

DHARAVI REDEVELOPMENT PROJECT /SLUM REHABILITATION AUTHORITY (DRP/SRA)

For

Selection of a Lead Partner for Redevelopment of Dharavi Notified Area (DNA)

Volume III- Draft Shareholders' Agreement

Tender Ref No. : DRP/2/2022

_____202*

Dharavi Redevelopment Authority/ Slum Rehabilitation Authority
5th Floor, Griha Nirman Bhawan, Bandra (East), Mumbai-400 051.

SHAREHOLDERS' AGREEMENT

THIS AGREEMENT is made at [●] on this [●] day of [●], 202*

BETWEEN:

1. DHARAVI REDEVELOPMENT PROJECT/SLUM REHABILITATION AUTHORITY (hereinafter referred to as "**DRP/SRA**" or the "**Authority**", which expression shall unless it be repugnant to the context or meaning thereof mean and include the said Authority and its successors in office), a statutory authority constituted by the Government of Maharashtra in pursuance of Section 3A of the Maharashtra Slum Areas (Improvement, Clearance and Redevelopment) Act, 1971 (Maharashtra Act No. XXVIII of 1971) (the "**MSA (ICR) Act, 1971**") as the Special Planning Authority (SPA) of the area under Sub-section 1 (b) of Section 40 of M.R. &T.P. Act, 1966. and having their office at Griha Nirman Bhavan, 5th Floor, Bandra, (East), Mumbai 400 051 through its Chief Executive Officer and Officer on Special Duty (CEO and OSD), DRP/SRA, being the party of the FIRST PART;

AND

2. _____ [insert name of the Selected Bidder and each member of the Consortium], having its registered office at _____ [insert address] through its _____ (hereinafter referred to as the "**Selected Bidder**" or the "**Lead Partner**" which expression shall, unless repugnant to the subject or context thereof, mean and include its successors and permitted assigns) being the party of the SECOND PART;

AND

3. ----- [insert name of the SPV Company], a company incorporated, under the provisions of the Companies Act, 2013 and having its registered office at _____ [insert address] through its _____ (hereinafter referred to as the "**SPV Company**" or "**Company**", which expression shall, unless repugnant to the subject or context thereof, mean and include its representatives, successors-in-title, administrators and permitted assigns) being the party of the THIRD PART;

The "**DRP/SRA**"/"**Authority**" and "**Lead Partner**" are hereinafter referred to as "**Party**" individually and "**Parties**" collectively.

WHEREAS:

- A.** The Department of Housing, Government of Maharashtra (GoM), vide its Government Resolution No. SRA/2003/C. No.-189/Slum-1A dated 04.02.2004, had decided to redevelop Dharavi as a comprehensive integrated development project with the introduction of an innovative concept of using land as a resource for rehabilitation of slum dwellers by allowing the developer to construct Rehab and Renewal component and construct and sell free sale built-up area in the open market, as per the provisions of DCPR 2034 and the said scheme is particularly known as “**DHARAVI REDEVELOPMENT PROJECT**” (herein after referred to as “**DRP**”) **AND** it had been decided to develop through private sector participation having boundaries as mentioned under B below and as prescribed more specifically in Annexure 1 hereunder and hereinafter referred to as the said Larger Property which is encroached upon by the slum-dwellers and also the non-slum areas declared as undeveloped area by the Government of Maharashtra and more particularly known and referred as “**DHARAVI**”, **WHEREIN** Renewal (as specified under Urban Renewal Scheme) and Redevelopment of buildings, Chawls, tenanted properties, etc. within Dharavi Notified Area belonging to Municipal Corporation of Greater Mumbai (MCGM), Rajiv Gandhi Niwara Prakalp (RGNP), Maharashtra Housing and Area Development Authority (MHADA) and private owners under Urban Renewal Schemes as specified in Regulation 33 (9)(A) of DCPR 2034 had been decided to be undertaken by DRP/SRA and slum areas occupied by slum dwellers are to be developed under Appendix IV (A) appended to DCR No. 33 (10) (A) of DCPR 2034 together hereinafter referred as “**DCR**”.
- B.** Accordingly, Government in Urban Development Department (UDD) had notified the lands admeasuring approximately 178.30 Ha bounded on or towards North by Sant Rohidas Marg (Sion-Bandra Link Road), on or towards North-West by Mithi River (Creek)/Mahim Creek, on or towards North-East by Junction of Sant Rohidas Marg and L.B.S. Marg, on or towards East by Central Railway Tracks, on or towards South-East, West and South-West by Western Railway Harbour Tracks as the Dharavi Notified Area (DNA) under its notification no. TPB 4034/322/CR-56/04/UD-11, dated. 09.03.2005 and had appointed Slum Rehabilitation Authority (SRA) a statutory authority constituted under Section 3A of the Maharashtra Slum Areas (Improvement, Clearance and Redevelopment) Act, 1971, as the Special Planning Authority (SPA), under Sub Section 1 (b) of Section 40 of the Maharashtra Regional & Town Planning Act, 1966 (hereinafter the MR&TP Act) to facilitate Slum Rehabilitation Schemes for planning and redevelopment of all parts and parcels of the land / plots of the land declared as part of the said Dharavi Redevelopment Project and hereinafter referred to as Dharavi Notified Area (DNA).
- C.** Additionally, Government in UDD had notified the lands admeasuring approximately 62.05 Ha bounded as: on or towards North and North East by the Boundary of 'H' Block of Bandra Kurla Complex (BKC), on or towards East by Refuse Transfer Station outside 'H' Block area as per

planning proposal of BKC sanctioned under notification No.BKR-1177/262/UD-5 dated 9th April 1979, on or towards South-East by L.B.S. Marg, on towards South by Southern boundary of Sant Rohidas Marg, on or towards South-West and West by Western boundary of C.S. no.665 (Piwala Bunglow) and boundary of 'H' Block of BKC by including existing Rajiv Nagar as DNA under its Notification no. TPB 4308/3499/CR-83/09/UD-11, dated. 25.06.2009.

- D. Cabinet has approved the proposal submitted by Dharavi Redevelopment Project/Slum Rehabilitation Authority (DRP/SRA) in their meeting held on 16th October 2018 and have declared the project as Special Project and have endeavoured to provide various concessions for the Project as per Government Resolution (GR) no DhaPuPra-2018/ Pr.Kr. 90/JhoPaSu dated 5th November 2018.
- E. Cabinet has given additional concessions to the Project and have instructed DRP/SRA to invite fresh tender by inclusion of terms and conditions of transfer of railway land in their meeting held on 21/09/2022 and have issued Government Resolution (GR) no DhaPuPra-2022/ Pr.Kr. 87/JhoPaSu dated 28th September 2022 and have instructed DRP/SRA to call for Global Tender for appointment of Lead Partner and implement the Project under SPV Model.
- F. Accordingly, DPR/SRA had invited proposals in a manner as specified in the Request for Qualification cum Request for Proposal (RFQ cum RFP) Document from eligible bidders for selection of Lead Partner for Redevelopment of Dharavi Notified Area (DNA) in Mumbai, Maharashtra, India comprising of slum area and non-slum area, buildings / Chawls as per the prevailing Development Control Regulations, as more particularly mentioned hereunder, as the “**Project**”, on terms and conditions contained therein for the selection of the Lead Partner for designing, financing, constructing, developing, operating and maintaining the Project.
- G. After evaluation of the Technical and Financial Bids/ proposals received, the Authority has accepted the Bid of _____ {name of the Selected Bidder/ Consortium} for the implementation of Dharavi Redevelopment Project (Redevelopment of Dharavi notified area; and herein after referred to as or “**Project**” and had issued its Letter of Award bearing No. _____ dated _____ (hereinafter called the “**LOA**”) to the _____ {name of the Selected Bidder/ Consortium} requiring, inter alia, following:
- i. Entering into Memorandum of Understanding with the Authority;
 - ii. Formation of Special Purpose Vehicle Company as per the Companies Act, 2013; and
 - iii. Depositing amount as per the Price Bid and the tender conditions in the escrow account of the SPV Company within 30 days of signing the MoU and signing the Development Agreement.
- H. The Selected Bidder/Consortium has since,
- i. promoted and incorporated a limited liability company under the Companies Act, 2013 as a Special Purpose Vehicle Company on _____ (date);

- ii. entered Memorandum of Understanding on ____ (date) and as attached in Schedule-3; and
 - iii. Deposited amount as per the Price Bid and the tender conditions in the SPV Company on ____ and signed Development Agreement on _____.
- I. As per the RFQ cum RFP Document and the Price Bid, the Lead Partner and the Authority being the Shareholders in the SPV Company (the “**Shareholders**”), the Authority has agreed to the request of the Lead Partner and the SPV Company to execute the Shareholders’ Agreement, as per the terms and conditions mentioned herewith.

NOW THEREFORE, in consideration of the foregoing premises, the mutual covenants herein and other good and valuable consideration mentioned herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 In this Shareholders’ Agreement (including any recital, annexure, schedules or exhibits attached hereto), except where the context requires otherwise, the following words or terms shall have the following meaning:

Affiliate in relation to any Party means any Person who, either directly or indirectly, controls or is under the control of or under common control with such Party, provided however that the Company shall not be deemed to be the Affiliate of any of the Shareholders;

Agreed Form means, in relation to any document, the form of that document which has been initialled for the purpose of identification by or on behalf of each of the Shareholders;

Agreed Proportion shall have the meaning assigned to it in Clause 5.3;

Agreement means this Shareholders’ Agreement, including all annexes, schedules and documents attached or incorporated herein, and as may be amended from time to time;

Approved Business Plan means the plan to redevelop Dharavi Notified Area as approved by the Board of Directors of the Company, and as may be amended from time to time by the approval of the Shareholders in accordance with Schedule 5 hereto;

Auditor means the auditor appointed by the Company, and being one of the reputed accounting firms practicing in India;

Board of Directors or **Board** means the board of Directors for the time being of the Company;

Budget means the annual budget of the Company from time to time approved by the Shareholders in accordance with the provisions of this agreement, which budget shall not be in deviation of the **Approved Business Plan**;

Business has the meaning given in Clause 4.1;

Business Day means a day on which banks are generally open in Mumbai for normal business;

Capital Contribution means a payment by the Lead Partner and the DRP/SRA to the Company of an amount, as the Company may require in accordance with the terms of this Agreement and the Approved Business Plan and subject to any restrictions under the Development Agreement and the RFQ cum RFP Document on the form any capital increase is required to take;

Cash Call has the meaning given in Clause 5;

Cash Calls Mechanism has the meaning given in Clause 5.8;

Chairman means the Chairman of the Company and has the meaning given in Clause 7.18;

Companies Act means the Companies Act (1 of 2013) of India;

Company /SPV Company means _____, incorporated under the Companies Act (having registered number __ of __) whose registered office is at [*Address of Registered Office*];

Constitutional Documents means the memorandum of association and articles of association of the Company;

Control means the ownership, directly or indirectly, of more than 50% of the voting securities of any Person or controlling the majority of the Board of Directors of the Person, or power to direct the management and policies of such Person by virtue of a contract or otherwise;

Dead Lock shall mean a situation where the votes, in board's meeting or shareholders' meeting, are equally divided;

Deed of Adherence has the meaning given to it in Schedule 3;

Development Agreement means the agreement dated __ entered into between DRP/SRA and the Company in relation to Redevelopment of Dharavi Project;

Development Rights means the rights given for redevelopment of Dharavi as per the agreement dated [●] entered into between DRP/SRA and the SPV Company along with the Lead Partner for Redevelopment of Dharavi Notified Area (DNA) in Mumbai, Maharashtra, India comprising of slum area and non-slum area, buildings / Chawls as per the prevailing Development Control Regulations;

Directors means the directors of the Company and **Director** means any one of them (as the context requires);

DRP/SRA Shares shall have the meaning ascribed to such term in Clause 5.3(a);

Effective Date shall have the meaning ascribed to it in Clause 2.1;

Financial Year means a financial year of the Company ending on March 31 of any year or any other financial year agreed by the Shareholders pursuant to any modification as per the law;

India means the Republic of India;

Indian GAAP means the accounting principles and policies that are generally accepted in India;

Initial Subscription shall have the meaning ascribed to the term in Clause 5.3 (a) hereof;

Managing Director has the meaning given in Clause 7.19;

Lead Partner's Shares shall have the meaning ascribed to such term in Clause 5.3(a);

Person means any person, body corporate, trust, partnership firm or other association of persons/ individuals whether registered or not;

Project / Dharavi Project means the Redevelopment of Dharavi Notified Area (DNA) in Mumbai, Maharashtra, India comprising of slum area and non-slum area, buildings / Chawls as per the prevailing Development Control Regulations;

"Persistent Material Default" means a material default of any act or event on the ability of either Party to perform any of its obligations under and in accordance with the provisions of this Agreement and which act or event causes a material financial burden or loss to either Party or adversely affects the Project implementation;

Reserved Matters means the matters listed in Clause 8.1 hereto;

Rupees or Rs. means the legal currency of the Republic of India;

Shareholders shall have the meaning ascribed to such term in the Preamble to this Agreement, and includes all Persons who hold shares in the Company from time to time, in accordance with the terms of this Agreement;

Shares means the issued shares having face value of Rs. [10] of the capital of the Company; {the SPV Company may issue different categories of shares so that the economic interest of the DRP/SRA is maintained at 20%. Also, in case of sale of such shares by DRP/SRA such economic rights will get transferred to such new entity.

Transfer includes: (i) any transfer or other disposition of Shares or voting interests or any interest therein, including, without limitation, by operation of Applicable Laws, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any sale, assignment, gift, donation, redemption, conversion or other disposition of such Shares or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such securities or any interest therein passes.

1.2 All other capitalised terms, not defined in Clause 1.1 above, shall have the meanings assigned to them in the Development Agreement.

1.3 Any express reference to an enactment (which includes any legislation in any jurisdiction) includes references to:

(a) that enactment as amended, extended or applied by or under any other enactment before, on or after the date of this agreement;

(b) any enactment which that enactment re-enacts (with or without modification); and

(c) any subordinate legislation (including regulations) made (before, on or after the date of this agreement) under that enactment, as re-enacted, amended, extended or applied as described in paragraph (a) above, or under any enactment referred to in paragraph (b) above.

1.4 In this agreement, references to a person shall be construed so as to include any individual, firm, company, unincorporated association of persons, government, state or agency of a state or any joint venture, association, partnership, works council or employee representative body (whether or not having separate legal personality).

1.5 In this Agreement, reference to including and include shall be construed to mean "including without limitation" and "include without limitation" respectively.

1.6 In this Agreement, references to times of the day are to local time in the relevant jurisdiction unless otherwise stated.

1.7 Where there is any inconsistency between the definitions set out in this clause 1 and the definitions set out in any other clause or schedule, then for the purposes of construing such clause or schedule, the definitions set out in such clause or schedule shall prevail.

1.8 In this Agreement:

(a) words importing the singular shall include the plural and vice versa; and

(b) references to a Person shall include the successors or permitted assigns of that Person (immediate or otherwise).

1.9 The headings in this Agreement do not affect its interpretation.

1.10 Any schedule or annex to this Agreement shall take effect as if set out in this Agreement and references to this Agreement shall include its schedules and annexures.

1.11 In this Agreement, unless the contrary intention appears, a reference to a recital, Clause, paragraph, subparagraph, schedule or item is a reference to a recital, Clause, paragraph, subparagraph, schedule or item of this Agreement.

1.12 If any provision of Clause 1.1 is a substantive provision conferring rights or imposing obligations on any Party, effect shall be given to it as if it were a substantive provision in the body of this Agreement.

1.13 The rule of construction, if any, that a contract should be interpreted against the Parties responsible for the drafting and preparation thereof, shall not apply.

1.14 All references to agreements, documents or other instruments include (subject to all relevant approvals) a reference to that agreement, document or instrument as amended, supplemented, modified, substituted, novated or assigned from time to time.

2 EFFECTIVE DATE

2.1 The Shareholders acknowledge and agree that this Agreement shall take effect on the date of execution of this Agreement. ("**the Effective Date**"):

2.2 On the Effective Date:

(i) The Lead Partner agree to cause an extraordinary general meeting of the Company to be held to pass a special resolution in a form and manner as mutually acceptable between DRP/SRA and the Lead Partner:

(a) Authorising the issuance and allotment of Shares of the Company to DRP/SRA and the Lead Partner, such that DRP/SRA and the Lead Partner hold Shares in the equity share capital of the Company in the Agreed Proportion. Any additional issuance of shares shall be of such a category that economic interest of DRP /SRA in the SPV company shall always be maintained to 20%, subject to sale of equity shares by the DRP/SRA or as mentioned in this Agreement;

- (b) Appointing the Directors on the Board of the Company, including DRP/SRA's representatives as the Directors, in accordance with the terms of this Agreement; and
 - (c) Amend the Constitutional Documents, so as to incorporate all the relevant provisions of this Agreement in the Constitutional Documents;
- (ii) Pursuant to the special resolution passed at the extraordinary general meeting of the Company, the Lead Partner and the Company shall cause the share certificates for the issued Shares to be issued to DRP/SRA and the Lead Partner in accordance with Applicable Laws;
 - (iii) In consideration of the issuance and allotment of Shares in the Agreed Proportion, the Lead Partner and the Authority shall deposit in the Account of the Company cash in accordance with the provisions of Clause 5 hereof.

3 GENERAL UNDERTAKINGS OF THE SHAREHOLDERS

- 3.1 The Shareholders agree to ensure and procure that the Company shall always be and remain a **"limited company"** as defined in the Companies Act and shall not do or allow anything to be done to alter the Company's status as a limited company under Applicable Law, unless otherwise agreed upon by the Parties in accordance with this Agreement.
- 3.2 Each Shareholder hereby agrees to cooperate with the other Shareholder and with the Company and to use its best endeavors to the extent that it has the authority and ability to do so to promote the success of the Company and the Project and in attaining the objectives set forth in the Approved Business Plan.
- 3.3 Each Shareholder hereby undertakes to the other Shareholders and for the benefit of the Company:
 - (a) To perform and observe all of the provisions of this Agreement, the Constitutional Documents and all other Project Agreements; and
 - (b) To procure that: (i) every person for the time being representing it in its capacity as Shareholder, and (ii) every person appointed as a Director in terms of this Agreement will exercise any power of vote or cause the power of vote to be exercised, at any meeting of the Shareholders or the Board of the Company, as the case may be, so as to ensure that the approval of any and every resolution necessary or desirable to procure that the affairs of the Company are conducted in accordance with the Development Agreement and otherwise to give full effect to this Agreement, and likewise so as to ensure that no resolution is passed which is not in accordance with the Development Agreement and/or the provisions of this

Agreement; provided however, that except as expressly directed by any provisions in this Agreement each Shareholder shall have full discretion on how to vote the Shares which such Shareholder owns or on how to cause any person appointed by such Shareholder to act in operating the Company, subject only to Applicable Law.

- 3.4 If any Director nominated by a Shareholder, for any reason refuses to exercise his discretion in accordance with the provisions of this Agreement, such Shareholder shall forthwith take all action within its power or control to substitute such Director.

4 THE BUSINESS OF THE COMPANY

- 4.1 The business of the Company ("**the Business**") shall be limited to the following:

- (a) Developing and maintaining the Project in accordance with the provisions of the Development Agreement, the Approved Business Plan and Applicable Laws;
- (b) The activities required for the Company to perform its obligations or for the exercise of its rights under the Project Agreements, the Approved Business Plan and Applicable Laws;
- (c) Any other ancillary or related activities contemplated for the Company under the Development Agreement or the other Project Agreements, subject to compliance with the Approved Business Plan and Applicable Laws; and
- (d) Procuring the ancillary or related services by other service providers/ developers/contractors for the fulfilment of objectives under the Development Agreement and for which to establish subsidiary/associated companies, as and when necessary. SPV Company shall not borrow any loan or debt. Equity of the Consortium Members, including of any Associates and Subsidiaries, in the Dharavi Notified Area shall be only through the SPV Company.

- 4.2 Without prejudice to Applicable Law or the provisions of this Agreement, the proceedings and the Business of the Company shall at all times be conducted in accordance with sound and best international business practices and the highest ethical standards, on sound commercial principles and in such manner as to maximise returns to the Shareholders from the Company.

- 4.3 The Shareholders and their Affiliates shall deal with the Company such that any future contracts and dealings between any Shareholder (or any of its Affiliates) and the Company shall be on an arm's length basis and shall be subject to such approvals, if any, as may be required under the Companies Act.

- 4.4 If it is proposed that a future contract is or could be entered into between any Shareholder (or its Affiliate) and the Company, the Shareholders shall procure that a contract committee is formed, who shall decide, unanimously, whether discussions or negotiations in respect of that

contract should take place with the relevant Shareholder (or its Affiliate) and, if so, the terms of reference for such discussions or negotiations. It shall then be the sole responsibility of the relevant Shareholder to negotiate the contract with its relevant Affiliate in accordance with the stipulated terms of reference. The relevant Shareholder shall be obliged to report back to the contract committee on a periodic basis as may be reasonably required by the contract committee. Once the negotiations for the draft contract have been successfully concluded (subject to the acceptance of the terms by the Company in accordance with this agreement), the relevant Shareholder shall report back to the contract committee which will then decide, acting unanimously, whether the relevant contract should be put to the Board for approval.

- 4.5 Subject to Clause 9.1 below, each of the Shareholders agrees to exercise its respective rights under this Agreement and as a Shareholder in the Company so as to ensure that the business of the Company consists exclusively as per the Approved Business Plan and is conducted in accordance with the Budget as approved by the Board of Directors.
- 4.6 The management of the Company shall be exercised in India and the Shareholders shall use all reasonable endeavors to ensure that the Company shall be treated for all purposes, including taxation, as solely resident in India.
- 4.7 The Shareholders acknowledge, agree and shall procure that the Company shall, at all times, be in compliance with, and conduct the Business in compliance with, all Applicable Laws and Applicable Permits.
- 4.8 Each of the Shareholders hereby undertakes and agrees on behalf of itself and its Affiliates to adhere at all times and procure the adherence of the Company at all times to the Approved Business Plan.

5 FINANCING OF THE COMPANY

5.1 The Parties agree that at all times during the validity of this Agreement, the authorized share capital of the Company shall be Rs. _____ Crores (Rupees _____ Crores only), divided into _____ Crores (_____ only) equity shares, the par value of each share being Rs.10/- (Rupees ten only) each. However, for maintaining the economic interest of the DRP/SRA in the SPV Company, the SPV Company may issue different categories of shares.

The Lead Partner represent/s and warrant/s that the authorised share capital of the Company shall at no time be lesser than the equity requirements for the Project, as stated in the Approved Business Plan.

5.2 The issued capital of the Company shall be Rupees _____, which shall be divided into _____ ordinary shares of the Company, the par value of each share being Rupees 10/-.

5.3 The Shareholders hereby agree that they shall directly or indirectly through their Affiliates, subscribe to and hold such numbers of the Shares of the Company necessary for the Shareholders to own and hold, legally and beneficially, issued share capital of the Company in the manner set forth below, and at all times strictly in accordance with the Approved Business Plan (**"the Agreed Proportion"**):

(a) As of the Effective Date, each of the Shareholders shall subscribe to such number of Equity Shares of the Company necessary for the Shareholders to collectively own and hold, beneficially, issued share capital of Rs. 500/- Crore (Rupees Five Hundred Crore only) (**"Initial Subscription"**), in a manner that DRP/SRA holds not less than 20% of the Initial Subscription (such Shares being hereinafter referred to as **"DRP/SRA Shares"**) and Lead Partner shall collectively hold a minimum of 80% of the Initial Subscription (such Shares being hereinafter referred to as **"Lead Partner's Shares"**) in the following manner:

i) Lead Partner: 80%, by way of 40 crore ordinary shares in the Company, the par value of each share being Rupees 10 /- and.

ii) DRP/SRA: 20% by way of 10 crore ordinary shares in the Company, the par value of each share being Rupees 10 /-.

(b) SPV Company shall issue balance equity shares to the Lead Partner such that the DRP/SRA will not invest more than Rs. 100 crore equity capital at face value of Rs.10(Rupees ten) and maintaining the equity stake percentage of DRP/SRA to 20%.

(c) Lead Member shall hold minimum 51% (fifty one percent) equity of SPV Company. Consortium Member satisfying Technical Eligibility shall hold minimum 26% (twenty six percent) equity In the SPV Company. Lead Member along with Consortium

Member satisfying Technical Eligibility shall hold minimum 80% (eighty percent) equity of the SPV Company till 2 years from the date of issuance of Commencement Certificate for the first phase of the Project. After which, Lead Member along with Consortium Member satisfying Technical Eligibility shall hold minimum 51% equity of the SPV Company till the completion of rehabilitation, renewal, amenities and infrastructure. (hereinafter referred to as the “**Lock-in-Period**”). Any violation in the shareholding pattern in the Equity Lock-In-Period or in the Shareholders Agreement would be treated as Lead Partners’ Event of Default. Lock-in period of equity investment till completion of rehab, renewal, amenities and infrastructure shall not apply for transfers of equity in the companies under the same management, provided no RFP eligibility criteria is getting vitiated due to such transfer.

For Dharavi Redevelopment Project, land Premium of 25% of Ready Reckoner rate as on Bid Due Date shall be applicable for the entire Dharavi Redevelopment Project area irrespective of the present usage, whether under slum or renewal, and irrespective of the ownership of the land and shall be paid by the SPV Company to the DRP/SRA in proportion to the issuance of the commencement certificate for sale component. In-lieu of such payment received from the SPV Company, DRP/SRA will sell proportionate equity upto 8% to Lead Partner at Face Value of Rs. 10 and hence the equity of DRP/SRA in the SPV will reduce from 20% to 12% in stages.

- (d) After completion of Lock in Period as per the Development Agreement, Parties shall be entitled but not obliged to sell, transfer, assign or dispose the shares held, to any third parties. Parties shall be entitled but not obliged to sell, transfer, assign or dispose all or part of the shares held, to any third parties subject to fulfilment of the conditions set forth at Clause 5.2(e) below and 5.2(c) above.
- (e) The Parties agree that any transfer of shares pursuant to this Clause 5.3 shall only take place subject to the fulfilment of the following conditions:
 - i) Prior to the proposed Transfer by any shareholder i.e. Lead Partner and /or DRP/SRA in favour of any third Person, the transferring shareholder (hereinafter referred to as “**Transferor**”) shall offer the Shares to other shareholders (hereinafter referred to as “**Transferee**”), by giving notice thereof mentioning the total number of Shares proposed to be offered for sale and the price at which it wishes to sell the Shares;
 - ii) The valuation of equity in case of divestment by any of the party shall be done by an independent reputable agency, agreeable to all the Shareholders, duly approved by the Board;

- iii) In the event that transferee fails to exercise its right to purchase the Shares within thirty (30) days of the receipt of the notice from the transferring shareholder, the transferring shareholder shall be entitled to transfer the shares to the third Person;
 - iv) The price for the sale to the third person shall not be less than the price at which the shares were offered to transferee; and
 - v) The transferor shall cause the third Person to execute a Deed of Adherence in the Agreed Form.
- (f) In the event that transferee does not purchase the shares offered pursuant to Clause 5.3 (e), transferee shall have the right but not the obligation to require the third person to purchase from him for the same consideration per Equity Share and upon the same terms and conditions as to be paid to and given to the transferor, upto a maximum of the number of the Equity Shares held by that transferee multiplied by a fraction, the numerator of which is the number of shares proposed to be transferred by the transferor and the denominator of which is the total number of Shares held by the Private Participant and DRP/SRA.

- 5.4 In accordance with the RFQ cum RFP, the Shareholders shall not cause the Company to procure debts from the Lenders.
- 5.5 Subject to Clause 5.3 above, the Lead Partner hereby agree and undertake that for the purposes of meeting the Project Costs, any additional financial requirements shall be satisfied by issuance of compulsorily convertible securities/ bonds /other instruments to the Lead Partner. Any issuance of such securities/ bonds /other instruments shall not create any encumbrance on any SPV assets and shall be of nature which will be compulsorily be converted into Equity only after completion of rehab and renewal component, construction of amenities and construction of all the related infrastructure, and any such conversion shall always maintain the economic and voting rights percentage of DRP/SRA to 20% in the SPV Company, subject to sell of equity shares by DRP/SRA or reduction in the equity stake as mentioned in this Agreement. Such compulsorily convertible securities/bonds/other instruments shall carry coupon as mutually agreed by DRP and the Selected Bidder, however payment of coupon on such instrument will be only after completion of rehab and renewal component, construction of amenities and construction of all the related infrastructure. Till such period such coupon may accrue such interest but payment will not be due. Provided that DRP/SRA shall at no time during the subsistence of this Agreement, be required to subscribe to or purchase any further Shares of the Company.
- 5.6 In the event that the actual cost incurred for the Project exceeds the Project Costs as stated in the Approved Business Plan, then the Lead Partner agrees that they shall or shall cause their Affiliates to fund the difference in costs as per clause 5.5.
- 5.7 DRP/SRA Shares and Lead Partner Shares shall at all times (whether during the Term of this Agreement or thereafter), have identical rights and privileges with respect to dividend and voting rights. However, compulsorily convertible securities/ bonds /other instruments issued to the Lead Partner will not carry any rights and privileges with respect to dividend and voting rights.
- 5.8 The Managing Director shall provide the Board with monthly forecasts of the funding required by the Company for the following month, which will be required to be funded in accordance with the Cash Calls mechanism set out in the provisions of this Clause 5 (the “**Cash Calls Mechanism**”), together with an estimate of the funding to be required in the following three (3) months, together with such further information as may be reasonably required by the Shareholders in relation to such forecasts and estimates in the Approved Business Plan and need of issuance of compulsorily convertible securities/ bonds /other instruments to the Lead Partner.
- 5.9 The Managing Director shall provide the Board with monthly forecasts of the funding required by the Company for the following month, which will be required to be funded in accordance with the Cash Calls mechanism set out in the provisions of this Clause 5 (the “**Cash Calls Mechanism**”), together with an estimate of the funding to be required in the following three (3)

months, together with such further information as may be reasonably required by the Shareholders in relation to such forecasts and estimates in the Approved Business Plan and need of borrowing or issuance of securities to the Lead Partner or to any other external entity.

5.10 The Company shall, in accordance with the Approved Business Plan and this Clause 5, and by notices given to the Shareholders in the form set out in the Schedule 4 (Cash Call Templates) for Cash Calls which lead to increases in the number of Shares held by the Lead Partner; (each a Cash Call Notice) call for Capital Contributions from the Shareholders (each a Cash Call). Each Cash Call shall include a confirmation that it is being made to the each of the Consortium Member and the DRP/SRA in order to maintain the Agreed Proportion. Such Cash Calls shall be made in accordance with the Approved Business Plan and the relevant Budget (providing an explanation for the use of any contingent amount) and shall specify whether the relevant Capital Contribution is to be made in the form of subscription for further Shares in the capital of the SPV Company and/or in the form of Compulsorily Convertible Securities. Each such Capital Contribution shall be payable by or on behalf of the Lead Partner in cash on the date specified in such Cash Call (which, in respect of Cash Calls made in accordance with the relevant Budget will be at least seven (7) Business Days after receipt of the Cash Call Notice but otherwise will be at least fifteen (15) Business Days after receipt of the Cash Call Notice) to the account or accounts of the Company as specified in part 1 of Schedule 4 (Cash Call Templates) for Cash Calls which lead to increases in the shareholdings of the Shareholders.

5.11 The Company shall, in accordance with the Approved Business Plan and this Clause 5, and by notices given to the Shareholders in the form set out in the Schedule 4 (Cash Call Templates) for Cash Calls which lead to increases in the number of Shares held by the Lead Partner; (each a Cash Call Notice) call for Capital Contributions from the Shareholders (each a Cash Call). Each Cash Call shall include a confirmation that it is being made to the each of the Consortium Member and the DRP/SRA in order to maintain the Agreed Proportion. Such Cash Calls shall be made in accordance with the Approved Business Plan and the relevant Budget (providing an explanation for the use of any contingent amount).

5.12 Without prejudice to any right or remedy which any Party may have and subject to the terms of the Approved Business Plan, adjustments in shareholdings in the Company shall only ever be made in the Agreed Proportion in order to preserve the respective percentage shareholdings of the Shareholders in the Company in accordance with the Agreed Proportion from time to time.

5.13 The Shareholders acknowledge and agree that, notwithstanding any other provision in this Agreement and without prejudice to any Shareholder's or the Company's rights or remedies in respect of such breaches, interest shall accrue on a daily basis at the rate of 10% (ten percent) per annum (simple interest) in respect of all amounts which are not paid by or on behalf of the relevant Shareholder when they fall due for payment under this clause 5.

5.14 The Lead Partner agrees that if any Shareholder fails to make Capital Contributions in accordance with this Clause 5 and the Shareholder fails to make or procure the making of the relevant payment within 15 (fifteen) Business Days of the date of such Shareholder receiving notice that such payment was due such that the Shareholder is a defaulting Party, then the non-defaulting Shareholder(s) shall have the obligation to fund, in respect of the amount not funded by the defaulting Shareholder, in any proportion whatsoever, subject always to the provisions of Clause 5.2 and 5.12 above. Provided always that:

(a) DRP/SRA shall have no obligation whatsoever to cure the default of any Shareholder; and

(b) This Clause 5.13 shall not apply, if the defaulting Shareholder is the Lead Member.

5.15 The Parties shall ensure that all corporate formalities required for the subscription and allotment of Shares are effected for each subscription for Shares as and when made.

5.16 Following each Cash Call, the Company shall provide each Shareholder with details of the outstanding Capital Contributions still to be made in respect of Cash Calls already made by the Company alongwith interest calculated as per Clause 5.12 if any and details of the cumulative Capital Contributions made to date by each of the Shareholders.

6 WARRANTIES

Each Shareholder represents and warrants to the other Shareholders at the date hereof that each of the following statements is true and accurate:

(a) it has the power to enter into and perform its obligations under this Agreement and each of the other documents referred to in this Agreement to which it is a party;

(b) it has all necessary consents, licences and approvals in connection with the entry into and performance of its obligations under this Agreement and as a member of the Company; and

(c) its entry into this Agreement and performance of its obligations under this agreement will not violate or conflict with, or exceed any limit imposed by, (i) any law or regulation to which it is subject, (ii) its memorandum and articles of association or other applicable constitutional documents or (iii) any other agreement, instrument or undertaking binding upon it.

7 THE BOARD OF DIRECTORS AND MANAGEMENT

7.1 The Board shall consist of a minimum of four Directors and a maximum of _____ Directors.

7.2 The composition of the Board shall be as under:

- (a) DRP/SRA shall have the right to nominate such number of Directors as is proportionate to its Shareholding in the Company. Provided however that, so long as DRP/SRA along with its nominees holds equity share capital of the Company, have the right to nominate at least two directors on the Board;
- (b) The Lead Partner shall have the right to nominate the remaining Directors.

- 7.3 The Shareholders agree to vote their respective Shareholding in the Company in such a manner as to ensure appointment of the nominees of DRP/SRA and the Lead Partner, as Directors on the Board of the Company from time to time.
- 7.4 Each Shareholder shall be entitled by notice in writing to the Company to appoint and to remove or replace its nominated Director(s). No Shareholder shall be entitled to remove any Director appointed by another Shareholder, save where the appointing Shareholder fails to immediately procure the resignation of such Director(s) or where a Director is required to be removed in accordance with Applicable Law (and, in the latter case, the relevant Shareholder shall be entitled to immediately nominate a replacement). The Shareholders acknowledge and agree that the Directors shall be liable to retire by rotation in accordance with the Companies Act.
- 7.5 Any appointment or removal shall, unless the contrary intention appears, take effect from the date it is notified to the Company in writing.
- 7.6 The Directors shall not be required to hold any qualification Shares in the Company.
- 7.7 Any Director may, by prior written notice to the other Shareholders and the Company, nominate one alternate at any time to act on his behalf as a Director (including where that alternate is another Director) in circumstances and for such period as may be valid under Applicable Law, and the Shareholders shall procure that the Board shall approve any such nomination and appoint the relevant individual to act as that Director's alternate. The Shareholders shall procure that the Board will, unless the nominating Director instructs the Board otherwise, automatically reappoint any nominated alternate if, for any reason, the nominated alternate's office is deemed to have been vacated.
- 7.8 An alternate Director shall be entitled to receive notice of all meetings of the Board, to attend and vote at any such meeting at which the Director appointing him is not personally present and at the meeting to exercise and discharge all the functions, powers and duties of his appointer as a Director.
- 7.9 An alternate Director shall automatically vacate his office as an alternate Director if the Director who appointed him ceases to be a Director.
- 7.10 The Board shall meet as necessary to discharge its duties but in any case no less frequently as holding at least one meeting every three calendar months. The minutes of the Board shall be circulated within ten (10) Business Days of the date of the meeting. At the beginning of each meeting of the Board, the Board minutes of the previous meeting shall be approved.
- 7.11 Meetings of the Board shall be held at such places in India as the Board may determine and failing any such determination at the Company's registered office. If and when permitted under

Applicable Law, a Director may participate in a meeting of a committee of the Board by means of telephone, audio or video conferencing or other communication facilities, as permit all persons participating in the meeting to hear each other, and a Director participating in such a meeting by such means shall be deemed to be purposes of this Agreement, to be present at that meeting.

7.12 Unless the requirement of notice is waived by all Directors present in India, a minimum of three (3) days written notice of the Board meetings shall be given to all Directors or their alternates. Each notice of a meeting of the Board shall contain, inter alia, an agenda specifying the matters to be discussed at the meeting and shall be accompanied by all necessary written information.

7.13 Following shall be followed on any resolutions:

- (a) A resolution which is signed or approved by all the Directors entitled to receive notice of a meeting of Directors (whether staying inside or outside India) shall be as valid and effectual as if it had been passed at a meeting of Directors duly called and constituted.
- (b) The resolution may be contained in one document or in several documents in like form each signed or approved by one or more Directors concerned; but a resolution signed or approved by an alternate Director need not also be signed or approved by his appointer and, if it is signed or approved by a Director who has appointed an alternate Director, it need not be signed or approved by the alternate Director in that capacity.
- (c) In this Clause 7.13, references to a document being "signed or approved" include it being approved by letter, fax or email.

7.14 If within half an hour appointed for holding a meeting of the Board, a quorum is not present, the said Board meeting shall stand adjourned to the same day in the next week, to be held at the same time and place. If the adjourned date in the next week is holiday, then the said Board meeting shall be held on the next business day succeeding the holiday. If at the adjourned meeting as well, a valid quorum is not constituted; the Directors present shall constitute a valid quorum.

7.15 Each Director shall have one vote on the Board and, subject to the quorum requirements being met, all decisions of the Board shall (unless expressly stated otherwise in this Agreement or the Constitutional Documents) be taken on the basis of a simple majority of those Directors present or deemed to be present at that meeting. Any Director appointed as an alternate Director on behalf of one or more of the Directors in accordance with Clause 7.7 shall have as many votes as the number of Directors he is representing at that meeting (including himself).

7.16 The Business of the Company shall be managed by the Directors who may exercise all the powers of the Company save as otherwise provided in this Agreement.

7.17 Unless authorised by the Board, none of the Directors shall be empowered to bind the Company individually.

7.18 Generally the Chief Executive Officer & Officer on Special Duty, DRP/SRA will be the non-executive Chairman of the Company. However, Government of Maharashtra may nominate a person having experience in urban planning and housing of at least 10 years out of total 20 years experience, as the non-executive Chairman of the Company. Otherwise the Chairman shall be appointed by the Board of Directors. The Chairman shall preside over all the meetings of the Board or of the Shareholders of the Company. If the Chairman is not present at a meeting of the Board or a Shareholders' meeting, the Directors who are present may appoint an acting Chairman from any Director present at the meeting. In the event of any dead lock, the Chairman shall have a casting vote, including in relation to Reserved Matters.

7.19 The Lead Partner shall nominate the Managing Director (the "**Managing Director**") of the Company, who shall, following a Board resolution, be appointed by the Board. The term of each appointment shall be for such period as the Board may from time to time decide and shall be subject to a detailed employment agreement with the appointee.

The Managing Director shall be responsible for the day-to-day management of the Company and for implementing the Project. The Managing Director will exercise his powers subject to the overall superintendence, direction and control of the Board.

8 RESERVED MATTERS

8.1 Each Shareholder agrees that it shall procure that the Company shall not do or omit to take any actions on any of the following matters without the affirmative vote of more than 74% (seventy four percent) of the Shareholders:

- (a) Alteration of the Company's name;
- (b) Alteration of the Constitutional Documents;

- (c) Change the Company's Business including whether by opening or closing any business operation, merging or acquiring another entity, reorganising or winding up;
- (d) Approval, entering into, revoking or varying any of the Project Agreements;
- (e) Determination or initiation of actions to terminate the Development Agreement for a Force Majeure or any other event;
- (f) Alteration or modification of the Approved Business Plan or Budget. The Parties agree that upon any alteration or modification of the Approved Business Plan in accordance with this clause and with the Development Agreement, the amended or modified Approved Business Plan shall replace the present Schedule 5 as the Agreed Form of the Approved Business Plan;
- (g) Application for the appointment of a receiver or an administrator or similar officer over the Company's assets;
- (h) Commencement of any action to wind up or initiate dissolution of the Company including passing a resolution to liquidate the Company;
- (i) Consolidation, subdivision or alteration of any rights attached to any Share capital of the Company, purchase of the Company's own Shares, reduction of the Company's share capital, capitalisation of any amount standing to the credit of any reserve of the Company or reorganisation of any of the share capital of the Company;
- (j) Approval, entering into, revoking or materially varying any contract where such contract would involve a total outlay by any Party over the term of the contract in excess of Rs. 20 Crore (Rupees Twenty Crore Only);
- (k) Taking any action contrary to any Budget or Approved Business Plan;
- (l) Approval or knowingly permitting any cost overrun in respect of the annual Budget (being any cost overrun in excess of two per cent. (2%) of the relevant approved annual Budget);
- (m) Incorporation or acquisition of any subsidiary or subscription for or acquisition of any shares or other securities or interest in any company, trust or business;
- (n) Giving of any guarantee or indemnity or securing the liabilities or obligations of any Person or provide credit other than which is incurred in the ordinary course of business and which has a value of more than Rs. 10 crore (Rupees Ten Crore Only);
- (o) Save to the extent that the activity would otherwise have been caught by any of the other provisions in this Clause, but is expressly carved out or is below a financial

threshold, enter into any partnership, joint venture or profit sharing arrangement with any other person;

- (p) Require cash calls or financial contribution from any Shareholder;
- (q) Approval or incurring any expenditure with any Shareholder or its Affiliate which would involve a total outlay by the Company with any Shareholder or any of its Affiliates in respect of that expenditure in excess of Rs. 10 Crore (Rupees Ten Crore Only);
- (r) Changing any of the accounting policies of the Company in any material respect;
- (s) Revoking or materially varying any document in the Agreed Form;
- (t) Creating or modifying the delegated authority of the Managing Director;
- (u) Appointment or change the Auditors;
- (v) Making any material change or material extension to the Approved Business Plan;
- (w) Approving the statutory accounts of the Company;
- (x) Approving issue of press releases by the Company;
- (y) Approving the writing off of amounts/assets of the Company being in excess of Rs. 10 Crore (Rupees Ten Crore Only); and
- (z) Approving the dividend policy of the Company.

8.2 If any Shareholder (in each case, an “**Interested Shareholder**”) or its Affiliates is in material breach of any obligation or obligations which it owes to the Company under any agreement with the Company (other than the Constitutional Documents) and such breach has not been cured within forty (40) Business Days of the Interested Shareholder being given written notice of such breach by or on behalf of the Company, then the Interested Shareholder agrees that:

- (a) the prosecution of any right of action which the Company may have in respect thereof shall be exercisable by those Directors nominated by any Shareholder (or Shareholders) who is not or are not an Interested Shareholder (Other Shareholder(s)) who shall have full authority on behalf of the Company (but without any limitation of their duties to the Company) to negotiate, litigate and settle any claim arising thereout and the Interested Shareholder shall take all steps within its power to give effect to the provisions of this sub clause 8.2; and

- (b) in relation to any such breach, neither it nor any of its advisers nor any Director appointed by it shall have any right to see or take copies of Company papers, documents, instructions or provisions in relation to such breach which in litigation (whether commenced or not) would be privileged.

9 CONTINUING OBLIGATIONS

9.1 The Shareholders shall procure that notwithstanding anything contained in this Agreement; each Budget shall be in accordance with and shall not deviate from the Approved Business Plan.

9.2 Each Shareholder shall take all steps within its power or control to procure that the Company shall prepare for the approval of the Shareholders a draft Budget for the relevant forthcoming Financial Year which shall be submitted to the Shareholders not less than ninety (90) Business Days before the end of the previous Financial Year. Each Budget shall include:

- (a) an estimate of capital requirements (including a breakdown of proposed capital expenditures);
- (b) a detailed operating Budget;
- (c) the estimated expenditure with any Shareholder (or any of its Affiliates); and
- (d) a comparison of actual versus forecast performance by reference to the relevant Budget.

9.3 Each Shareholder shall consider the draft Budget submitted to it under Clause 9.2 above and shall in good faith take appropriate steps with a view to it and the other Shareholders approving, not less than forty (40) Business Days before the end of the then current Financial Year, the draft Budget (with such amendments as it and the other Shareholders shall agree) as the Budget of the Company for the then following Financial Year.

9.4 Each Shareholder shall take all steps within its power or control to procure that the Company shall (promptly, in respect of (a) and (d) below) provide each Shareholder with:

- (a) monthly reports on financial items and construction progress of the Company including details of any discrepancies from the Budget for the previous Financial Year;
- (b) Audited quarterly accounts, progress reports and variance analyses within three (3) weeks of the end of each quarter (or earlier if practicable to enable each Shareholder to comply with its external reporting requirements) in the form agreed by the Shareholders;
- (c) audited annual accounts of the Company within six (6) months of the end of each Financial Year; and

- (d) such further information as each Shareholder may from time to time require as to all matters relating to the businesses or affairs or the financial position of the Company and, in respect of the Lead Partner/or their representatives access to the books and records of the Company.
- 9.5 Each Consortium Member of the Lead Partner shall take all steps within its power or control to procure that the Company shall maintain accurate and complete accounting and other financial records that comply with Indian GAAP (and to include such elements as any Shareholder may reasonably request to comply with its external reporting requirements) and shall procure that such accounting records are, during normal business hours, available for inspection by each Shareholder or its respective authorised representatives.
- 9.6 Each Consortium Member of the Lead Partner shall take all steps within its power or control to procure that the Company prepares and files annual tax returns with the relevant Indian taxation authorities on a timely basis and provides each Shareholder with a copy of the draft tax return it is proposing to file at least thirty (30) Business Days before filing.
- 9.7 Each Shareholder shall take all steps within its power or control to ensure that the Company adopts a risk management strategy that ensures that the Company manages its exposure and limits its risks under any contracts that it may have, so far as reasonably practicable.
- 9.8 Each Shareholder shall, at its own cost, be allowed to audit at any time (but only once every Financial Year) all books, records, returns, accounts and other financial information of the Company, commencing from the date of this Agreement. If any Shareholder decides to exercise its audit rights under this Clause, it shall give notice of such intention to each other Shareholder who shall be entitled to participate in such audit at its own cost.

10 DIVIDEND POLICY

Each Shareholder shall take all steps within its power or control to procure that:

- (a) the Company shall, subject to the Company's cash requirements, its ongoing statutory (including tax) and contractual obligations and paragraph (b) below, distribute by way of dividend in respect of each Financial Year the maximum amount permissible under the Companies Act and as determined by the Board;
- (b) the Company shall be as flexible as possible when determining its dividend policy and shall give due consideration to all practical methods of extracting realised value from the Company at all times having regard to the requirements of Applicable Laws (including those relating to accounting and taxation).

11 RESPONSIBILITY AND INDEMNIFICATION

11.1 The Lead Partner hereby agrees and confirms that it shall have the sole and full responsibility for the development and implementation of the Project in accordance with the Approved Business Plan.

11.2 In pursuance of Clause 11.1 above, the Lead Partner hereby indemnifies and shall hold indemnified the DRP/SRA and/or their Affiliates, employees, officers and representatives harmless against all losses (direct or indirect, including loss of profit, loss of business or loss of goodwill), claims, causes of action, judgments, damages (including incidental, consequential, extraordinary or punitive damages), liabilities, fines, penalties and expenses, including without limitation, legal fees and court costs (all of which are hereinafter collectively referred to as “**Losses**”), to which the DRP/SRA and/or their Affiliates, employees, officers and representatives may become subject to or which arise or result from or are related to:

- (i) any inaccuracy, misrepresentation or breach of any of the warranties and representations under the Development Agreement or this Agreement;
- (ii) any non-fulfilment of the covenants or obligations of the Company under the Development Agreement;
- (iii) any liability, absolute or contingent, arising out of or relating to the ownership of the DRP/SRA Shares and operation of the Business;
- (iv) any claim made by any director appointed by any of the Lead Partner for loss of office;
- (v) any claims against the Company, relating to the infringement of any third party intellectual property rights; or
- (vi) any Losses arising from or related to the design, finance, construction, operation, maintenance and marketing of the Project, including for reasons due to injury to or death of third parties.

12 TERM AND TERMINATION

12.1 This Agreement shall be valid and in force till such time as the Development Agreement subsists, and shall automatically terminate upon a termination of the Development Agreement.

12.2 The Shareholders agree that in the event that any of the Shareholders cease to hold, directly or indirectly, any Shares in the share capital of the Company, this Agreement shall stand terminated vis-à-vis such Shareholder.

12.3 Notwithstanding the provisions of Clauses 12.1 and 12.2 above, the obligations of the Shareholders relating to Clause 16 of this Agreement shall continue to remain in full force and effect.

12.4 In the event of an occurrence of any of the following events in relation to any of the Lead Partner or the Lead Member, DRP/SRA shall be entitled to terminate this Agreement for such default:

- (a) a serious or Persistent Material Default by any of the Lead Partner in performing and observing any of its obligations under this agreement (including when such Lead Partner prevents by any of its acts or omissions, the compliance by the Company or by the other Shareholders of the provisions of this Agreement) and, where such default is capable of remedy, fails to remedy it within twenty (20) Business Days after service of written notice from DRP/SRA of such default;
- (b) In the event that a notice of default and/or termination is issued against the Company under the Development Agreement, then in such event, such notice of default shall thereupon be deemed to be a default by the Lead Partner or their successors or assignees under this Agreement;
- (c) if any Consortium Member of the Lead Partner takes any action to appoint or suffers the appointment of a receiver, administrative receiver, liquidator, judicial custodian, compulsory manager, trustee or similar officer over all or a material part of its assets or undertaking, save that where such appointment takes place at the request of a third party and without the consent of the Lead Partner, the Lead Partner shall have thirty (30) days to have such appointment removed;
- (d) if the Lead Partner passes a resolution or files a petition for its bankruptcy, has a winding-up, liquidation, moratorium or administration order made in relation to it save that where any such order is made against it without its consent, the Lead Partner shall have thirty (30) days to have such order dismissed, discharged or stayed; or
- (e) where any private participant suffers a change of control.

12.5 The Lead Partner in default as per Clause 12.4 above and its nominated Directors in the Company will have the following rights suspended (to the extent permitted by Applicable Law) for the duration of the default, provided that this Agreement has not been terminated by DRP/SRA by giving notice of thirty (30) days:

- (a) right to count in quorum and to vote at board and general meetings. For the avoidance of doubt, the presence, vote or consent of the Defaulting Party or its nominated directors will not be required for any quorum or decision-making by the Company;
- (b) any entitlement to any form of dividend payments will (where applicable) be set off against outstanding amounts owed until the default is cured;
- (c) right to Transfer or encumber Shares.

12.6 In case of default by the Government of Maharashtra to the State Support Agreement, entitle the Lead Partner to sell the equity stake to the Government of Maharashtra and payment will have to be made by the Government of Maharashtra to the SPV Company as below:

- a) Valuation of the equity after deducting the dividend already paid and after indexing such equity capital & dividend with maximum of the following:
 - i. Thirty days average yield on 10 years Government Securities prior to the time of investment of such equity - from the period of investment and till the termination date - compounding every year
 - ii. Thirty days average BSE SENSEX prior to the date of termination divided by the Thirty days average BSE SENSEX prior to the date of equity subscription or dividend paid as the case may be.
- b) Further, Lead Partner will be entitled to get compensated to the extent of 120% (one hundred and twenty percent) of the amount of such funds, including any interest/dividend accrued and not paid, invested by the Lead Partner in the SPV Company and any liabilities incurred but not paid by the SPV Company. After that SPV Company/GoM shall not be responsible for any liabilities incurred before the transfer of shares to Govt due to termination.
- c) Lead Partner will get such payments within 180 days of the Termination Date
- d) Interest for the period of delay shall be calculated at the rate of 3% above the Thirty days average yield on 10 years Government Securities on the date of Termination.

12.7 This agreement does not in any way affect, any of the rights, responsibilities and liabilities of DRP/SRA and Lead Partner as stated and agreed in the Development Agreement and all the

parties to this agreement hereby agree to give full effect to all such clauses of the Development Agreement.

13 DISPUTES

The Parties agree that in the event that any dispute or difference arises between the Parties out of or relating to this Agreement, then the procedure set forth in the Development Agreement shall apply *mutatis mutandis*.

14 ANNOUNCEMENTS

Neither Party shall make or permit any person connected with it to make any announcement concerning this agreement or any ancillary matter relating to the arrangements between the Parties except as required by law or any competent regulatory body or with the prior written approval of the other Party, such approval not to be unreasonably withheld or delayed.

15 NOTICES

15.1 Any notice or other communication to be given under this Agreement shall be in writing and may be delivered in person or sent by fax/e-mail to the relevant Party as follows:

(a) **to DRP/SRA at:**

_____ Marked for the attention of: _____

(b) **to the Lead Partner at:**

_____ Marked for the attention of: _____

15.2 Any notice or document shall be deemed to be given:

(a) if delivered in person, at the time of delivery; or

(b) if sent by fax/e-mail, at the expiration of two hours after the time of despatch, if despatched before 3.00 p.m. (local time at the place of destination) on any Business Day, and in any other case at 10.00 a.m. (local time at the place of destination) on the next Business Day following the date of despatch.

15.3 In proving service of a notice or document it shall be sufficient to prove that delivery was made or that the fax was properly addressed and sent.

15.4 The Parties agree that the provisions of this clause shall not apply to the service of any writ, summons, order, judgment or other document relating to or in connection with any legal proceedings.

16 COSTS

Save as otherwise provided in this agreement, or as otherwise specifically agreed in writing by the Parties after the date of this agreement, each Party shall pay the costs and expenses incurred by it in connection with the entering into and completion of this Agreement.

17 SEVERABILITY

The provisions contained in each Clause of this Agreement shall be enforceable independently of each other and its validity shall not be affected if any of the other is invalid. If any of those provision is void but would be valid if some part of the provision were deleted, the provision in question shall apply with such modification as may be necessary to make it valid.

18 GENERAL

18.1 Save where this agreement provides otherwise, none of the rights or obligations under this Agreement may be assigned or transferred without the prior written consent of all Shareholders hereto.

18.2 Nothing in this agreement shall be deemed to neither constitute a partnership between the Parties nor constitute either Party the agent of the other Party for any purpose.

18.3 No failure or delay by either Party in exercising any right, power or remedy under this agreement shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy. Without limiting the foregoing, no waiver by either Party of any breach of any provision of this agreement shall be deemed to be a waiver of any subsequent breach of that or any other provision of this agreement.

18.4 This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and either Party may enter into this agreement by executing a counterpart.

19 WHOLE AGREEMENT

19.1 This Agreement and the documents referred to in it and any agreements entered into on the date of this agreement between the Parties contain the whole agreement between the Parties relating to the transactions contemplated by this Agreement and supersede all previous agreements between the Parties or their Affiliates relating to these transactions.

19.2 Each of the Parties acknowledges that, in agreeing to enter into this Agreement, it has not relied on any representation, warranty, collateral contract or other assurance made by or on behalf of the other Party before the signature of this Agreement.

19.3 Each of the Parties waives all rights and remedies which might be available to it in respect of any such representation, warranty, collateral contract or other assurance, provided that nothing in this clause 19 shall limit or exclude any liability for fraud.

20 GOVERNING LAW

This agreement is governed by and shall be construed in accordance with Indian law.

21 LANGUAGE

The language of this agreement, the transactions envisaged by it and the operation of the Company generally (to the extent this is permitted under Indian law) (including in relation to the Company's internal and external reporting processes and any other communications between the Shareholders, Directors and management of the Company) is English and all notices, demands, requests, statements, certificates or other documents or communications shall be in English unless otherwise agreed.

AS WITNESS this agreement has been signed by the Parties (or their duly authorised representatives) on the date stated at the beginning of this agreement.

SCHEDULE 1: LEAD PARTNER

Details of Lead Partner to be filled up

Please mention about transferring of beneficial interest from other individual investors to main consortium partners

SCHEDULE 2: COMPANY DETAILS

NAME OF THE COMPANY:

REGISTERED OFFICE ADDRESS:

DATE OF INCORPORATION:

AUTHORISED CAPITAL : RS. 500,00,00,000
(RUPEES FIVE HUNDRED CRORE ONLY) DIVIDED INTO 50,00,00,000 (FIFTY CRORE) EQUITY SHARES
OF RS. 10/- (RUPEES TEN ONLY) EACH.

SCHEDULE 3: FORM OF DEED OF ADHERENCE

THIS DEED is made on [] between:

- (1) [] of [] (the **New Shareholder**);
- (2) [] (the **Original Shareholder**); and
- (3) [] (the **Continuing Shareholder**).

WHEREAS:

- (A) The Original Shareholder and the Continuing Shareholder are parties to a shareholders' agreement relating to the Redevelopment of Dharavi Project of the **Company** dated [] (the **Agreement**).
- (B) The New Shareholder proposes to purchase for [] shares of [] each in the capital of the Company.
- (C) This deed is made by the New Shareholder in compliance with clause 5.3 of the Agreement.

THIS DEED WITNESSES as follows:

- 1. The New Shareholder confirms that it has been supplied with a copy of the Agreement.
- 2. The New Shareholder undertakes to the Continuing Shareholder to be bound by the Agreement in all respects as if the New Shareholder was a party to the Agreement and named in it as a Shareholder and to observe and perform all the provisions and obligations of the Agreement applicable to or binding on a Shareholder under the Agreement insofar as they fall to be observed or performed on or after the date of this deed.
- 3. The Continuing Shareholder undertakes to the New Shareholder to observe and perform all the provisions and obligations of the Agreement applicable to or binding on a Shareholder under the Agreement and acknowledges that the New Shareholder shall be entitled to the rights and benefits of the Agreement as if the New Shareholder were named in the Agreement in place of the Original Shareholder with effect from the date of this deed.
- 4. This deed is made for the benefit of (a) the parties to the Agreement and (b) every other person who after the date of the Agreement (and whether before or after the execution of this deed) assumes any rights or obligations under the Agreement or adheres to it.
- 5. The address and fax number /email of the New Shareholder for the purposes of clause 15 (Notices) of the Agreement is as follows: [].
- 6. This deed may be executed in any number of counterparts, all of which taken together shall constitute one and the same deed and any party may enter into this deed by executing a counterpart.

7. This deed is governed by and shall be construed in accordance with English law.

IN WITNESS of which this deed has been executed and has been delivered on the date which appears first on page 1.

EXECUTED as a deed)
by [])
acting by [])
and [])

.....
director

.....
director/secretary

EXECUTED as a deed)
by [])
acting by [])
and [])

.....
director

.....
director/secretary

EXECUTED as a deed)
by [])
acting by [])
and [])

.....
director

.....
director/secretary

SCHEDULE 4: CASH CALLS

PART 1: EQUITY

To,

(i)

[insert name and address of the Shareholder]

(ii)

Attn: *[insert name and designation]*

Re: Cash Call Notice – Further Subscription to Equity

This has reference to the Share Holders Agreement dated *[insert date]* (the “**Agreement**”) entered into between the various Shareholders of _____ Limited (the “Company”).

Pursuant to clause 5.10 of the Agreement, the Company hereby calls upon *[insert name of Shareholder]* to make a Capital Contribution of *[insert figure]* in the form of Equity.

The Cash Call made hereunder is being made on a pro rata basis and is in accordance with the Approved Business Plan and Budget *[insert details of the period to which the Budget pertains]* [**Note:** *where the Capital Contribution is proposed to be utilised for any contingent amount, the details of such contingency should also be provided*].

The above mentioned Capital Contribution is required to be on or before *[insert date]* [**Note:** *In respect of Cash Calls made in accordance with the relevant Budget will be at least seven (7) Business Days after receipt of the Cash Call Notice but otherwise will be at least fifteen (15) Business Days after receipt of the Cash Call Notice*] in *[insert details of the account in which the Capital Contribution is required to be made]*.

Capitalised terms used herein but not defined shall have the meaning given to such term in the Agreement.

Authorised Signatory for the Company:

Name:

Designation:

PART 2: ISSUANCE OF COMPULSORILY CONVERTIBLE INSTRUMENT

To,

[insert name and address of the Shareholder]

Attn: *[insert name and designation]*

Re: Cash Call Notice – Issuance of Compulsorily Convertible Security in the form of _____

This has reference to the Share Holders Agreement dated *[insert date]* (the “Agreement”) entered into between the various Shareholders of _____ Limited (the “Company”).

Pursuant to clause 5.10 of the Agreement, the Company hereby calls upon *[insert name of Shareholder]* to make a Capital Contribution of *[insert figure]* in the form of _____. [The Compulsorily Convertible Debenture will carry coupon of **% and shall be accrued every year and will be due for payment on ** year.

The Cash Call made hereunder is being made on a pro rata basis and is in accordance with the Approved Business Plan and the Budget for *[insert details of the period to which the Budget pertains]* [Note: where the Capital Contribution is proposed to be utilised for any contingent amount, the details of such contingency should also be provided].

The above mentioned Capital Contribution is required to be on or before *[insert date]* [Note: In respect of Cash Calls made in accordance with the relevant Budget will be at least seven (7) Business Days after receipt of the Cash Call Notice but otherwise will be at least fifteen (15) Business Days after receipt of the Cash Call Notice] in *[insert details of the account in which the Capital Contribution is required to be made]*.

Capitalised terms used herein but not defined shall have the meaning given to such term in the Agreement.

Authorised Signatory for Company:

Name:

Designation:

SCHEDULE 5 : APPROVED BUSINESS PLAN

The Lead Partner has to provide approved Business Plan as it forms part of Shareholders' Agreement.

Signatories

Signed by)
for **Dharavi Redevelopment Project/**)
Slum Rehabilitation Authority

Signed by)
for **LEAD PARTNER**)

.....

Signed by
for the **SPV COMPANY**