

महाराष्ट्र शासन
GOVERNMENT OF MAHARASHTRA

ई-सुरक्षित बँक व कोषागार पावती
e-SECURED BANK & TREASURY RECEIPT (e-SBTR)

19559812181577



Bank/Branch: BOM - 0230004/THANE SSI (I E THANE)

Pmt Txn Id : ESBTR0000536231

Stationery No: 19559812181577

Pmt DtTime : 15-JAN-2024@16:21:13

Print DtTime : 15-JAN-2024@16:36:02

District : 1201/THANE

Office Name : IGR113/THN1_HQR SUB R

ChallanIdNo: 02300042024011527389

GRAS GRN : MH014001994202324S

GRN DATE : 15-JAN-2024@16:21:15

StDuty Schm: 0030046401/0030046401-75

StDuty Amt : Rs. 9,02,100/- (Rs. Nine,Zero Two,One Zero Zero Only)

RgnFee Schm: 0030063301/0030063301-70

RgnFee Amt : Rs. 0/- (Rs. Zero Only)

Article : 5(h) (A) (iv) / 5(h) (A) (iv) - Agreement creating right and having mo

Prop Mvblty: N.A.

Consideration : Rs. 45,00,10,930/-

Prop Descr : 401 ODYSSEY IT PARK, ROAD NO 9 WAGLE INDUSTRIAL ESTATE, THANE
WEST, Maharashtra, 400604

Duty Payer : PAN-AAECR0503Q, Vikran Engineering And Exim Pvt Ltd

Other Party: PAN-AACTI0702P, INDIA INFLECTION OPPORTUNITY FUND

Bank Official1 Name & Signature

Bhumesb Mamidala



Bank Official2 Name & Signature

Rohit D. D. D.

--- --- Space for customer/office use --- --- Please write below this line --- ---

SHARE SUBSCRIPTION AGREEMENT

Dated 15 January 2024

By and Among

**INDIA INFLECTION OPPORTUNITY TRUST – INDIA INFLECTION OPPORTUNITY
FUND
(Managed by Pantomath Capital Management Private Limited)**

THE PROMOTERS

AND

THE PERSONS LISTED IN SERIAL NUMBER 1-3 UNDER SCHEDULE I

AND

VIKRAN ENGINEERING & EXIM PRIVATE LIMITED

TABLE OF CONTENTS

| Sr. No. | Topic | Page No. |
|----------------|---|-----------------|
| 1. | DEFINITIONS AND INTERPRETATIONS | 05 |
| 2. | CAPITAL STRUCTURE OF THE COMPANY | 06 |
| 3. | SUBSCRIPTION AND ALLOTMENT OF THE SUBSCRIPTION SHARES | 06 |
| 4. | ACTIONS BETWEEN THE EXECUTION DATE AND THE CLOSING DATE | 06 |
| 5. | CONDITIONS PRECEDENT | 07 |
| 6. | CLOSING | 08 |
| 7. | POST-CLOSING OBLIGATIONS | 09 |
| 8. | REPRESENTATIONS AND WARRANTIES | 09 |
| 9. | INDEMNITY | 10 |
| 10. | TERM AND TERMINATION | 13 |
| 11. | ASSIGNMENT | 14 |
| 12. | CONFIDENTIALITY | 14 |
| 13. | GOVERNING LAW AND DISPUTE RESOLUTION | 14 |
| 14. | NOTICES | 15 |
| 15. | NON-COMPETE AND NON-SOLICIT OBLIGATIONS | 17 |
| 16. | FORCE MAJEURE | 19 |
| 17. | USE OF PROCEEDS | 20 |
| 18. | ANNOUNCEMENTS | 20 |
| 19. | EXPENSES | 20 |
| 20. | COUNTERPARTS | 20 |
| 21. | AMENDMENTS AND WAIVERS | 20 |
| 22. | INDEPENDENT CONTRACTORS | 21 |
| 23. | SEVERABILITY | 21 |
| 24. | ENTIRE AGREEMENT | 21 |

| | | |
|------------|---|-----------|
| 25. | SCHEDULE I – SHAREHOLDING PATTERN | 23 |
| 26. | SCHEDULE II-DEFINITIONS AND INTERPRETATIONS | 25 |
| 27. | SCHEDULE III – CONDITIONS PRECEDENT | 33 |
| 28. | SCHEDULE IV- FORMAT OF CONDITIONS PRECEDENT SATISFACTION NOTICE | 35 |
| 29. | SCHEDULE V- ACTIONS ON CLOSING DATE | 36 |
| 30. | SCHEDULE VI - CONDITIONS SUBSEQUENT | 38 |
| 31. | SCHEDULE VII- WARRANTIES | 39 |
| 32. | SCHEDULE VIII - INVESTOR WARRANTIES | 53 |
| 33. | SCHEDULE IX – LIMITATION OF LIABILITY | 54 |

THIS SHARE SUBSCRIPTION AGREEMENT (“**Agreement**”) is executed at Thane on this 15th day of January 2024 (“**Effective Date**”):

BY AND AMONGST:

INDIA INFLECTION OPPORTUNITY TRUST – INDIA INFLECTION OPPORTUNITY FUND, a SEBI Registered category II Alternate Investment Fund (**‘AIF’**), registered with Securities and Exchange Board of India, bearing registration number IN/AIF2/19-20/0690 managed by Pantomath Capital Management Private Limited, a Company incorporated under the provisions of the Companies Act, 2013, having CIN: U67100MH2018PTC314901 having its registered office at Pantomath Nucleus House, Saki Vihar Road, Andheri (East), Mumbai – 400 072, Maharashtra, India represented by Ms. Madhu Lunawat (hereinafter referred to as the “**Investor**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors, permitted assigns) of the **FIRST PART**;

AND

THE PERSONS LISTED IN PART A OF SCHEDULE I - (hereinafter collectively referred to as the “**Promoters**” and each a “**Promoter**”, which expression(s) shall, unless repugnant to the context or meaning thereof, be deemed to include their respective successors, legal representatives, heirs and permitted assigns) of the **SECOND PART**;

AND

THE PERSONS LISTED IN SERIAL NUMBER 1-3 UNDER PART B OF SCHEDULE I being the existing shareholders of the Company herein (hereinafter collectively referred to as the “**Existing Shareholders**” and each an “**Existing Shareholder**”, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include their respective successors, legal representatives, heirs and permitted assigns) of the **THIRD PART**;

AND

VIKRAN ENGINEERING & EXIM PRIVATE LIMITED, a private limited company incorporated under the provisions of the Companies Act, 1956, bearing CIN U93000MH2008PTC272209 and having its registered office at 401, Odyssey IT Park, Road No. 9, Industrial Wagle Estate, Thane – 400 604, Maharashtra, India, represented herein by its director Mr. Rakesh Markhedkar (hereinafter referred to as the “**Company**”, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors in business and permitted assigns) of the **FOURTH PART**.

The Investor, the Promoters, the Existing Shareholders and the Company shall hereinafter be individually referred to as “**Party**” and collectively referred to as “**Parties**”.

WHEREAS:

- A. The Company is engaged in the business as defined in the Charter Documents of the Company (“**Business**”).
- B. The Investor has agreed to subscribe to, and the Company has agreed to issue and allot to the Investor, in 1 (one) tranche(s), the Subscription Shares for the Subscription Consideration, in accordance with the terms and conditions of this Agreement (“**Transaction**”). The Parties agree that another investor (to be identified by the Parties) shall invest an additional amount of INR 36,49,91,045.07/- (Indian Rupees Thirty-Six Crores Forty-Nine Lakhs Ninety One Thousand and Forty-Five and Seven Paise only).
- C. The shareholding pattern of the Company on a Fully Diluted Basis (*as defined hereinafter*), as on: (a) the Execution Date is as set out in Part 1A of **SCHEDULE 1 – SHAREHOLDING PATTERN** (*Shareholding Pattern*); and (b) as on Closing Date shall be as set out in Part A of **SCHEDULE 1 – SHAREHOLDING PATTERN** (*Shareholding Pattern*).
- D. The Parties have agreed to enter into this Agreement for the purposes of: (a) recording the terms and conditions upon which the Investor will subscribe to the Subscription Shares to be issued and allotted by the Company; and (b) other matters in connection therewith.
- E. The Parties expressly agree that Deb Suppliers and Traders Private Limited (**Deb**) and Farista Financial Consultants Private Limited (**Farista**), the 2 (two) shareholders of the Company shall be deemed to mean and include their respective promoters Mrs. Kanchan Markhedkar, Mr. Vipul Markhedkar and Mr. Nakul Markhedkar, and that all references and obligations on the Promoters (*as defined in this Agreement and in the SHA*) shall be deemed to mean and include jointly and/ or severally Deb, Farista, Mrs. Kanchan Markhedkar, Mr. Vipul Markhedkar and Mr. Nakul Markhedkar (as the case may be).
- F. Notwithstanding anything contained in this Agreement and notwithstanding any rights of the Promoters to transfer their *inter-se* shares, or complete any internal restructuring, the absolute shareholding of the Investor and the new investor who shall invest as set out in Recital B hereinabove shall remain intact at 11.43% or part thereof, and shall under no circumstances be reduced.
- G. The Parties agree that these recitals shall form an integral part of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements, covenants, representations, and warranties set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties, intending to be legally bound, the Parties hereby agree as follows:

1. DEFINITIONS AND INTERPRETATIONS

Unless the contrary intention appears and/or the context otherwise requires, in addition to the terms defined elsewhere, the definitions listed in Part A of **SCHEDULE II-DEFINITIONS**

AND INTERPRETATIONS shall apply throughout this Agreement. The interpretation and/or construction of this Agreement shall be in accordance with the rules of interpretation set out in Part B of **SCHEDULE II-DEFINITIONS AND INTERPRETATIONS**.

2. CAPITAL STRUCTURE OF THE COMPANY

- 2.1 **Authorised Share Capital:** As on the Effective Date, the authorised share capital of the Company is INR 50,00,000/- (Indian Rupees Fifty Lakh only) consisting of 5,00,000 (Five Lakh only) Equity Shares having a face value of INR 10/- (Indian Rupees Ten only) each.
- 2.2 **Issued, Subscribed and Paid-up Capital:** As of the Effective Date, the issued, subscribed, and paid-up Share Capital of the Company is INR 29,03,780/- (Indian Rupees Twenty-Nine Lakh Three Thousand Seven Hundred and Eighty only) consisting of 2,90,378 (Two Lakh Ninety Thousand and Seventy-Eight only) Equity Shares having a face value of INR 10 (Indian Rupees Ten only) each.

3. SUBSCRIPTION AND ALLOTMENT OF THE SUBSCRIPTION SHARES

- 3.1 Subject to the terms of this Agreement, the fulfilment of the respective Conditions Precedent to the satisfaction of the Investor, and relying on the Warranties, undertakings and covenants of the Promoters and the Company under this Agreement, the Investor agrees to subscribe to the Subscription Shares of the Company in exchange of the Subscription Price.
- 3.2 The Promoters hereby waive and shall procure the waiver from any restrictions on the issuance of the Subscription Shares (including all pre-emption rights), which may exist.

4. ACTIONS BETWEEN THE EXECUTION DATE AND THE CLOSING DATE

- 4.1 During the period between the Execution Date and the Closing Date, the Company shall, and the Promoters shall ensure that the Company shall carry out the Business only in accordance with the following terms:
- 4.1.1 The Business is conducted only in the Ordinary Course of Business, and in compliance with all applicable Laws; and
- 4.1.2 From the Effective Date till the earlier of the Closing Date or the Long Stop Date (as may be extended by mutual agreement of the Company and the Investor), the Company shall not, directly or indirectly: (i) issue, sell, dispose or transfer any Equity Shares; (ii) sell, dispose or transfer any material Assets of the Company; (iii) merge, amalgamate, consolidate the Company with another Person; or (iv) solicit, or participate in discussions, or negotiations or enter into any other transaction (howsoever structured) comparable to such Transaction. It is clarified that this Clause 4.1.2 shall not apply if this Agreement is terminated pursuant to Clause 10 (*Term and Termination*).
- 4.2 From the Execution Date until the Closing Date (both dates inclusive), the Company shall and the Promoters shall cause the Company to:

- 4.2.1 afford Investor access to and the right to inspect the properties, assets, premises, books and records, contracts and other documents and data relating to the Company;
- 4.2.2 provide Investor, details (along with the copies) of any litigation initiated against the Promoters and/or the Company;
- 4.2.3 provide Investor acknowledged copies of any applications / filings with any Governmental Authority and/or tax authority by the Company;
- 4.2.4 provide Investor such financial, operating and other data and information related to the Company as such Investor may reasonably request;
- 4.2.5 instruct the representatives of the Promoters and the Company to cooperate with Investor and its representatives respectively;
- 4.2.6 provide all information to the Investor on the status of fulfilment of the Conditions Precedent as may be required by the Investor in its sole and exclusive discretion from time to time;
- 4.2.7 notify Investor in writing of any decision made by the Company and/or the Promoters to any matter that is a reserved matter as set out in the shareholders' agreement; and
- 4.2.8 notify Investor in writing of anything which will or may prevent any Conditions Precedent from being satisfied on or before the Long Stop Date and/or (b) result in a Material Adverse Effect.

5. CONDITIONS PRECEDENT

- 5.1 The obligation of the Investor to the Closing is conditional upon the fulfilment to the Investor satisfaction of each of the conditions set forth in **SCHEDULE III – CONDITIONS PRECEDENT** (“**Conditions Precedent**”) prior to the Closing Date, any one or more of which may be waived or deferred, in writing by the Investor at its sole discretion.
- 5.2 The Promoters and the Company shall take all reasonable steps, to procure the fulfilment of the Conditions Precedent as soon as possible and in any event prior to the Long Stop Date.
- 5.3 Upon satisfaction of the relevant Conditions Precedent with respect to the relevant Closing, to the extent not waived or deferred by any Investor in writing, the Company and the Promoters shall within 5 (five) days of such fulfilment, confirm such satisfaction along with the supporting documents evidencing the fulfilment of each of the relevant Conditions Precedent, in the format annexed at **SCHEDULE IV- FORMAT OF CONDITIONS PRECEDENT SATISFACTION NOTICE** (“**Conditions Precedent Satisfaction Notice**”).
- 5.4 Subject to the receipt of the Conditions Precedent Satisfaction Notice and the accompanying documents evidencing fulfilment of all of the relevant Conditions Precedent with respect to a Closing, in accordance with the terms hereof to the satisfaction of Investor (and/or such Investor

having waived or deferred such Conditions Precedent that have not been fulfilled), the Investor shall, within 5 (five) days of such fulfilment, provide to the Promoters and the Company, a written confirmation that the Investor has accepted the completion of the Conditions Precedent and shall proceed to such Closing on such date as is mutually agreeable to the Investor, Promoters and the Company but not later than 15 (Fifteen) Business Days from the issuance of the Conditions Precedent Satisfaction Notice.

- 5.5 The Promoters shall additionally provide all such information to the Investor(s), as such Investor may reasonably require in connection with the applicable Conditions Precedent set out in Clause 5.1 (*Conditions Precedent*), upon request and as soon as is reasonably practicable.
- 5.6 The Investor shall have a right but not an obligation to waive or defer any or all of the Conditions Precedent by giving a notice in writing to the Company and the Promoters. For the avoidance of doubt, the waiver of any Conditions Precedent shall not constitute a waiver of any right or remedy available to the Investor in respect of any breach of Warranty under this Agreement.
- 5.7 If at any time, the Promoters and/or the Company becomes aware of a fact or circumstance that will or may prevent any of the relevant Conditions Precedent from being satisfied prior to the relevant Long Stop Date, the Promoters and/or the Company shall promptly inform the Investor of such fact or circumstance in writing.

6. CLOSING

- 6.1 Subject to the fulfilment of the relevant Conditions Precedent (or waiver or deferral of such Conditions Precedent in writing by the Investor at its sole discretion), the Closing shall take place on the relevant Closing Date (which shall not be beyond the Long Stop Date) at such place as may be mutually agreed between the Investor, Promoters and the Company.
- 6.2 On the Closing Date, the Parties shall do or cause to be done, each of the events set out in Part A of **SCHEDULE V – ACTIONS ON CLOSING DATE**.
- 6.3 The Closing shall not be deemed to have been completed unless all of the applicable obligations set out in Part A of **SCHEDULE V – ACTIONS ON CLOSING DATE** as relevant for a Closing, are complied with, satisfied and/or are fully executed. Further, all transactions contemplated by this Agreement to be consummated on the relevant Closing Date shall be deemed to occur simultaneously and no one transaction shall be deemed to have been consummated unless all such transactions required to be consummated on the relevant Closing Date are consummated.
- 6.4 If the Investor has remitted the Subscription Consideration to the Company's Bank Account in accordance with paragraph 1 of **SCHEDULE V – ACTIONS ON CLOSING DATE** but the actions for issuance and allotment of the relevant Subscription Shares set out in **SCHEDULE V – ACTIONS ON CLOSING DATE** do not occur within 30 (Thirty) Business Days of such remittance, for the reasons solely attributable to the Company, the Promoters and/or the Existing Shareholder(s), then:

- 6.4.1 the Company shall, at their own expense, promptly, and in any event within the expiry of 7 (Seven) Business Days, refund the entire portion of the Subscription Consideration remitted by the Investor, as the case may be, along with an interest of 25% per annum compounded on a monthly basis to the designated account of Investor (as may be notified by the Investor to the Company in writing), and
- 6.4.2 upon completion of the refund in accordance with 6.4.1 above, this Agreement shall stand automatically terminated.
- 6.5 The Parties hereby agree that the Company and the Promoters shall, and shall procure that the Shareholders shall, undertake relevant measures, as may be required to facilitate the Closing, and shall not undertake any step that may restrict the Parties from consummating the Closing.

7. POST-CLOSING OBLIGATIONS

- 7.1 Post the Closing Date, the Promoters will, and procure that the Company will, fulfil all the conditions subsequent set out in **SCHEDULE VI – CONDITIONS SUBSEQUENT** (“**Conditions Subsequent**”) as soon as possible and in any event no later than the time periods set out in **SCHEDULE VI – CONDITIONS SUBSEQUENT**.
- 7.2 Immediately upon fulfilment of the said Conditions Subsequent, the Company and the Promoters shall promptly provide evidence to Investor of having fulfilled the Conditions Subsequent. Notwithstanding anything in this Clause, any Conditions Subsequent not fulfilled by the Company due to exercise or non-exercise of voting rights by the Investor/Investor Director shall not be construed as a breach by the Promoter and/or the Company.

8. REPRESENTATIONS AND WARRANTIES

8.1 Warranties

The Company and the Promoters, hereby jointly and severally represent and warrant to Investor, that each of the representations and warranties set out in **SCHEDULE VII - WARRANTIES**: (a) are true and correct as of the Execution Date; and (b) shall be true and correct as on the Closing Date, as if made on such date.

8.2 Knowledge and Disclosures

- 8.2.1 The Business Warranties shall be subject to the exceptions Disclosed against the Business Warranties. The Company and the Promoters shall be entitled to deliver to Investor an updated Disclosure Letter prior to the Closing Date.
- 8.2.2 The Warranties made by the Promoters and/ or the Company shall not be affected, limited or deemed waived, by any information Disclosed or made available to or received by the Investor or

its representatives or by reason of the fact that Investor or its representatives knew or ought to have known that any such Warranty is, was, or might be inaccurate.

8.3 **Investor Warranties**

The Investor hereby represents and warrants to the Company and the Promoters, that each of the representations and warranties set out in **SCHEDULE VIII**: (a) are true and correct in any respect as of the Execution Date; and (b) shall be true and correct in any respect as on the Execution Date and the Closing Date, as if made on such date.

8.4 **Walk Your Talk**

The Company has provided the financial projections to achieve audited PAT of INR 75,00,00,000 (Indian Rupees Seventy Five Crores only) for FY 2023-24. The Investor has set the tolerance limit of 7% on PAT. In the event the audited numbers of the Company for FY 2023-24 deviate negatively more than 7% from the audited PAT figures as set out hereinbefore, then the Company shall issue such percentage of additional Equity Shares to Investor equal to the percentage variance beyond the tolerance limit of 7% of audited PAT. However, this clause shall not apply in cases where such targets have not been met on account of a Force Majeure event and/ or as a result of change in accounting policies.

8.5 **Placement Fee**

The Company shall upon receipt of the Subscription Consideration in its account, transfer 4% (four per cent only) exclusive of GST and other indirect taxes, of the Subscription Consideration to the Investor as placement fee for the transaction. This fee shall be subject to deduction of such applicable taxes as may be applicable and shall be paid no later than 2 (two) days after the receipt of the Subscription Consideration and/or Subscription Consideration-Additional (as the case may be) by the Company. Non-payment of this fee shall be deemed to be a material breach of this Agreement.

9. **INDEMNITY**

9.1 On and from the Closing Date, the Company and the Promoters (“**Indemnifying Party/ies**”) will, jointly and severally, indemnify Investor, its Affiliates, Investor Director, Investor Board Observer, officers, employees, directors or the Company (if the Investor so elects) (together the “**Indemnified Parties**”) from, any and all Losses suffered or incurred by any of the Indemnified Parties in relation to, or arising out of or resulting from the following matters (each, an “**Indemnity Event**”):

9.1.1 any fraud, wilful misconduct of, or gross negligence by the Company and/or the Promoters;

9.1.2 misrepresentation, inaccuracy or breach of any warranty or any material covenant / undertaking in this Agreement; and

9.1.3 Intentional/material non-compliance by the Company and/or the Promoters of their obligations

under applicable Law.

(items under this Clause 9.1 (*Indemnity*) shall be collectively referred to as “**Claims**” and individually as a “**Claim**”).

9.2 Any compensation or indemnity as referred to above shall be such as to indemnify the Investor or, at the election of any Investor, the Company, of all Losses, and as if the Warranty and/or covenant under which the Indemnified Party is to be indemnified in relation to, had been true and correct. The Indemnified Parties shall have the right to nominate any Affiliate, for the purpose of receiving the amounts payable by the Indemnifying Parties pursuant to this Clause 9 (*Indemnities*). The rights and remedies of the Investor in respect of any breach, including without limitation breach of any of the Warranties, shall not be affected by any act or happening which otherwise might have affected such rights and remedies, except by a specific written waiver by the Investor.

9.3 Notwithstanding anything to the contrary contained in this Agreement, applicable Law or equity or otherwise, the liability of the Promoters and the Company under this Agreement shall be subject to the principles and limitations set forth in **SCHEDULE IX – LIMITATION OF LIABILITY**.

9.4 **Indemnification Procedure**

9.4.1 If the Indemnified Party seeks to make a Claim in relation to a Loss which does not arise from a Third Party Claim (as defined hereinafter) pursuant to this Clause 9 (*Indemnity*), the Indemnified Party shall give a written notice of the Claim to the Indemnifying Parties within 7 (Seven) days from the date on which the Indemnified Party suffers the Loss, describing, in reasonable detail, the breach alleged and the quantum of Loss suffered by the Indemnified Party (along with relevant documents, if any) (“**Claim Notice**”). The Parties agree that any reasonable delay or failure to give such notice shall not relieve the Indemnifying Party of liability hereunder, unless the Indemnifying Parties are prejudiced by such delay or failure and Indemnifying Party shall not be responsible in any manner for any incremental Loss directly arising out of such delay or failure to give Claim Notice. Within 30 (Thirty) days of receipt of the Claim Notice, the Indemnifying Party may either:

- (a) accept the Claim raised under the Claim Notice and make payment of the amount claimed by the Indemnified Party under the Claim Notice; or
- (b) issue a notice (“**Dispute Notice**”) to the Indemnified Party stating that it is disputing, in full or in part, the Claim raised by the Indemnified Party under the Claim Notice and denying, in full or in part, the liability to indemnify the Indemnified Party for the breach or Loss alleged to have been suffered by the Indemnified Party.

9.4.2 On issue of a Dispute Notice, or acceptance in part of a claim raised, the Indemnified Party and the Indemnifying Party shall discuss the claim in good faith and resolve the same. In the event the relevant Claim is not resolved within 30 (Thirty) days from the date of the Dispute Notice, both the Indemnified Party and the Indemnifying Party shall be entitled to issue notice to the other party initiating arbitration proceedings in accordance with Clause 13 (*Governing Law and Dispute Resolution*).

9.5 Third Party Claims

- 9.5.1 If any Third Party (other than an Affiliate of a Party to this Agreement) commences a legal action against an Indemnified Party in a manner that gives rise to a Loss and the Indemnified Party seeks indemnification from the Indemnifying Parties under Clause 9 (*Indemnities*) (“**Third Party Claim**”) then the Indemnified Party shall within 30 (thirty) days of receipt of such Third Party Claim, or such shorter period set out in the Third Party Claim, inform the Indemnifying Parties in writing of the Third Party Claim and the relevant details of such Third Party Claim. For the avoidance of doubt, any failure by the Indemnified Party(ies) to give a Third Party Claim notice in relation to any matter or circumstance shall not, prevent the Indemnified Party from making any claim for indemnity, arising from that matter or circumstance, unless the Indemnifying Parties are prejudiced by such delay and Indemnifying Party shall not be responsible in any manner for any incremental Loss directly arising out of such delay or failure to give Claim Notice.
- 9.5.2 Subject to the Indemnifying Parties keeping the Indemnified Parties fully indemnified in accordance with Clause 9 (*Indemnity*), the Indemnifying Parties shall, within 30 (thirty) days from the receipt of the Third Party Claim or such shorter time period as may be required under the circumstances of the relevant Third Party Claim, have the right to participate in, or assume the control of the defence and negotiation of such Third Party Claim, in respect of which the Third Party Claim has been issued, at its sole cost and expense, and by appointing a reputable counsel basis consultation with the Indemnified Party. It is hereby clarified that pursuant to this Clause 9.5.2 (*Third Party Claims*), the Indemnifying Party shall have the right, at its discretion, to participate or assume control and defence of a Third Party Claim; provided that, upon participation or assumption of control of the defence of Third Party Claim, the Indemnifying Party shall be deemed to have acknowledged its obligation to indemnify the Indemnified Party(ies) without any demur in connection with the Loss arising out of the Third Party-Claim, if any.
- 9.5.3 In the event an Indemnifying Party assumes control of the defence of a Third-Party Claim in accordance with Clause 9.5.2 (*Third Party Claims*) above, then:
- (a) the Indemnifying Party shall keep the Indemnified Party fully informed of the progress of, and all material developments in relation to, the Third Party Claim;
 - (b) the Indemnifying Party shall provide the Indemnified Party with copies of all material information and correspondence relating to the Third Party Claim; and
 - (c) the Indemnified Party shall continue to have the right to participate in the defence of any such Third Party Claim with a counsel selected by it, at its own cost.
- 9.5.4 Notwithstanding anything to the contrary, but subject to **SCHEDULE IX- LIMITATION OF LIABILITY** provided in this Agreement, in the event:
- (a) the Indemnifying Party elect to not control or defend such Third-Party Claim; and / or

- (b) the Indemnifying Party fails to notify the Indemnified Party in writing of its election to defend in the manner as set out in this Clause 9 (Indemnity); or
- (c) the Third Party Claim involves criminal liability against Indemnified Party (other than Company); or
- (d) in the Indemnified Party's opinion, the Third Party Claim may adversely affect the brand name or goodwill of the Indemnified Party,

the Indemnified Party shall have the right to take such action acting reasonably and in good faith as it may deem necessary to avoid, dispute, deny, resist, appeal, compromise or contest or settle any Third Party Claim (including without limitation, assuming the control of the defence and negotiation of such Third Party Claim, making Claims and/or counterclaims against Third Parties). No such action of the Indemnified Parties shall prejudice its Claim(s) or rights under this Agreement or under applicable Laws or equity.

10. TERM AND TERMINATION

10.1 Term

This Agreement shall come into full force and effect from the Execution Date and shall remain valid and binding on the Parties until such time that it is terminated in accordance with Clause 10.2 (*Termination*).

10.2 Termination

10.2.1 This Agreement may be terminated prior to the Closing Date, by the written mutual consent of the Investor, Promoters and the Company.

10.2.2 If the Closing has not occurred on or before the Closing Date, this Agreement may be terminated by Investor or the Promoters in accordance with Clause 6 (*Closing*) of this Agreement.

10.2.3 This Agreement may be terminated at the option of the Investor prior to the Closing Date, by a written notice to the Promoters and the Company, if there is any material breach of any Warranties.

10.3 Effect of Termination

10.3.1 The termination of this Agreement shall not relieve any Party of any obligations or liabilities accrued prior to the date of termination.

10.3.2 **Survival:** Clause 1 (Definitions and Interpretations), Clause 8 (*Representations and Warranties*), Clause 9 (*Indemnity*), Clause 10.3 (*Effect of Termination*), Clause 12 (*Confidentiality and Non-Disclosure*), Clause 13 (*Governing Law and Dispute Resolution*) and Clause 14 (*Notices*) shall survive the termination of this

Agreement.

11. ASSIGNMENT

Except as expressly provided in this Agreement, none of the Parties shall be entitled to assign its rights and obligations under this Agreement to a third party without the prior written consent of all the other Parties. The Investor shall however be allowed to assign its rights and obligations under this Agreement to any of their Affiliates or to a transferee of its Equity Shares after the Closing Date. In the event an Investor assigns entirely or partially, its right and obligations under this Agreement to any such Affiliate, the Parties agree that 15 February 2024, shall not be construed as the Long Stop Date.

12. CONFIDENTIALITY

- 12.1 The Parties agree that the terms of this Agreement, its existence and all information exchanged between the Parties under this Agreement or during the negotiations preceding the execution of this Agreement shall not be disclosed to any third Person, save and to the extent that such information may be required:
- 12.1.1 to be disclosed to any Party's professional advisors (including legal advisors), Affiliates, in each case where such disclosure is solely on the need-to-know basis and in which case the said third person shall be made aware of and adhere to the confidentiality obligations under this Agreement;
 - 12.1.2 to the extent necessary to comply with any laws or regulations binding on it;
 - 12.1.3 required by or for enforcement of the rights of a Party before, any Governmental Authority including a court of competent jurisdiction or any other competent judicial, quasi-judicial, governmental, supervisory or regulatory body;
 - 12.1.4 the confidential information is in the public domain otherwise than by a breach of this Clause;
 - 12.1.5 the Investor may disclose any information in relation to the Company to a potential purchaser of the Subscription Shares of the Company.

Provided that, the above restrictions shall not apply to the disclosure by the Investor of any information to: (a) contributories of an Investor or any schemes of the Investor; and/or (b) directors, employees, representatives, shareholders, representatives, advisors, lawyers and consultants of the investment manager of Investor or investment advisors of the Investor; and/ or (c) Affiliates of the Investor, provided that, such Affiliate shall not be a Competitor.

- 12.2 Further no Party shall make any announcements to the public or to any third party regarding the arrangements contemplated by this Agreement without the prior written consent of the other Parties (such approval not to be unreasonably withheld or delayed).

13. GOVERNING LAW AND DISPUTE RESOLUTION

- 13.1 This Agreement shall be governed by the laws of India.
- 13.2 The Parties shall endeavour to settle any dispute, difference, claim, question, or controversy between the Parties arising out of or in relation to this Agreement (“**Dispute**”) amicably within a period of 30 (thirty) days from the date such Dispute has arisen. It is hereby clarified that a Dispute shall be said to have been arisen upon written notice by a Party to the other referencing the contents of this clause 13.2.
- 13.3 In the event that the Dispute in question is not resolved amicably through consultation within 30 (thirty) days from the date of Dispute, i.e., the date of the written notice by the Party raising the Dispute, then the Dispute shall be settled by means of arbitration. The arbitral tribunal shall consist of a sole arbitrator to be mutually appointed by the Parties and if the Parties in dispute fail to appoint such arbitrator within 30 (thirty), then the sole arbitrator shall be appointed in accordance with the Indian Arbitration and Conciliation Act, 1996 (as amended from time to time).
- 13.4 All proceedings in any such arbitration shall be conducted in the English language.
- 13.5 The seat of the arbitration proceedings shall be Mumbai.
- 13.6 The arbitration award shall be final and binding on the Parties, and the Parties agree to be bound thereby and to act accordingly. The cost of arbitration and its apportionment shall also be decided by the arbitral tribunal.
- 13.7 Subject to the requirements of this clause 13, the courts at Mumbai only shall have the jurisdiction, to the exclusion of other courts, in respect of all matters and Disputes arising out or relating to this Agreement.
- 13.8 Nothing shall preclude the Parties from seeking interim equitable or injunctive relief, or both. The pursuit of equitable or injunctive relief shall not be a waiver of the right of the Parties to pursue any other remedy or relief through the arbitration described in this Clause 13.8 (Dispute Resolution).
- 13.9 The provisions of this Clause 13 (*Governing Law and Dispute Resolution*) shall survive the termination of this Agreement.

14. **NOTICES**

- 14.1 Any notice required or permitted to be given hereunder shall be in writing and shall be effectively given if (i) delivered personally, (ii) sent by prepaid courier service, airmail or registered mail or (iii) sent by facsimile or (iv) electronic mail (with confirmed receipt), in the case of notice to the Company, the Promoters, and the Investor if addressed to it as follows:

| | | |
|-------------------------------|----------------------|---|
| To the Company | Address: | Vikran Engineering & Exim Private Limited 401, Odyssey IT Park, Road No. 9, Industrial Wagle Estate, Thane – 400 604 |
| | Email: | cmdoffice@vikrangroup.com |
| | To the attention of: | Mr. Rakesh Markhedkar |
| To the Promoter No. 1. | Address: | Farista Financial Consultants Private Limited |
| | Email: | krm@vikrangroup.com |
| | To the attention of: | Mrs. Kanchan Markhedkar |
| To the Promoter No. 2. | Address: | Deb Suppliers & Traders Private Limited |
| | Email: | vrn@vikrangroup.com |
| | To the attention of: | Mr. Vipul Markhedkar |
| To the Promoter No. 3. | Address: | Mr. Rakesh Ashok Markhedkar |
| | Email: | cmdoffice@vikrangroup.com |
| | To the attention of: | Mr. Rakesh Markhedkar |
| To the Investor | Address: | Pantomath Nucleus House, Saki Vihar Road, Andheri (East), Mumbai – 400 072 |
| | Email: | fund@iiof.in, madhu.lunawat@pantomathgroup.com |
| | To the attention of: | Ms. Madhu Lunawat |

14.2 Any such notice, demand or other communication so addressed to the other Party shall be deemed to have been delivered:

- 14.2.1 If personally delivered, upon delivery at the relevant address;
- 14.2.2 If sent by pre-paid priority (or equivalent) local post, 5 (five) Business Days after the date of posting;
- 14.2.3 If sent by pre-paid priority (or equivalent) airmail or by air courier, in the case of airmail, 5 (five) Business Days after the date of posting or, in the case of air courier, 2 (two) Business Days after the date of delivery to the courier by the sender.
- 14.2.4 If sent by facsimile, when dispatched, subject to confirmation to the sender of uninterrupted transmission by a transmission report, provided that any notice dispatched by facsimile after 17:00 hours (at the place where facsimile is to be received) shall be deemed to have been received at 10:00 hours (at the place where facsimile is to be received) on the next Business Day; or
- 14.2.5 If sent by electronic-mail, when dispatched, subject to electronic confirmation of receipt by the recipient, provided that any notice dispatched by electronic-mail after 17:00 hours (at the place where facsimile is to be received) shall be deemed to have been received at 10:00 hours (at the place where facsimile is to be received) on the next Business Day.
- 14.3 Any Party hereto or others mentioned above may change any particulars of its address for notice by notice to the other Parties in the manner aforesaid.
- 14.4 A copy of each notice sent by personal delivered, prepaid courier service, airmail or registered mail or facsimile shall also be sent by electronic mail to the registered email address mentioned above.

15. NON-COMPETE AND NON-SOLICIT OBLIGATIONS

- 15.1 In consideration of the investment and goodwill of the Company and receipt of the Subscription Price, on and from the Closing Date and for a period of 3 (three) years from the later of: (a) Promoters ceasing to be employees of the Company; (b) all the Promoters and/ or Investor ceasing to hold any Equity Shares of the Company; or (c) Investor and the Promoters ceasing to hold any incentives or stock options or securities of the Affiliates of the Company (“**Non-Compete Period**”), the Promoters each hereby agrees and undertakes to the Investor that, they shall not and shall ensure that any entities Controlled by the Promoters shall not, directly or indirectly, in any capacity, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant, by way of investment, or agent or in any other manner whatsoever, whether for profit or otherwise:
 - 15.1.1 Carry on or participate (whether as a partner, angel investor, independent director, shareholder, principal, agent, director, employee, financier or consultant) in any business and/or activity which is: (a) the same as or competing with the Business; and/or (b) which is detrimental to the Business;
 - 15.1.2 render any services to a competitor, or enter into employment with any competitors;
 - 15.1.3 hold any securities, directly or indirectly, in any company, limited liability company / partnership,

joint venture company / partnership, association of persons, or any other entity, whether incorporated or not, or in any business and/or activity which is similar to the Business;

- 15.1.4 solicit or influence or attempt to influence or contact, in any manner, any client / customer / business associate or solicit from any client / customer / business associate, except on behalf of the Company, business of the type carried on by the Company or to persuade any Person, which is a client / customer / business associate of the Company to cease doing business or to reduce the amount of business which any such client / customer has customarily done or might propose doing with the Company or damage in any way the business relationship that the Company has with any customer / client / business associate, whether or not the relationship between the Company and such client / customer / business associate was originally established in whole or in part through his efforts;
- 15.1.5 solicit, employ, hire, or entice away or attempt to solicit, employ, hire, or entice away or assist anyone else to employ or otherwise associate any Person who is in the employment of the Company or associated with the Company as on such date of the events happening in Clause 15.1, or was in the employment of the Company or otherwise associated with the Company at any time during the preceding 12 (twelve) months from the Closing Date;
- 15.1.6 cause or permit any Person, directly or indirectly, engaged by the Company, to do any of the foregoing acts or things; and/or
- 15.1.7 make any disparaging statements against the Company, the Investor or its Affiliates, the Business and operations of the Company.
- 15.1.8 Notwithstanding anything contained herein, the Promoters are not restricted from making (i) financial investments (where Promoters are not Controlling the company) up to 5%, it being expressly agreed by the Promoters that no investment is allowed in any competing business. However, the investment limits may be enhanced subject to the written approval of the Investor Director; or (ii) an investment in any listed companies up to 3%. It is expressly agreed between the Parties that the aforesaid restrictions shall not apply in all cases where the Promoters have made any investments or started any businesses prior to the execution of this Agreement.

15.2 **Undertakings and Reasonableness:**

- 15.2.1 The Company agrees and acknowledges that no separate consideration is payable to it, and the consideration for the non-compete restrictions contained herein are deemed to have been received under this Agreement and mutual covenants in this Agreement. The Company also acknowledges the receipt and sufficiency of such consideration received towards the non-compete restriction contained herein.
- 15.2.2 Each of the restrictions in each clause or sub-clause above shall be enforceable by the Investor independently of each other and its validity shall not be affected if any other restriction is invalid.

- 15.2.3 The Company and the Promoters jointly and/ or severally acknowledge and agree that each of the prohibitions and restrictions contained in this Clause 15: (a) will be read and construed and will have effect as a separate, severable and independent prohibition or restriction and will be enforceable accordingly; (b) are fair and reasonable as to period, scope and subject matter for the legitimate protection of the Business and goodwill acquired by the Company; and (c) are no greater than what is reasonable and necessary for the protection of the legitimate interests of the Business of the Company. However, in the event that such restriction shall be found to be void but would be valid if some part thereof was deleted or the scope, period or area of application were reduced, the above restriction shall apply with the deletion of such words or such reduction of scope, period or area of application as may be required to make the restrictions contained in this clause valid and effective. Provided however, that on the revocation, removal or diminution of the Law or provisions, as the case maybe, by virtue of which the restrictions contained in this clause were limited as provided hereinabove, the original restrictions would stand renewed and be effective to their original extent, as if they had not been limited by the applicable Law or provisions revoked.
- 15.2.4 The Company and the Promoters jointly and/ or severally acknowledge and agree that the covenants and obligations with respect to non-competition and non-solicitation as set forth above shall not be construed to be a restraint of trade against the Company or its Affiliates and relate to special, unique and extraordinary matters, and that a violation of any of the terms of such covenants and obligations will cause the Investor and the Company as the case maybe, irreparable injury.
- 15.2.5 Promoters shall not involve in providing any direct R&D, Engineering, pilot production, production setup, QA setup, buying, selling and repairing assistance under the non-compete obligation to any party including themselves till the non-compete time period elapses.
- 15.2.6 Promoters shall be free to enter any product line other than the one which is not a part of the current portfolio or the development portfolio at the time of exit.

16. **FORCE MAJEURE**

No Party hereto shall be held liable or responsible for any failure or delay in performance of any or all of its obligations under this Agreement directly or indirectly caused by any circumstances beyond the reasonable control of the Party responsible or affected, including, but not limited to, acts of God, orders or restrictions of Governmental Authorities, war, warlike conditions, hostilities, sanctions, pandemic, lockdown due to pandemic, mobilizations, blockades, embargoes, detentions, revolutions, riots, looting, strikes, stoppages of labour, lockouts or other labour troubles, earthquakes, fires or accidents (“**Force Majeure**”); provided, however, that the Party whose performance is prevented by Force Majeure shall take all reasonable action within its power to comply as fully as possible herewith and to preserve and protect the respective interests of the other Parties hereto. Immediately upon the occurrence of any event or condition of Force Majeure which affects the performance of a Party under this Agreement, the affected Party shall notify the other Parties of the nature of the event or condition, the effect of the event or condition on the Party’s performance and the estimated duration of the event or condition. The affected Party shall also notify the other Parties immediately upon cessation of or changes in the event or condition

constituting Force Majeure.

17. USE OF PROCEEDS

The Promoters hereby agree and undertake that the Subscription Consideration received by the Company from the Investor shall be used for the planned capital expenditure and/or working capital and/or as set out in the Business Plan of the Company and in accordance with applicable Law. Any other use of the Subscription Consideration (including repayment or settlement of any indebtedness owned to any shareholder, director, officer, employee of the Company or any Person affiliated to or associated with such Person) shall be subject to prior written approval of the Investor.

18. ANNOUNCEMENTS

The Company shall make any announcement or issue any circular in connection with the existence or subject matter of this Agreement without the prior written approval of the Investor.

19. EXPENSES

19.1 Expenses Responsibility: Each Party shall be responsible for its own expenses in the negotiation, preparation and performance of this Agreement, and any other agreement or document incidental to this Transaction, unless otherwise agreed by the Parties in writing. Moreover, any charges including but not limited to in relation to the legal due diligence, the financial due diligence, preparation of closing documents, drafting any other document for the transaction, and/ or the valuation report for the transaction contemplated shall be borne exclusively by the Company, after discussion and consent of the Promoters.

19.2 Stamp Duty Expenses:

The Company shall bear the expenses incurred in connection stamp duty on the execution of this Agreement, notarisation fees or other documentary transfer or transaction duties and also for the issuance and allotment of the Subscription Shares.

20. COUNTERPARTS

This Agreement has been signed in counterparts as necessary, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of the signature page to the Agreement by facsimile or e-mail shall be as effective as delivery of a manually executed counterpart of the Agreement. The delivery of signed signature pages or counterparts by facsimile transmission or email in “portable document format” (“pdf”) shall be as effective as signing and delivering the counterpart in person.

21. AMENDMENTS AND WAIVERS

Any provision of this Agreement may be amended or waived if, and only if such amendment or

waiver is in writing and agreed upon and signed, in the case of an amendment by each of the Parties, or in the case of a waiver, by the Party against whom the waiver is to be effective. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by Applicable Law or otherwise afforded, will be cumulative and not alternative.

22. INDEPENDENT CONTRACTORS

The Parties are independent contracting parties and will have no power or authority to assume or create any obligation or responsibility on behalf of each other unless such authority is expressly conferred with notice of such conferral having been in writing and provided to all other Parties. This Agreement will not be construed to create or imply any partnership, agency or joint venture, or employer-employee relationship.

23. SEVERABILITY

Each and every obligation under this Agreement shall be treated as a separate obligation and shall be severally enforceable as such and in the event of any obligation or obligations being or becoming unenforceable in whole or in part. To the extent that any provision or provisions of this Agreement are unenforceable they shall be deemed to be deleted from this Agreement, and any such deletion shall not affect the enforceability of the remainder of this Agreement not so deleted provided the fundamental terms of the Agreement are not altered. If any (part and not the whole) of any provision is unenforceable, the remainder of such provision shall not be affected and shall continue to apply. The Parties specifically acknowledge that in the event that any aspect of the commercial understanding reached between them in this Agreement is unenforceable, they shall take such alternative steps as are permissible under Applicable Laws, in order to legally implement such understanding.

24. ENTIRE AGREEMENT

This Agreement contains the entire agreement of the Parties hereto with respect to the transactions envisaged under this Agreement and the inter-se rights and obligations of the Parties, superseding all negotiations, prior agreements, discussions, memoranda, or heads of agreements made prior to the date hereof amongst the Parties, including the term sheet dated 16 December 2023.

[Rest of the page left blank intentionally. Signature page to follow]

| | |
|--|--|
| <div>SIGNED AND DELIVERED On behalf of</div> <div>INDIA INFLECTION OPPORTUNITY TRUST – INDIA INFLECTION OPPORTUNITY FUND (Managed by Pantomath Capital Management Pvt. Ltd.)</div> <div><i>the within named Investor</i></div> <div>Name: Ms. Madhu Lunawat</div> <div>Title: Fund Manager</div> | <div>SIGNED AND DELIVERED ON BEHALF OF</div> <div>VIKRAN ENGINEERING & EXIM PRIVATE LIMITED</div> <div><i>the within named Company</i></div> <div>Name: Mr. Rakesh Markhedkar</div> <div>Title: Chairman and Managing Director</div> |
| <div>SIGNED AND DELIVERED</div> <div>By: Mr. Rakesh Markhedkar</div> <div><i>the within named Promoter and Shareholder</i></div> | <div>SIGNED AND DELIVERED</div> <div>On behalf of: Deb Suppliers and Traders Private Limited</div> <div><i>the within named Promoter and Shareholder</i></div> <div><i>By: Mr. Vipul Markhedkar</i></div> |
| <div>SIGNED AND DELIVERED</div> <div>On behalf of: Farista Financial Consultants Private Limited</div> <div><i>the within named Promoter and Shareholder</i></div> <div><i>By: Mrs. Kanchan Markhedkar</i></div> | |

SCHEDULE I -SHAREHOLDING PATTERN

PART 1 | NAME OF PROMOTERS OF THE COMPANY

| Sr. No. | Name of Promoters | No of Shares | % of Capital |
|---------|---|-----------------|--------------|
| 1 | Farista Financial Consultants Private Limited | 1,44,430 | 49.74 |
| 2 | Deb Suppliers & Traders Private Limited | 1,44,948 | 49.92 |
| 3 | Rakesh Ashok Markhedkar | 1,000 | 0.34 |
| | TOTAL | 2,90,378 | 100% |

PART 1A | NAME OF EXISTING SHAREHOLDERS OF THE COMPANY

| Sr. No. | Name of Promoters | No of Shares | % of Capital |
|---------|---|-----------------|--------------|
| 1 | Farista Financial Consultants Private Limited | 1,44,430 | 49.74 |
| 2 | Deb Suppliers & Traders Private Limited | 1,44,948 | 49.92 |
| 3 | Rakesh Ashok Markhedkar | 1,000 | 0.34 |
| | TOTAL | 2,90,378 | 100% |

PART A | SHAREHOLDING PATTERN ON CLOSING – FULLY DILUTED AFTER FIRST TRANCHE

| Sr. No. | Name of Shareholders | No of Shares | % of Capital |
|----------|---|-----------------|----------------|
| A | Equity Shares of Rs. 10/- Each | | |
| 1. | Farista Financial Consultants Private Limited | 1,44,430 | 46.39% |
| 2. | Deb Suppliers & Traders Private Limited | 1,44,948 | 46.56% |
| 3. | Rakesh Ashok Markhedkar | 1,000 | 0.32% |
| 4. | India Inflection Opportunity Fund | 20,955 | 6.73% |
| | TOTAL | 3,11,333 | 100.00% |

PART B – FULLY DILUTED BASIS POST SECOND TRANCHE

| Sr. No. | Name of Shareholders | No of Shares | % of Capital |
|----------|---|-----------------|----------------|
| A | Equity Shares of Rs. 10/- Each | | |
| 1. | Farista Financial Consultants Private Limited | 1,44,430 | 43.99% |
| 2. | Deb Suppliers & Traders Private Limited | 1,44,948 | 44.15% |
| 3. | Rakesh Ashok Markhedkar | 1,000 | 0.30% |
| 4. | India Inflection Opportunity Fund | 20,955 | 6.38% |
| 5. | Proposed new Investor to be identified by the Parties | 16,996 | 5.18% |
| | TOTAL | 3,28,329 | 100.00% |

PART C – FULLY DILUTED BASIS POST CONVERSION OF DEBT TO EQUITY

| Sr. No. | Name of Shareholders | No of Shares | % of Capital |
|----------|---|--------------|----------------|
| A | Equity Shares of Rs. 10/- Each | | |
| 1. | Farista Financial Consultants Private Limited | 1,44,430 | 43.50% |
| 2. | Deb Suppliers & Traders Private Limited | 1,44,948 | 43.66% |
| 3. | Rakesh Ashok Markhedkar | 1,000 | 0.30% |
| 4. | Vikran Global Infraprojects Private Limited | 3,700 | 1.11% |
| 5. | India Inflection Opportunity Fund | 20,955 | 6.31% |
| 6. | Proposed new Investor to be identified by the Parties | 16,996 | 5.12% |
| | TOTAL | 3,32,029 | 100.00% |

SCHEDULE II-DEFINITIONS AND INTERPRETATIONS

PART A | DEFINITIONS

1. Definitions

In this Agreement: (a) capitalised terms defined by inclusion in quotations and/or parenthesis have the meanings so ascribed; and (b) the following terms shall have the following meanings assigned to them herein below:

“Accounting Principles” means Indian GAAP and/or IndAS as prescribed under the Companies Act 2013, and as in effect from time to time and as consistently applied;

“Affiliate” means any Person that directly or indirectly through one or more Persons, Controls, is Controlled by, or is under common Control with the Person specified;

“Approved Firm” means (i) KPMG, PricewaterhouseCoopers, Ernst & Young, Deloitte Touche Tohmatsu, or Grant Thornton and/or their Affiliates eligible to practice in India, as per applicable Law, or (ii) such other firm as mutually agreed between the Investor and the Promoters;

“Assets” means, with respect to a Person, assets or properties of every kind, nature, character and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed or otherwise) as operated, hired, rented, owned or leased by such Person from time to time, including cash, cash equivalents, receivables, securities, accounts and note receivables, real estate, plant and machinery, equipment, patents, copyrights, domain names, trademarks, brands and other intellectual property, raw materials, inventory, furniture, fixtures and insurance;

“Board” means the board of directors of the Company, as constituted from time to time;

“Business Day” means a day on which the principal commercial banks located in India are open for business during normal banking hours, but excluding a Saturday, a Sunday or any public holiday;

“Business Plan” means the annual business plan of the Company for the relevant Financial Year, adopted in accordance with the Transaction Documents and/or the Restated Articles;

“Business Warranty(ies)” means the representations and warranties of the Promoters and the Company in this Agreement, given jointly and severally, pursuant to Clause 8 (*Representations and Warranties*) and as more particularly set forth in Part B of SCHEDULE VII- WARRANTIES (*Business Warranties*);

“Closing” means completion of all the transactions described in Clause 6;

“Closing Date” means: means the date on which Closing shall occur and this should be on or before 20 January 2024;

“**Company’s Bank Account**” means the bank account of the Company, the details of which are set out in the table below:

| CUSTOMER NAME | BANK ADDRESS | CA_ACCOUNT_NO | IFSC Code |
|--|---|---------------|-------------|
| VIKRAN ENGG AND EXIM P LTD SHARE APPLICATION ACCOUNT | MAHA BANK BLDG, PLOT NO. 37, WAGLE INDUSTRIAL ESTATE, THANE – 400 604 | 60475963587 | MAHB0000088 |

“**Company Fundamental Warranty**” means the representations and warranties of the Company in this Agreement, pursuant to Clause 8 (Representations and Warranties) and as more particularly set forth in Part A of Schedule VII (Company Fundamental Warranties);

“**Conditions Precedent**” means the conditions precedent as set out in Clause 5.1;

“**Consent**” means any notice, consent, approval, waiver, permit, grant, concession, agreement, license, certificate, exemption, order or registration, of, with or to any Person (including any Governmental Authority);

“**Control**” (including the terms “**Controlled by**” and “**under common Control with**”) means, in relation to a body corporate, the right to exercise, or control the exercise of, whether directly or indirectly, acting alone or together with another Person, more than 50% (Fifty per cent) of the total voting rights at a general meeting of that body corporate, or the right or power to direct, whether directly or indirectly, acting alone or together with another Person, the policy decisions or management of that body corporate, including majority of the board of directors of that body corporate;

“**Disclosed**” means fully and fairly disclosed (with sufficient details to identify the nature and scope of matter disclosed) in the Disclosure Letter and the Updated Disclosure Letter;

“**Disclosure Letter**” means the letter issued and delivered by the Promoters and the Company to Investor in the agreed form on the Execution Date in which exceptions to the identified Business Warranties dealing only with events, matters or changes occurring prior to the Execution Date are Disclosed and the Updated Disclosure Letter;

“**Encumbrance**” means any charge, claim, pledge, hypothecation, equitable interest, lien (statutory or other), deposit by way of security, bill of sale, option or right of pre-emption, beneficial ownership (including usufruct and similar entitlements), security interest, restriction on use, voting, transfer or receipt of income, any provisional, conditional or executorial attachment and any other interest held by a third party, or encumbrance of any other nature whatsoever;

“**Fair Market Value**” with respect to the Company, Assets, Business and/or equity shares, means the fair market value determined by any of the Approved Firms;

“**FEMA**” means the Foreign Exchange Management Act, 1999 and all rules and regulations framed there under (as amended or supplemented from time to time);

“**Financial Statements**” means the balance sheets, profit and loss account and cash flow statements (audited or unaudited, as the case may be);

“**Financial Year**” or “**FY**” means the fiscal year beginning on 1 April of each year and ending on 31 March of the immediately succeeding year;

“**Fully Diluted Basis**” means the total of all classes and series of equity shares outstanding of the Company on a particular date, after accounting for conversion of all the outstanding convertibles of the Company;

“**Fundamental Warranties**” means collectively the Company Fundamental Warranties and Promoter Warranties, pursuant to Clause 8 (*Representations and Warranties*);

“**Governmental Authority**” means, for each Party, any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction over such Party, including a recognised stock exchange and, if applicable, international treaties and regulations;

“**Initial Business Plan**” means the business plan of the Company for FY 2023-24;

“**INR**” means the lawful currency of the Republic of India;

“**Intellectual Property**” includes all of the following anywhere in the world and all legal rights or title or interest in, under or in respect of the following arising under Laws, whether or not filed, perfected, registered or recorded and whether now or later existing, filed, issued or acquired: (a) all copyrights, copyrightable works and all other corresponding rights; (b) all trademarks including goodwill and domain names thereto; (c) inventions and patents (d) know-how, including technical know-how, process know-how, technology, technical data, trade secrets, confidential business information, product dossiers, storing and shipping information, financial, marketing and business data, pricing and cost information, business and marketing plans, advertising and promotional materials, customer, distributor, Third Party manufacturer and supplier lists and information, records, and other proprietary documentation and information; (e) designs; (f) all databases, data collections and data exclusivity; (g) all other proprietary rights; and (h) all copies and tangible embodiments of any of the foregoing (in whatever form or medium); including the right to sue for past, present or future infringement, misappropriation or dilution of any of the foregoing;

“**Knowledge**”, with reference to the knowledge, information, belief or awareness of the (i) any Promoters, shall mean the actual knowledge, information, belief or awareness of such Promoter, and the knowledge, information, belief or awareness that such Promoters would have, if due and careful enquiry and investigations had been made by such Promoter; and (ii) Company, shall mean the actual knowledge, information, belief or awareness that the Promoters and/or Key Managerial Persons of the

Company would have pursuant to the board process or if due and careful enquiry and investigations had been made by such Persons;

“Law(s)” means and includes all statutes, enactments, acts of legislature or parliament, laws (including common law), ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Government Authority (or any agency thereof);

“Litigation” means litigation of any kind and shall include all suits, civil and criminal actions, administrative and regulatory actions, mediation or arbitration proceedings, Tax related litigations, and all legal proceedings, investigations, actions, enquiries, searches pending, whether before any Governmental Authority or any arbitrator(s) or any notices / correspondence received in this regard;

“Long Stop Date” means 15 February 2024;

“Losses” shall mean any and all direct and actual claims, damages, losses, liabilities, Taxes, demands, fines, actions, suits, penalties, interest, charges, payments, judgments, awards, fines, penalties, fees, settlements and proceedings, damages, reasonable costs or expenses, which are crystallized in each case whether or not resulting from any third party claim, and for the avoidance of doubt, shall not include any indirect or consequential losses;

“Material Adverse Effect” means any event, circumstance, occurrence, fact, condition, change or effect (including a change in applicable Law or any decision by a Governmental Authority) that individually or in the aggregate is or has been or could reasonably be expected to:

- (i) be materially adverse to the Business, operations or financial condition, assets, liabilities, prospects and/or results of operations of the Company;
- (ii) cause an adverse change in the management structure of the Company;
- (iii) be materially adverse to the validity, legality or enforceability of this Agreement or of the rights or remedies of Investor under this Agreement; or
- (iv) materially affect the ability of the Company and/or the Promoters to perform any of their respective obligations, or be bound under the terms of the Transaction Documents.

For purposes of the foregoing paragraph (i) above, no event or effect shall be taken into account in determining whether a Material Adverse Effect has occurred to the extent resulting from: (A) a state of war, national emergency or the occurrence of any military or terrorist attack, and/or (B) acts of God, floods, earthquakes civil disturbance, etc;

“Ordinary Course of Business” means an action taken by or on behalf of the Company that is recurring in nature and is taken in the ordinary course of the Company’s normal day-to-day operations and satisfies all of the following:

- (i) taken in accordance with sound and prudent business practices;
- (ii) does not require any special authorisation of any nature;
- (iii) similar in nature and magnitude to actions customarily taken in the ordinary course of the normal day-to-day operations of other companies that are engaged in businesses similar to the Company's business; and
- (iv) consistent with past practice and existing policies of the Company.

“Person” means any individual, sole proprietorship, unincorporated association, unincorporated organisation, body corporate, corporation, company, partnership (general or limited), limited liability company, joint venture, trust, society or government authority or any other entity or organisation;

“Promoter Warranties” means the representations and warranties of the Promoters in this Agreement, made pursuant to Clause 8 (*Representations and Warranties*) and more particularly set forth in Part C of SCHEDULE VII- WARRANTIES (*Promoter Warranties*);

“Related Party” has the meaning ascribed to the term in Companies Act 2013 and/or applicable Accounting Principles, and shall also include (i) Affiliates of the Company, and (ii) the Promoters and Affiliates of any of the Promoters;

“Restated Articles” means the amended and restated articles of association of the Company (in agreed form);

“Registrar of Companies” or **“ROC”** means the registrar of companies for Thane, Maharashtra;

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

“Shares” means shares of the Company;

“Shareholder/s” means any Person who holds any Equity Securities of the Company;

“Strategic Investor” means any Person engaged in a business similar to the Business of the Company;

“Subscription Consideration” means an amount of INR 45,00,10,930.05/- (Indian Rupees Forty-Five Crores Ten Thousand Nine Hundred and Thirty and Five Paise only) to be invested by the Investor under this Agreement for subscribing to the Subscription Shares;

“Subscription Price” means INR 21,475.11/- (Indian Rupees Twenty-One Thousand Four Hundred and Seventy-Five and Eleven Paise only) per Equity Share for subscribing to a Subscription Share;

“Subscription Shares” means a total of 20,955 (Twenty Thousand Nine Hundred and Fifty-Five only) Equity Shares to be subscribed to at the Subscription Price by paying the Subscription Consideration;

“Subsidiary” in respect of a company, shall mean any subsidiary of the company (if any) from time to time, as determined in accordance with the provisions of the Act and the Accounting Standards and shall also include step-down subsidiaries;

“Tax” or collectively **“Taxes”** or **“Taxation”** means any and all taxes (direct or indirect), assessments, duties, impositions, liabilities and other charges by any Governmental Authority in India, including taxes on income, profits, service, sales, wealth, use and occupation, and value added, ad valorem, transfer, franchise, withholding, payroll, employment, good and services, capital gains, dividend distribution, excise, stamp duty and property taxes, together with all interest, penalties, charges, surcharge, cess and additions imposed with respect to such amounts;

“Third Party” means a Person who is not a party to this Agreement;

“Transaction Documents” shall collectively include: (i) this Agreement; and (ii) employment agreements proposed to be executed with the key managerial personnel of the Company, (iii) any other contracts / documents proposed to be executed and/or delivered by the Parties, proposed to be executed by the Parties pursuant to the terms of the term-sheet executed amongst the Investor, Company and the Promoters dated 28 December 2023; (iv) the Shareholders’ Agreement; and (v) any other documents designated by the Parties as the Transaction Documents;

“Transfer” means to (directly or indirectly) sell, gift, give, assign, transfer, transfer any interest in trust, mortgage, alienate, hypothecate, pledge, Encumber, amalgamate, merge or suffer to exist (whether by operation of law, derivative transaction, contract or otherwise) any Encumbrance on, any Equity Securities or any right, title or interest therein or otherwise dispose of in any manner whatsoever voluntarily or involuntarily, but does not include to transfer by way of testamentary or intestate succession;

“Warrantors” the Company and / or the Promoters as the context may require;

“Working Hours” means 9.30 am to 5.30 pm in the relevant location on a Business Day.

PART B | INTERPRETATION

In this Agreement, unless the context otherwise requires:

1. the terms referred to in this Agreement shall, unless defined otherwise or inconsistent with the context or meaning thereof, bear the meanings ascribed to them under the relevant statute or legislation;
2. the schedules and annexures form a part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include any schedules and annexures to it. Any references to clauses and schedules and annexures are to clauses and schedules and annexures to this Agreement;
3. references to a person include any individual, firm, body corporate (wherever incorporated), 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);
4. headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Agreement or the schedules hereto and shall be ignored in construing the same;
5. reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment (whether before or after the Closing Date) for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions;
6. the singular shall include the plural and vice versa; and references to one gender include all genders;
7. references to days, months and years are to calendar days, calendar months and calendar years, respectively;
8. any phrase introduced by the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
9. unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day;
10. time is of the essence in the performance of the Parties' respective obligations. If any time period specified herein is extended in writing by the Parties, such extended time shall also be of the essence;
11. words "directly or indirectly" mean directly or indirectly through one or more intermediary persons or through contractual or other legal arrangements, and "direct or indirectly" have correlative meanings;

12. whenever the context may require, any pronoun and variations of any such pronoun shall include the corresponding singular, plural, masculine, feminine, and neuter forms;
13. any reference to “writing” shall include printing, typing, lithography, transmissions by facsimile or in electronic form (including e-mail) and other means of reproducing words in visible form, other than text messages via short message service or applications meant primarily for mobile phones or tablets (excluding e-mail applications);
14. the terms “herein”, “hereof”, “hereto”, “hereunder” and words of similar purport refer to this Agreement as a whole;
15. the use of the term “or” is not intended to be exclusive;
16. if, in calculating a price or an amount, the relevant variables for such calculation are expressed in different currencies then all such variables for the purposes of such calculation shall be in Rupees;
17. no provisions shall be interpreted in favour of, or against, any Party by reason of the extent to which such Party or its counsel participated in the drafting hereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof, and all Parties shall be deemed to have equally participated in the drafting of this Agreement;
18. each Party is an experienced commercial party acting on its own account and has made its own independent decision to enter into the transactions contemplated by this Agreement based upon its own commercial judgement and upon advice from such advisers as it has deemed necessary; and
19. Inconsistencies: Where there is any inconsistency between the definitions set out in this schedule and the definitions set out in any clause or any other schedule, then, for the purposes of construing such clause or schedule, the definitions set out in such clause or schedule shall prevail. If there is any conflict or inconsistency between a term in the body of this Agreement or any other document referred to or otherwise incorporated in this Agreement, the term in the body of this Agreement shall take precedence;
20. Any approval required by the Promoter/Company under this Agreement should not be unreasonably withheld by the Investor.

SCHEDULE III- CONDITIONS PRECEDENT

1. Subject to Disclosures (as applicable), the Warranties being true and correct in all respects as on the Closing Date.
2. There being no writ, judgment, injunction, decree, restraining order or other order or any other legal or regulatory restraint or prohibition issued or made by any court of competent jurisdiction or any other Governmental Authority which prevents the consummation of the Closing or which has or would have the effect of making the subscription of the tranche Subscription Shares by the Company to the Investor void, illegal or otherwise prohibiting its closing or effectiveness.
3. No Material Adverse Effect shall have occurred as on the Execution Date and on the Closing Date.
4. All Transaction Documents shall have been agreed upon and duly executed by the parties thereto.
5. The Company shall have procured a certificate signed by a Registered Valuer (as defined under the Companies (Registered Valuers and Valuation) Rules, 2017) certifying that the per equity Share price of the Subscription Share is equal to or higher than the Fair Market Value of such Subscription Shares.
6. The Company shall have, and the Promoters shall have procured that the Company shall have, delivered to Investor copies of the resolutions of its Board and shareholders, duly certified by a director or company secretary of the Company as true and complete, approving the following actions:
 - (i) (a) increase in the authorised share capital of the Company, for purposes of ensuring consummation of the transactions as contemplated under this Agreement (if applicable), and
(b) consequent amendments to the charter documents of the Company;
 - (ii) issuance of the Subscription Shares to Investor in accordance with this Agreement; and
 - (iii) issuance of the private placement offer letter in Form PAS-4 to Investor on the terms and subject to the conditions of this Agreement; and
 - (iv) filing of necessary forms with the ROC, and to do all other actions as may be necessary to give effect to this Agreement.
7. The Company shall have, and the Promoters shall have procured that the Company shall have filed with the ROC:
 - (i) Form MGT-14, with the shareholders' resolution passed in accordance with Paragraph 6 above; and
 - (ii) Form SH-7, for increasing the authorised share capital of the Company for accommodating the issuance of the Subscription Shares.

The Company shall have, and the Promoters shall have procured that the Company shall have issued the private placement offer letter in Form PAS-4 to Investor on the terms and subject to the conditions of this Agreement

8. The Parties shall have agreed on the form of the Restated Articles.
9. The Company and the Promoters shall have obtained all corporate, governmental, management, Third Party and regulatory approvals, if any, required in connection with the transactions contemplated under any of the Transaction Documents, including the necessary approvals from the Board and shareholders of the Company authorising the Company to execute, deliver and perform this Agreement and the other Transaction Documents.
10. The Company has appointed Pantomath Capital Advisors Pvt Ltd (“**Pantomath**”), as the sole and exclusive advisor to the present transaction with primary responsibility to co-ordinate and execute all such actions as may be required to consummate the said transaction. Till the time the Investor holds any Equity Securities in the Company, Pantomath and/or any of its subsidiary / affiliated company (Collectively referred as the “**Pantomath Group**”) shall have the exclusive rights of advising the Company on all of it’s financial matters limited to fund raising via equity, quasi- equity or the IPO of the Company. The rights under this clause shall terminate after the IPO. If the second tranche of the funding by the proposed new Investor as set out in Recital B hereinabove is not remitted to the Company on or before 31 January 2024, the rights of Pantomath to act as sole and exclusive advisor shall fall away.
11. Each of the covenants and agreements of the Company to be performed on or prior to the Closing have been duly performed in all respects.

SCHEDULE IV- FORMAT OF CONDITIONS PRECEDENT SATISFACTION
NOTICE

To: Date: [●]

Attn:

Dear Sir / Ma’am,

Re: **Clause 5.5 of the share subscription agreement dated [●] by and amongst [●]
 (“Company”) (the “Agreement”)**

All capitalized terms used but not specifically defined herein shall, unless the context requires otherwise, have the same meaning assigned to them under the Agreement and Clause 1 (*Definition and Interpretation*) of the Agreement shall be incorporated by reference in this certificate.

The Company confirms that all Conditions Precedent set out in the Agreement have been fulfilled and the documentary proof (to the extent applicable) in respect of such Conditions Precedent has been set out where the completion can be evidenced by documentary proof:

| SR. NO. | CONDITION PRECEDENT | COMPLETION DETAILS |
|------------|---------------------|--------------------|
| 1. | [●] | [●] |

Yours truly,

Encl: As above

[SIGNATURE BLOCK OF THE COMPANY TO FOLLOW]

SCHEDULE V- ACTIONS ON CLOSING DATE

On the Closing Date, each of the following shall occur simultaneously:

1. The Investor shall remit the Subscription Consideration through its account to the Company's Bank Account and deliver to the Company by electronic mail, a copy of the wire remittance instructions issued by the Investor for the deposit of the Subscription Consideration.
2. The Company shall on receipt of the Subscription Consideration hold a meeting of its Board, at which meeting the Board shall:
 - (i) approve the (a) issuance and allotment of the Subscription Shares to the Investor, as fully paid-up equity shares, free from any Encumbrances, (b) issuance of duly stamped and executed letter(s) of allotment and, and (c) record the Investor's name in the register of members of the Company;
 - (ii) subject to approval of the shareholders of the Company, approve the adoption of the Restated Articles;

approve, subject to approval at a shareholders' meeting, the appointment of director nominated by the Investor to the Board ("**Investor Director**") and recording the names of Investor Director in the register of directors of the Company, and also record the name of the observer nominated by the Investor to the Board ("**Observer**");
 - (iii) adopt and approve the implementation of the Initial Business Plan; and
 - (iv) authorise 1 (one) director of the Company or the company secretary to make all filings with the ROC and/or any other Governmental Authority in relation to the actions undertaken for the Closing in respect of the Investor.
3. The Company shall hold a meeting of its shareholders, at which meeting the shareholders shall and the Promoters shall procure that:
 - (i) the shareholders of the Company acknowledge and confirm the appointment of the Investor Director and the Observer to the Board;
 - (ii) the shareholders of the Company approve and adopt the Restated Articles in agreed form; and
 - (iii) any other actions requiring the approval of the shareholders are duly approved.
4. Delivery to Investor of:
 - (i) written receipt of Subscription Consideration;

- (ii) a duly executed and stamped letter of allotment denoting the Subscription Shares;
 - (iii) certified copy of the minutes of the meeting of the: (a) Board of the Company;
(b) the shareholders' meeting of the Company, referred to in Paragraphs 2 and 3 above,
respectively;
 - (iv) a certified true copy of the: (a) register of members of the Company reflecting the Investor
as a member of the Company and holder of the Subscription Shares; and (b) register of
directors reflecting the Investor Director as members of the Board;
 - (v) a certified copy of each Board resolution under which any document to be delivered to
Investor has been executed; and
 - (vi) certified copies of all documents as may be required by the Investor evidencing the
completion of the Conditions Precedent.
5. Filing of Form PAS-3 reflecting the allotment of the Subscription Shares to the Investor with the
ROC and delivery of a scanned copy of filing of Form PAS-3 for allotment of Subscription Shares
to the Investor.

SCHEDULE VI - CONDITIONS SUBSEQUENT

1. The Company shall comply with the Business Plan in accordance with the timelines mentioned therein.
2. The Promoter(s) entering into an employment agreement with the Company on such terms and conditions as may be acceptable to Investor and Investor's shareholders if so required by the Investor.
3. Within 4 (four) months from the Closing Date, the Company shall make all commercially reasonable efforts to appoint a whole-time company secretary on its rolls (if not already appointed).
4. In relation to properties of the Company for which the Company pays INR 50,000/- (Indian Rupees Fifty Thousand only) or more, within 6 (six) months from the Closing Date, the Company shall make all commercially reasonable efforts to enter into valid lease and license/ rental agreements (if not already entered into) in respect of all the immovable properties and interest in the immovable properties used in the conduct of its Business and all such agreements shall be duly stamped, if required to be stamped under applicable Law, and wherever required to be registered under applicable Law, shall be registered.
5. The Company shall make all commercially reasonable efforts to enter into new agreement(s) or addendum with existing consultants in connection with recruitment and staffing agreements for full time hire with mutual consent of other parties to such existing contracts and such new agreement(s) or addendum shall *inter alia* include termination, confidentiality, indemnity, amendment, notices, and dispute resolution and governing law and such agreements including addendum shall be duly stamped, if required to be stamped under applicable Law.
6. The Company shall make all commercially reasonable efforts to ensure that within 6 (six) months of the Closing Date all intellectual properties of the Company are duly registered (if not already registered) in the name of the Company.
7. The Company has procured D&O insurance policy and a key man insurance policy.
8. Within 10 (ten) Business Days of the Closing, Company to provide dematerialised share certificate(s) denoting the Subscription Shares to the Investor.
9. The Company shall have appointed a statutory auditor of repute from FY 2024-25 as mutually acceptable between the Investor and the Company.
10. The Key Management Personnel shall enter into employment agreements and non-compete and non-solicitation agreements with the Company in a form as approved by the Investor and the Promoters.
11. The Company shall initiate the registration of the 'Vikran' trademark and all other trademarks shall be registered in the name of the Company.
12. The Company shall seek no-objection certificates from all Lenders in relation to the present transaction.

SCHEDULE VII- WARRANTIES

Subject to the Disclosures set out in the Disclosure Letter, the Promoters and the Company, jointly and severally, represent and warrant the following to Investor:

PART A: COMPANY FUNDAMENTAL WARRANTIES

1. Incorporation and Authority

- 1.1. The Company has been duly incorporated and validly exists under the laws of India.
- 1.2. The Company has full power and authority to enter into and perform this Agreement and the other Transaction Documents to which it is a party and all other documents executed by the Company which are to be delivered at Closing (together, the “**Documents**”), each of which constitutes (when executed) legal, valid and binding obligations of the Company in accordance with its respective terms.
- 1.3. The execution, delivery and performance by the Company of the Documents will not constitute a breach of any laws or regulations in any relevant jurisdiction or result in a breach of or constitute a default under (a) any provision of the articles of association of the Company; (b) any order, judgment or decree of any court or Governmental Authority by which the Company is bound; or (c) any agreement or instrument to which the Company is a party or by which it is bound.
- 1.4. The Company is not insolvent or unable to pay its debts within the meaning of the Companies Act, 2013 (or under the insolvency laws of any applicable jurisdiction) nor has the Company stopped paying debts as they fall due and,
 - (i) no order has been made, no resolution passed, and to the Knowledge of the Promoters and the Company, petition presented for the winding up the Company; and
 - (ii) no administrator or any receiver or manager has been appointed by any Person in respect of the Company or all or any of its assets and no steps have been taken to initiate any such appointment and no voluntary arrangement has been proposed. The Company has not become subject to any analogous proceedings, appointments or arrangements under the laws of any applicable jurisdiction.
- 1.5. The Company has not made any application with respect to compounding of offences under the Companies Act, nor is the Company liable to pay any compounding fee under any of the applications made by it with respect to compounding of offences under the Companies Act. The Company possesses the full corporate power and authority to conduct the Business and as the Company proposes to conduct such Business.

2. Ownership of the Shares

- 2.1. Each of the Promoters is the sole legal and beneficial owner of the Shares set opposite its name in **SCHEDULE I -SHAREHOLDING PATTERN**.

- 2.2. The Shares and the shareholding percentage specified in **SCHEDULE I -SHAREHOLDING PATTERN** provide the true and complete shareholding of the Company, constituting 100% of the issued and allotted Share Capital of the Company, on a Fully Diluted Basis, as of the date of this Agreement and immediately prior to the Closing Date.
- 2.3. All the Shares specified in **SCHEDULE I -SHAREHOLDING PATTERN** are fully paid-up.
- 2.4. Except to the extent agreed in the Transaction Documents by the Parties, the Shares are free from all Encumbrances and there is no agreement or commitment to give or create any Encumbrance over or affecting the Shares and no claim has been made by any Person to be entitled to any such Encumbrance.
- 2.5. Except to the extent agreed in the Transaction Documents by the Parties, there are no agreements or commitments outstanding which call for the issue of any Shares, loan stock or debentures in or other securities of the Company or accord to any Person the right to call for the issue of any such shares, loan stock, debentures or other securities. The Company does not have any employee stock option, stock purchase, stock appreciation right or phantom stock option schemes.
- 2.6. Upon the issue of the Subscription Shares, Investor will be registered as the sole legal and beneficial owner of the Subscription Shares respectively.
3. **Subscription Shares**
 - 3.1. On the Closing Date, the Subscription Shares will be duly authorised, and validly issued, fully paid and free from any Encumbrances (except to the extent agreed in the Transaction Documents by the Parties), claim or demand. The Company will have the right, power and authority to issue the Subscription Shares to Investor free from any Encumbrances (except to the extent agreed in the Transaction Documents by the Parties), claim or demand of any nature.
 - 3.2. The Promoters and the Company have not (nor has anyone on their behalf) done, committed, or omitted any act, deed, matter or thing whereby the Subscription Shares can be forfeited, extinguished or rendered void or voidable.

PART B: BUSINESS WARRANTIES

1. **Conflicting Instruments, Consents and Governmental Approvals**
 - 1.1. No Consent to, from or with any Person is required on the part of the Promoters and/or the Company in connection with the execution, delivery and performance of this Agreement and/or the other Transaction Documents, the compliance by any of them with any of the provisions hereof or thereof, or the consummation of the transactions contemplated hereby or thereby.
 - 1.2. To the Knowledge of the warrantors, neither the entry into, nor compliance with, nor fulfilment of any actions set out in this Agreement and/or the Transaction Documents is likely to cause the

Company to lose the benefit of any right, credit or privilege it presently enjoys under any Law and/or any contract.

- 1.3. The Company does not need any Consent from Governmental Authorities in connection with execution, delivery and performance of this Agreement.

2. Brokers

Except the appointment of Pantomath Capital Advisors Private Limited (as investment bankers for the transaction contemplated in the Transaction Documents), the Company and/or Promoters have not employed, nor are either of them subject to any claim of, any agent, broker, investment banker, financial advisor, finder, consultant or other intermediary for brokerage commissions, finders' fees or similar compensation in connection with the transaction contemplated in the Transaction Documents, based on any contract to which the Company is a party, or to which the Company is subject or any of its Assets is bound, for which the Company or an Investor could become obligated other than those Disclosed and set out in Disclosure Letter.

3. Compliance with Laws

The Company has, complied with all material Laws and conducted its business in compliance with the material Laws.

4. Books & Records

- 4.1. The Company: (a) has kept its books and records which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Assets of the Company, and (b) has maintained a system of internal accounting controls in accordance with the Accounting Principles, as applicable.
- 4.2. All records (including all accounting records) and information belonging to the Company in relation to its business, are true and up to date in all material respects and maintained and retained in accordance with applicable Laws. All such documents and records and other necessary documents and records relating to the business, are in the possession or under the direct control, and subject to the unrestricted access of the Company and have been retained for such period as is required by Law. No notice or allegation has been received from any Governmental Authority that such books or records are incorrect or should be rectified.
- 4.3. All documents required to be delivered by the Company to the ROC are complete and accurate in all respects and have been properly delivered.
- 4.4. The statutory books (including minutes and registers) of the Company have been reasonably properly kept, are up-to-date and contain complete and accurate details of all matters required by applicable Laws to be entered in them. No notice or indication that any of them is incorrect or should be rectified has been received.

5. Absence of litigation

- 5.1. There is no Litigation, proposed by or to the best of Knowledge of the Warrantors threatened against the Company and/or the Promoters or in relation to the Business, and to the best of Knowledge of the Warrantors against any Key Managerial Person.
- 5.2. The Company is not affected by any existing or pending order, writ, injunction, judgment, ruling or decree and has not given any undertaking arising from any Litigation to any Governmental Authority, arbitrator or Third Party nor has it received any written notice from any Governmental Authority, arbitrator or Third Party with respect to a violation and/or failure to comply with any applicable Law, regulation, or requiring them to take or omit any action.
- 5.3. The Company and/or Promoters have not, with respect to its Business, commenced or settled any Litigation in last 5 (Five) years or received any notice, whether written or otherwise, that any Person was commencing or threatening to commence Litigation involving the business as on the date of execution, other than as set out in the Disclosure Letter.

6. **Financial Statements**

- 6.1. In relation to the Company, true, correct and complete copies of the Financial Statements for the past 3 (three) Financial Years ended 31 March 2023 have been maintained and duly filed by the Company and the Company has provided true, correct and complete copies of the said Financial Statements prior to the Closing Date.
- 6.2. The Financial Statements have been prepared in accordance with the requirements of all applicable Law (including any decrees, regulations, circulars or guidelines issued by the relevant authority) and with the applicable Accounting Principles and provide a true and correct reflection of the financial position, financial performance and cash flows of the Business and:
 - 6.2.1. depreciation of the fixed assets of the Business has been made in accordance with the relevant accounting standards;
 - 6.2.2. make full provision or reserve for all actual liabilities in accordance with relevant accounting standard;
 - 6.2.3. disclose and make adequate provision or reserve for or note all contingent liabilities, capital or burdensome commitments and Tax that are outstanding;
 - 6.2.4. the bases and policies of accounting adopted for the purpose of preparing the Financial Statements are the same as those adopted for the purpose of preparing the audited accounts of the Company;
 - 6.2.5. the profits and losses of the Business, shown by the Financial Statements have not in any respect been affected by any unusual or non-recurring items or exceptional item or by any other matter which has rendered such profits or losses unusually high or low;

- 6.2.6. the book debts of the business shown in the Financial Statements have realised or will in aggregate realise the nominal amount thereof less any reserve for bad or doubtful debts included in the Financial Statements; and
- 6.2.7. do not overstate the profits or understate the losses of the Business.
- 6.3. Since 28 December 2023, the Company has:
 - 6.3.1. not advanced any money or provided loans (secured or unsecured) or agreed to advance any money or provide loans (secured or unsecured) other than in the Ordinary Course of Business;
 - 6.3.2. not changed the financial condition, operations or prospects of the Business, except in the Ordinary Course of Business;
 - 6.3.3. not changed the accounting policies of the Business;
 - 6.3.4. conducted the Business and entered into transactions in the Ordinary Course of Business, and none of the accounts or the notes receivable of the Company are subject to any defences, set-offs or counter-claims;
 - 6.3.5. not entered into any unusual, abnormal or onerous contract or commitment or otherwise departed from its Ordinary Course of Business or other material disposition of any Assets;
 - 6.3.6. not borrowed any money or made any payments out of, or drawings on, its Bank Accounts other than in the Ordinary Course of Business;
 - 6.3.7. not incurred any expenditure on capital account for any sum or entered into any commitments so to do;
 - 6.3.8. not suffered any material deterioration in the turnover, trading performance, the financial position or the prospects of the Business; and
 - 6.3.9. not been in default of any payment payable by the Company to its creditors.
- 6.4. The Company has established, maintained and enforced a system of internal accounting controls that are effective in providing assurance regarding the reliability, completeness and accuracy of financial reporting and the preparation of their Financial Statements in accordance with Law and Accounting Principles.
- 6.5. The Company keeps books, records and accounts in reasonable detail that correctly reflects:
 - 6.5.1. the acquisitions and dispositions of Assets of the Company;
 - 6.5.2. full provision for all bad and doubtful debts;
 - 6.5.3. the value of inventory calculated in accordance with Accounting Principles; and

- 6.5.4. all other transactions of such entity required to be maintained / recorded under the Law and Accounting Principles.

7. Indebtedness

- 7.1. Except facilities availed of from the lenders, there are no other indebtedness, borrowings or lines of credit or commitments to borrow (including any outstanding obligations for the payment or repayment of money), whether present or future, of the Company.
- 7.2. All the borrowings made by the Company, if any, have been duly authorised by all necessary corporate action / necessary consents, approvals, authorisations and the requisite filings / registrations in this regard have been duly complied with.
- 7.3. The Company is not in default and no waiver of default is currently in effect, in the payment of any principal or interest on any borrowings in connection to its Business.
- 7.4. Save and except the security created to secure facilities availed from the lenders of the Company (as set out in the Disclosure Letter), there are no Encumbrances, liens or other security interests or any other agreement or arrangement having a similar effect over the immovable property, Assets or intellectual property, present or future or revenues of the Company.
- 7.5. The Company has not received any notice: (a) seeking payment of any indebtedness; (b) intimating of a failure to repay any indebtedness; or (c) claiming default from any lender, banking institution or Third Party.
- 7.6. The details of the Company's Bank Account are true and correct. Other than the Company's Bank Account, the Company does not have any other bank account.

8. Taxes

- 8.1. To the extent of Knowledge of the Warrantors, all returns, filings and declarations as prescribed under the Tax laws have been duly filed by the Company with the prescribed Governmental Authorities.
- 8.2. All Taxes, fees, statutory dues, charges, levies, cess, demands, premiums, outstandings, including without limitation property tax, electricity charges, water tax, sewerage, other municipal charges and all such outgoings and all dues and necessary charges, due and payable by the Company under Law to the respective statutory or the Governmental Authority, to the extent of Knowledge the Warrantors, are paid up to date and the Company is not subject to any outstanding liability for the payment of any such outgoings.
- 8.3. Any outstanding Tax receivables as reflected in Financial Statements are refundable.
- 8.4. The Company has withheld with respect to their employees and all other Third Parties, all applicable Taxes required to be withheld by Law and has made payment of such Taxes to the appropriate authorities within the due dates thereof.

- 8.5. There are no outstanding agreements, waivers or arrangements entered into by the Company extending the statute of limitations with respect to any Taxes of the Company.
- 8.6. There are no claims, proceedings, actions or demands against the Company in relation to Taxes that are pending or to the Knowledge of the Warrantors, threatened. No notices in relation to such claims, proceedings, actions or demands have been issued to the Company by any Governmental Authority.
- 8.7. The Company is not: (a) a party to, or have an obligation, under any Tax-sharing, Tax indemnity or Tax allocation agreement or arrangement; and (b) is, or has ever been, a member of an affiliated, consolidated, combined or unitary group for any period or a party to any joint venture, partnership or other agreement that could be treated as a partnership for Tax purposes, or have any liability for the Taxes of another Person, whether as a transferee or successor, by contract or otherwise.
- 8.8. There has not been any and there is no contract, including but not limited to this Agreement, covering any employee or former employee of the Company that, individually or in the aggregate, could give rise to the payment of any amount that would not be deductible as an expense under Law or Accounting Principles.
- 8.9. The Company has not entered into any scheme or arrangement that was designed to willfully evade Taxes.
- 8.10. The Company has not been treated for any Tax purpose as resident in a country other than India.
- 8.11. The Company has complied with Law relating to and has materially correctly capitalised assets, offered income and computed Tax, under Law, in its Tax returns. The Company is in compliance with all transfer pricing requirements and all the transactions between any of the Company and its Related Parties have been effected on an arm's length basis and no payments made to any Related Parties are unreasonable or excessive.
- 8.12. All stamp and registration duties or similar Taxes, as may be applicable, chargeable in India in respect of the issuance and allotment of the Subscription Shares, when paid on the Closing Date would have been duly paid.
- 8.13. All returns, computations, notices, deductions, withholdings and information which are or have been required to be made or given by the Company for any Taxation purposes have been made on a proper and timely basis for the period up to the Closing Date and are true and correct and are not the subject of any dispute with the taxation authorities and all Taxes have been deducted and filings with respect to the same have been done and completed in accordance with Law.
- 8.14. The Company has complied fully with all statutory requirements, orders, provisions, directions or conditions relating to the Tax enactments including but not limited to income-tax, value added tax, sales tax (central as well as state), works contract tax, service tax (including registration in correct category of taxable service, correct availment of cenvat / goods & sales tax credit on valid cenvat / goods & sales tax documents, as applicable), customs duties, excise duties, taxes on entry into local areas, and any other central and local levies and all notices, provisions and conditions made or issued

thereunder including (for the avoidance of doubt) the terms of any agreement reached with any tax authority in India or any overseas jurisdiction.

9. **Tangible Movable Property**

- 9.1. The Company has good and marketable title to, or has a valid leasehold interest in or valid rights under a contract to use, all tangible movable property reflected in the Financial Statements. All tangible movable property reasonably necessary for the conduct of the Business is reflected in the Financial Statements, other than tangible movable property disposed of since such date in the Ordinary Course of Business. All such tangible movable property is free and clear of any Encumbrances and no Person other than the Company has any subsisting rights, claim or title over such tangible movable property, including the right to possess or use such tangible movable property. All items of tangible movable property are in good condition and in a reasonable state of repair, reasonable wear and tear excepted, and material maintenance on such items has not been deferred beyond a reasonable time period.
- 9.2. Where any tangible movable property is used but not owned by the Company or any facilities or services are provided to the Company by a Third Party, no event of default has occurred or is subsisting or has been alleged or is likely to arise which may entitle any Third Party to terminate such agreement or licence in respect of the provision of such facilities or services.
- 9.3. There are no covenants, restrictions, stipulations, easements or quasi-easements or privileges affecting any of the tangible movable property or any part of them which are of an onerous or unusual nature or which conflict with the present user of any of the tangible movable property or which would affect the use or continued use of any of the tangible movable property for the purposes of the Business to the extent or in the manner in which it is now used.
- 9.4. The Company has not received notice of any breach of the covenants, stipulations and conditions affecting any of the tangible movable property of the Company and there are no circumstances which shall or might entitle any person to exercise any powers of entry or to take possession of any of the Assets of the Company.

10. **Consents and Governmental Approvals**

- 10.1. The Company has obtained all material Consents, Governmental Approvals and made all requisite intimations and filings (including returns, statements, reports) with all Third Parties (including Governmental Authorities having jurisdiction over it) required for the conduct of its Business. No material event has occurred or condition or state of facts exists which constitutes or, after notice or lapse of time or both, would constitute a breach or default under, or which would allow revocation or termination of, any such Consent or Governmental Approval. The Company has not received notice of cancellation, default or dispute concerning or amendment or modification of any such Consent or Governmental Approval.
- 10.2. The Company has performed or complied with, in all material respects, their obligations under each Consent and Governmental Approval and none of the Consent and/or Governmental Approval

requires the Company to procure any prior consent for consummation of the transaction under the Transaction Documents.

- 10.3. None of the Consent and/or Governmental Approval shall become invalid due to consummation of the transaction under the Transaction Documents.
- 10.4. The Company is in compliance with, and have at all times complied with, all applicable Law (including without limitation, all foreign exchange regulations) in all material respects, have made filings of appropriate returns, statements, reports, and registrations with any Governmental Authority, and have not received any notices for the violation of any applicable Law, including in relation to conducting meetings of its board of directors and the shareholders.
- 10.5. All material Consents (including all Governmental Approvals) that are required by the Company for the proper carrying on of the operations of the Business have been obtained. There are no actions pending or to the Knowledge of the Warrantors threatened in relation to any aspect of the Business which could give rise to any specific performance, fine, penalty or any penal punishments. Further, there is no action or claim, to the Knowledge of the Warrantors, threatened or contemplated to revoke, suspend, modify, alter, amend or terminate any of the Consents, or to declare them invalid in any respect as may be required under the Consents and/or government approvals.

11. **Insurance**

- 11.1. The Company has maintained insurance coverage against material insurable risks in respect of the Business and Assets through insurance policies, and the types and amounts of coverage provided therein are: (a) usual and customary in the context of the Business and the operations of the Company; and (b) sufficient so as to comply with the requirement of the Governmental Approvals, or under Law or Contract.
- 11.2. There are no pending claims by the Company under any insurance policies.
- 11.3. The activities and operations of the Company has been conducted in a manner so as to conform in all material respects to all applicable provisions of insurance policies.
- 11.4. All premiums due and payable under all insurance policies have been paid in full.
- 11.5. All insurance policies are in full force and effect at the Closing Date, and the consummation of the transactions contemplated in this Agreement will not cause a cancellation or reduction in the coverage of any insurance policies obtained by the Company and/or shall not trigger any consent or intimation requirement for consummation of the transaction under the Transaction Documents.
- 11.6. There are no insurance claims and liabilities, outstanding or otherwise, payable to any Person by the Company. There are no special or unusual limits, terms, exclusions or restrictions in any of the policies and the premiums payable are not in excess of the normal rates and no circumstances exist which are likely to give rise to any increase in premiums.

12. **Contracts**

- 12.1. The Company is not a party to any contract (other than the customer, vendor and/ or Lenders' contracts entered into by the Company in the Ordinary Course of Business) that imposes any obligations or liabilities on the Company in excess of value of INR 1,000,000 (Indian Rupees One million).
- 12.2. The Company has not issued any powers of attorney or any document of a like nature in favour of any Person.
- 12.3. No counter party to any subsisting material contracts have terminated or threatened to terminate or communicated termination of, their relationship with the Company, or have decreased or threatened to decrease or limit or communicated the decrease or limitation in the services provided to or obtained from the Company.
- 12.4. Each material contract, to which the Company is a party has been duly executed, adequately stamped and registered if required under Law, is in compliance with Law, and confers enforceable rights on the Company in accordance with the terms thereof. Each of the material contracts is in full force and effect and constitutes a valid and binding obligation of the Company, and the Company is not in breach or default under any such contract, and no event has occurred and no condition or state of facts exist which, with the passage of time or the giving of notice or both, would constitute a breach or default by the Company. The Company has not waived or assigned any rights under such contracts.
- 12.5. The Company is not a party to, or has any liability (actual or contingent) under, any guarantee, indemnity or letter of credit, or any leasing, rental, hire purchase, credit sale or conditional sale agreement other than in the ordinary course of business.
- 12.6. The Company is not a party to any transactions (including, without limitation, any contract or arrangement in connection with loans or borrowings, Intellectual Property rights, information technology systems, business information, supply arrangements or seconded employees) with any of its Affiliates or Related Parties except as disclosed in the Financial Statements.
- 12.7. Save and except for payments required to be made in the Ordinary Course of Business, there are no outstanding payments to be received by the Company from Related Parties or payments to be made by the Company to any Related Party including under any arrangement between the Company and the Related Parties.
- 12.8. All transactions between the Company and its Related Parties have been carried out on an arms' length basis, and the Company has maintained the required documentation in relation to the same, under applicable Law and Accounting Principles. The Company is not a party to any contract whereby the Company has agreed to transfer any assets for a value less than fair market value.
- 12.9. No corporate guarantees have been issued by the Company for the benefit of any of its related parties and there are no reimbursement arrangements / agreements between the Company and any of the

related parties in relation to corporate guarantees issued by such related parties for the benefit of the Company and/or otherwise.

12.10. No Contract:

- (a) is outside the Ordinary Course Business;
- (b) contravenes or is invalidated by any restrictive trade practice, fair trade, consumer protection or similar applicable Law;
- (c) shall become invalid due to consummation of the transaction under the Transaction Documents; and
- (d) shall trigger any consent or intimation requirement due to consummation of the transaction under the Transaction Documents.

13. **Employees and Employee Benefits**

- 13.1. The Company has executed employment agreements with all their employees (including their key managerial personnel) which are adequate to protect the interest of the Company.
- 13.2. There are no employment-related disputes involving the employees as party(ies), or otherwise affecting their rights or obligations under the relevant employment agreement, pending or threatened against the Company.
- 13.3. There is no labour strike, dispute, slowdown or stoppage actually pending or threatened against or affecting the Company.
- 13.4. There is no industrial or trade dispute or any dispute or negotiation regarding a claim with any trade union that relates to or involves the Company.
- 13.5. No officer, director or other employee of the Company has terminated or threatened to terminate his / her employment with the Company as a result of the transactions contemplated by this Agreement or otherwise.
- 13.6. The Company has no collective bargaining agreements, arrangement or similar understanding with any trade union, staff association or other body representing the employees of the Company.
- 13.7. The Company is in compliance in all material respects with all Laws in relation to their employees, independent contractors, subcontractors, or other persons providing services to or on behalf of the Company, including Law relating to wages, hours, employment standards, collective bargaining, discrimination, safety and health, and workers' compensation and under employee legislations whether State or Central; and the Company has not received any notice or claim from the Government Authorities for the non-compliance of any of any applicable Laws.

- 13.8. All salaries, wages and fees and other benefits of all employees, including statutory contributions, have, to the extent due, been paid or discharged in full together with all related payments to Third Party benefit providers or relevant Governmental Authorities.
- 13.9. The Company does not have any subsisting employee stock option scheme, stock purchase scheme, stock appreciation right, phantom stock option scheme, equity- based incentive scheme or any other incentive scheme for any of its employees, managerial personnel or directors.
- 13.10. The Company has not offered or issued any options, shares, warrants or instruments convertible to shares to any of its employees or directors.
- 13.11. No past or present employee or any employee of a predecessor in business has any claim or right of action, either actual or which can reasonably be anticipated, against the Company including any claim:
- (a) in respect of any accident or injury which is not fully covered by insurance;
 - (b) for breach of any contract of services or for services including, but not limited to, any unlawful deduction from wages or salary;
 - (c) for loss of office or arising out of or connected with the termination of his office or employment and no event or inaction has occurred which could or might give rise to any such claim including, but without limitation, wrongful dismissal or unfair dismissal;
 - (d) in relation to any form of victimisation or harassment;
 - (e) in respect of the operation of any statutory benefit scheme including statutory maternity, paternity, adoption, redundancy and sick pay; and / or
 - (f) in respect of any disciplinary proceedings or grievance.
- 13.12. The employment contracts of all key managerial personnel of the Company provide for appropriate confidentiality and non-compete and there is no litigation or complaint existing, pending or threatened by the Company in relation to any past or present employee including, but not limited to, any claim:
- 13.12.1 for breach or potential breach by the employee of the Company's confidential information; or
 - 13.12.2 for breach or potential breach by the employee of the Company's Intellectual Property.
- 13.13. The Company has not received any claims (a) of permanency and/or (b) for payment of dues under any statutory benefit scheme from any contract labourer engaged by the Company.

14. **Intellectual Property**

- 14.1. The Company has not applied for or sought any registrations in respect of any of its Intellectual Property.

- 14.2. The Company has not infringed or violated any Third Party's Intellectual Property including trademarks, trade names, service marks, service names, trade dress, domain names, logos and corporate names, trade secrets, know-how or other confidential information.
- 14.3. The Company has neither issued, nor received any notice of any Litigation, claims or complaints regarding the infringement or violation of the Intellectual Property of a Third Party. No Third Party has infringed or violated any the Intellectual Property belonging to the Company.
- 14.4. There are no pending or threatened Litigations or claims initiated by and against the Company for violation of any Third Party Intellectual Property.
- 14.5. There is no action or claim pending, asserted against the Company concerning any Intellectual Property or the ownership, validity, registrability, enforceability or use of, or licensed right to use, any Intellectual Property of the Company, or contesting or challenging the ownership, validity, registrability or enforceability of, or the Company's right to use, any of its Intellectual Property.
- 14.6. All the Intellectual Property is owned by or licensed to or used by Company and Company is the rightful owner/ licensee / user of the Intellectual Property and the same is not subject to any Encumbrances.
- 14.7. As regards the computer records, systems and data, that are being used in the Business, the computer and telecommunication facilities, the software and databases used by the Company for the Business have adequate back-up and data protection procedures have been implemented and are currently complied with.

15. **Confidential Information**

The Company has, at all times, implemented adequate security measures, as may be reasonably required to protect the trade secrets and confidential information in its possession and to ensure that there is no unauthorized disclosure of trade secrets or confidential information to any Third Party.

16. **Information**

- 16.1. The information contained in this Agreement and/or Transaction Documents is true and correct.
- 16.2. The information given by each of the Promoters and/or the Company to Investor and its advisors: (a) during negotiations and for the purpose of the Transaction Documents; and (b) for the financial, business, technical and legal due diligence exercise carried out by the Investor on the Company was and remains true and correct. There are no material facts known to the Promoters and/or the Company in respect of this Agreement or the other Transaction Documents which has not been Disclosed to Investor that might affect the willingness of such Investor to undertake the Transaction pursuant to the terms of this Agreement and the other Transaction Documents.

17. **Constitutional and Corporate Matters**

- 17.1. The copy of the memorandum of association and articles of association of the Company, each of which have been provided to Investor, are complete and accurate in all respects and copies of all the resolutions and any other documents required under the laws of India to be annexed or incorporated are annexed or have been incorporated.
- 17.2. The Company has complied with and is not in breach of its memorandum of association.
- 17.3. The Company and the Promoters have complied with and are not in breach of the articles of association of the Company.

PART C: PROMOTER WARRANTIES

1. The Promoter has full power and authority to enter into this Agreement and to perform its obligations hereunder.
2. This Agreement has been duly authorised by all necessary actions of the Promoter and, where required, has been validly executed by a duly authorised representative of the Promoter.
3. This Agreement constitutes a legal, valid and binding obligation on the Promoter and is enforceable against it in accordance with its terms.
4. No bankruptcy or insolvency order has been made in the name of the Promoter. No liquidator, provisional liquidator, receiver or administrative receiver of the Promoter has been appointed and no proceedings have been filed under which such a person might be appointed.
5. There is no litigation pending or threatened against or otherwise relating to or affecting the Promoters that would give rise to or serve as the basis for a cause of action to prevent the Promoters from entering into or consummating the terms of this Agreement and/or the Transaction Documents.
6. The Promoters shall devote their full share of time and efforts for growth of the Company's operations.

SCHEDULE VIII - INVESTOR WARRANTIES

The Investor warrants that:

1. The Investor has full capacity and authority to execute, deliver and perform this Agreement and the transactions contemplated herein.
2. This Agreement has been duly validly executed by the Investor. This Agreement constitutes a legal, valid and binding obligation on the Investor and is enforceable against it in accordance with its terms.
3. No bankruptcy or insolvency order has been made in the name of the Investor. No liquidator, provisional liquidator, receiver or administrative receiver of the Investor has been appointed and no proceedings have been filed under which such a person might be appointed.
4. The Investor has adequate financial resources to discharge its obligations under this Agreement.
5. There is no Litigation pending or otherwise relating to or affecting the Investor (in its capacity as such) that would give rise to or serve as the basis for a cause of action to prevent the Investor from entering into or consummating the terms of this Agreement and/or the Transaction Documents.

SCHEDULE IX- LIMITATION OF LIABILITY

1. Monetary Limit for Claims

- 1.1. The aggregate liability of the Indemnifying Parties in respect of Losses arising out of breach of Fundamental Warranties shall be uncapped.
- 1.2. The aggregate liability of the Indemnifying Parties in respect of fraud or gross negligence shall be uncapped.
- 1.3. The aggregate liability of the Indemnifying Parties in respect of Losses arising out of breach of Business Warranties shall not exceed 100% of the Subscription Consideration-Total (if both the Subscription Consideration and Subscription Consideration-Additional have been invested) or Subscription Consideration (if only the Subscription Consideration has been invested).

2. Time Limit for Claims

The liability of the Company and/or the Promoters in respect of claims of Investor under this Agreement shall be subject to the following time periods (each, a “Claim Period”):

- (i) in respect of claims relating to breach of Fundamental Warranties: until perpetuity;
- (ii) in respect of claims relating to a breach of Tax Warranties: until the expiry of the period prescribed under applicable Law (as of the Closing Date) within which a claim can be raised by a Governmental Authority; and
- (iii) in respect of claims relating to a breach of Business Warranties and in respect of any claim not covered paragraph 2(i) and 2(ii) above of this SCHEDULE IX- LIMITATION OF LIABILITY: until the first anniversary of the Closing Date. However pertaining to warranties provided as the Constitutional and Corporate Matters under the Business Warranties (Clause 17, Part B of **SCHEDULE VII- WARRANTIES**) the Claim Period shall be extended till such Investor holds any Security in the Company.

3. De Minimis Loss

The Promoters and the Company shall not be liable for any single claim unless the amount of the liability pursuant to that single claim exceeds INR 10,00,000 (Indian Rupees Ten Lakhs) (“**De Minimis Loss**”), after which the Promoters and the Company shall be liable for all Losses being more than the De Minimis Loss.

4. Liability Threshold

The Promoters and the Company shall not be liable to pay in respect of a De Minimis Loss, unless and until the aggregate of all such De Minimis Losses exceeds INR 1,00,00,000 (Indian Rupees One crore) (“**Liability Threshold**”).

5. **No Liability for Losses in certain cases**

5.1. The Promoters and the Company shall not be liable for any Loss to the extent that:

5.1.1. such Loss has arisen (or increased), or is otherwise attributable to: (i) any act, omission, transaction or arrangement of an Investor; or (ii) any actions undertaken in accordance with the terms of this Agreement or the Shareholders’ Agreement; or

5.1.2. the fact, matter, event or circumstance giving rise to the claim under this Agreement has been (or is capable of being) made good or is (or is capable of being) otherwise compensated for without Loss to the Investor.

6. **Insurance**

The Promoters and the Company shall not be liable in respect of any claim for any Loss made by the Investor under this Agreement where such Investor or the Company (as the case may be) is entitled to make a claim under a policy of insurance in respect of any matter or circumstance giving rise to the such claim, unless such Investor or the Company (as the case may be) first makes a claim against its insurers pursuant to the relevant policy. The Promoters’ liability in respect of any such claim shall then be reduced by the amount recovered under such policy of insurance (less all reasonable costs, charges and expenses incurred by such Investor in recovering that sum), or extinguished if the amount so recovered exceeds the amount of such claim.

7. **Contingent Liability**

If any claim arises by reason of a liability that is future, contingent and/or unquantifiable the Promoters and the Company shall not be liable for such claim until such time as that liability becomes an actual liability, or is capable of being quantified, before the expiry of the applicable Claim Period, in respect of any claim made under the provisions of this Agreement for breach of the relevant Warranty.

8. **Change in Law or rate of Taxation**

The Promoters and the Company shall not be liable for any Loss if and to the extent it is attributable to, or the amount of such Loss is increased as a result of, any: (a) enactment of any applicable Law which is not in force on the Closing Date, (b) change of applicable Law (including its interpretation thereof); or (c) change in the rates of Taxes in force on the Closing Date.

9. **No Double Recovery**

The Investor shall not be entitled to recover more than once in respect of the same Loss.

10. **Recovery from Third Parties**

If any Promoter or the Company has paid an amount in discharge of its indemnification obligation relating to a claim under Clause 9 (Indemnity), and the Investor(s) or the Company (as the case may be) subsequently recovers such amount (or part thereof) from a third party (including any Governmental Authority) which is the subject matter of such claim, the Investor shall pay to the relevant Promoter the lower of: (a) such recovered amount, less any Taxes, reasonable out of pocket costs and expenses incurred by such Investor, if any, in recovering the same; and (b) the aforesaid amount received from the relevant Promoter in respect of the relevant claim.

11. **No Liability for Disclosed Matters**

Notwithstanding anything to the contrary contained in this Agreement, to the extent a warranty is qualified, excepted or excluded on account of matters Disclosed, as the case may be, the Investor shall not be entitled to make any claim for any Loss which relates to such Disclosed matters.

12. **Duty to Mitigate**

The Investor shall (and post-closing, shall cause the Company to) take all reasonable steps to avoid or mitigate any Loss or liability that may give rise to a claim for a Loss by the Investor against any Promoter under this Agreement.

13. **No Set-off**

The Investor shall not have any right of set-off (howsoever arising) in respect of any claim made against any Promoter or the Company by the Investor and all sums payable by the Investor to the Company and/or the Promoters under this Agreement shall be paid in full without set-off, counterclaim or other deduction.

14. **Waterfall of Liability**

Notwithstanding anything contained in this Agreement, in respect of any matter in relation to which any of the Indemnified Parties is entitled to be indemnified under this Agreement,, at the first instance, the Company shall be liable to indemnify the Indemnified Parties. Any amount paid by the Company to the Indemnified Parties in furtherance of satisfying their indemnification obligations under this Agreement shall be grossed up to the extent of the shareholding of such Investor in the Company on a fully diluted basis as of the date of claim of indemnity under this Agreement. For instance, if the percentage of Shares held by the Indemnified Party on an as if converted basis is 25% (twenty-five per cent) and the Loss suffered by the Indemnified Party is INR 100/- (Indian Rupees One Hundred only), the Company shall be liable to indemnify the Indemnified Party with an amount of INR 133.33/- (Indian Rupees One Hundred Thirty-Three and Thirty-Three paise only), being the quotient of (a) INR 100/- (Indian Rupees One Hundred only) (the Loss suffered by the Indemnified Party) divided

by (b) 75% (seventy five percent), being the percentage holding of other holders of Shares on an as if converted basis, other than the Indemnified Party.

In the event the Indemnified Parties are unable to receive the indemnity amount from the Company under this Agreement, the Promoters shall be liable to indemnify the Indemnified Parties under this Agreement, provided that their liability shall be limited to value of shares held by the Promoters in the Company, subject to the overall cap on the indemnity under paragraph 1.3 of SCHEDULE IX- LIMITATION OF LIABILITY of this Agreement. However as defined under Clause 1.1 and 1.2 of SCHEDULE IX- LIMITATION OF LIABILITY, shall prevail over this clause.