further finance or upon occurrence of a Shortfall, the Board shall use its reasonable endeavours, to procure debt funding through (i) any facilities, either denominated in Rupees or a non-Indian currency, from commercial banks, financial institutions and multilateral lending institutions, (ii) issue of non-convertible debentures or other non-convertible debt securities, (iii) commercial paper facilities, or (iv) any other type of debt financing that it considers appropriate (“**Debt Funding**”).

5.5. **First Closing**

The Parties hereby agree that, within sixty (60) days from the execution of this Agreement, the following actions shall be completed (“**First Closing**”):

- (a) The required resolutions of the Board of Directors and the Shareholders of the Company authorizing the issuance of the OCCPS, on the terms and conditions agreed to under this Agreement, shall have been passed;
- (b) The Promoters shall have duly executed and delivered to EDMPL the Equity POA in favour of EDMPL in accordance with Clause 5.2(iii)(a) of this Agreement;
- (c) The representative(s) of EDMPL shall have been appointed to the Board of Directors of the Company;
- (d) Authorize the officers of the Company to make all necessary statutory filings in connection with the allotment of OCCPS;
- (e) Entering of the names of EDMPL in the Company's register of members as the respective holders of the OCCPS subscribed by them;
- (f) the share certificates for the OCCPS shall have been issued and given to EDMPL.
- (g) Immediately after First Closing, the shareholding pattern of the Company shall be as:

Sl. No.	Shareholder	Shares	Percentage of total shareholding
1.	CPL		75%
2.	IRM Trust through Dr Rajiv I Modi		25%
	<b>Total</b>		<b>100.00%</b>
	<b>EDMPL</b>		<b>OCCPS : 100.00%</b>

5.6. **Second Closing**

The Parties agree that upon satisfaction of Equity Condition Precedents, EDMPL shall have the right to exercise its right to convert the OCCPS into Equity Shares and in the event EDMPL issues the written notice to convert its OCCPS into Equity Shares, then within sixty (60) days of the issuance of the said written notice by EDMPL, the

  
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following actions shall be completed (“**Second Closing**”):

- (a) The required resolutions of the Board of Directors of the Company approving the conversion of the OCCPS into Equity Shares shall have been passed;
- (b) Form PAS-3 (return of allotment) should have been filed;
- (c) The Register of Members shall have been updated to reflect the conversion of the OCCPS;
- (d) Upon completion of the steps mentioned in sub-clause (a) to (c) above, the Equity POAs shall be cancelled and returned to the Promoters;
- (e) Upon the completion of the Second Closing the shareholding of the Company shall be as follows:

Sl. No.	Shareholder	Shares	Percentage of total shareholding
1.	CPL		51%
2.	EDMPL		30%
3.	IRM Trust through Dr Rajiv I Modi		19%
	<b>Total</b>		<b>100.00%</b>

## 6. Role of Each Party

### 6.1. Role of Promoters

- (a) The Promoters shall play a lead role in arranging bank guarantees required to enable the Company to participate and be selected as the authorised entity for laying, operating and maintaining city gas distribution networks in geographical areas in India till such time Company is able to secure bank guarantees independently. However, guarantee commission will be provided and paid by the Company.
- (b) The Promoters shall provide and arrange all support, security, bank guarantees needed to enable the Company to obtain Debt Funding and financing needed to enable the implementation of the CGD Projects, conduct the Company’s Business till such time Company is able to secure it independently. *Provided that* once the Company has obtained/acquired assets such as land or other assets that can be mortgaged, hypothecated and / or charged, then the Company will raise Debt Funding, to the extent it can through securing its assets and the Promoters shall provide and arrange the additional security or financing as required to cover any shortfall in financing needed by the Company
- (c) The Promoters shall support EDMPL in undertaking the management of the Company’s Business in accordance with the role defined in this agreement;

  
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## 6.2 Role of EDMPL

- (a) EDMPL shall provide all guidance and assistance to:(i) develop the Business Plan and enable the Company to implement the CGD Projects; and (ii) develop and submit bids in future and shall further provide its expertise in the management and operations of the Company including *inter alia* for the following;
- (i) EDMPL will identify CGD geographic areas for which the Company should submit its bid pursuant to PNGRB EOIs issued from time to time;
  - (ii) EDMPL will assist in preparation of demand and technical assessment for identified geographical areas that should be considered by the Company for bid participation;
  - (iii) EDMPL will assist in preparation the financial model (Capex , pricing against competing fuel, benchmarking with peers, etc) to work out project economics and project feasibility;
  - (iv) In relation to mandates obtained from PNGRB for development of CGD networks, EDMPL shall: (aa) undertake the development of CGD Projects implementation, (bb) monitor the implementation of the CGD Projects, (cc) select key consultants and contractors for timely completion of CGD Projects, (dd) enable sourcing of gas by the Company, (ee) ensure timely access to transmission network, negotiate transportation agreement with GAIL and GSPL and expedite tap off from transporter, (ff) prepare contract formats, negotiate with customers and enable offtake of gas within the geographical area, (gg) identify and recruit key managerial personnel like CEO, CFO, CMO, CS and HODs such as Marketing, O&M, Projects, etc
  - (v) enable the expansion of Business of the Company;
- (b) EDMPL shall provide its expertise and experience to enable the due implementation of the CGD Projects by the Company;
- (c) EDMPL shall support and provide guidance for the operations of the Company so as to enable it to implement the CGD Projects including strategic business aspects such as gas procurement, gas pricing, major capital expenditure, expansion of business, creation of subsidiaries, joint ventures, Company's annual capital and revenue budget, strategic plan, Business Plan and any modification of the same and all other Operational Matters.

## 7. Governance and Management

### 7.1 Management of the Company with the Board of Directors.

Subject to the rights of the Parties contained in this Agreement, the management of the Company shall rest with the Board of Directors and the Board shall be responsible for the overall direction and supervision of the management of the Company, as mandated under the Act, the Memorandum of Association and the Articles of Association. The Promoters and EDMPL hereby agree that they shall ensure that the Board constitutes a Management Committee in accordance with Clause 7.11 below. The Shareholders further acknowledge that the day to day management of the Company shall be carried out by the CEO.

  
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### *Board Composition*

- 7.2 The number of Directors on the Board shall be 8 (eight) to start with, which can be increased in accordance with Applicable Laws, upto 10 (ten), with the mutual agreement between the Promoters and EDMPL.
- 7.3 Subject to Clause 7.2 above, The Promoters shall have the right to nominate, collectively up to 4 (four) Directors and EDMPL shall have the right to nominate 2 (two) Directors on the Board. In the event of increase in the number of Directors on the Board, the parties shall have right to nominate the Directors in their proportion of equity holding. The present Board of the Company shall be accordingly reconstituted on the First Closing. The Shareholders shall also appoint 2 (two) Independent Directors on the Board of the Company, selected through consensus between EDMPL and the Promoters. The Independent Directors will be individuals preferably having a minimum of 20 (twenty) or more years of experience in gas sector.
- 7.4 The Directors will not be required to hold any qualification shares.
- 7.5 Subject to and in accordance with the provisions of s.161 Companies Act, 2013, in the event a Director nominated by a Party is going to be absent from India for a period of not less than three (3) months then in such circumstances, the Board will appoint the person nominated by the relevant Party who had nominated the original director as the alternate director to act for the original director during his absence for a period of not less than three (3) months from India. An alternate director so appointed shall not hold office as such for a period longer than that permissible for the original director in whose place he has been appointed and shall vacate office if and when the original director returns to India.

### *Chairman*

- 7.6 The Board shall elect one of the Directors nominated by the Promoters to preside as chairman of meetings of the Board (“**Chairman**”).

### *Remuneration*

- 7.7 The remuneration of the Directors, shall be determined by the Board, subject to the provisions of the Act.

### *Board Meetings*

- 7.8 Subject to the provisions of the Act, the Board shall meet at least four (4) times in a year and once every 3 (three) months at the registered office of the Company or such other place, as may be determined by the Board. At any Board meeting, each Director shall have one (1) vote. All meetings of the Board shall be conducted in compliance with the provisions of the Act and the Articles of Association.

The quorum for all meetings of the Board of Directors shall, for each meeting be one third of total number of Directors and which consists of at least one (1) Director representing the Promoters and one (1) Director representing EDMPL. No quorum for a meeting of the Board of Directors shall be validly constituted unless the number of Directors constituting such quorum as mentioned hereinabove is present at the commencement of the Board Meeting and throughout its duration.

  
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Provided that the above clause shall be deemed to have been complied with, if written consent by the Party in advance whose representative is not able to attend the meeting.

If the requisite quorum is not present within thirty (30) minutes from the time when the meeting of the Board of Directors is convened or if during the meeting, there is no longer a quorum, such meeting shall be adjourned for and be held on the same day, same time in the subsequent week and if such date is not a Business Day, on the next following Business Day (“**Adjourned Meeting**”). Notice of the Adjourned Meeting shall be provided to the Directors by the Company at the last known address as per the records of the Company.

If at the Adjourned Meeting, the required representatives of the Promoters and EDMPL are not present in accordance with this Clause 7.8 hereinabove, within thirty (30) minutes from the time that the Adjourned Meeting should have begun or if during the proceedings of such Adjourned Meeting, there is no longer a representation of the Promoters and EDMPL, the Directors present shall constitute the meeting, except for in relation to Reserved Matters.

#### *Role of the Board*

- 7.9 The roles of Board, *inter alia*, shall include the following:
- (i) Approval of Business Plan;
  - (ii) Approval of budgets;
  - (iii) Expansions or divestments of the Company;
  - (iv) Approval of loans from financial institutions;
  - (v) Directors’ remuneration;
  - (vi) Appointment of Chief Executive Officer;
  - (vii) Appointment of CFO;
  - (viii) Approval of area of expansion, new GAs for bidding by the Company;
  - (ix) Approval of induction of financial investor; and
  - (x) Change in the capital structure of the Company.
- 7.10 The Board shall exercise all such powers and shall do all such acts and things, as the Company is authorised to exercise and do. All decisions of the Board at any meeting shall be decided by a simple majority of votes except in relation to Reserved Matters and Operational Matters.

#### *Management Committee*

- 7.11 The Board shall set up a Management Committee consisting of 4 (four) Directors, drawn two (2) from CPL and two (2) EnerTech based on consensus amongst the Parties. The Management Committee shall discharge its obligations under the supervision and guidance of the Board. The role of the Management Committee, *inter alia*, shall include the following:
- (i) Monitor implementation of Business Plan including implementation of CGD Projects, operations and maintenance, gas sourcing, gas pricing;
  - (ii) Identification and selection other key managerial personnel;
  - (iii) Monitoring compliance of regulatory issues;
  - (iv) Recruitment and HR management;
  - (v) Identify opportunity for business growth / diversification / scalability;
  - (vi) Keep track on trends in the industry, risk factors, etc.;

  
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- (vii) Financial delegation to approve deviation upto 10% from budget amount.
- (viii) Strategic business aspects such as gas sourcing, gas pricing, major capital expenditure, expansion future bidding.
- (ix) Identification of geographical areas for which the company would submit competitive bids, finalization and submission of competitive bids.

All decisions of the Management Committee shall be taken with the consensus of the all the Directors.

*Chief Executive Officer (“CEO”)*

- 7.12 The Board shall appoint the person nominated by EDMPL as the CEO. The CEO shall oversee the execution and performance of the administrative functions of the Company under supervision of the Board, and shall communicate with the Board regarding the Company’s Business and operational activity of the Company. The day to day management of the Company shall be carried out by the CEO.

*Chief Financial Officer (“CFO”)*

- 7.13 The Board shall appoint the person nominated by EDMPL as the CFO. The CFO shall support the CEO in overseeing the execution and performance of the Company.

- 7.14 Subject to the provisions of the Act, the Company shall indemnify, defend and hold harmless any EDMPL representative Directors as well as any Promoter representative Directors (**“Representative Director”**), from and against any and all losses to which any Representative Director may become subject, including losses pursuant to any claim against any Representative Director or to which any Representative Director is made a party, insofar as such losses arise out of, in any way relate to, or result from any Representative Director’s holding a position on the Board and committees and/or otherwise from any Representative Director’s current or past association with the Company or any breach or alleged breach of any Representative Director’s fiduciary duties in such capacity, without requiring the Party or its Affiliates that has nominated such Representative Director to indemnify the Representative Director in the first instance and any obligation of the Party or its Affiliates under any document or instrument providing for indemnification or advancement by such entity shall be secondary to the Company’s primary obligation with respect thereto. The Company shall not, without the prior written consent of the Promoters and EDMPL, amend any provisions of the Articles of Association in relation to indemnity, in any manner which may adversely affect the rights of Representative Director(s) in relation to any act or omission having occurred prior to the date of such amendment.

- 7.15 Notwithstanding anything to the contrary contained in this Agreement, The Promoters and EDMPL hereby agree that the implementation and operation of the CGD Projects and the day to day operations of the Company (collectively **“Operational Matters”**) shall be the responsibility of EDMPL. In that regard The Promoters agree that any resolution or decision to be taken at a shareholders meeting or meeting of the Board of Directors in relation to Operational Matters shall require unanimous consent of both EDMPL and The Promoters (in any meeting of the shareholders) and/or the consent of all the Directors nominated by EDMPL and the Promoters, (in any meeting of the Board of Directors), as the case may be.

**8. Transfer of Shares & Lock-in Period**

 CPL	 IRM Trust	 EDMPL	 Company
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- 8.1 Each Shareholder covenants and agrees with the other Shareholder that it and any of its Affiliates holding any Shares or voting interests therein, shall not Transfer any of the Shares or voting interests therein owned by it to any person, except as expressly permitted under this Clause 8.
- 8.2 Notwithstanding any provision in this Agreement to the contrary, a Shareholder shall Transfer its Shares only in compliance with Applicable Law and shall not Transfer its Shares if doing so would create a substantial risk of causing the Company to lose any of its Governmental Approvals, or to be in violation of Applicable Law, or in breach of a significant contract to which it is a party or other commitment which it has undertaken, where such significant contract had been approved or ratified in writing by the Shareholder proposing to Transfer its Shares.
- 8.3 Any attempted Transfer of Shares made by a Shareholder in violation of this Agreement shall be void. The Board of Directors shall not approve or ratify any Transfer of Equity Shares made in contravention of the prohibitions contained in this Clause 8.
- 8.4 Any Transfer or attempt to Transfer any Shares held by the Shareholders in the Company, in violation of the aforesaid shall be null and void ab initio and the Company shall: (i) not register such erroneous Transfer; and shall (ii) reject and reverse such erroneous Transfer made or attempted to be made, *suo moto*, without necessity of a decision by the Board of Directors and may institute proceedings for this purpose, if required by Applicable Law.
- 8.5 Should an approval of a Governmental Authority be required for the Transfer of Equity Shares of the Company under this Agreement, the transferor and/or the transferee, as the case may be, shall immediately make or have made an application thereof and shall take in good faith such reasonable actions, as may be necessary or desirable to obtain such approval. The time taken for obtaining such approvals shall be excluded from the time limits set out for the Transfer of the Shares of the Company under this Agreement. The costs of the steps for obtaining the approvals shall be to the account of the Shareholder seeking the approval.
- 8.6 Notwithstanding anything contained in this Agreement, the Shares held by the Shareholders shall be subject to a lock-in for a period of 10 (ten years from the Second Closing ("**Lock-in Period**").
- 8.7 Upon expiry of Lock-in Period, if any Shareholder ("**Selling Shareholder**") is intending to transfer all or any Shares held by it, then the other Shareholder ("**Non-Selling Shareholder**") shall have a right to purchase such Shares on the terms and conditions set forth below:
- 8.7.1 Notice of proposed transfer: The Selling Shareholder shall deliver a written notice ("**Offer Notice**") to the Non-Selling Shareholder and the Company containing: (a) the name of the proposed purchaser ("**Proposed Transferee**"), (b) exact number of Shares to be Transferred to Proposed Transferee ("**Offered Shares**"), (c) the cash price for which the Proposed Transferee proposes to purchase the Offered Shares ("**Offered Price**"), (d) material terms and conditions of the proposed transfer ("**Offer Terms**"); and (e) offer the Offered Shares at the Offered Price on the Offer Terms to the Non-Selling Shareholder;
- 8.7.2 Exercise of right of first refusal: At any time within 30 (thirty) days from the date of receipt of the Offer Notice ("**Offer Period**"), the Non-Selling Shareholder

  
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may by giving written notice (“**Acceptance Notice**”) to the Selling Shareholder, elect to purchase (either directly or through its Affiliates) all but not less than all the Offered Shares at the Offered Price on the Offer Terms from the Selling Shareholder;

8.7.2.1 If the Non-Selling Shareholder has delivered the Acceptance Notice that contains an offer to purchase the Offered Shares, then the Non-Selling Shareholder shall proceed to complete the purchase of the Offered Shares from the Selling Shareholder within a period of 60 (sixty) days from the date of receipt of the Acceptance Notice by the Selling Shareholder;

8.7.2.2 If the Non-Selling Shareholder does not issue the Acceptance Notice within the Offer Period, it shall be deemed on the last day of Offer Period to have served a notice stating that it does not wish to purchase the Offered Shares. The Selling Shareholder then shall be entitled to sell the Offered Shares to the Proposed Transferee at the Offer Price as per Offer Terms within 60 (sixty) days from the date of expiry of the Offer Period (“**Disposal Period**”). *Provided* that if the Selling Shareholder is any one or both of The Promoters, any sale by the Promoters shall be subject to and in accordance with the Tag Along Sale obligations in accordance with Clause 10 of this Agreement; and

8.7.2.3 In the event the Selling Shareholder fails to Transfer the Offered Shares to the Proposed Transferee within the Disposal Period, it shall observe the procedure laid down as above prior to selling the Offered Shares to a third party.

## 9 RESERVED MATTERS

The Promoters and EDMPL hereby agree that any resolution or decision to be taken at a shareholders meeting or meeting of the Board of Directors shall require affirmative vote or consent in writing to the proposed agenda items of the Promoters and EDMPL (in any meeting of the shareholders) and/or the Directors nominated by EDMPL (in any meeting of the Board of Directors), as the case may be (“**Reserved Matters**”):

- (i) appointment of CEO and CFO of the Company;
- (ii) appointment of statutory auditor and internal auditor of the Company;
- (iii) Adoption or modification of Company's annual capital and revenue budget, strategic plan and the Business Plan;
- (iv) any additional debt or commitment on the capital account by the Company other than that approved in the Business Plan,;
- (v) issue any guarantee or provide indemnities with respect to a debt or obligation availed by any related parties of the Company (including its Affiliates) or any other Person;
- (vi) any related party transactions;
- (vii) declaration of dividend;

  
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- (viii) creation of new subsidiaries / joint ventures other than those included in the Business Plan;
- (ix) any changes to the accounting policies of the Company;
- (x) any action that requires a special resolution under Applicable Law;
- (xi) commencement or settlement of any litigation where the amount involved is in excess of Rupees Ten Lacs Only (Rs. 10,00,000/-) in any financial year;
- (xii) Constitution of Management Committee.

The Parties agree that a resolution shall be deemed to have been passed only if it has been approved by: (a) an affirmative vote of Directors representing EDMPL and Directors representing the Promoters at a duly convened meeting of the Board; or (b) an affirmative vote of EDMPL and The Promoter at a duly convened Shareholders' Meeting, as the case may be.

- 9.2 In the event of a Deadlock arising due to the Shareholders being unable to take a decision pertaining to any matter in any agenda, then the provisions of Clause 12 shall be applicable.

## 10 TAG ALONG SALE

### 10.1 Tag Along

Subject to the provisions of Lock-in Period, if the Promoter and/or its Affiliates receives a bona fide offer to acquire Promoter Securities or proposes to make a Transfer of securities to a third party Transferee, the Promoter and/or its Affiliates shall send a written notice ("**Tag-Along Notice**") to EDMPL, which notice shall state: (i) the name and address and identity of the proposed Transferee and that the proposed Transferee has been informed of the Tag-Along Right and that the Transferee has agreed to purchase all the Sale Securities and Tag Along Securities required to be purchased in accordance with this Clause; (ii) the number of Promoter Securities to be Transferred ("**Sale Securities**"); (iii) the amount of the proposed consideration for the Transfer; (iv) the other terms and conditions of the proposed Transfer, (v) a representation that no consideration, tangible or intangible, is being provided to the Promoter and/or its Affiliates (including without limitation, by way of non-compete consideration) that is not reflected in the price to be paid to EDMPL exercising their Tag-Along Rights hereunder; (vi) the number of Securities the Promoter together with its Affiliates then owns; (vii) the calculation of the number of Tag Along Securities; and (viii) an offer at the sole option of EDMPL, to include in such sale to the Transferee, the Tag-Along Securities. In the event that the proposed consideration for the Transfer includes consideration other than cash, the Tag Along Notice shall include a calculation of the fair market value of such calculation as determined by an internationally-reputed investment bank chosen by EDMPL. The total value of the consideration for the proposed Transfer is referred to herein as the "**Tag-Along Price**".

### 10.2 Tag-Along Rights

EDMPL shall have the right ("**Tag-Along Right**") but not the obligation to require the

  
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Promoters to cause the Transferee in a Transfer of Securities to purchase from EDMPL and/or its Affiliates, for the same consideration per Equity Share and upon the same terms and conditions as are to be paid and given to the Promoter and/or its Affiliates (except that EDMPL and its Affiliates will not be required to make any representations or warranties other than with respect to their title to the Securities transferred or otherwise be liable for any indemnification (except in respect of their own breach)), the Tag-Along Securities. *Provided that*, EDMPL shall have the right to transfer (but not the obligation) its entire Securities (in addition to the number of Tag Along Securities applicable in terms of this Agreement) if as a result of Transfer of Sale Securities, the Promoters together with their Affiliates cease to hold at least 51% (fifty one per cent) of the Equity Share Capital of the Company on a Fully Diluted Basis or partial pro-rate diluted basis and/or cease to Control the Company immediately upon such Transfer of the Securities and the Promoter shall procure that the sale is effected. Tag Along Right set forth in this Clause is not exercisable “one time only” but rather shall apply for each sale of Securities by the Promoters.

### 10.3 Tag-Along Acceptance

Within 15 (fifteen) calendar days following the receipt of the Tag-Along Notice, in the event that EDMPL and/or its Affiliates elects to exercise its Tag-Along Right, it shall deliver a written notice of such election to the Promoter and/or its Affiliates (“**Tag Acceptance Notice**”) and the number of Tag-Along Securities that it proposes to Transfer to such Transferee. Such notice shall be irrevocable and shall constitute a binding agreement by EDMPL and/or its Affiliates to sell such Tag-Along Securities on the terms and conditions set forth in the Tag Acceptance Notice.

### 10.4 Non-Consummation

Where EDMPL and/or its Affiliates have properly elected to exercise its Tag-Along Right and the proposed Transferee fails to purchase the Securities from EDMPL and/or its Affiliates, the Promoter and/or its Affiliates shall not make the proposed Transfer, and if purported to be made, such Transfer shall be void and the Company shall not register any such Transfer of Securities.

### 10.5 Closing of the Tag Along Sale

The closing of any purchase of Securities by the Transferee from EDMPL and/or their Affiliates shall take place simultaneous with the closing of the purchase of Securities by the Transferee from the Promoter and/or its Affiliates or at such other time and place as EDMPL and the Promoters may agree.

At such closing, EDMPL and/or its Affiliates shall deliver required certificates representing the Tag-Along Securities, accompanied by duly executed instruments of transfer or duly executed transfer instructions to the relevant depository participant. Such Tag-Along Securities shall be free and clear of any encumbrance and EDMPL and/or its Affiliates shall so represent and warrant, and shall further represent and warrant that it is the beneficial and record owner of such Tag-Along Securities. Any Transferee purchasing the Tag-Along Securities shall deliver at such closing payment in full of the Tag-Along Price in accordance with the terms set forth in the Tag-Along Notice, an executed Deed of Adherence (in the event that the Tag Along Securities do not represent all of EDMPL Securities) and any requisite transfer taxes. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate

  
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to effect the sale of the Securities to the Transferee.

#### 10.6 Prohibited Transfer

Without prejudice to Clause 10.4 above, in the event the Promoters transfer any securities held by it in violation of the provisions of this Clause 10 (“**Prohibited Transfer**”), then, EDMPL, in addition to such other remedies which may be available under Applicable Law or equity, shall have the put option as described in this Clause 10.6, and the Promoters shall be bound by the applicable provisions of such option. In the event of a Prohibited Transfer, EDMPL shall have the right to sell to the Promoters, the Tag Along Shares at the same price at which the Promoter transfers the Sale Securities to the third party. The Promoters shall also reimburse EDMPL for any and all fees and expenses, including legal fees and expenses, incurred pursuant to the exercise or the attempted exercise of EDMPL’s rights under this Clause 10.6. EDMPL shall be entitled to provide the Promoters a notice, requiring the Promoters to ensure that the proposed transferee also purchases the Tag Along Securities at the same price and on the same terms at which the Promoter transfers such Sale Securities to the third party. The Promoters shall purchase the Tag Along Securities within ninety (90) days from the date of notice provided by EDMPL of the exercise by it of its rights under this Clause 10.6.

### 11 EVENT OF DEFAULT

#### 11.1 Definition of Event of Default

The Promoters or EDMPL, as the case may be, shall be a “**Defaulting Party**” if it materially breaches its obligations, representations or warranties under this Agreement, and where such default is capable of remedy, it fails to remedy such breach within thirty (30) Business Days after service of written notice from the other Party (“**Non-Defaulting Party**”) of such breach (an “**Event of Default**”).

#### 11.2 Default Notice

Upon an Event of Default, the Non-Defaulting Party may give notice in writing (“**Default Notice**”) to the Defaulting Party and to the Company, whereupon the Non-Defaulting Party shall have the right, which must be exercised by so stating in its Default Notice, to either (a) purchase all, but not less than all, of the Equity Shares (including OCCPS) of the Defaulting Party (“**Default Call Right**”); or (b) require the Defaulting Party to purchase all, but not less than all, of the Equity Shares (including OCCPS) of the Non-Defaulting Party (“**Default Put Right**”), in each case as provided in Clauses 11.3 and 11.4 below.

The rights and remedies of a Non-Defaulting Party pursuant to this Clause 11 are non-exclusive and are in addition to the rights and remedies available to such party as otherwise provided in this Agreement or by Applicable Law.

#### 11.3 Valuation

For the purposes of this Clause 11, the Fair Market Value of the Equity Shares (including OCCPS) shall be determined by an Independent Financial Adviser comprising one of the Big Four Accounting Firms as agreed by the Parties within 7 (seven) days of the date of

  
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the Default Notice, failing which the President of the CII Chapter of Gujarat will appoint any of the Big Four Accounting Firms as the Independent Financial Advisor. At the time of its appointment, the Independent Financial Advisor shall be instructed to use its reasonable efforts to complete its valuation within thirty (30) Business Days of its appointment.

The aggregate sale or purchase price of the Equity Shares (including OCCPS) to be sold or purchased by the Non-Defaulting Party pursuant to this Clause 11 shall be equal to:

- (a) 120% of (in the case of a sale of Equity Shares (including OCCPS) by the Non-Defaulting Party pursuant to a Default Put Right); or
- (b) 80% of (in the case of a purchase of Equity Shares (including OCCPS) by the Non-Defaulting Party pursuant to a Default Call Right),

in each case, the Fair Market Value per Share, multiplied by the number of Equity Shares (including OCCPS) to be so purchased or sold (such price, in each case, the "**Default Price**").

Fair Market Value shall be based upon the valuation of the Company as determined by the Independent Financial Advisor. For purposes of calculating the Fair Market Value per Share, the Independent Financial Advisor shall:

- (i) value all Equity Shares (including OCCPS) at the same value regardless of whether the actual sale of such Equity Shares (including OCCPS) would be afforded any control premium or discount as a result of the sale of a control position;
- (ii) value all Equity Shares (including OCCPS) at the same value and shall not use discount rate on the basis that EDMPL is a minority shareholder or only a shareholder of OCCPS; and
- (iii) assume the exercise of all unexercised warrants, options and rights to purchase Shares and receipt by the Company of the consideration payable in connection therewith.

The fees and expenses of the Independent Financial Advisor shall be borne by the Defaulting Party.

#### 11.4 Closing of Transfer of Shares on Event of Default

- (a) Closing of any sale and purchase of the Equity Shares (including OCCPS) pursuant to this Clause 11 shall take place at the offices of the Company at [11:00 a.m.] on the day, which is the seventh (7th) business day after the determination of the Default Price and/or the Fair Market Value, as the case may be. At that time: (i) the Party whose Equity Shares (including OCCPS) are being sold pursuant to this Clause 11 shall deliver to the purchaser the share certificate(s) representing those Equity Shares (including OCCPS), free and clear from all liens and encumbrances (other than the restrictions on Transfer set out in this Agreement), and such other documents as may be necessary to enable the purchaser or its nominee(s) to obtain a good title to those Equity Shares (including OCCPS); and (ii) the purchaser shall pay the Default Price and/or the Fair Market Value, as the case

  
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may be to the selling Party in immediately available funds.

- (b) All Equity Shares (including OCCPS) transferred under this Clause 11.4 shall be free from all liens and encumbrances (other than the restrictions on Transfer set out in this Agreement) and shall carry all rights, benefits and advantages attached to them except the right to any dividend declared but not paid prior to the date of the registration of such Transfer; and on the Transfer of any Shares, the transferring Party shall secure the resignations of its designees from any offices in the Company held before the Transfer.
- (c) No Party shall be obliged to give any representations or warranties in relation to the Company in conjunction with a Transfer pursuant to this Clause 11 of the Equity Shares (including OCCPS) held by it. However, a Party that Transfers Equity Shares (including OCCPS) pursuant to this Clause 11 shall give to the purchaser customary representations and warranties as to ownership, authority and the absence of conflicts with, breaches of or default under any agreements or other instruments to which the transferring Party is a party or by which the transferring Party or its properties or assets are bound.

## 12 DEADLOCK

- 12.1 In the event of occurrence of any Deadlock, either Party may issue a written notice to the other Party intimating the occurrence of deadlock (“**Deadlock Notice**”). Upon issuance of the Deadlock Notice, the Parties agree that they shall attempt to resolve through good faith negotiation and consultation, any Deadlock or difference between any of the Parties and such consultation shall begin promptly after a Party has delivered to another Party a written request for such consultation.

In matters of technical nature, the Board shall take into consideration the opinion of experts and in the event of a Deadlock, the decision of an independent expert appointed by both the Parties, shall resolve the Deadlock.

In other applicable matters including but not limited to matters relating to raising finances for all requirements of the Company, the Board shall duly consider all options, including raising contracts, sub-lease, or other arrangements in accordance with the provisions of this Agreement.

- 12.2 If the Deadlock is still not resolved in accordance with Clause 12.1, then EDMPL may issue a notice (“**Deadlock Offer**”) on the Promoters offering to sell to the Promoters all, but not less than all, of its shareholding/investment in the Company at, a price notified by EDMPL that shall be based on Fair Market Value as determined by a one of the Big Four Accounting Firms and supported by its report/certification (“**the Deadlock Price**”).
- 12.3 Notwithstanding anything to the contrary contained elsewhere in this Agreement, for the purpose of purchase of Equity Shares (including OCCPS) pursuant to a Deadlock Offer, the Promoters may tie up with a third party after the issue of the Deadlock Offer and shall be free to- (i) enter into a financial or other agreement or arrangement with any third party of its choice, to finance such purchase of the Equity Shares; (ii) encumber or deal with their own Equity Shares (including OCCPS) or the Equity Shares (including OCCPS) proposed to be purchased pursuant to such Deadlock Offer as the case may be, in any manner, and such a transaction shall be accepted by EDMPL.

- 12.4 The Deadlock Offer shall:

- (i) provide for the exercise, by the Promoters, of the option to accept the Deadlock

  
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Offer, within a period of 90 (ninety) Business Days from the date of service of the Deadlock Offer ("**Offer Acceptance Period**"); and

(ii) shall be irrevocable once the Promoters have given the written consent.

12.5 The Promoter shall at any time before the expiry of the Offer Acceptance Period issue notice upon EDMPL of its desire to accept the Deadlock Offer on the terms set out in this Clause 12, ("**Offer Acceptance Notice**"), which shall not be subject to the fulfilment of any condition, subject to Applicable Law. Upon service of an Offer Acceptance Notice, EDMPL shall be bound to sell and the Promoters shall be bound to purchase all, but not less than all, of the Shares (including OCCPS) held by EDMPL, at the Deadlock Price.

12.6 If the Promoters do not issue a Offer Acceptance Notice before the expiry of the Offer Acceptance Period, the Promoters shall be deemed to have declined to accept the Deadlock Offer and an Event of Default of the Promoter shall be deemed to have occurred and the provisions of Clause 11 with the Promoter being a Defaulting Party would come into effect.

### 13 Confidentiality

13.1 The Parties shall use all reasonable endeavours to keep confidential and not use for any unrelated purpose and to ensure that all members of their respective Groups and their respective officers, employees, agents and professional and other advisers keep confidential and not use for any unrelated purpose any information (the "**Confidential Information**"):

- (i) relating to the customers, the Company's Business, assets or affairs of the Company which they may have or acquire through ownership of an interest in the Company;
- (ii) relating to the customers, business, assets or affairs of the other Groups or its members which they may have or acquire through being a Shareholder or making appointments to the Board or through the exercise of their respective rights or performance of their respective obligations under this Agreement; or
- (iii) intellectual property from one Party which is made available to the other Party or the Company for the purposes of this Agreement.

It is clarified that the Company shall exclusively own all rights, title and interest in and to the intellectual property developed in the course of the Company's activities and use of such intellectual property by any other Person shall be subject to prior written consent from the Company.

13.2 No Party may disclose to any third party any Confidential Information without the prior written consent of the other Parties.

13.3 This Clause does not apply to:

- (i) information that is or becomes publicly available;
- (ii) information that is independently developed by the relevant Party or acquired from a third party, to the extent that it is acquired with the right to disclose it;
- (iii) information that was lawfully in the possession of the relevant Party free of any

  
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restriction on disclosure as can be shown by that Party's written records or other reasonable evidence;

- (iv) information that following disclosure under this Clause becomes available to the relevant Party (as can be demonstrated by that Party's written records or other reasonable evidence) from a source that is not bound by any obligation of confidentiality in relation to such information;
- (v) the disclosure by a Party of Confidential Information to its directors or employees or to those members of its Group who, in its reasonable opinion, need to possess such Confidential Information for purposes relating to this Agreement, but those directors and employees shall not use that Confidential Information for any other purpose;
- (vi) the disclosure of information to the extent required to be disclosed under Applicable Laws;
- (vii) the disclosure of information to any Tax authority to the extent reasonably required for the purposes of the Tax affairs of the Party concerned or any member of its Group;
- (viii) the disclosure to a Party's professional advisers of information reasonably required for purposes relating to this Agreement; and
- (ix) subject to appropriate confidentiality undertakings, disclosure to lenders (including potential lenders) or ratings agencies.

13.4 Each Party shall inform any officer, employee or agent or any professional or other adviser advising it in relation to matters relating to this Agreement, or to whom it provides Confidential Information, that such information is confidential and shall instruct them:

- (i) to keep it confidential; and
- (ii) not to use it for any unrelated purpose or disclose it to any third party (other than those Persons to whom it has already been or may be disclosed in accordance with the terms of this Clause 13).

## 14 Dispute Resolution

### 14.1 Consultation

14.1.1 If any dispute or difference arises between any of the Parties hereto during the subsistence of this Agreement or thereafter, in connection with the validity, interpretation, implementation or alleged material breach of any provision of this Agreement, or regarding any question, including the question as to whether the termination of this Agreement by any Party hereto has been legitimate, the Parties hereto shall endeavour to settle such dispute amicably. The attempt to bring about an amicable settlement is considered to have failed as soon as one of the Parties hereto, after reasonable attempts, which attempt shall continue for not less than 20 (twenty) Business Days, gives 20 (twenty) Business Days' notice thereof to the other Party in writing.

14.1.2 All disputes, differences or claims arising out of or in connection with this Agreement, including any question regarding its existence, validity, construction, performance,

  
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termination or alleged violation which is not resolved under Clause 14.1.1, above shall be resolved by binding arbitration.

## 14.2 Arbitration

- 14.2.1 The Parties shall jointly appoint a sole arbitrator mutually acceptable to all of them. In the event of failure to agree upon a sole arbitrator, a sole arbitrator shall be appointed in accordance with the Indian Arbitration and Conciliation Act, 1996.
- 14.2.2 Such arbitration shall be conducted in accordance with the provisions of the Indian Arbitration and Conciliation Act, 1996. The language of the arbitration shall be English. Any arbitration award shall be final and binding upon the Parties, and shall not be subject to appeal.
- 14.2.3 The venue for such arbitration shall be in Ahmedabad and all proceedings shall be conducted in the English language.
- 14.2.4 A Party seeking to commence arbitration under this Clause shall first serve a written notice, specifying the matter or matters to be so submitted to arbitration, on the other Parties hereto.
- 14.2.5 All claims and counterclaims shall, to the extent such claims or counterclaims are known at the time any arbitration is commenced, be consolidated and determined in the same arbitration proceeding.
- 14.2.6 Deposits to cover the costs of arbitration shall be shared equally by the Parties. The award rendered by the arbitrator(s) shall, in addition to dealing with the merits of the case, fix the costs of the arbitration and decide which of the Parties shall bear such costs or in what proportions such costs shall be borne by the Parties hereto.
- 14.2.7 Nothing contained in this Clause shall preclude the Shareholders from seeking interim or injunctive relief, or both, from any court having jurisdiction to grant such relief. The pursuit of interim or injunctive relief shall not be a waiver of the right of the Shareholders to pursue any remedy for monetary damages through the arbitration described in this Clause.

## 15 Limitation of Liability

To the fullest extent permitted by Applicable Laws, none of the Shareholders, Directors and employees, agents or representatives of the Company shall be held liable by any Shareholder or the Company for or on account of any act or any failure to act by any such Person while serving as a Director, manager, employee, agent or representative of the Company unless such act or failure to act shall be in bad faith or in wilful disregard of the duties imposed upon such Person by Applicable Laws and this Agreement.

## 16 Notices

### 16.1 Addresses

Any notice, claim or demand in connection with this Agreement shall be in writing in English (each a "Notice") and shall be sufficiently given if delivered or sent to the Parties at the following addresses either by hand or courier (postage prepaid) followed by facsimile or electronic mail (with confirmation of transmission retained) if delivered

  
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outside India or by hand or courier (postage prepaid) or facsimile or electronic mail (with confirmation of transmission retained) if delivered in India.

**CPL**

Attention: Mr Amitabha Banerjee  
Address: Cadila Corporate Campus  
Sarkhej Dholka Road  
Bhat, Ahmedabad 388210

Email: a.banerjee@cadilapharma.co.in

**EDMPL**

Attention: Mr Badri Mahapatra  
Address: 3, Kailash-B, Opp. Drive in Cinema  
Beside HDFC Bank, Drive in Road  
Ahmedabad 380 052

Email: badri@sanguinmanagement.com

**IRM TRUST**

Attention: Dr Rajiv I Modi  
Address: IRM House  
Kalpana Society  
Off CG Road  
Ahmedabad 380 009

Email: secretarial@cadilapharma.co.in

**Company**

Attention: Mr Amitabha Banerjee  
Address: IRM House  
Kalpana Society  
Off. CG Road  
Ahmedabad 380 009

Email: a.banerjee@cadilapharma.co.in

**17 Form**

Notices sent by hand shall be effective upon delivery. Notices sent by courier, facsimile or electronic mail shall be effective upon receipt.

**18 Change of Notice**

Any Party may substitute or change its Notice details by giving 5 (five) days prior written notice to the other Parties.

**19 Entire Agreement and Remedies**

The Parties' respective rights in the Company shall be regulated by this Agreement and the Articles of Association. The Shareholders will be bound by and comply with the

  
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provisions of this Agreement and the Articles of Association that relate to them and all provisions of this Agreement and the Articles of Association shall be enforceable by the Parties among themselves in whatever capacity.

This Agreement contains the entire agreement between the Parties relating to the subject matter of this Agreement at the date hereof to the exclusion of any terms implied by law which may be excluded by contract and supersedes any previous written or oral agreement among the Parties in relation to the matters dealt with in this Agreement.

## 20 Miscellaneous

### 20.1 Survival of Rights, Duties and Obligations

Termination of this Agreement for any cause shall not release a Party from any liability: (a) that at the time of termination has already accrued to another Party, or (b) that thereafter may accrue in respect of any act or omission prior to such termination, or (c) from the obligations which shall survive termination. Without prejudice to the generality of the foregoing the following provisions shall survive termination: (i) Clause 1, 5, 9, 10, 11, 12, 13, 14, 15, 16, 19, and 20.

### 20.2 Conflict with the Articles of Association

In the event of any ambiguity or discrepancy between the provisions of this Agreement and the Articles of Association, it is intended that the provisions of this Agreement shall prevail, and accordingly the Parties shall exercise all voting and other rights and powers available to them so as to give effect to the provisions of this Agreement and shall further, if necessary, procure any amendment to the Articles of Association.

### 20.3 No Partnership

Nothing in this Agreement shall be deemed to constitute a partnership between the Parties or constitute any Party the agent of any other Party for any purpose.

### 20.4 Release etc.

Any liability to any Party under this Agreement may in whole or in part be released, compounded or compromised or time or indulgence given by that Party in its absolute discretion as regards any Party under such liability without in any way prejudicing or affecting its rights against any other Party under the same or a like liability, whether joint and several or otherwise.

### 20.5 Waiver

No failure of any Party to exercise, and no delay by it in exercising, any right, power or remedy in connection with this Agreement (each a "Right") shall operate as a waiver of that Right, nor shall any single or partial exercise of any Right preclude any other or further exercise of that Right or the exercise of any other Right. The Rights provided in this Agreement are cumulative and not exclusive of any other Rights (whether provided by Applicable Laws or otherwise). Any express waiver of any breach of this Agreement shall not be deemed to be a waiver of any subsequent breach.

  
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**20.6 Variation**

No variation of this Agreement shall be effective unless in writing and signed by all of the Parties.

**20.7 Assignment**

Except as otherwise provided herein, this Agreement or the rights and obligations hereunder shall not be sold, assigned, Transferred (by transfer of Control or otherwise) or pledged, in whole or in part, or by operation of Applicable Laws without the prior written consent of the other Party.

Any attempted or purported assignment in violation of this Clause shall be null and void and of no force or effect whatsoever.

**20.8 Further Assurance**

At any time after the date of this Agreement the Parties shall, and shall use all reasonable endeavours to procure that any necessary third party shall, at the cost of the relevant Party execute such documents and do such acts and things as that Party may reasonably require for the purpose of giving to that Party the full benefit of all the provisions of this Agreement.

**20.9 Invalidity**

If any provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, under Applicable Laws, such provision or part shall to that extent be deemed not to form part of this Agreement but the legality, validity or enforceability of the remainder of this Agreement shall not be affected.

**20.10 Counterparts**

This Agreement may be entered into in any number of counterparts, each of which will constitute an original and all of which, taken together, shall constitute one and the same instrument. Any Party may enter into this Agreement by signing any such counterpart. The Parties may deliver executed signature pages to this Agreement by facsimile or e-mail transmission. No Party may raise: (a) the use of a facsimile or e-mail transmission to deliver a signature; or (b) the fact that any signature, agreement or instrument was signed and subsequently transmitted or communicated through the use of a facsimile or e-mail transmission as a defence to the formation or enforceability of a contract, and each Party forever waives any such defence.

**20.11 Costs**

Each Party shall bear all costs incurred by it in connection with the preparation, negotiation and entry into this Agreement and the documents to be entered into pursuant to it.

**20.12 Extension of Time**

If the period of time required for the completion of any act under this Agreement, including any issue or Transfer of Shares, is insufficient due to the requirement of any

  
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Governmental Approval, then such period of time shall be extended by the period reasonably required to obtain such Governmental Approval.

**20.13 Compliance with Applicable Laws**

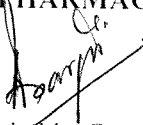
The Parties shall procure that the terms and conditions of the Memorandum of Association and the Articles of Association and Applicable Laws regulating the CGD Projects are complied with by the Company


**20.14 Governing Law and Jurisdiction**

This Agreement shall be governed by and construed in accordance with the laws of India and subject to the provisions governing arbitration contained in this Agreement, shall be subject to the jurisdiction of courts in Ahmedabad.


**IN WITNESS WHEREOF** the Parties have entered into this Agreement on the date first stated above.

For and on behalf of  
**CADILA PHARMACEUTICALS LIMITED**


  
Name: Amitabha Banerjee  
Title: Chief Financial Officer

  
Srinivas Kotra  
Company Secretary

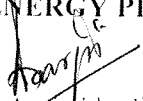
For and on behalf of  
**ENERTECH DISTRIBUTION MANAGEMENT PRIVATE LIMITED**

  
Name: Badri Mahapatra  
Title: Authorised Signatory

For and on behalf of  
**IRM TRUST**

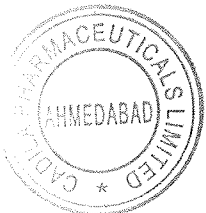
  
Name: Vinod Jain  
Title: Authorized Signatory

For and on behalf of  
**IRM ENERGY PRIVATE LIMITED**

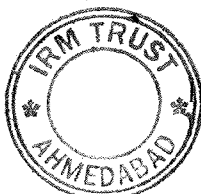
  
Name : Amitabha Banerjee  
Title : Director

Witness 1:  Rasikkhari Patel

Witness 2:  Jyoti Patel

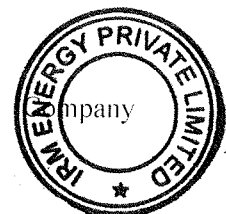


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FORMAT OF POWER OF ATTORNEY

TO ALL OF WHOM THESE PRESENTS SHALL COME We, CADILA PHARMACEUTICALS LIMITED, a company incorporated under the Companies Act, 1956 having our registered office at \_\_\_\_\_, SEND GREETINGS:

WHEREAS:

- (i) We are presently the absolute owners of the shares of IRM ENERGY PRIVATE LIMITED (“the Company”) mentioned in the Schedule hereto (“the said Securities”);
- (ii) Pursuant to the Company Operations and Shareholders Agreement dated \_\_\_\_\_ (“Agreement”) and for good consideration received thereunder, which is duly acknowledged, we have agreed to executing this power of attorney in respect of the said Securities in the manner hereinafter appearing.
- (iii) We hereby agree and acknowledge and duly record that this Power of Attorney is coupled with interest, is given pursuant to the said Agreement and is irrevocable.

**NOW KNOW ALL AND THESE PRESENTS WITNESS** that, We do hereby irrevocably nominate, constitute and appoint Enertech Distribution Management Private Limited, acting through its promoter director (hereinafter referred to as “the said Attorney”), to be our true and lawful attorney, in our name and on our behalf from time to time do, execute and perform all or any of the following acts, deeds, matters and things, and exercise all or any of the following powers and authorities **only in relation to the said Securities** (and not in relation to the Exclusions), that is to say:

- 1. To exercise all voting rights relating to the said Securities;
- 2. To act as our attorney and proxy to appear, vote and act, all in our name in the same way that we might do and with the same powers, with respect to all of the said Securities, at any and all meetings of shareholders of the Company, on any and all matters, questions and resolutions, that may come before such meetings, (or at any adjournment or adjournments thereof, or to consent on behalf of the undersigned in the absence of a meeting to anything that might have been voted at such a meeting);
- 3. To hold the physical share certificates relating to the said Securities in its own possession and to deal with it as it may deem fit in exercise of its powers vested herein;
- 4. To receive any substitute shares in respect of the said Securities in the event of any merger or restructuring of the Company;
- 5. To transfer all or any of the said Securities to the name of Enertech Distribution Management Private Limited and/or to Affiliates;
- 6. To attend any general meeting of members or meeting of the class of members represented by the said Securities or meeting of the creditors or debenture holders of the Company and to exercise the voting rights in respect of the said Securities in any lawful manner as any Attorney may choose and generally to act as our Attorney or proxy in respect of the said Securities;
- 7. To receive and waive any notice of any meeting in respect of the said Securities on our behalf;
- 8. To appoint any proxy(ies) to represent us at all or any meetings of the Company with full authority to vote at such meetings in such manner as the Attorney may deem fit;

  
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9. Subject to the compliance with the Lock-In Period, to revalidate the blank transfer forms duly signed by us in respect of the said Securities;
10. To create any pledge on the said Securities in favour of any bank, NBFC, or any other type of lender that provides financing for the Company or the implementation of the CGD Projects (as defined in the Company Operations and Shareholders Agreement);
11. To request and have the Company issue fresh certificates, if required, in place of the share certificates delivered by us;
12. To make and submit any and all applications or forms to any Governmental Authority including Registrar of Companies, Reserve Bank of India, to obtain their approval if required for any matters in respect of which such applications or forms may be required to be submitted in respect of the matters specifically authorized herein.

**AND GENERALLY** to do, perform and execute all acts, deeds, matters and things specified above as fully and effectually as if we could do if I/we were personally present and had done, performed or executed the same ourselves;

**AND** We hereby declare that the said Attorney in exercising the powers hereby conferred shall conform to the regulations and directions given by us under this Power of Attorney provided always that no person dealing with the said Attorney shall be required to verify if the Attorney is acting in accordance the regulations and directions.

**AND WE HEREBY** ratify all acts and things done or to be done by the said Attorney in pursuance of the powers herein contained.

**ANDWE HEREBY** agree that the power granted under this Power of Attorney is power coupled with interest.

**AND WE HEREBY** declare and confirm that this power of attorney has been given by us for consideration and shall be irrevocable. Any certificate by us or the Attorney that this Power of Attorney has not been revoked may be relied upon by any person as conclusive and shall be binding on us and any act, deed or instrument of any person relying on such Certificate, shall be binding on us for all intents and purposes.

**AND WE HEREBY** declare and confirm that this power of attorney in relation to [878,572 (Eight Lacs Seventy Eight Thousand Five Hundred Seventy Two) ( )] equity shares amounting to 30% of issued and paid up equity share capital of the Company shall be valid and effective till the earlier of either: (a) till the said equity shares constituting 30% of the issued and paid up equity share capital of the Company are transferred to EDMPL under the provisions of the Agreement, (b) upon termination of the Agreement.

**AND THAT** this Power of Attorney will be exercised in accordance with the Applicable Law, and the Agreement.

**AND** that this Power of Attorney will not be assigned.

**IN WITNESS WHEREOF** We have executed this power of attorney on the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

***SCHEDULE ABOVE REFERRED TO:***

  
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1. (Details of the said Securities)

[This will relate to 878,573 equity shares amounting to 30% Equity Shares,]

	Physical Share Certificate Details: Serial Number, Date of Issue, Shareholder Name	Number of Shares
1		
2		
3		

SEALED/SIGNED AND EXECUTED BY

MR. \_\_\_\_\_

BEFORE NOTARY PUBLIC

  
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## SCHEDULE B

### TERMS AND CONDITIONS OF OPTIONALLY CONVERTIBLE CUMULATIVE PREFERENCE SHARES ISSUED UNDER CLAUSE 5.3.4 OF THE AGREEMENT

#### DETAILS OF OCCPS

The OCCPS issued and allotted to EDMPL pursuant to this Agreement by the Company shall be subject to the terms and conditions contained in this Schedule B, which terms and conditions shall be endorsed on the certificates issued to EDMPL with respect to the OCCPS.

#### RIGHTS ATTACHED TO OCCPS

The rights of EDMPL attached to the OCCPS are as follows and shall mutatis mutandis be reproduced in the Articles of Association.

**1. Face value**

INR 10 (Indian Rupees ten only) each. Since each OCCPS is equal to 1 share its value shall be Rs. 10 only.

**2. Form**

The EDMPOCCPS shall be INR denominated fully optionally convertible cumulative preference shares issued by the Company.

**3. Rank**

(i) *As to income*

In the event that Company declares any dividend over the Equity Shares prior to the conversion of the OCCPS by EDMPL, the OCCPS shall, subject to Applicable Law, be entitled to receive dividend in the conversion ratio of 1:1 common Equity Shares for each OCCPS.

(ii) *As to capital*

On a return of capital on a winding up or otherwise the assets of the Company available for distribution to its members shall be applied:

- (a) firstly, towards paying to EDMPL as holder of the OCCPS a sum equal to accruals of the dividend on that share, whether or not the dividend has been earned or declared, calculated down to and including the date of the commencement of the winding up (in the case of a winding up) or the date of the return of capital (in any other case);
- (b) secondly, towards repaying the OCCPS subscription amount provided by EDMPL.

  
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**4. Dividend Payment**

Each OCCPS shall carry a dividend @ 9% or such higher rate of dividend which may be declared by the Board on any class of Shares of the Company. For avoidance of doubt it is hereby clarified that in the event that the Board declares dividend on any Shares of the Company (including on the Equity Shares), a dividend for the OCCPS equivalent to the amount of dividend so declared per Equity Share shall be paid to the holders of the OCCPS in priority to payment of dividend on all the other Shares of the Company.

- (ii) Upon conversion of the OCCPS to Equity Shares, the holder of the OCCPS shall be entitled to participate in the dividend on the Equity Shares, on a *pari passu* basis with the Equity Shares.

**5. Transferability**

The transferability of the EDMPLOCCPS shall be subject to the terms and conditions of this Agreement.

**6. Representative Directors**

EDMPL, as a holder of the OCCPS, shall have the right to nominate two (2) Directors as has been agreed to in the provisions of this Agreement, which shall be incorporated in the Articles of Association.

**7. Voting Rights**

Subject to s. 47 Companies Act, 2013 and rules made thereunder, EDMPL as a holder of the OCCPS, shall have such rights to attend and vote at Shareholders' Meetings as have been mutually agreed in the provisions of this Agreement and which are to be reflected into the Articles of Association together with such other rights as are from time to time prescribed by the Act and other Applicable Laws, including and without limitation to the right to receive notice of, and to be present and to vote, either in person or by proxy, at any Shareholders' Meetings of the Company on Reserved Matters and such other matters as to which it is statutorily entitled to vote upon.

**8. Amendments**

Subject to Applicable Laws, the rights, privileges and conditions attached to the OCCPS may be varied, modified or abrogated only with the prior written consent of EDMPL, as the holder of the OCCPS.

**9. Term/ Conversion**

- (i) The term of the OCCPS shall be a period of five (5) years from the issue thereof. The OCCPS shall, unless converted earlier in accordance with this Paragraph 9 or unless otherwise required by any Governmental Authority or under Applicable Law, be fully and compulsorily convertible into Equity Shares of the Company at the end of the said term or satisfaction of Equity Condition Precedent whichever is earlier. *Provided that* the holder of OCCPS hereby agrees that in accordance with the terms of the Agreement entered into by it, it shall exercise its

  
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right to convert the OCCPS into Equity Shares upon the satisfaction of the Equity Condition Precedent.

- (ii) The OCCPS shall, at the option of EDMPL be convertible into Equity Shares, in accordance with the conversion ratio set out in Paragraph 10 either: (i) on any day falling after the satisfaction of the Equity Condition Precedent; or (ii) prior to the occurrence of the initial public offering (IPO); or (iii) prior to EDMPL's exit from the Company as envisaged in this Agreement ("**Conversion Date**").
- (iii) Equity Shares issued and allotted upon conversion will be deemed to be issued and registered as of the relevant Conversion Date, and the holder shall with effect from the Conversion Date, be deemed and treated by the Company for all purposes as the holder of the relevant number of Equity Shares issued upon conversion. As soon as practicable after and, in any event, not later than 30 days after the relevant Conversion Date, the Company will register the holder of the OCCPS as the holder of the relevant number of Equity Shares to be issued on conversion in the Company's share register and will deliver or cause to be delivered a certificate or certificates for the relevant Equity Shares to the holder and such other documents (if any) as may be required by law to effect the issue thereof.
- (iv) The Equity Shares allotted on conversion of OCCPS in terms hereof shall be subject to the provisions of the Articles of Association and this Agreement.
- (v) Equity Shares so issued upon conversion shall be fully-paid and free and clear of any encumbrances, will rank *pari passu* with all Equity Shares existing on the relevant Conversion Date and the Company shall so represent and warrant. Any stamp duty or fees payable on the issuance of such Equity Shares shall be borne by the Company.

**10. Conversion Ratio**

Subject to the Applicable Laws, the conversion ratio for conversion of OCCPS into Equity Shares shall be 1 (one) OCCPS to convert into 1 (one) Equity Shares.

**11. Compliance with Laws**

The Company shall ensure that the issue, allotment and conversion of the OCCPS shall be achieved in accordance with all Applicable Law. The Company shall obtain and/ or file all relevant authorizations that may be required for conversion of the OCCPS.

**12. Authority of the Company to issue and allot Equity Shares on conversion**

The Company has/ shall have the authority to issue and allot such number of Equity Shares to effect the conversion of the OCCPS, as agreed hereunder.

  
CPL

  
IRM Trust

  
EDMPL

  
Company

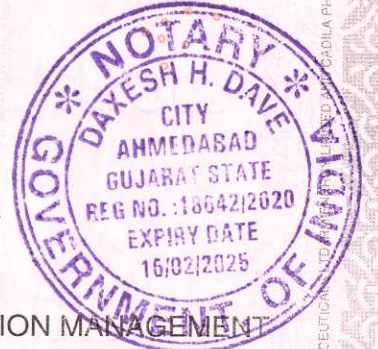


INDIA NON JUDICIAL  
Government of Gujarat  
Certificate of Stamp Duty



त्यमेव जयते

Certificate No. : IN-GJ70295856687788U  
Certificate Issued Date : 07-Dec-2022 07:11 PM  
Account Reference : IMPACC (CS)/ gj13237519/ GULBAI TEKRA/ GJ-AH  
Unique Doc. Reference : SUBIN-GJGJ1323751968844410809102U  
Purchased by : IRM ENERGY LIMITED  
Description of Document : Article 14 Bond  
Description : Amendment to Company Operation and Shareholder Agreement  
Consideration Price (Rs.) : 0  
(Zero)  
First Party : IRM ENERGY LIMITED AND CADILA PHARMACEUTICALS LTD  
Second Party : IRM TRUST ENERTECH DISTRIBUTION MANAGEMENT PVT LTD  
Stamp Duty Paid By : IRM ENERGY LIMITED AND CADILA PHARMACEUTICALS LTD  
Stamp Duty Amount(Rs.) : 900  
(Nine Hundred only)



₹ 900

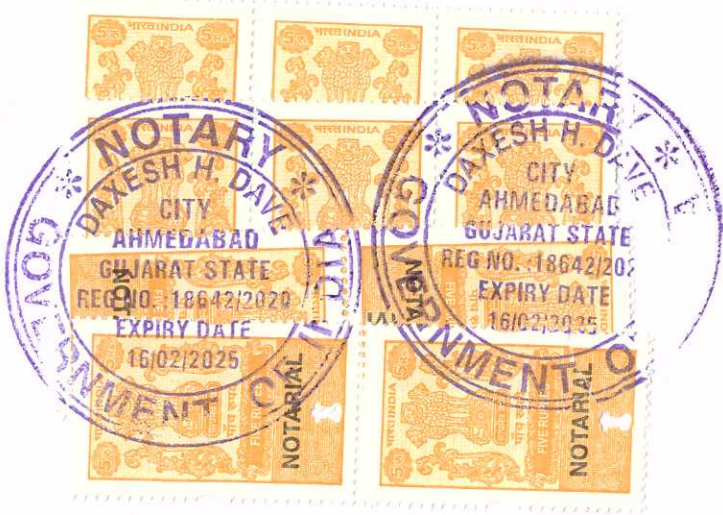
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JD 0036683954

Statutory Alert:

1. The authenticity of this Stamp certificate should be verified at 'www.shcilestamp.com' or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority





SERIAL NO. : 488 /2022

*Daxesh H. Dave*  
DAXESH H. DAVE  
NOTARY  
GOVT. OF INDIA

14 DEC 2022

**WAIVER, AMENDMENT AND TERMINATION AGREEMENT DATED DECEMBER 13, 2022**

**TO THE COMPANY OPERATIONS AND SHAREHOLDERS' AGREEMENT DATED SEPTEMBER 7, 2016**

AMONG

**IRM ENERGY LIMITED**

AND

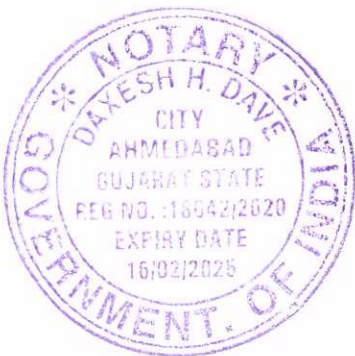
**CADILA PHARMACEUTICALS LIMITED**

AND

**IRM TRUST**

AND

**ENERTECH DISTRIBUTION MANAGEMENT PRIVATE LIMITED**



*[Handwritten signature]*

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This amendment agreement (the "**Amendment Agreement**") to the Company Operations and Shareholders' Agreement (the "**COS Agreement**") dated September 7, 2016, as amended, is made on the Thirteenth Day of December, 2022 (the "**Execution Date**") by and among:

1. **IRM ENERGY LIMITED** (formerly known as *IRM Energy Private Limited*), a public limited company incorporated under the laws of India and whose registered office is located at 4th Floor, Block 8, Magnet Corporate Park, Near Sola Bridge, S.G. Highway, Ahmedabad, Gujarat - 380 054, India (the "**Company**");

AND

2. **CADILA PHARMACEUTICALS LIMITED**, a public limited company incorporated under the laws of India and whose registered office is located at Cadila Corporate Campus, Sarkhej Dholka Road, Bhat, Ahmedabad, Gujarat - 382 210, India ("**CPL**");

AND

3. **IRM TRUST**, a private trust through its managing trustee, Dr. Rajiv Modi, whose registered office is located at 13, Sanjiv Baugh, New Sharda Mandir Road, Ahmedabad, Gujarat - 380007, India ("**IRM Trust**");

AND

4. **ENERTECH DISTRIBUTION MANAGEMENT PRIVATE LIMITED**, a private limited company incorporated under the laws of India and whose registered office is located at 1003/A, Sankalp Iconic Tower-B, Nr Iscon Crossroads, Ambli-Bopal Road, S. G. Highway, Ahmedabad, Gujarat - 380 054, India ("**EDMPL**").

In this Amendment Agreement, CPL and IRM Trust are collectively referred to as the "**Promoters**" and individually as a "**Promoter**". In addition, pursuant to the IPO (*as defined below*), the Board has also identified Dr. Rajiv Modi as a promoter of the Company pursuant to Applicable Laws. CPL, IRM Trust, EDMPL and the Company are collectively referred to as the "**Parties**" and individually a "**Party**".

**WHEREAS:**

1. The Parties have executed the COS Agreement to set forth and record the terms governing their respective rights and obligations in relation to the management and functioning of the Company and other matters incidental thereto.
2. The Company is considering, subject to necessary approvals and market conditions, an initial public offering of its equity shares (the "**Equity Shares**"), and proposed listing of the Equity Shares on BSE Limited and National Stock Exchange of India Limited (together, the "**Stock Exchanges**") (the "**IPO**" or "**Offer/Issue**") in accordance with the Companies Act, 2013, including any rules and regulations notified thereunder, each as amended ("**Act**") the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**") and other Applicable Laws. In this regard, the Parties agree that (i) certain terms of the COS Agreement are required to be disclosed in the Offer Documents (as defined in Section 3.2 below); and (ii) certain provisions of the COS Agreement are required to be suspended and waived to ensure compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and other Applicable Laws to ensure that EDMPL does not hold any special rights in the Company which are not available to other shareholders (except for nomination of a Director).
3. Accordingly, the Parties are entering into this Amendment Agreement with the objective of enabling the IPO, and to that extent: (i) amending certain provisions of the COS Agreement; and (ii) issuing and recording certain suspensions and waivers by respective Parties of certain terms under the COS Agreement, each of (i) and (ii) above being subject to the conditions hereinafter set forth.

**NOW THEREFORE**, the Parties hereby agree as follows:





## DEFINITIONS, INTERPRETATION AND EFFECTIVENESS

Unless the context otherwise requires, capitalized terms used in any part of this Amendment Agreement, to the extent not inconsistent with the context thereof or otherwise defined herein, shall have the same meanings as ascribed to such terms in the COS Agreement.

The rules of interpretation applicable in the COS Agreement shall apply *mutatis mutandis* to this Amendment Agreement.

- 1.3 The provisions of this Amendment Agreement shall come into effect and be binding on and from the Execution Date till such time as this Amendment Agreement is terminated in accordance with Clause 4 of this Amendment Agreement.

## 2. AMENDMENTS TO THE COS AGREEMENT

- 2.1 Paragraphs (d) and (e) of the recitals of the COS Agreement shall be deleted in its entirety.

- 2.2 The following definitions shall be included to Clause 1.1 of the COS Agreement.

*"Listing Date" shall mean the date on which the Equity Shares of the Company are listed and commence trading on the Stock Exchanges pursuant to the IPO.*

*"IPO Long Stop Date" shall mean June 30, 2024.*

- 2.3 Clause 5.3.1 of the COS Agreement shall be deleted in its entirety.

- 2.4 Clause 5.3.3 (b) of the COS Agreement shall be replaced in its entirety with the following:

*"EDMPL shall have the right to appoint one Director to the Board of the Company, provided that such right will be exercised in accordance with Clause 7.3 of COS Agreement from the Listing Date."*

- 2.5 Clause 5.3.3 (c) of the COS Agreement shall be replaced in its entirety with the following:

*"The Promoter shall exercise their voting rights in accordance with their respective shareholding in the Company and always in compliance with Applicable Laws."*

- 2.6 Clause 5.3.5 of the COS Agreement shall be deleted in its entirety.

- 2.7 Clause 7.2 of the COS Agreement shall be replaced in its entirety with the following:

*"The appointment and management of the Board shall be in accordance with Applicable Laws and subject to Clause 7.3 below."*

- 2.8 Clause 7.3 of the COS Agreement shall be replaced in its entirety with the following:

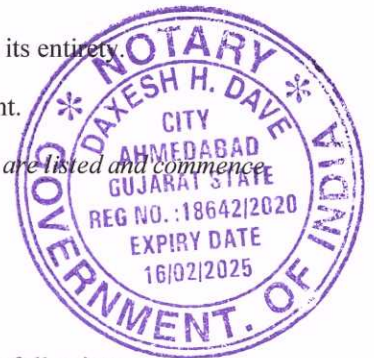
*"On and from the date of listing of the Equity Shares of the Company pursuant to the IPO, and subject to approval of the shareholders, by way of special resolution immediately after listing of its Equity Shares pursuant to the IPO, EDMPL shall be entitled to nominate 1 (one) Director on the Board of Directors of the Company, so long as the EDMPL continue to hold at least 15% of the paid up equity share capital of the Company."*

- 2.9 Clause 7.6 of the COS Agreement shall be deleted in its entirety.

- 2.10 Clause 7.11 of the COS Agreement shall be replaced in its entirety with the following:

*"The Board shall set up a Management Committee consisting of maximum 4 (four) Directors. The Management Committee shall discharge its obligations under the supervision and guidance of the Board. The role of the Management Committee, inter alia, shall include the following:*

- (i) *Monitor implementation of Business Plan including implementation of CGD Projects, operations and maintenance, gas sourcing, gas pricing;*
- (ii) *Identify opportunity for business growth / diversification / scalability;*







- (iii) *Keep track on trends in the industry, risk factors, etc.;*
- (iv) *Financial delegation to approve deviation upto 10% from budget amount.*
- (v) *Strategic business aspects such as gas sourcing, gas pricing, major capital expenditure, expansion future bidding.*
- (vi) *Identification of geographical areas for which the company would submit competitive bids, finalization and submission of competitive bids.*

*All decisions of the Management Committee shall be taken by majority decision of the Management Committee. The chairman of the Management Committee shall have a casting vote in case of any deadlock."*

- 2.11 Clause 20.2 of the COS Agreement shall be deleted in its entirety.
- 2.12 EDMPL hereby agrees to exercise its rights under the COS Agreement, from the date of filing of the draft red herring prospectus (the "DRHP") until the Listing Date or the IPO Long Stop Date in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended ("Insider Trading Regulations").
- 2.13 The Company, Promoters, and EDMPL hereby agree that the right to EDMPL provided under Clause 7.3 of the COS Agreement as amended by this Amendment Agreement, shall be incorporated in the Articles of Association of the Company within 30 days of the execution of this Amendment Agreement. This Amendment Agreement shall stand immediately and automatically terminated with effect from the 31<sup>st</sup> day of execution of this Amendment Agreement, if Clause 7.3 of the COS Agreement is not incorporated in the Articles of Association of the Company.

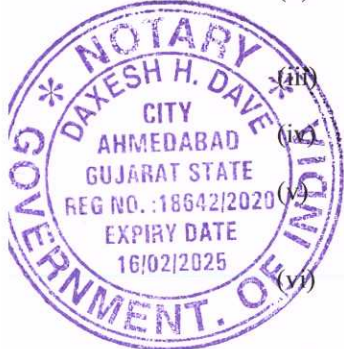
**3. SUSPENSION AND WAIVERS**

3.1 In order to facilitate the IPO and any pre-IPO placement of Equity Shares to be undertaken by the Company after the filing of the DRHP and prior to filing of the red herring prospectus of the Company for the IPO ("RHP") in accordance with the terms specified in the DRHP, EDMPL and the Promoters hereby agree to suspend and waive the following rights and obligations in the COS Agreement as set out below from the Execution Date until the Listing Date or the IPO Long Stop Date, whichever is earlier:

- (i) EDMPL suspends and waives its rights under Clause 5.2.1(iii) of the COS Agreement.
- (ii) EDMPL and the Promoters suspend and waive their respective rights under Clause 5.4 of the COS Agreement.
- (iii) EDMPL suspends and waives its rights under Clause 6.1(c) of the COS Agreement.
- (iv) EDMPL suspends and waives its rights under Clause 6.2 of the COS Agreement.
- (v) EDMPL and the Promoters suspend and waives their respective rights under Clause 7.8 of the COS Agreement.
- (vi) EDMPL and the Promoters suspend and waive their respective rights under Clause 7.10 of the COS Agreement.
- (vii) EDMPL suspends and waives its rights under Clause 7.12, Clause 7.13, Clause 7.14 and Clause 7.15 of the COS Agreement.
- (viii) EDMPL and the Promoters suspend and waive their respective rights under Clause 8 (*Transfer of Shares and Lock-in Period*), Clause 9 (*Reserved Matters*), Clause 10 (*Tag Along Sale*) and Clause 11 (*Event of Default*) of the COS Agreement.

**4. CONSENTS AND WAIVERS**

4.1 In order to facilitate the IPO, EDMPL hereby provides its consent for further issuance of Equity Shares pursuant to the IPO pursuant to Clause 5.3.4 of the Shareholders' Agreement only until the Listing Date or the IPO Long Stop Date, whichever is earlier.



*[Handwritten signatures and initials]*



4.2

In terms of Clause 13 (*Confidentiality*) of the COS Agreement, the Parties consent, solely in order to facilitate the IPO, to the inclusion of its name, logo, description of details of the COS Agreement, the information contained in this Amendment Agreement (in part or full), in the offer documents and other documents, including presentations, publicity material and media releases as may be required in connection with the IPO, including in the DRHP, RHP and prospectus (collectively "**Offer Documents**") to be filed with the Registrar of Companies, Gujarat at Ahmedabad ("**RoC**"), the Securities and Exchange Board of India ("**SEBI**"), and the stock exchanges, as applicable, and international supplements of the foregoing for distribution to investors outside India, as approved by the Board (or any committee thereof) and required under Applicable Laws and consent to attach a copy of the COS Agreement and this Amendment Agreement to the copy of the Offer Documents which will be filed with the RoC in relation to the IPO and to include copies of the COS Agreement and this Amendment Agreement as material contracts for inspection, in each case, to the extent required under Applicable Laws.

## 5. TERM AND TERMINATION

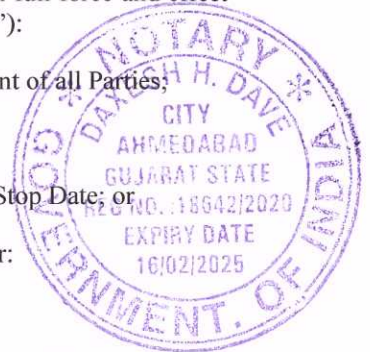
5.1 Notwithstanding anything contrary contained herein, this Amendment Agreement shall become effective and binding on the Parties on, and from, the Execution Date and shall continue in full force and effect until the earlier of any of the following events (such date, the "**Termination Date**"):

- (i) this Amendment Agreement being terminated by mutual written agreement of all Parties;
- (ii) the Listing Date;
- (iii) in the event the Listing Date is not achieved on or prior to the IPO Long Stop Date; or
- (iv) Upon the occurrence of any of the following events, whichever is earlier:
  - (A) Draft Red Herring Prospectus is withdrawn;
  - (B) Board of the Company passes a resolution to abandon the IPO; or
  - (C) Validity period of SEBI observation letter expires without any action being undertaken by the Company.

5.2 Except to the extent specifically set out in this Amendment Agreement, all other terms of the COS Agreement, shall remain unaltered and shall continue in full force and effect until the Listing Date or the IPO Long Stop Date, whichever is earlier. Notwithstanding anything to the contrary in the COS Agreement, upon achieving the Listing Date at any time until the IPO Long Stop Date, the COS Agreement and this Amendment Agreement, shall stand automatically terminated without any Party being required to take any further action or deed or furnish any notice under the COS Agreement or hereunder, and without prejudice to any existing or accrued rights or liabilities of any Party under the COS Agreement as of the date of such termination, provided that Clause 7.3 of the COS Agreement, as amended by this Amendment Agreement, Clause 14 (Dispute Resolution), and Clause 20.14 (Governing Law and Jurisdiction) of the COS Agreement, shall survive any such termination.

5.3 Notwithstanding anything contained herein, this Amendment Agreement shall stand immediately and automatically terminated with effect from Termination Date without any further action by any Party. In case of termination of this Amendment Agreement pursuant to Clause 5.1 (i) or Clause 5.1 (iii) or Clause 5.1(iv), the Parties agree that all the provisions of the COS Agreement: (a) as they existed immediately prior to the execution of this Amendment Agreement shall immediately and automatically stand reinstated and be deemed to have been in force and shall continue to be in force, without any further action or deed required on the part of any Party; and (b) deemed to have been in force during the period between Execution Date and the date of termination of this Amendment Agreement, without any break or interruption whatsoever (except for the consents or waivers granted under Clause 4 above).

5.4 The termination of the COS Agreement and this Amendment Agreement shall be without prejudice to the accrued rights and obligations of the Parties under the COS Agreement, as amended by this Amendment Agreement, as of the date of termination, and nothing herein shall relieve any Party from its obligations or from any liability under the COS Agreement, save for any consents and/or waivers provided under this Amendment Agreement.



Handwritten signatures and initials in blue ink. On the left, there is a signature that appears to be "Rohit". To its right, there are several initials, including "Roh" and "R".



6. REPRESENTATIONS AND WARRANTIES

6.1 Each Party represents and warrants, severally and not jointly, and with respect to itself, to the other Parties hereto that:

- (a) it is duly constituted, incorporated and existing under the laws of the jurisdiction of its constituted, incorporation and that the execution and delivery by it of this Amendment Agreement has been duly authorized by all necessary corporate or other action;
- (b) the execution, delivery and performance of this Amendment Agreement by it will not violate any provision of its organizational or governance documents; and
- (c) this Amendment Agreement and any other document to be executed by it pursuant or in connection with this Amendment Agreement will, when executed by it, constitute its valid and binding obligations, in accordance with their respective terms.

7. GOVERNING LAW AND DISPUTE RESOLUTION

The Parties hereby agree that the provisions of Clause 20.14 (*Governing Law and Jurisdiction*) and Clause 14 (*Dispute Resolution*) of the COS Agreement shall apply mutatis mutandis to this Amendment Agreement.

8. COUNTERPARTS

This Amendment Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. The delivery of signed counterparts by facsimile transmission or electronic mail in "portable document format" (.pdf) shall be as effective as signing and delivering the counterpart in person. In the event any of the Parties delivers a pdf format signature page of a signature page to this Amendment Agreement, such Party shall deliver an originally executed signature page at any time thereafter upon request; provided, however, that the failure to deliver any such originally executed signature page shall not affect the validity of the signature page delivered by in pdf format.

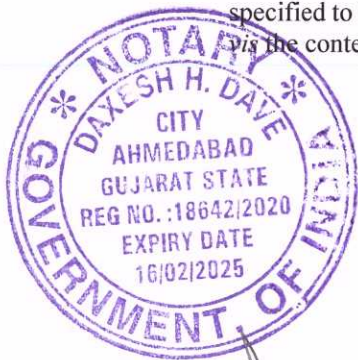
9. MISCELLANEOUS

9.1 This Amendment Agreement shall not be modified or suspended except in writing executed by or on behalf of all Parties to this Amendment Agreement.

9.2 As of and from the Execution Date, this Amendment Agreement forms an integral part of the COS Agreement, and when read with the COS Agreement, contains the whole agreement among the Parties relating to the transactions contemplated by this Amendment Agreement read with the COS Agreement, and supersedes all previous agreements between the Parties. Save as agreed in this Amendment Agreement, all other terms and conditions of the COS Agreement shall remain unchanged and shall continue to remain in full force and effect and binding on the Parties.

9.3 In case of any conflict between the terms of this Amendment Agreement and the COS Agreement, unless specified to the contrary in this Amendment Agreement, this Amendment Agreement shall prevail *vis-à-vis* the contents mentioned therein.

[Remainder of this page intentionally kept blank]



IN WITNESS WHEREOF, this Amendment Agreement has been executed by the Parties or their duly authorized signatories the day and year first written above.

*This signature page forms an integral part of the Amendment Agreement executed between IRM Energy Limited, Cadila Pharmaceuticals Limited, IRM Trust and Enertech Distribution Management Private Limited.*

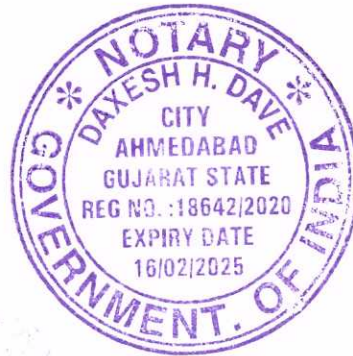
**SIGNED FOR AND ON BEHALF OF IRM ENERGY LIMITED**

*H. V. Anjaria*

Authorized Signatory

Name: HARSHAL ANJARIA


Designation: CFO



IN WITNESS WHEREOF, this Amendment Agreement has been executed by the Parties or their duly authorized signatories the day and year first written above.

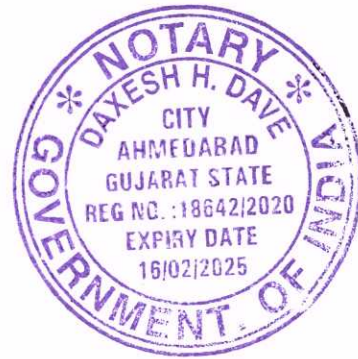
*This signature page forms an integral part of the Amendment Agreement executed between IRM Energy Limited, Cadila Pharmaceuticals Limited, IRM Trust and Enertech Distribution Management Private Limited.*

**SIGNED FOR AND ON BEHALF OF CADILA PHARMACEUTICALS LIMITED**

  
\_\_\_\_\_  
**Authorized Signatory**

**Name:** Kamlesh N. Shah

**Designation:**





IN WITNESS WHEREOF, this Amendment Agreement has been executed by the Parties or their duly authorized signatories the day and year first written above.

*This signature page forms an integral part of the Amendment Agreement executed between IRM Energy Limited, Cadila Pharmaceuticals Limited, IRM Trust and Enertech Distribution Management Private Limited.*

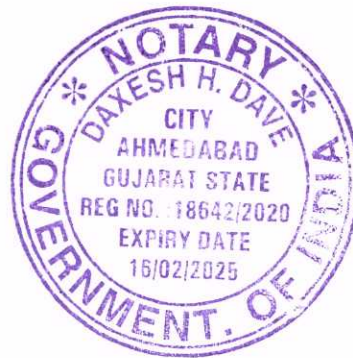
**SIGNED FOR AND ON BEHALF OF IRM TRUST**



Authorized Signatory

Name: *Amitabha Banerjee*

Designation:



IN WITNESS WHEREOF, this Amendment Agreement has been executed by the Parties or their duly authorized signatories the day and year first written above.

*This signature page forms an integral part of the Amendment Agreement executed between IRM Energy Limited, Cadila Pharmaceuticals Limited, IRM Trust and Enertech Distribution Management Private Limited.*

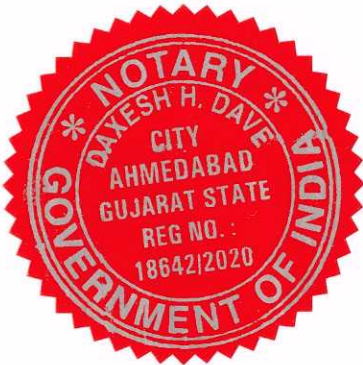
**SIGNED FOR AND ON BEHALF OF ENERTECH DISTRIBUTION MANAGEMENT PRIVATE LIMITED**

*Balafel*

Authorized Signatory

Name:

Designation:

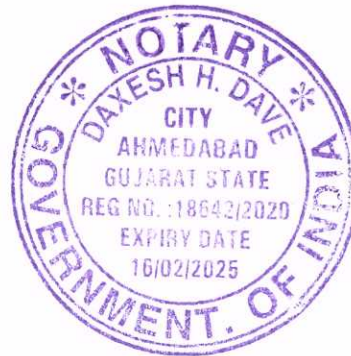


SIGNED  
BEFORE ME

*[Signature]*

DAXESH H. DAVE  
NOTARY  
GOVT. OF INDIA

14 DEC 2022







IN-GJ46017873610462V



सत्यमेव जयते

# INDIA NON JUDICIAL Government of Gujarat

## Certificate of Stamp Duty

**Certificate No.** : IN-GJ46017873610462V

**Certificate Issued Date** : 21-Sep-2023 04:25 PM

**Account Reference** : IMPACC (CA)/ gj13346606/ GULBAI TEKRA/ GJ-AH

**Unique Doc. Reference** : SUBIN-GJGJ1334660616400532674353V

**Purchased by** : IRM ENERGY LIMITED

**Description of Document** : Article 14 Bond

**Description** : SECOND AMENDMENT TO COMPANY OPERATIONS AND SHAREHOLDER AGREEMENT

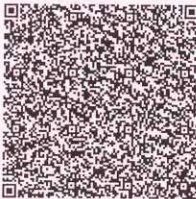
**Consideration Price (Rs.)** : 0  
(Zero)

**First Party** : IRM ENERGY LIMITED AND CADILA PHARMACEUTICALS LTD

**Second Party** : IRM TRUST ENERTECH DISTRIBUTION MANAGEMENT PVT LTD

**Stamp Duty Paid By** : IRM ENERGY LIMITED AND CADILA PHARMACEUTICALS LTD

**Stamp Duty Amount(Rs.)** : 900  
(Nine Hundred only)



IN-GJ46017873610462V

IRID 0018451005

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1. The authenticity of this Stamp certificate should be verified at 'www.shcilestamp.com' or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.



**SECOND AMENDMENT & ADDITIONAL AGREEMENT DATED SEPTEMBER 21,  
2023**

**TO THE COMPANY OPERATIONS AND SHAREHOLDERS' AGREEMENT  
DATED SEPTEMBER 07, 2016**

**AMONG**

**IRM ENERGY LIMITED**

**AND**

**CADILA PHARMACEUTICALS LIMITED**

**AND**

**IRM TRUST**

**AND**

**ENERTECH DISTRIBUTION MANAGEMENT PRIVATE LIMITED**

*Ronlapal*

This second amendment and additional agreement dated September 21, 2023 (the “**Second Amendment Agreement**”) to the Company Operations and Shareholders’ Agreement (the “**COS Agreement**”) dated September 7, 2016, as amended vide Amendment Agreement dated 13.12.2022, is made on the September 21, 2023 (the “**Execution Date**”) by and among:

1. **IRM ENERGY LIMITED** (formerly known as *IRM Energy Private Limited*), a public limited company incorporated under the laws of India and whose registered office is located at 4th Floor, Block 8, Magnet Corporate Park, Near Sola Bridge, S.G. Highway, Ahmedabad, Gujarat - 380 054, India (the “**Company**”);

**AND**

2. **CADILA PHARMACEUTICALS LIMITED**, a public limited company incorporated under the laws of India and whose registered office is located at Cadila Corporate Campus, Sarkhej Dhokla Road, Bhat, Ahmedabad, Gujarat - 382 210, India (“**CPL**”);

**AND**

3. **IRM TRUST**, a private trust through its managing trustee, Dr. Rajiv Modi, whose registered office is located at 13, Sanjiv Baugh, New Sharda Mandir Road, Ahmedabad, Gujarat – 380007, India (“**IRM Trust**”);

**AND**

4. **ENERTECH DISTRIBUTION PRIVATE LIMITED**, a private limited company incorporated under the laws of India and whose registered office is located at 1003/A, Sankalp Iconic Tower-B, Nr Iscon Crossroads, Ambli-Bopal Road, S. G. Highway, Ahmedabad, Gujarat – 380 054, India (“**EDMPL**”).

In this Amendment Agreement, CPL and IRM Trust are collectively referred to as the “**Promoters**” and individually as a “**Promoter**”. In addition, pursuant to the IPO (*as defined below*), the Board has also identified Dr. Rajiv Modi as a promoter of the Company pursuant to Applicable Laws. Each of the Promoters and the Company are collectively referred to as the “**Parties**” and individually a “**Party**”.

#### **WHEREAS:**

1. The Parties had executed the COS Agreement to set forth and record the terms governing the operations of the Company as a city gas distribution network in the geographical areas authorized to the Company and their respective rights and obligations in relation to the management and functioning of the Company and other matters incidental thereto.
2. The Company is considering, subject to necessary approvals and market conditions, an initial public offering of its equity shares (the “**Equity Shares**”), and proposed listing of the Equity Shares on BSE Limited and National Stock Exchange of India Limited (together, the “**Stock Exchanges**”) (the “**IPO**” or “**Offer/Issue**”) in accordance with the Companies Act, 2013, including any rules and regulations notified thereunder, each as amended (“**Act**”) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) and other Applicable Laws. In this regard, the Parties, agreed to amend the COS Agreement to ensure compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (“**SEBI LODR Regulations**”) and other applicable laws.
3. Accordingly, the Parties had entered into an Amended COS Agreement (as defined below) to the COS Agreement with the objective of enabling implementation of the IPO and to that extent provide for : (i) amendment of certain provisions of the COS Agreement; and (ii) issuing and recording certain waivers by respective Parties of certain terms under the COS Agreement from each of (i) and (ii) above being undertaken from the execution date until the date of listing and commencement of trading of the equity shares on Stock Exchanges pursuant to the IPO (the “**Listing Date**”) being subject to the conditions hereinafter set forth.
4. There has been a change in law with amendments to SEBI LODR Regulations being notified on 14<sup>th</sup> June 2023, that has necessitated the need to make further amendments to the Amended COS Agreement.

**NOW THEREFORE**, the Parties hereby agree as follows:

#### **1. DEFINITIONS, INTERPRETATION AND EFFECTIVENESS**

- 1.1 “**Amended COS Agreement**” means the COS Agreement as amended vide the Amendment Agreement dated 13<sup>th</sup> December 2022.





- 1.2 Unless the context otherwise requires, capitalized terms used in any part of this Second Amendment Agreement, to the extent not inconsistent with the context thereof or otherwise defined herein, shall have the same meanings as ascribed to such terms in the Amended COS Agreement.
- 1.3 The rules of interpretation applicable in the Amended COS Agreement shall apply *mutatis mutandis* to this Second Amendment Agreement.
- 1.4 The provisions of this Second Amendment Agreement shall come into effect and be binding on and from the Execution Date till such time as this Second Amendment Agreement is terminated in accordance with Clause 3 of this Second Amendment Agreement.

## 2. AMENDMENTS TO THE AMENDED COS AGREEMENT

2.1 In light of the change in law that has occurred vide notification dated 14<sup>th</sup> June 2023 to the SEBI LODR Regulations the Parties hereby agree to delete Article 117 A to the Articles of Association of the Company

2.2 The following Clause 7.16 shall be added to the Amended COS Agreement:

*“7.16. Agreement that EDMPL would have one nominee Director post IPO*

(a) *In consideration of the Parties agreeing to delete Article 117 A of the Articles of Association of the Company, the Company and the Promoters hereby assure and covenant to EDMPL that EDMPL shall at all times have one nominee Director on the Board as long as it continues to hold atleast 15% paid up equity capital of the Company*

(b) *the Company and the Promoters hereby assure and covenant to EDMPL that upon completion of the IPO, a special resolution for amending the Articles of Association so as to incorporating the right of EDMPL to nominate 1 (one) Director on the Board of the Company, so long as EDMPL continues to hold atleast 15% of the paid up equity share capital of the Company shall be placed for approval and the Promoters and their nominees shall exercise their voting rights so as to ensure the passage and approval of the said special resolution.”*

2.3 The following Clause 7.17 shall be added to the Amended COS Agreement:

*“7.17 Role of EDMPL*

(a) *The Promoters hereby assures EDMPL that no special rights have been agreed to any other minority shareholders and in the event any such rights are given to any other minority shareholder, the same rights shall also be provided to EDMPL.*

(b) *The agreement, covenant and assurance in this Clause, shall be binding obligation and survive the successful listing of the equity shares of the Company after the Listing Date.”*

2.4 Except to the extent specifically set out in this Second Amendment Agreement, all other terms of the Amended COS Agreement, shall remain unaltered and shall continue in full force and effect till the Listing Date when the identified amendments that are specified to come into effect will stand amended as per the agreed amendment. If the Listing Date does not occur by the IPO Long Stop Date, this Second Amendment Agreement shall stand terminated without any Party being required to take any further action. Notwithstanding anything to the contrary in the Amended COS Agreement, on Listing Date, the provisions of the Amended COS Agreement agreed to be terminated on Listing Date, shall stand automatically terminated without any Party being required to take any further action or deed or furnish any notice under the Amended COS Agreement or hereunder, and without prejudice to any existing or accrued rights or liabilities of any Party under the Amended COS Agreement as of the date of such termination.

## 3. TERM AND TERMINATION

3.1 Notwithstanding anything contrary contained herein, this Second Amendment Agreement shall become effective and binding on the Parties on, and from, the Execution Date and shall continue in full force and effect until the earlier of any of the following events (such date, the “**Termination Date**”):

- (i) this Second Amendment Agreement being terminated by mutual written agreement of all Parties;
- (ii) Listing Date;
- (iii) in the event the Listing Date is not achieved on or prior to the IPO Long Stop Date.

- (iv) Upon the occurrence of any of the following events, whichever is earlier:
- a) Draft Red Herring Prospectus is withdrawn; or
  - b) Board of the Company passes a resolution to abandon the IPO; or
  - c) Validity period of SEBI's observation letter expires without any actions being undertaken by the Company.

3.2 Notwithstanding anything contained herein, this Second Amendment Agreement shall stand immediately and automatically terminated with effect from Termination Date without any further action by any Party. In case of termination of this Second Amendment Agreement and the Amendment Agreement, the Parties agree that all the provisions of the COS Agreement: (a) as they existed immediately prior to the execution of this Amendment Agreement shall immediately and automatically stand reinstated and be deemed to have been in force and shall continue to be in force, without any further action or deed required on the part of any Party; and (b) deemed to have been in force during the period between Execution Date and the date of termination of this Amendment Agreement, without any break or interruption whatsoever (except for the consents or waivers granted under Clause 3 above).

3.3 The termination of the Amended COS Agreement and this Second Amendment Agreement shall be without prejudice to the accrued rights and obligations of the Parties under the Amended COS Agreement, as amended by this Second Amendment Agreement, as of the date of termination, and nothing herein shall relieve any Party from its obligations or from any liability under the Amended COS Agreement, save for any consents and/or waivers provided under this Second Amendment Agreement.

#### 4. MISCELLANEOUS

4.1 This Second Amendment Agreement shall not be modified or suspended except in writing executed by or on behalf of all Parties to this Second Amendment Agreement.

4.2 As of and from the Execution Date, this Second Amendment Agreement forms an integral part of the Amended COS Agreement, and when read with the Amended COS Agreement, contains the whole agreement among the Parties relating to the transactions contemplated by this Second Amendment Agreement read with the Amended COS Agreement, and supersedes all previous agreements between the Parties. Save as agreed in this Second Amendment Agreement, all other terms and conditions (including Representations and Warranties, Governing Laws and Counterparts) of the Amendment Agreement and the COS Agreement shall remain unchanged and shall continue to remain in full force and effect and binding on the Parties.

IN WITNESS WHEREOF, this Second Amendment Agreement has been executed by the Parties or their duly authorized signatories the day and year first written above.

SIGNED FOR AND ON BEHALF  
OF IRM ENERGY LIMITED



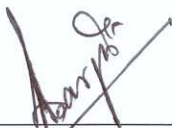
Authorized Signatory  
Name: *Karan Kaushal*  
Designation: *CEO*

SIGNED FOR AND ON BEHALF  
OF CADILA PHARMACEUTICALS LIMITED



Authorized Signatory  
Name: *Kamlesh Shah*  
Designation: *CFO*

SIGNED FOR AND ON BEHALF OF IRM TRUST



Authorized Signatory  
Name: *Amitabha Banerjee*  
Designation:

SIGNED FOR AND ON BEHALF OF ENERTECH  
DISTRIBUTION MANAGEMENT PRIVATE  
LIMITED



Authorized Signatory  
Name: *Badri Mahapatra*  
Designation: *Director*