

ANNEXURE I TO THE SHAREHOLDERS AGREEMENT BETWEEN

SUSHRUTA VISHRANTHI DHAMA LTD

AND

RULES FRAMED UNDER ARTICLE 8A OF THE ARTICLES OF ASSOCIATION

RATIO OF AREA OF UNIT AND NUMBER OF QUALIFYING SHARES

In terms of Article 8A of the Articles of Association of the Company, a member will be allotted, on due application, the right to exclusive use of one Unit admeasuring approximately 925 sq.ft (Nine hundred Twenty five square feet) of built-up area for every 15000 (Fifteen thousand) fully paid Equity Share of Rs. 100 (Rupees One hundred only) each in the capital of the Company held by the member.

RULES GOVERNING RIGHTS & OBLIGATIONS OF MEMBERS AND THE COMPANY

In terms of Article 8A of the Articles of Association of the Company, the following rules be and are hereby approved which will govern the allotment, holding, transfer, transmission etc. of the 'Member's right to Unit & CAF' and the rights and obligations of the Company and the member as a holder of such right:

1. Rights to use Units and CAF

1.a. Each Member will be granted, on due application, the rights to exclusive use of a specific Unit of certain size in SUVIDHA as long as the member is a registered holder of the minimum number of fully paid Equity Shares in the capital of the Company as prescribed from time to time by a Resolution of the shareholders (Qualifying Shares). Upon allotment of the right to the exclusive use of a Unit, the member will also have the right to the shared and undivided use of the common areas and facilities in SUVIDHA (CAF). The CAF shall exclude specific areas allotted by the Board to certain shareholders

(like parking spaces) or other parties for consideration (like a sports academy, hospital etc.). These rights come into existence automatically the moment a person is registered as a holder of the Qualifying Shares and it ceases automatically the moment she/he ceases to be a registered holder. These rights will not arise till the shareholder has paid the entire amount payable on the Qualifying Shares including premium, if any and the shareholder has signed a Shareholders' Agreement in line with these rules.

1.b. If the Qualifying Shares are held in joint names, the option to apply for the right to exclusive use of a Unit shall be exercised by the first shareholder. The joint holders shall not be entitled to separate rights but may share the Member's right to Unit & CAF.

1.c. If the Member is not a natural person but a legal entity, then such Member shall nominate not more than one natural person per Unit who shall exercise the Member's right to Unit & CAF and only such nominee shall be entitled to exercise such rights and will be subject to the conditions of Permitted Use.

1.d. The Company shall not allot the right to exclusive use of a Unit to any person other than a Member holding the Qualifying Shares.

1.e. The Company shall not issue Equity Shares in excess of the Qualifying Shares required for allotment of the rights to exclusive use of all the Units already built and proposed to be built as approved by a resolution of the shareholders from time to time.

1.f. The allotment of a specific Unit, its location, the amount to be paid, payment terms etc., will be decided based on negotiations between the Member and the Company before the her application for allotment of Qualifying Shares is accepted and application money is received for such allotment of shares.

1.g. The shareholder shall, subject to making timely payments and compliance of the terms and conditions of the Articles of Association and these rules be entitled to: (i) quiet and peaceful exclusive use of the Unit; and (ii) shared use and enjoyment of the CAF. If

the Member is not in default of any payment and is not in breach of any term or condition of the Articles of Association, these rules, Shareholders' Agreement or Residents and Visitors Manual (RVM) as approved by the members committee and ratified by the board, from time to time and is still denied quiet and peaceful use of the Unit and/or shared use and enjoyment of the CAF (subject to Rule 2, 23 and 24), then the Company will be considered to be in default and the Member will be entitled to withhold all future payments to the Company till such use and enjoyment are restored.

2. Sale, transfer, assignment, gift etc.

2.a. A Member is free to sell, assign, gift or otherwise dispose off and transfer her/his Qualifying Shares to any person of her/his choice and at a value that she/he deems fit.

2.b. On sale, transfer, assignment, gift or disposal etc. of the Qualifying Shares or part thereof by a Member, her/his rights to exclusive use of the Unit allotted to her/him and the rights to shared use of CAF will cease automatically. On the Qualifying Shares being registered in her/his name, a transferee will be entitled to receive, on application, the Member's right to exclusive use of a Unit & CAF. However, the allotment of such rights will be made on the transferee signing a Shareholders' Agreement.

2.c. The transferee will be allotted the rights to the same Unit, which was surrendered by the transferor member. The transferee cannot apply for allotment of rights to a Unit different from the one that was allotted to the transferor.

2.d. An allotment fee of Rs.1.5 lakh for 15000 shares and a security deposit as being collected from other shareholders may be required to be paid by the transferee for allotment of the rights to a Unit & CAF. The allotment fee and security deposit is subject to changes from time to time with the approval of the shareholders.

2.e. This clause will not apply, if the assignment is made in the course of a mortgage or

other charge created by the Member after obtaining approval of the Company as per Rule 8.

3. Inheritance & Transmission

3.a. On death of a shareholder the shares held by her/him will be transmitted as per the provisions of the Company Law and Articles of Association.

3.b. On transmission of shares, the transferee of shares will automatically become entitled to apply for the Member's right to exclusive use of a Specific Unit & CAF. The allotment of right to exclusive use of the specific Unit is automatic, following an application for the same and the transferee signing a Shareholders' Agreement. The new shareholder will be allotted the rights to the same Unit, which was held by the deceased shareholder. The transferee can not apply for allotment of rights to a Unit different from the one that was allotted to the deceased shareholder.

3.c. No allotment fee may be required to be paid by the new shareholder.

4. Nominations

A shareholder may file nomination for her/his shares in terms of the Company Law. If the shares are transferred to her/his nominee, the treatment of the Member's right to Unit & CAF will be the same as in the case of transmission.

5. Surrender of Unit

5.a. If a member wishes to sell his Qualifying Shares and requests assistance of the Company in finding a buyer, then the Company may assist her/him in finding a buyer for a fee that may be agreed between the shareholder and the Board of Directors. The sale price will be agreed to between the seller and buyer directly. The Member may withdraw her/his request for assistance at any time.

5.b. If the Member and the Company are not able to find a buyer and if the Member

wishes to surrender the rights to the Unit back to the Company, then she/he may do so at any time. Simultaneously with the surrender of the rights to the Unit she/he will also undertake to transfer her/his Qualifying Shares to a new allottee of rights to the Unit that the Company may find. For such surrender of the rights to the Unit, the shareholder will be entitled to receive from the Company an amount that may be agreed between the Member and the Company. As and when the Company finds a transferee for the Qualifying Shares of such Member, she/he will receive the face value of the Qualifying Shares from the transferee. The Company will charge an amount of Rs. 2 lakhs as fee for effecting the sale per Unit. All transactions shall be transparent.

5.c. This is an optional facility being offered to Members, which will not be binding on either the Member or the Company and either may withdraw at any time, without any obligations.

6. Leasing

6.a. No shareholder will have any right to lease, let out, license, tenant-out or create any other rights in or vis-à-vis a Unit or CAF or any part thereof.

6.b. If a shareholder does not wish to use her/his Unit temporarily, then she/he may either keep it closed or may temporarily surrender it back to the Company.

6.c. The Board may let out the surrendered Unit for temporary periods of 1 day to 11 months under an agreement between the Company and the user. The License Fees to be charged for such letting out may be negotiated by the Member or she/he may authorize the Company to do so.

6.d. Letting out of a Unit will be subject to the Policy on Letting Out announced in the RVM from time to time. The RVM may lay down a minimum amount to be paid as a Deposit to secure the Company's assets. The earning from letting out will be shared

between the Shareholder and the Company in a ratio that the Company will decide from time to time but not exceeding 20% and not less than Rs. 3,000/- whichever is higher. The letting out policy shall not permit long term licensing of Units unless the rule on Permitted Use (Rule 25) is followed.

6.e. No Unit, the rights to which are already allotted to a Member will be let out by the Company unless the concerned Member requests the Company in writing for such letting out.

6f. The licensee occupying such a Unit for more than 6 months should conform to the general guidelines for a stay in the village as approved by the RVM from time to time.

7. Mortgage/charges

7.a. A shareholder may hypothecate, mortgage or create any other charge as appropriate on the shares held by her/him.

7.b. No shareholder will have any right to hypothecate, mortgage, or create any other charge on a Unit or CAF or any part thereof without the prior written permission of the Company. Permission may be granted to Members for creating charge on the Unit allotted to her/him depending on the facts of each case and subject to such terms as may be appropriate. The Company may charge a fee for such permission, as may be decided by the Board from time to time. The Company will not unreasonably withhold such permission, if the shareholder wishes to create the charge in favour of a Bank, Financial Institution or registered NBFC.

7.c. No permission will ever be granted for a share holder to create charge on any of the CAF and while the shareholder is in default of any payment or breach of the Articles of Association, Shareholders' Agreement or these rules.

8. Payment of Share subscriptions and Premium amounts

None of the rights that are available to a shareholder will be available till the shareholder has paid the entire amount of subscription and premium agreed to be paid and the interest and penalty in the case of delays and defaults, if any on the Qualifying Shares. In the case of delays and defaults upto a certain limit, the Board may waive the default on payment by the shareholder of amount due together with interest and penalty as may be decided by the Board from time to time. In the event of non-payment of call moneys within 60 days of the allotment, the allotment of shares will be cancelled and amount paid by the applicant will be dealt with in accordance with the provisions of the Articles and the Company Law.

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9. Obligation for maintenance

9.a. The Company is obliged to maintain the CAF and Units in a functional, good and habitable condition. The costs incurred by the Company on operations and maintenance of Units and CAF and common services provided by the Company together with an appropriate contribution to sinking fund (hereinafter referred to as Maintenance Charges) will be apportioned to all shareholders on the following principles:

i. The apportionment will be in the ratio of the areas of the Units.

ii. Maintenance charges shall include all expenditure of revenue nature excluding any taxes or other statutory dues paid or payable to any government or local authority and shall not include any expenses of capital nature.

ii.a. Taxes and other statutory payments, if any, paid or payable by the company will be apportioned to each cottage based on the floor area of the units and the same must be borne by the shareholders of the company.

iii.No expenditure of revenue nature will be met out of share capital, share premium, borrowings or other capital receipts.

iv.The total of Maintenance Charges charged to all shareholders put together will neither exceed nor be less than the total of the expenses/costs incurred by the Company net of operating income earned by the Company.

v.The contribution to Sinking Fund shall be calculated by amortizing the capital costs of Units and CAF over its estimated life.

vi.Interest payable to shareholders or any banks on borrowings after capitalization of project loans during project stage will be apportioned to the maintenance fee appropriately,

vii.Depreciation is not included in the maintenance cost but to be collected from the share holders in a way that the money so collected will not attract any liability to the Company.

viii.Part of expenditure on staff that is looking after the ongoing project of the Company will be apportioned to the capital expenses till completion of the project.

9.b. It is the obligation of all the shareholders to pay their respective share of maintenance charges, taxes, and other statutory payments as well as housekeeping charges and other utilities and/or any other dues as defined in the agreement, fully and in time. The same interest of 18% per annum, which is 1.5% per month, will apply to all pending dues, as applicable to pending MF.

9.c. The Company will constitute a Members' Committee of not less than seven members and decide its terms of reference and rules. At least three members will be permanent residents of the village. Only two members will be Directors. The Committee will have tenure of one year from the date of constitution of the Committee. The Director

members nominated by the Board must be shareholders. The Chairman will be a Director nominated by the Board.

The resident and non-Director members of the Committee will be decided by the Board of Directors after taking consensus of the shareholders keeping in mind the interest of the Company. In the event of vacancy(s) in the Members' Committee, the Committee will continue to function with the reduced membership. The Committee may fill the casual vacancy in the non-Director members of the Committee by electing other suitable shareholders.

9.d. One of the terms of reference of this Committee will be to calculate the Maintenance Charges in accordance with the principles laid down in Rule 9.a. above on a half yearly basis within one month of the end of each half year and recommend the same to the Board. If the Board disagrees with the recommendations of the Committee, then it may refer it back to the Committee, with its noting for reconsideration. If there is no consensus, the matter should be taken up in a General Meeting. If the Committee fails to recommend the Maintenance Charges, then the status quo will continue.

9.e. The obligation of the Company to maintain the Units and the CAF and all of the rights of the Members are subject to and conditional upon the Member making full and timely payment of her/his share of the Maintenance Charges.

10. Payment of Taxes

All taxes of whatever nature payable on Maintenance Charges and other amounts payable by the Members to the Company are to the account of the Members. If not included in the Maintenance Charges, the same will be paid by the Member directly. The Company shall endeavor to minimize such taxes as permitted by the law.

11. Payment of Utility and Service Bills

11.a. The Company will make necessary arrangements for making available electricity, water, gas, telephony, internet access, milk, newspapers, canteen facility, garbage and sewage treatment and disposal, primary medical facility, fire fighting facilities, lighting of streets, insurance, and other living conveniences.

11. b. whichever services can be provided through third party service providers, the Company will endeavor to provide them through such third parties. The charges for third party services will be fixed by such service providers and the Members will be responsible for direct payments for such services as per bills of such service providers. The Board will be monitoring such third party services to ensure that the quality of such services is good and that the charges are not unreasonable. The Company shall not be liable to bear or pay the aforesaid charges.

11.c. If any of these services and utilities are provided by the Company, the Members will be liable to pay charges for the same and taxes thereon, if any, to the Company as per invoices/debit notes raised by the Company either as a part of Maintenance Charges or separately. The Company shall endeavor to minimize the costs, charges and taxes.

12. Deposits

If the Company is required to pay deposits for utilities and services like electricity/gas/water connection etc. and/or cost of meters for such utilities or services to be provided in individual Units, then the shareholders shall reimburse to the Company, the cost of such meters and deposits.

13. Stamp Duty

The stamp duty, registration charges and all costs and expenses incidental thereto in relation to the Shareholders' Agreement shall be borne by the Member.

14. Consequences of non/delayed payment

14.a. All rights of a Member are subject to payment by her/him of all amounts due to the Company and compliance with the provisions of the Articles of Association, these rules and Shareholders' Agreement except where the Company is in default in terms of Rule 1.g.

14.b. If a shareholder fails to or delays payment of the whole or a part of his dues of Maintenance Charges, Taxes, Deposits, Utility & Service Bills, Stamp duty or any other dues, then up to a certain limit the Board may follow the guidelines for recovery of any dues laid down by RVM and may waive the default on payment by the Member of the amount due and interest and penalty thereon as may be fixed in the guidelines for one year and as it may think fit thereafter from time to time. In case of inordinate delay beyond 3 months, the RVM may levy an appropriate interest for one year.

14.c. The Company shall have a lien on the dividends and shares to the extent of all and any amounts that the shareholder may owe to the Company.

15. Structural Repairs

15.a. All structural repairs to Units and CAF shall be the responsibility of the Company. The costs of any structural changes made by a Member with the permission of the Company, including partition walls etc. will be borne by the concerned Member.

15.b. The costs of structural repairs incurred by the Company will be drawn from its own reserves built up with the active participation of shareholders through contributions.

16. Routine repairs

16.a. The members shall use the Units, CAF and the fixtures and fittings installed by the Company in the Units (if any) with due care and caution and as a person of ordinary prudence, and maintain the same in good and habitable condition and to carry out all day-to-day and other maintenance in respect thereof as may occur or be reasonably

required to comply with any sanitation, health or safety requirement or guidelines as may be specified by the statutory authorities from time to time. The Member shall, at her/his own cost undertake routine maintenance of and repairs of any minor damage caused to the Unit allotted to her/him as a result of normal wear and tear, as and when necessary as prescribed in the RVM.

16.b. All repairs to CAF shall be the responsibility of the Company. The costs will be drawn from the reserves. The shareholders will assist the board in building the reserves through contributions.

It is expected that the resident/visitor will observe due diligence not to cause any damage to the cottages and the common areas. Routine maintenance work for the cottages will be taken up as and when necessary and organized by the management. All costs incurred will be included in the calculation of monthly MF which is paid by all shareholders. Any damage caused to buildings due to faulty construction will be corrected by the management at Company's cost. Cost of rectifying damages caused by any resident will be charged to the resident concerned.

Amendment in Sept 2015:

As per resolution approved in the AGM held on 26th September 2015 the company's responsibility to maintain the cottages, at company's expense will be limited to one year from the time of handing over and that beyond one year, the company will facilitate the maintenance work but the cost for the same will be borne by the shareholder. The Company shall pay for the maintenance arising out of structural issues. Such matters arising out of technical issues shall be referred to the Technical Committee and this committee will decide if an 'issue' is structural or not and the decision of the Committee shall be binding on the shareholders.

17. Destruction of Units

17.a. The Company shall keep all Units, CAF and other assets of the Company adequately insured. The insurance premium will be drawn from its capital reserves.

17.b. In the case of full or partial destruction of a Unit on account of any of the insured risks, the Company shall repair/reconstruct the Unit by spending the amount received from the insurer. It will be the obligation of the Company to spend any amount beyond the insurance claim received by it from its reserves.

18. Exchange of Units

If two Members wish to exchange Units allotted to them, they are free to do so with the approval of the Company. Such approvals will normally be granted as long as all amounts due to the Company from both Members have been paid by them and there are no breaches of the Articles, these rules and Shareholders' Agreement by either shareholder. The Exchange will attract allotment fee of Rs 1.5 lakhs in total.

19. Obligation to obtain permissions

All approvals for the land use, construction and occupation of the Units and CAF from the Government, Municipal, Local or any other Competent Authority shall be the responsibility of the Company.

20. Payment of Property Tax and other taxes

The Company shall regularly and punctually pay all existing and future Property Taxes payable in respect of the village or any part thereof and include the same in Maintenance Charges. The Company will be liable to indemnify all Members who have paid the Maintenance Charges fully and in time, if any claim or liability arises on them due to non-payment or late payment of the property taxes by the Company.

21. Compliances with all legal requirements

Compliance with all legal requirements relating to construction, operations and maintenance of the retirement village will be the responsibility of the Company.

22. Rights to develop further

22.a. The Members acknowledge that the Land is only partially developed and that development work in respect of subsequent phases of the Village is contemplated by the Company. Accordingly, it is confirmed and agreed by the Members that in accordance with a development plan approved by the Members in a general meeting, the Company shall have the right at all times to develop, redevelop, renovate, retrofit, refurbish, extend or change the structure, layout, finishes, design or use of Units or CAF or any part thereof (including the right to erect, install or remove additional structures, floors, extensions, fixtures, fittings, machinery and other structures), as long as:

- i. It does not block the entry to the Unit allotted to the Members or to the Club House.
- ii. It does not deprive the Members of use of the Unit allotted to her/him.
- iii. It does not substantially reduce availability of air, ventilation and light to a Unit.
- iv. The design theme and aesthetics of the village are not significantly compromised.
- v. However, sentiments of individual shareholders who are affected will receive due consideration.
- vi. The company will abide by the conditions imposed under section 109 of Land Reforms Act, at all times in the future even if the classification of the land is changed.

22.b. If any of the above factors are involved, then the Company shall obtain the prior

written approval of the concerned Members.

22.c. The Members acknowledge that they shall not object to building, making any alterations to or to pulling down, rebuilding, redeveloping or otherwise dealing with or using any property adjoining or neighboring or opposite to the Unit which the Company may deem fit without obtaining any consent from or making any compensation to any Member provided that the right of the Member to enjoy his Member's right to Unit and CAF is not substantially compromised. The Company shall be entitled to enter upon the Unit in order to do such work and the Member shall not unreasonably object to the same provided adequate notice has been provided to the share holder and it is at a reasonable time of the day.

22. d. No voluntary demolition (whole or part), other than that warranted by structural defects or natural calamities, of one or more Units will be done by the Company without the consent of the concerned Members. No voluntary demolition of a cluster or row of Units or the Clubhouse will be done by the Company without the consent of the Members through a special resolution and without providing the affected Members alternate accommodation.

23. Right to levy charges and generate revenues

23.a. Subject to ensuring availability of substantially all the utilities and recreation facilities to the Members, the Board shall have the right at all times to grant to any party the exclusive use of any part of the CAF or any equipment, fixtures, fittings, machinery and other structures in the Village for such purposes for such periods and upon such terms and conditions as the Board may think fit to earn revenues there from. For this purpose, the Board shall be entitled at its discretion to close or restrict or prevent the access through the common property, outer doors, car parks, entrances, exits or any part/s of the Village. However, such an act should receive consent of the shareholders by

a resolution in a general meeting.

23.b. All revenues so earned shall be netted off from the costs of operations, running and maintenance of the Company before such costs are apportioned to members to subsidise Maintenance Fees.

24. Permitted Use

The Units are meant to be used only for residence, habitation, rehabilitation, recuperation and convalescence of the elderly. Therefore, at least one resident of the member family must be more than fifty years of age. The Member's right to Units and CAF will only be for the members, her/his family members (self, spouse and lineal ascendants and descendants), genuine guests and nursing or medical assistance and is subject to RVM. The Board shall have the right to make exceptions to this rule under certain special circumstances including the health, family and financial conditions of the Member.

25. No objectionable activities from SUVIDHA

Each Member agrees that she/he shall use the allotted Unit only for the "Permitted Use" and shall not carry on or permit to be carried on any activities which are not a "Permitted Use" or are likely to be unlawful, obnoxious or cause nuisance or annoyance or disturbance to other occupants in or visitors to the village.

26. Shareholders not to create hazards

Each Member shall ensure and undertake that the internal electrical systems, plumbing, fire fighting systems and any other finishing work done internally within the Unit, other than that done by the Company shall not pose any fire, smoke, electrical, structural, pollution or health hazards to other occupants/visitors in the village. A Member shall not keep or store within the Unit or CAF any goods which are of hazardous or combustible nature or otherwise are of a weight or character, as might cause the occurrence of any

hazard or affect the structure or the lives of any individuals and other occupants within the Village (including health of such individuals).

27. Cancellation of allotment and repossession of Unit

27.a. In the case of a significant breach by the Member, the Board will be entitled to take action of cancellation of allotment and repossession of Unit according to these rules and steps laid down by the RVM. Significant breaches are:

i. Non- payment or delay in payment of installments of subscription, share premium or calls on such shares or part thereof in the stipulated time.

ii. Non- payment or delay in payment of Maintenance Charges, Taxes, Deposits or any other dues and the outstanding amount is more than the value paid on the latest transaction of allotment or transfer of Qualifying Shares whichever is higher.

iii. Causing considerable financial loss to the Company, through damage, hazard or otherwise amounting to not less than 10% of the value paid on the latest transaction of allotment or transfer of Qualifying Shares whichever is higher. The manner in which assessment of such financial loss will be carried out will be decided by the Board from time to time.

iv. Significant structural alterations to the Unit without the permission of the Company.

v. Unauthorised transfer, letting out or encumbering of the Unit.

vi. Using the Unit for anything other than Permitted Use for more than six months or illegal use for more than three months despite a notice being served by the Company.

27.b. The action of cancellation and re-possession of a Unit will be taken by the Company

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as a measure of last resort after trying all other measures and after providing notice and time of at least three months to the shareholder to remedy the breach. Before taking this step, the Board will also take into account the health, family and financial conditions of the shareholder. The decision regarding repossession shall be taken with the approval of shareholders.

27. c. On cancellation of allotment and on obtaining re-possession of the Unit, the Member will be bound to and the Company will be entitled to have the Member sell her/his Qualifying Shares to a new transferee to whom the Unit may be allotted.

27.d. From the sale proceeds of such sale, the Company will recover its dues and a penalty equal to 10% of the amount received on such sale and the balance amount will be paid to the Member or his nominee, or the person/s specified in the member's will, or the legal heir. The Member will constitute the Company or its nominee as an attorney to carry out such sale. The Member will not be entitled to question the time taken by the Company or the value at which the shares are sold. However, the Company will not sell the shares for a value less than two thirds of the value (including premium) at which the last lot of Qualifying Shares were allotted by the Company or the last transfer of shares had taken place, whichever is higher.

for SUVIDHA

Authorised Signatory

Shareholder/s