



INVESTMENT AGREEMENT

This **INVESTMENT AGREEMENT** is made at Delhi on the day of, 2019

BY AND BETWEEN

....., a Company registered in India under the Companies Act, 2013 having its Registered Office at : (through Mr. / Ms. duly constituted authority / representative as per law / resolution of the Board as the case may be), (hereinafter referred to as “**THE COMPANY**”, which expression shall, unless it is repugnant to the subject or context thereof, mean and include its representatives, successors in title and permitted assigns) being the party of the **FIRST PART**.

AND

- 1. _____ **Promoter 1**, Mr. / Ms., aged,
Son / Daughter / Wife of,
Residing at, and
- 2. _____ **Promoter 2**, Mr. / Ms., aged,
Son / Daughter / Wife of,
Residing at, and
- 3. _____ **Promoter 3**, Mr. / Ms., aged,
Son / Daughter / Wife of,



Residing at,
(hereinafter altogether referred to as “**THE PROMOTERS**” which expression shall, unless it be repugnant to the subject or context thereof, mean and include their respective successors, permitted assigns, heirs and executors) being the party of the **SECOND PART**.

AND

National Research Development Corporation, an Enterprise of Department of Scientific & Industrial Research, Ministry of Science & Technology, Government of India, dealing within the meaning of and registered under the Companies Act, 1956, having its Registered Office at Anusandhan Vikas, 20-22, Zamroodpur Community Centre, Kailash Colony Extension, New Delhi-110 048, (represented through Chairman and Managing Director (hereinafter referred to as “**THE INVESTOR**”, which expression shall, unless it be repugnant to the subject or context thereof, mean and include its affiliates, representatives, successors and permitted assigns) being the party of the **THIRD PART**.

The **Company**, the **Promoters** and the **Investor** are individually referred to as the “Party” and collectively referred to as the “Parties”.

WHEREAS :

1. The ‘Company’ is engaged in the business of
2. The Company has developed / intend to develop and has decided to expand its activities and for this purpose wishes to raise funds by issue of equity shares.
3. Accordingly, the Company and the Promoters have approached



the investor i.e. National Research Development Corporation, with a Projected Performance (as defined hereinafter) inviting them to invest in the Company in the current round of funding.

4. Relying upon the representations and warranties of the Company and the Promoters recorded in this agreement, investor has agreed to partly finance the Project by investing in the current round of funding a sum of Rs. (hereinafter referred to as the "Financial Contribution") in the Company by subscribing to equity shares of the company of Rs. each at a price of Rs. per share as agreed in this Agreement (hereinafter called as "**INVESTOR SECURITIES**").
5. The Parties are desirous of recording the terms and conditions of their agreement in the achievement of the objectives mentioned above and such other objectives as may be mutually agreed upon from time to time between them.

NOW THEREFORE, IN CONSIDERATION OF THE PREMISES, THE MUTUAL AGREEMENTS HEREINAFTER CONTAINED, THE PARTIES HEREBY AGREE AS FOLLOWS :

DEFINITIONS AND INTERPRETATION :

1. **Definitions** : In this Agreement the following terms, to the extent not inconsistent with the context, shall have the meanings assigned to them herein below :
 - i) "**Accounts**" means the balance sheet, profit and loss account and cash flow statement of the Company, together with the report, if any, of the Company's statutory auditors, the Directors' report and notes to accounts,



prepared in accordance with the GAAP (defined below).

- ii) “**The Act**” shall mean the Companies Act, 2013 as amended from time to time or any re-enactment thereof.
- iii) “**Affiliate**” in relation to a Person,
 - (a) being a corporation, trust, partnership or other body corporate, shall mean any entity or Person, which controls, is controlled by, or is under the common control of such Person. With respect to the Investor, the term Affiliate would include any of their respective parent, shareholder or general or limited partner of the Investor and any other fund managed (whether solely or with others) by any of such parent or general partners or the investment advisor or manager of the Investor or any entity which controls, is controlled by or under common control of such investment advisor or manager.
 - (b) being an individual, shall mean any Relative or any other entity or Person, which is controlled by such Person or a Relative of such individual.
 - (c) in any other case shall mean a Person controlled by a party/ies to this Agreement. The term "control" shall mean the beneficial ownership directly or indirectly of more than 50% of the voting shares or securities of an entity, or the power to control the majority of the composition of the board of directors



of such entity, or the power to direct the management or policies of such entity by contract or otherwise

- iv) “**Agreement**” shall mean this Agreement and include the Schedules and Annexures if any attached hereto together with any written modification or amendment thereof signed by the Parties.
- v) “**Board**” shall mean the Board of Directors of the Company.
- vi) “**Closing**” shall mean the issuance of the equity shares to the Investor in consideration for the Financial Contribution in compliance with Clause 04 (Closing) of this Agreement.
- vii) “**Conditions Precedent**” means the conditions set out in Clause 03 (Conditions Precedent) of this Agreement, to be fulfilled by the Promoters and the Company prior to Closing.
- viii) “**Debt**” shall mean at any time the aggregate of the following:
 - (a) the outstanding principal amount or the nominal amount of any debenture, bond, note, loan or other similar security of the Company under which any indebtedness is incurred including any interest payable; and



- (b) any fixed or minimum premium payable on the repayment or redemption or conversion of any instrument.
- ix) "**Director(s)**" shall mean a director/(s) of the Company duly appointed on the Board from time to time.
- x) "**Encumbrance**" means any mortgage, charge (fixed or floating), pledge, lien, hypothecation, trust, right of set off or other third party right or interest (legal or equitable) conferring any priority of payment in respect of, any obligation of any Person, including any right of pre-emption, assignment by way of security, reservation of title or any other security interest of any kind however created or arising or any other agreement or arrangement (including a sale and repurchase arrangement) having similar effect or any adverse claim as to title, possession or use.
- xi) "**Equity Shares**" shall mean the equity shares of the Company having a face value of Rs.10 /- (Rupees ten only) each or any other face value as may be decided by the Company, from time to time. Provided that if the face value of the Company's Equity Shares is modified from Rs. 10/- per share then references in this Agreement to number of Equity Shares shall be adjusted accordingly.
- xii) "**Financial Year**" shall mean a period of 12 months commencing on April 1st of a year and ending on March 31st of the next calendar year on which the accounts of the

Company are audited for arriving at the profit after taxes (PAT).

- xiii) “**Force Majeure**” shall mean acts of God or other circumstances strictly beyond the control of a Party to this Agreement in the performance of its obligations hereunder, such as, fire, flood, earthquake, riot, industrial strikes and acts of any court, governments or other executive, regulatory, judicial or quasi-judicial body having statutory authority.
- xiv) “**GAAP**” unless specified otherwise, shall mean generally accepted accounting principles as may be applicable in India, consistently applied.
- xv) “**Investor Directors**” shall mean the Directors nominated by the Investors for exercising such powers as set out in this Agreement.
- xvi) “**Intellectual Property Rights**” shall mean collectively or individually, the following worldwide intangible legal rights, whether or not filed, perfected, registered or recorded and whether now or hereafter existing, filed, issued or acquired: (i) patents, patent applications, patent disclosures, patent rights, including any and all continuations, continuations-in-part, divisions, re-issues, re-examinations, utility, model and design patents or any extensions thereof; (ii) rights associated with works of authorship, including without limitation, copyrights, copyright applications, copyright registrations; (iii) rights in



trademarks, trademark registrations, and applications thereof, trade names, service marks, service names, logos, or trade dress; (iv) rights relating to the protection of trade secrets and confidential information; (v) internet domain names, internet and world wide web (WWW) URLs or addresses; (vi) mask work registrations and applications thereof; and (vii) all other intellectual, information or proprietary rights anywhere in the world including rights of privacy and publicity, rights to publish information and content in any media,

xvii) "**Key Management Team**" means the following Persons of the Company :

(a) Persons occupying the office of chief executive officer, chief operating officer, chief information officer, chief financial officer, chief technology officer, chief marketing officer and such other offices held by the Promoters;

(b) Employees who report directly to the chief executive officer, chief technology officer, chief operating officer, chief information officer, chief financial officer, chief marketing officer and such other offices held by the Promoters.

xviii) "**Laws**" shall mean the laws in force in the Republic of India and shall include all statutes, enactments, acts of legislature, ordinances, rules, by-laws, regulations, notifications, guidelines, policies, directions, directives and



orders of any government, statutory authority, tribunal, board, court or recognized stock exchange.

- xix) "**Liquidation**" shall mean and include any liquidation, dissolution or winding up of the Company, either voluntary or involuntary and / or any sale of all or substantially all of (he assets (whether with or without Intellectual Property Rights) of the Company.
- xx) "**Material Breach**" shall, unless expressly waived by the Investors, mean:
- (a) taking any action in the absence of an affirmative vote of the Investors or the Investor Directors where such vote is mandated by any of the provisions of this agreement.
 - (b) taking any action by the Promoters which would result in defeating the provisions of this Agreement;
or
 - (c) gross negligence or wilful misconduct by any Promoter as per the terms agreed with the Investors, and a failure by all or any of them to honour and give effect to the rights of the Investors under this Agreement; or
 - (d) failure on the part of the Company and the Promoters to take any action as required under the express provisions of this agreement;

- (e) any curable breach which is not cured within 30 (Thirty) days of the receipt of notice thereof given to the Promoters by the Company or the Investors.
- xxi) “**Parties**” shall mean the Company, the Promoters and the Investor, collectively or any two or more of them and “Party” shall mean any of them individually, as the context may require.
- xxii) “**Product & Services**” shall mean electronic, mechanical-systems, software and related offerings of the company for automation and control.
- xxiii) “**Project**” shall mean the proposed expansion activities of the Company more particularly described in Schedule I hereto to be partly financed by the Investors in terms of this Agreement. The said Schedule also depicts the required funds for implementing such project and individual heads against which the Company proposes to allocate the funds raised in the current round of funding.
- xxiv) “**Projected Performance**” shall mean the financial plan and milestones (annexed hereto as Schedule II) containing consolidated projected financial results of the Company for the next three years prepared by the Company and the Promoters based on good faith estimates and prudent business projections and submitted to the Investors, relying upon which the Investors have agreed to partly finance the Project and invest in the shares of the Company.



- xxv) "**Promoters' Securities**" means any and all shares or other securities now held and / or which may be hereafter held by the Promoters and their Affiliates, and includes Equity Shares now held by Promoter 1 and Equity Shares now held by Promoter 2 and equity shares now held by promoter 3, respectively in the Company.
- xxvi) "**Relatives**" shall have the same meaning assigned to it in the Companies Act, 2013 including any amendment in the corresponding law.
- xxvii) "**Equity Subscription Amount**" shall mean the amount of Rs., proposed to be contributed by the Investor towards subscription to Equity Shares of Rs. each at a price of Rs. per share.
- xxviii) "**Shareholders**" shall mean and include the existing shareholders of the Company as per the Shareholding Plan (as defined hereinafter) as well as any person or entity that might, during the term of this Agreement, become a shareholder of the Company in compliance with the provisions of this Agreement.
- xxix) "**Shareholding Plan**" shall mean the shareholding pattern of the shareholders in the Company.
- xxx) "**Earnings Per Share**" or "**EPS**" for any given year means the Profit after tax for that year divided by the number of



fully subscribed and paid up equity shares issued by the Company.

1.2. **Interpretation** : Unless otherwise stated or unless the context otherwise requires, in this Agreement.

- i) The headings / subheadings / titles / subtitles to Clauses, sub-clauses and paragraphs are for information only, shall not form part of the operative provisions of this Agreement and shall be ignored in construing the same.
- ii) Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have corresponding meanings.
- iii) References to the Agreement shall mean and include an appropriate reference to the schedule/s and annexure/s hereto.
- iv) References to the recitals, clauses, schedules and annexure/s shall be references to the recitals, clauses, schedules and annexure/s of this Agreement.
- v) Words denoting singular shall include the plural and words denoting any gender shall include all genders.
- vi) Any reference to "writing" includes printing, typing, lithography and other means of reproducing words in permanent visible form.



- vii) Any reference to the Investors in this Agreement shall mean the "Investor."

2. SHARE CAPITAL OF THE COMPANY :

- i) The authorized share capital of the Company prior to investment by the Investor is Rs. comprising equity shares of Rs. each. The issued, subscribed and paid up capital of the company is Rs. comprising shares of Rs. each held by the Shareholders as indicated in Schedule-III.
- ii) The issued, subscribed and paid up capital of the Company after the investment by the Investors will be as per Schedule-IV attached hereto.
- iii) During the term of this Agreement, any increase in capital or change in capital structure of the Company shall be made only with prior written approval of the Investors.
- iv) During the term of this Agreement, if the Company desires to implement an Employees Stock Option Plan (ESOP) for its executives and / or employees, such ESOP scheme shall be worked out and finalized by the Company in consultation with and to the satisfaction of the Investors.

3. CONDITIONS PRECEDENT TO DISBURSEMENT :

It is agreed by and between the Parties that, Investor shall disburse the Financial Contribution, as the case may be, only after.

- i) The Company has increased its authorized share capital to



enable it to issue equity Shares to the Investors in accordance with the provisions of this agreement.

- ii) The Memorandum & Articles of Association of the Company are suitably amended to ensure their conformity and compliance with the terms and conditions of this Agreement to the satisfaction of the Investor.
- iii) The Company and the Promoters initiate necessary steps to comply with the issues arising out of accounting and legal due diligence to the satisfaction of the Investors.
- iv) The Company shall not pay any brokerage to any other party on the shares subscribed by the Investor, and in the event of the Company offering more favourable terms to any other person / institution in this respect the same shall be applicable to the Investor.
- v) The Company repays all loans borrowed from the Promoters or any other entities and ensures that no debt remains outstanding on the balance sheet of the Company as on the date of this agreement.
- vi) If the promoters are not able to repay all the debt outstanding as on the date of agreement as mentioned *Supra*, the Promoters and the Company give an Undertaking to the Investor that the Company shall not repay and Promoters shall not demand the repayment of the principal amount of the loan outstanding as well as any accrued interest due in the books of the Company as on the date of this agreement, until such time the Investor is a shareholder of the Company, save and except with the prior written consent of the Investor.



vii) The Promoters and the Company give an Undertaking to the Investor that the Company shall not pay and Promoters shall not demand the payment of interest due on the loan outstanding in the books of the Company starting from the date of this agreement, unless the Company registers a profit after tax and depreciation or investor consent is taken and records it in the audited annual financial statement of the Company. Such interest payments, if any, shall be made on an annual basis.

4. CLOSING / DISBURSEMENT :

i) The closing procedure and disbursement shall take place at any time and place as may be mutually agreed upon by the parties, upon the satisfaction or waiver of the condition precedents of disbursement.

ii) The Investor shall subscribe to the Equity Shares and shall pay the Capital Contribution Amount to the Company, into the bank account of the Company, details of which will be provided by the Company to the Investor at the relevant point of time.

iii) The Company shall and the Promoters shall ensure that the Company shall pass all the required resolutions and deliver to the Investor certified true copies of such resolutions of the Board of Directors in Agreed Form, in respect of the following :

a) the issue and allotment of the Investor Equity Shares to the Investor as per the terms of this Agreement;

b) appointment of person nominated by the Investor, as non-



retiring and non-executive Nominee Director;

- c) adopting the Restated Articles as the Articles of Association of the Company, subject to the approval of the Shareholders of the Company, and
- d) convening an extraordinary general meeting of the Company for considering the resolutions set out below;
- e) The Company shall hold and the Promoters shall ensure that the Company holds an extraordinary general meeting of the Shareholders and passes resolutions and delivers to the Investor certified true copies of such resolutions in Agreed Form, approving the ratification of the appointment of the nominees of the Investor as non-executive Director, who shall not be subject to retirement by rotation; and adoption of the Restated Articles as the Articles of Association of the Company by a special resolution.

IV. The Board shall issue and allot to the Investor, duly signed and stamped certificates evidencing title of the Investor to the Investor Equity Shares within forty five (45) days of the receipt of the subscription monies, failing which, the company shall be liable to pay interest @18% compounded monthly on the subscription amount. Stamp duty and all other costs relating to the issue of Investors' Securities shall be borne by the Company;

V. The Company shall issue Certificates for equity shares, as may be required by the Investor and the Company undertakes to subdivide or consolidate the said certificate/s issued to the



Investor at any time, if so required by the Investor, without payment of any fee. Alternately, the Company shall issue the shares in dematerialized form, if requested by the investor at the cost of the company.

VI. The Company shall make necessary entries in the register of members in respect of the allotment of the Investor Equity Shares, and the register of Directors in respect of the appointment of the Investor Director on the Board and provide the Investor with certified true copies of extracts from these updated registers;

VII. Notwithstanding anything contained in this Agreement or otherwise, the obligation of the Investor to subscribe to the Investor Securities by disbursing the Financial Contribution shall be subject to the performance by the Promoters and the Company of their respective obligations and undertakings hereunder in strict compliance with this Agreement.

5.CONDITIONS SUBSEQUENT TO CLOSING :

The Company shall satisfy and the Promoters shall ensure that the Company satisfies the following conditions subsequent to the Closing :

- i) In particular, the Company and the Promoters shall ensure that the Memorandum and Articles of Association of the Company are so altered as to confirm and give effect to this Agreement and shall do everything necessary for making such alterations effective.
- ii) The Company shall make all necessary corporate, secretarial and statutory filings, to be made to the RoC, in



connection with the Investment as well as the appointment of the Investor Director, within 30 (Thirty) days from the Closing Date;

iii) The Company shall appoint internal auditors if recommended by the Investor as provided herein within a period of 45 days therefrom.

iv) The Company shall take a key person insurance policy covering the life of the Promoters, for an aggregate risk cover equal to the amount of financial contribution made by the Investor, if so required by the Investor, the benefit of which should be assigned to the Company.

v) The Company shall take Directors and Officers (D&O) Insurance Policy for a suitable amount of risk coverage within a period of 60 (Sixty) days from the Closing Date, the desired value of which may be decided by the Investor and revised to suit the requirements from time to time.

6. **REPRESENTATIONS AND WARRANTIES :**

The Company and the Promoters jointly and severally represent and warrant to the Investor that :

i) The Representations and Warranties contained in Annexures attached hereto are at the date hereof true and accurate and will continue to be true and accurate during the currency of this Agreement save and except any change(s) in the factual position warranted, occurring or arising as a direct consequence of performance by the concerned Party(ies) of



any obligations assumed under this Agreement;

ii) All information relating to the Company, its business activities and the shares of the Company supplied to the Investors is true and correct;

iii) Each of the Representations and Warranties set out in the several paragraphs of Annexures are separate and independent, and except as provided to the contrary in this Agreement, is not limited by reference to any other paragraph of the said Annexures and none of the Representations and Warranties shall be treated as qualified by any actual or constructive knowledge on the part of the Investors;

iv) The Company and the Promoters are aware of and acknowledge that the Investor have entered into this Agreement and have agreed to subscribe to the Investors' Securities on the basis of and relying upon the Representations and Warranties, the statements, covenants, agreements and undertakings on the part of the Promoters and the Company contained in this Agreement; and that the Investors would not have done so in the absence of such Representations and Warranties, statements, covenants, agreements and undertakings by each of the Promoters, and the Company.

7. COVENANTS OF THE PROMOTERS :

The Promoters covenant with the Investors;

i) To ensure that the Company duly complies with, fulfils and



performs all the terms and conditions of, and all its obligations and duties under, this Agreement.

ii) To utilize all their rights and powers whatsoever, including, without limiting the generality of the foregoing, their voting rights and powers as shareholders and directors to ensure that the Company observes and performs the provisions of this Agreement and is managed in the manner provided herein and to ensure the proper and faithful implementation and observance of the terms and conditions contained in this Agreement.

iii) To ensure that during the term of this Agreement there is no change in the present management which is at present is, Mr. Promoter 1 (CEO) of the Company, save and except with the prior written consent of the Investor.

iv) To utilise their rights and powers (including voting rights) to ensure the due appointment and functioning of the Nominee Directors, alternate director and board observers who may be appointed by the Investor on the Board pursuant to this Agreement.

v) To do all such acts and take all such measures that will benefit the business of the Company.

vi) The Promoters undertake to assist the Company in obtaining all necessary licenses, consents, approvals, financing and guarantees necessary for the operation of the Company.

vii) Promoters' representative :



- a) Each of the Promoters designate Promoter No. to serve as their representative (the “Promoters’ Representative”) with respect to the actions or decision expressly identified in this Agreement to be performed or made by the Promoters’ Representative.
- b) Each of the Promoters irrevocably appoints The Promoters’ Representative as its agent, proxy and attorney and gives the Promoters’ Representative full power and authority on such Promoters’ behalf to resolve or address all matters as are expressly contemplated by this Agreement.
- c) Any action taken or document executed by the Promoters’ Representative on behalf of the Promoters in connection with this Agreement shall be deemed to have been made on behalf of the Promoters and Investor shall be entitled to rely upon such action or document as being binding on the Promoters without further enquiry.
- d) The Promoters’ Representative may resign and be discharged from its duties and obligations under this Agreement by giving notice and specifying a date (which date shall be the later of the date specified in the notice and 5 (Five) Business Days after deemed receipt) on which such resignation shall take effect or be removed by the Promoters, provided that until a successor Promoters’ Representative has been appointed, the Promoters’ Representative shall continue to perform its duties and

obligations under this Agreement. Notwithstanding the aforesaid, prior written consent shall be required from the Investor with respect to any proposed replacement of the Promoters' Representative.

8. DUTIES AND OBLIGATION OF THE COMPANY AND THE PROMOTERS :

i) The Company and the Promoters shall alter the Memorandum and Articles of Association of the Company as may be reasonably required by the Investor, from time to time to give effect to the provisions of this Agreement and / or any further agreements executed between the Parties.

ii) The Company and the Promoters shall ensure that all the properties and assets of the Company are duly insured against all risks and Force Majeure events as may be necessary having regard to the nature of the Company's business;

iii) The Promoters undertake, during the term of this Agreement, to hold the Promoters' Securities and not to sell or otherwise dispose them off except with the prior written approval of the Investor.

iv) The Promoters shall devote their whole time to the conduct of business of the Company and shall not start and/or conduct and/or in any manner be involved in starting and/or conducting any new business or joint venture directly or indirectly, without prior written approval of the Investor. This clause excludes passive investments made by the promoters in listed equities through the stock market.



- v) The Promoters will ensure that they will not do the following without the prior written approval of the Investor:
- a) Borrow or draw long term or short term loans from the Company;
 - b) Enter into any financial transaction with the Company or allow any transaction between the Company and any of their Relatives.
- vi) The Promoters and the Company shall place before the Investors for review any transactions in relation to the Company with their Affiliates, Relatives and/or joint ventures, and the same shall be subject to the independent prior written approval of the Investor.
- vii) The Company and the Promoters jointly and severally warrant that the Investor will be exempt from any undertakings given by the Company or the Promoters to Financial Institutions and/or Banks under any loan arrangement or any other financing arrangement for raising of funds for the business of the Company. The Investors shall not be required to pledge their Shares or to provide any other support to any third party or a negative lien, including but not limited to the lenders to the Company.
- viii) The Company shall not make any further issue (by way of bonus, rights or Preferential Issue) of Shares or other Securities in the Company at any time after the date hereof, other than the Shares issued pursuant to this Agreement and without prior



written permission of the investor.

9. **SUBSEQUENT ROUNDS OF FUND RAISING :**

i) The Company and the Promoters will raise funds to meet shortfall in the fund requirement, if any, for meeting the revenue and profit projections given in the Projected Performance initially from their own sources. The funds to be brought by the Promoters or by the Company from other sources will require prior approval from the Investor.

ii) These funds may be raised from other investors (such other investors investing in any subsequent rounds of fund raising hereinafter referred to as “the New Investor/s”) only after prior written approval of the investor.

10. **ANTI DILUTION RIGHTS :**

i) The Promoters and the Company undertake that, that the Promoters will not dilute their shareholding in the company till Investor is holding shares in the Company.

ii) In any case for dilution of shareholding in the company, Promoter will require prior approval of the Investor.

iii) In case of any dilution, in terms of clause 9 and 10, if the percentage shareholding of the Investor in the Company, due to issue of Equity Shares to New Investor/s, gets reduced / diluted, the Investor shall have a right to subscribe additional Equity Shares at the same price at which the New Investor/s has / have agreed to invest, so as to enable the Investor to maintain the proportion of its stake (which presently is __%) in the Company,

as per Annexure-B.

iv) Investor's equity will not be diluted until the Company raises next round of investment from a third party other than the promoters.

v) If the Company decides to create ESOP pool or issue employee stock options to one or more key employees before the next round of investment, it will be done without diluting the equity holding of the investor in the current round.

11. **RESTRICTION ON TRANSFER OF SHARES :**

i) ***Restriction on transfer*** - No Promoter shall transfer any Shares or any right, title or interest therein or thereto, except as expressly permitted by the provisions of this clause 11 of this Agreement. It is clarified that the Investors shall be entitled to transfer the Investor Shares without such restrictions as set out in clause 11.

ii) ***Right of first refusal*** –

(a) If at any time any Shareholder other than the Investors (the "Selling Shareholder) desires to transfer any of his Shares (the "Offered Shares") to any third party, such Person shall first obtain a bona fide written offer (the "Outside Offer") from the proposed, third party purchaser (the "Purchaser") to purchase the Offered Shares. Such Selling Shareholder shall thereafter send a notice in writing (the "Transfer Notice"), to the Investors to purchase all or part of their pro-rata entitlement of the Offered Shares. The Transfer Notice shall:



- i. clearly state the identity of the Purchaser;
 - ii. specify the number of Offered Shares proposed to be transferred;
 - iii. clearly state price per Share offered ("Offer Price");and
 - iv. clearly state the other terms and conditions of the Outside Offer.
- (b) Within 30 (Thirty) Business Days of delivery of a Transfer Notice (the "Offer Period"), the Investors shall have the right, exercisable through the delivery of the Transfer Acceptance Notice as provided herein below, to accept the offer to purchase all or part of its pro-rata entitlement of the Offered Shares ("Right of First Refusal");
- (c) In the event any Investor desirous of exercising its Right of First Refusal to purchase the Offered Shares ("Participating Investor"), it shall do so by delivering written notice of exercise ("Transfer Acceptance Notice") within the Offer Period to the Selling Shareholder. Each Transfer Acceptance Notice shall include (i) a statement of the number of Shares held by the Participating Investor and (ii) a statement that the Participating Investor is willing to acquire all or part of its pro-rata entitlement the Offered Shares at the Offer Price per Share as specified in the Transfer Notice and on the same terms and conditions as

specified in the Transfer Notice. A Transfer Acceptance Notice shall be irrevocable and shall constitute a binding agreement by the Participating Investor to purchase the Offered Shares.

- (d) In the event all the Investors have declined to exercise their Right of First Refusal, the Selling Shareholder; shall sell the Offered Shares to the Purchaser within 60 (Sixty) Business Days after the deadline for acceptance by the Investors. Provided, however, the Purchaser purchasing the Offered Shares from the Selling Shareholder shall purchase from the Investors, the Investor Shares offered, if any, in accordance with clause 11.3. Any such sale shall be completed at a price not less than the price offered to the Investors and on terms not more favourable than those specified in the applicable Offer.
 - (e) Any offered shares not sold within the ninety (90) days from the Transfer Notice period may not be sold or transferred without again complying with clause 11.(ii).
- iii) **Co-sale Rights :**
- a) In the event that the Investor does not purchase the pro-rata entitlement of the Offered Shares pursuant to clause 11.(ii) hereinabove ("Transferring Investor"), such Transferring Investor shall have the right (the "Tag-Along Right") to require the Purchaser to purchase from the Transferring Investor(s), for the same consideration per Share and upon the same terms and conditions as are

offered to the Selling Shareholder, such proportionate number of Investor Shares (with respect to its shareholding in the Company) as the Transferring Investor may wish to sell (the resultant number of such Shares are referred to as the "Tag Along Shares").

- b) In the event that the Transferring Investor elects to exercise its Tag-Along Right, the Transferring Investor shall deliver a written notice of such election to the Selling Shareholder within 30 (Thirty) Business Days of the date of the Transfer Notice (such period, the "Tag Along Period"), specifying the number of Shares with respect to which they have elected to exercise its Tag-Along Right. In the event an extension of the said period is required for the purposes of obtaining any governmental approvals in order to effect the transfer of the Tag- Along Shares, the Selling Shareholder shall procure the same.
- c) If the Purchaser refuses or fails to purchase the Tag-Along Shares as provided in this clause 11.(iii), the Selling Shareholder shall not be entitled to sell or otherwise transfer any Shares to the Purchaser. For avoidance of doubt, it is clarified that the Selling Shareholder shall also not be entitled to transfer the Offered Shares thereafter to any Person without again complying with the provisions of clauses 11.(ii) and 11.(iii).
- iv) **Drag Along by the Investor** - At any time, the Investors, acting collectively, shall have the right to issue a notice (the "Drag-Along Notice") to all the Shareholders ("Remaining

Shareholders") stating their intention to sell all the Investor Shares and the Shares of the Remaining Shareholders ("Drag Along Shares") to a bona fide third party purchaser. For the purposes of clarity, the Drag-Along Notice shall be issued by the Investor/investors collectively holding more than 50.00 percent of the equity shares of the company. The Investors shall obtain a written offer from the third party purchaser (the "Drag-Along Purchaser") detailing therein the terms upon which the Drag-Along Purchaser is willing to purchase all the Drag Along Shares (the "Outside Offer"). The Investors shall be free to transfer such portion of the Drag-Along Shares as belonging to them to the Drag-Along Purchaser under the terms of the Outside Offer. The Remaining Shareholders shall be bound, in such event, to sell along with the Investors, such quantum of their Shares, on the same terms of the Outside Offer as may be required to enable the Investors to complete the transaction as agreed with the Drag-Along Purchaser.

v) **Invalid transfers** - The Company shall refuse to register any transfer or other disposition of Shares purported to be made by any Shareholder' in breach of any of the provisions contained herein. The Shareholders shall cause their nominees on the Board to cast their votes in such a manner as to ensure that the Company registers all transfers made in accordance with this.- clause 11 and refuses to register any transfers proposed to be made in breach thereof.

12. EXIT OPTIONS OF THE INVESTOR :

i) The Promoters and company undertake to provide an exit to the



investor by any of the following means specified below :

- a) An Offer for Sale to a third party, including a non-competing strategic investor or through a trade sale. The offering of the Investor Shares in such offer for sale shall be at the option of the Investor. Notwithstanding anything to the contrary contained elsewhere, the Investor shall have the right but not an obligation to offer their entire shareholding in any such offer for sale.
- b) A buy-back offer by the Company and/or the Promoters may at their option by any of the following options, or any such combination of these options (“Buy- Back Offer”) :
 - i. Buy-back of all the Investor Shares by the Company; and/or
 - ii. Purchase of all the Investor Shares by the Promoters or any third party designated by the Promoters.
 - iii. The Company and/or the Promoters shall facilitate an exit as per 12.i).b).i) or 12.i).b).ii) for the Investor at a value which is the higher (“Exit Value”) of the following :
 - A. Total Investment made by the Investor in the Company up to the date of such exit.
 - B. Value of Investor Shares based on a Fair Equity Valuation of the Company as on the relevant date of exit. Fair Equity Valuation for



the purpose of this Article shall be determined as being equivalent to 6 (Six) times the Net Profit After Tax (PAT) of the Company. The Net Profit After Tax (PAT) shall be determined as per the audited financial accounts for the Financial Year immediately preceding the Financial Year in which the sale of Investor Shares occurs or exit is provided to the Investor.

The Investor shall have the sole option but not an obligation to divest all its Equity Shares at the Fair Equity Valuation determined as above, and may also choose not to sell its Equity Shares.

- c) In the event that the Company raises equity funding from a new investor, Investors shall be entitled, at its absolute discretion, to exercise the option to sell one-third of its Shareholding in the Company at each such round of equity funding.
- d) It is clarified that in the case of clause 12.1.4 above, the Promoters shall be deemed to have accorded their approval to the proposed transfer by the Investor.
- e) Subject to the SEBI guidelines and other applicable Laws, the Investor shall not be considered as promoters of the Company and therefore the Investor Shares shall not be subject to any statutory lock-in restrictions arising from the IPO.

13. **INFORMATION :**

- i) The Promoters and the Company undertake the following :
 - a) To submit to the Investor, information, including but not limited to, the financial performance, budgets, agenda and minutes of the board meetings, general body meetings, committee meetings etc. and all critical developments which have a bearing on the long term performance of the Company;
 - b) Promptly inform the Investor of the circumstances and conditions, which are likely to disable or handicap the Company from implementing the Project or which are likely to delay its completion or compel the Company to abandon the same;
 - c) Promptly notify the Investor of any proposed change in the nature or scope of the Project and of any event or condition, which might materially and adversely affect or delay completion of the Project or result in substantial overrun in the original estimates of costs. Any proposed change in the nature or scope of the Project shall not be implemented or funds committed for the Project shall not be diverted without the prior approval of the Investor.
- ii) The Promoters and the Company shall ensure that the following are submitted to the Investor within the period specified in each case :
 - a) Semi-Annual and Un-Audited Annual Financial Statements

shall be furnished to the Investors within 30 days of the end of each, half-year and year-end. Audited Financial Statements shall be furnished to the Investors within 60 days of the end of each financial year. Annual Financial Statements should be accompanied by a report from the CEO/Managing Director of the Company containing a discussion of key issues, variances to the budget of the previous period etc;

- b) Quarterly MIS information / reports (in the format prescribed in Annexure F) within 30 days of the end of each quarter shall be sent to the Investor:
 - c) Attested true copies of the minutes of the Board meetings, within a period of 2 months from the date of such Board meeting, but in any event, at least 10 days prior to the date of the subsequent Board meeting. However, draft minutes shall be circulated within 15 days from the date of each such Board meeting.
- iii) Notwithstanding anything contained in this Agreement, it is specifically agreed and understood between the Parties that submission of information and reports required hereunder or as may be required by the Investor from time to time, or the inspection provided by the Company to the Investors' Representatives (as defined hereinafter), shall not absolve the Promoters, and/or the Company of any of their respective duties, obligations or liabilities hereunder.

14. **INSPECTION :**

The Investor shall have the mutually non-exclusive and independent right to have access to all the records of the Company, as may be required; and the Company undertakes to permit the authorized representatives and/or advisors and/or consultants of the Investor (“Investors’ Representatives”) to carry out technical, financial and/or legal inspection and to provide full co-operation, assistance and access to its records, register and accounts to the Investors’ Representatives deputed for the purpose of any such inspection.

15. **ACCOUNTS :**

- i) The Company shall implement all mandatory accounting standards, Generally Accepted Accounting Principles, Applicable Indian Accounting Standards and pronouncements issued by the Institute of Chartered Accountants of India, and other relevant authorities from time to time.
- ii) The Company shall appoint an internal auditor in terms of clause 8.1 hereinabove (“Internal Auditor”) and authorize the Internal Auditor to provide the information required by the Investor directly to the Investor. The terms of reference for internal audits shall be finalized to the satisfaction of the Investor, from time to time.
- iii) The Investor will have full right to review, discuss, and suggest modifications in all the accounting policies of the Company or any of them, if so desired by the Investor.
- iv) The Company is bound to maintain the accounts complying with various applicable laws of the Land, as applicable from time to time.

16. **BOARD OF DIRECTORS :**



- i) Board Composition: The Company shall have a minimum of 2 or 3 (depending upon the category of the company- Private or Public) and a maximum of 15 (fifteen) Directors, including the Nominee Directors (as defined hereinafter) on its Board in compliance with the provisions of Companies Act, 2013 and rules framed thereunder.
- ii) The Board shall comprise of at least 1 (One) director nominated by the Promoters and 1 (One) Nominee Director representing the Investor ("Investor Director") if the investor decides to appoint Nominee Director on the Board of Director of the Company. The Company and the Promoters shall appoint the nominee(s) of the Investor as Director(s) on the Board within 30 days of intimation of the nomination by the Investor. Any approval given by the Investor Director will be considered as approval of the investor.
- iii) The Investor shall also have the right to appoint 1 (One) non-voting observer ("Observer") to all meetings of the Board or committees of the Board. The Investor shall also have the right to replace and substitute any individual from time to time as the Observer. The Observer shall be invited to all meetings of the Board or committees of the Board, a copy of the notice sent to all Directors would be provided to the Observer at the same time and the Observer shall have the right to participate in all discussions and matters at the meeting of the Board or committees of the Board provided however that nothing in this Clause shall provide the Observer the right to, and the Observer shall not be entitled to, vote at any meetings of the Board or committees of the Board.

- iv) The Nominee Directors of the Investor shall not be subject to retirement by rotation. The Articles of Association of the Company shall contain suitable provisions in this behalf. In case a nominee of the Investor cannot be appointed as non-rotational director in accordance with the provisions of law, then such nominee may be appointed as rotational Director on the Board of the Company. In that event, the Promoters shall exercise their voting rights to ensure election of the Investors' nominee on the Board of the Company in rotational category.
- v) Appointment of any new Managing Director and Executive / Whole Time Director of the Company shall be subject to the independent prior written approval of the Investor and shall be on the terms and conditions approved by it.
- vi) The Nominee Directors shall be entitled to receive all notices, agenda, material, etc. concerning the meetings and shall be entitled to attend all General meetings and Board meetings and meetings of any committees of the Board of which they are members, take part in the discussion at such meetings, vote there-at and to appoint an alternate director to attend and vote instead. The Investor shall also have the right to nominate one observer who may attend all Board and Shareholders' meetings of the Company provided that such observer shall not have the right to vote at any such meeting.
- vii) The Board Meeting or a Meeting of the Committee of Directors of the Company shall be convened only after serving a notice together with agenda and relevant papers to each of the Directors of the Company in accordance with the provisions of

the Act, at least ten (10) days before the date fixed for the meeting. No Board Meeting will be convened on a Saturday, Sunday or a National Holiday or on a notice less than ten (10) days, without the prior written approval of the Investor.

- viii) No quorum of a Board Meeting shall be deemed to be constituted unless at least one Nominee Director[^] if appointed by the Investor, is present. If prior approval of Nominee director is taken to carry on the meeting in his absence, then board meeting can carry forward after complying with the provisions of clause 17. The Parties shall use all reasonable endeavors to procure that a quorum is present at and throughout each meeting of the Board. If a quorum is not present within an hour of the time appointed for the meeting or ceases to be present, the Director(s) present shall adjourn the meeting to another date or time and at a specified place, the notice of the adjourned meeting shall be given by the secretary/promoter director of the Company to each of the Directors in accordance with the provisions of the Articles of Association of the Company. At such adjourned meeting, the Directors present shall constitute quorum.
- ix) Circular resolutions: Subject to Applicable Law, a resolution by circulation shall be as valid and effectual as a resolution duly passed at a Board meeting called and held, provided it has been circulated with the prior written approval of the Investor Director in draft form, together with the relevant papers, if any, to all the Directors.
- x) No Casting Vote: The chairperson of the Board or Shareholders'

meeting or of any committee of the Board shall not have a casting vote.

- xii) The Company shall regularly send a certified true copy of the minutes of the meeting of the Board to the Investor after each Board Meeting.
- xiii) Committees of the Board: A committee of Directors or other Persons to whom any powers of the Board are delegated, can be appointed only by the Board. The Investors shall have the right to have its nominees as members of any such committee.
- xiii) Indemnification of Investor Director: The Company hereby agrees to indemnify and keep harmless the Investor Director, against all Losses incurred by such Investor Director as a result of an act or omission on the part of the Company and/or the Promoters. This Clause 16.xiii) (Indemnification of Investor Director) shall survive termination of the Agreement.

17. **BOARD RESOLUTIONS :**

- i) The Board resolutions of the nature stated herein below shall be passed or the following decisions shall be taken in a Board meeting only with the prior written consent of the nominee Director of the Investor.

Provided that in the event the Investor Director elected by either of the Investor is not present for the meeting at which any of the actions mentioned below are to be discussed and voted upon, the Investor nominating such Director may signify its consent through its authorised representative or nominee and



positive vote by way of written consent, facsimile transmission or an e-mail indicating such consent. The Investors hereby agree that the forms of consent contemplated above shall constitute sufficient and substantial compliance with the terms and spirit of the Agreement:

- a) Raising additional funds by way of equity capital, preferences shares or Debt;
- b) Any increase in the authorized share capital or any modifications or restructuring of the capital structure or any transfer of shares between any shareholders of the Company or any transfer of shares from any shareholder of the Company to any third party;
- c) Appointment / reappointment / removal of internal as well as statutory auditors;
- d) Entering into strategic alliances, joint ventures, mergers, de-mergers, consolidation, acquisition or sale of business or undertaking, compromises or settlements with ' creditors and investors etc.;
- e) Timing and terms of IPO or Public Offer for Sale;
- f) Entering into transactions with subsidiaries, joint ventures or Affiliates or with the Managing Director or any of the key employees such as CEO, COO, CTO, CFO;
- g) Fixing remuneration of the Directors, CEO, COO, CTO,



CFO and other key executives and finalizing a profit sharing scheme for employees;

- h) Resolution deciding or altering the terms of appointment of Managing Director, Whole Time / Executive Director, or any other position occupied by the Promoters drawing more than Rs. 10,00,000 per annum;
- i) Induction or removal of a whole-time Director;
- j) Deciding the accounting policies and any changes thereto;
- k) Buy-back or redemption of equity / preference capital;
- l) Deviation from the core business in unrelated areas;
- m) Any deviation from the Project;
- n) Approval of annual capital budget and acquisition of capital assets of Rs10,00,000and above;
- o) Acquisition or sale of shares, debentures, bonds in other companies or businesses;
- p) Issue of fully paid bonus shares to the members of the company;
- q) Providing Employees Stock Option Plan (ESOP) right to the specified employees and non-promoter directors.



- r) Providing loans to Directors;
- s) All remittances and transfer of funds from or to the subsidiaries,
- t) Relocation of office or operations outside India;
- u) Any amendment or change in the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the Investor:
- v) Any action that authorizes, creates or issues shares of any class or stock having preferences superior to or on a parity with the Investor;
- w) Any action that reclassifies any outstanding shares into shares having preferences or priority as to dividends or assets senior to or on a parity with the preference of the Investor;
- x) Any amendment of Articles of Association or Memorandum of Association;
- y) Any proposal to alter the company's business or legal structure substantially or to cease its current line of business;
- z) The sale of all or substantially all assets and/or Intellectual Property Rights;



- aa) The Liquidation or dissolution of the company;
- bb) The declaration or payment of a dividend, the redemption or repurchase of any securities.
- cc) Any issue of guarantee or indemnity to any third party exceeding such limits as the Board may determine, from time to time;
- dd) Payment of interest to the Promoters or any of them towards unsecured loans;
- ee) Amendments of any existing collaboration/business agreements of any kind and the prior approval of any new collaboration/business agreements/arrangements;
- ff) Any changes to the Financial Year;
- gg) Any amendment to or waiver of any of the significant agreements affecting the Projected Performance;
- hh) Any resolution to approve the annual accounts;
- ii) Any proposal to change the constitution of the Board;
- jj) The constitution of any committees or sub committees of the Board, their composition and any changes thereto, and delegation of powers to such committees or sub-committees;

- kk) Creation of a subsidiary or permitting any other company to become a subsidiary of the Company.

If the Company is desirous of taking any decision with respect to any of the items / matters that fall within this Section 17.1, the Company shall send a written notice to the Investor highlighting such fact, along with supporting documents or materials justifying its proposal, and requesting them to provide their consent for passing such resolution(s). Such resolution(s) may only be included in the agenda for any meeting of the Board or passed as a resolution by the Board if the Investor have granted written consent for the same. If the Investor fails to respond to the Company within 30 Business Days of receipt of such letter (together with supportings), such Investor shall be deemed to have accorded its consent to the passing of such resolution(s).

All the above clauses are however subject to the provisions of applicable laws of the land from time to time

17.1 Liability of Investor Directors :

- a) All Parties to this Agreement expressly agree that the Investor Directors and the Promoter Directors shall not be liable to retire by rotation. However, if the retirement by rotation will be compulsory in compliance with the provisions of the Act, they shall be eligible for reappointment at their willingness.
- b) The Promoters and the Company expressly agree and

undertake that the Investor Directors shall not be in charge of, or responsible for the day to day management of the Company and shall not be liable for any default or failure of the Company in complying with the provisions of any applicable Law, including but not limited to, defaults under the applicable Law.

17.2 Indemnification :

17.2.1 The Company agrees to indemnify the Investor Directors and, every officer, employee, agent and Affiliate of the Investors and the funds they represent to the maximum extent permitted by applicable Law. The Amended and Restated Articles shall provide the broadest indemnification of the Directors permitted by Law. In addition to the above, Company will indemnify the Investors against all losses, Liabilities, claims, damages, or expenses arising out of:

- 17.2.1.1 Legal claims made by third parties relating to the ownership of securities of the Company, subject to reasonable cost and Indian Law; or
- 17.2.1.2 of any breach of this Agreement not caused by the Investors.

17.3 Specific Indemnity of Investor Directors :

17.3.1 The Promoters and the Company expressly agree that the Investor Directors shall be non executive directors and accordingly shall neither be nor deemed to be in charge of, or responsible for or involved in the conduct of the affairs or business or day to day operations and management of the Company and shall not be liable for any default or failure of the Company in complying with the

provisions or terms and conditions of any applicable Law, including but not limited to defaults and liabilities under any corporate or securities Laws; labour Laws; tax Laws; environmental Laws; building compliances Laws such as fire safety, storage of hazardous substances, explosives, etc. or any contracts, licenses, or approvals, unless he is directly responsible for any act involving negligence or misfeasance.

17.3.2 It is clarified that the Investor Directors shall not be deemed to be 'officer in default' under the provision of the Act or 'owner' or 'occupier' under the provisions of any applicable Laws and shall not be named as such in any application by the Company or the Promoters and shall to the extent permitted by applicable Law be indemnified for defending any proceeding in which the Investor Directors are personally prosecuted or proceeded against.

17.3.3 In the event any Promoter Directors, managing Director, whole-time Director, manager or secretary of the Company ("Executive Management Personnel") propose to resign from the Board, such Executive Management Personnel, the Board and the Company shall notify the Investors and Investor Directors of such intention at least 15 days prior to the Executive Management Personnel tendering the resignation to the Board and/or to the Company.

17.3.4 Upon receipt of such notice, the Investor Directors may at their sole discretion tender their resignation as Directors. Immediately upon the receipt of resignation letter from the Investor Directors, the Board and the Company shall duly accept the resignation of the Investor Directors prior to accepting the

resignation from the Executive Management Personnel and comply with all the requirements under applicable Law including filing requisite DIR 12 recording the resignation of the Investor Directors with the Registrar of Companies.

17.3.5 In the event, the Executive Management Personnel, the Board and the Company fail to provide prior notice to the Investor Directors of the resignation of any Executive Management Personnel, the Investor Directors may resign from the Board immediately upon becoming aware of such resignation of the Executive Management Personnel and the Board shall comply with all the requirements under applicable Law including filing requisite DIR 12 recording the resignation of the Investor Directors with the Registrar of Companies. The Company shall also indemnify the Investors Directors as set out in clause 17.1 for any liabilities under the applicable Laws.

18. BUSINESS / ANNUAL OPERATING PLAN :

Annual business plans for each financial year will be approved by the Board in the last quarter of the preceding financial year.

19. RIGHT TO SELL THE INVESTORS' SECURITIES :

19.1 The Investors' Securities shall be freely transferable subject to the provisions of this Agreement.

19.2 In case the Investor (hereinafter, in this clause, referred to as "Selling Investor") wishes to sell or otherwise transfer Investors' Securities (and attendant interest) held in the Company to any third party/ parties at any time, such a transfer shall be governed by the



following conditions:

19.2.1 The Investor shall give notice to the Promoters of its intention to sell the Investor Securities, specifically identifying the proposed acquirer of the Investor Securities. The Promoters shall, within 30 days of receipt of the above notice convey to the Selling Investor their approval or disapproval of the proposed transferee.

19.2.2 In the event that the Promoters approve of the proposed transferee, the Selling Investor shall be free to sell the Investor Securities to such transferee within 90 days of the receipt of the Promoters' approval. It is clarified that if the Promoters fail to approve/disapprove of the proposed transferee within the 30 days period referred to above, they shall be deemed to have accorded their approval to the proposed transfer by the Selling Investor. Further, if the Promoters are unable to reach an agreement within the said 30 days period, as to whether or not to approve or disapprove the proposed sale of the shares, they shall be deemed to have accorded their approval for the same.

19.2.3 In the event that the Promoters do not approve of the transferee to whom the Selling Investor wishes to transfer the Investor



Securities, the Selling Investor shall, subject to compliance with procedures set out in Clause 19.2.4 to 19.2.9, be free to transfer the Investor Securities to the proposed transferee.

19.2.4 The Selling Investor shall, as a precondition to the proposed sale to a third party that has not been approved by the Promoters, first offer the shares to the Promoters (the Non-Selling Parties) on a pro rata basis, in proportion to the number of equity shares held by each of them in accordance with this Annexure-B.

19.2.5 The Selling Investor shall serve a notice on the Non-Selling Parties in writing stipulating the terms and conditions of the offer including the sale price (it being agreed that transfer of shares for consideration other than cash is not permitted under any circumstance).

19.2.6 Upon the service of a notice referred to in Clause 19.2.5, each of the Non-Selling Parties shall within a period of 30 days inform the Selling Investor whether it wishes to purchase the said shares by way of a letter of acceptance, which shall be binding on the said Non-Selling Party and the Selling Investor. In the event that the Non-Selling Party agree to purchase the shares of the Selling Investor by



informing the Selling Investor by way of letters of acceptance, the sale of shares by the Selling Investor to Non-Selling Parties shall be completed and consideration paid within 60 days of receipt of the said letters of acceptance by the Selling Investor.

19.2.7 If any of the Non-Selling Parties are not desirous of purchasing the shares offered by the Selling Investor, the other Non-Selling Parties shall have the right to acquire such shares from the Selling Investor on a pro rata basis in proportion to the number of equity shares held by each of them.

19.2.8 If none of the Non-Selling Shareholders are desirous of purchasing the shares offered by the Selling Investor, the Selling Investor shall be entitled to sell all of its shares (within 90 days of non-acceptance of offer by the Non-Selling Parties) to the identified third party purchaser on terms not more favourable than those offered to the Non-Selling Parties. Further, if the Selling Investor fails to sell its shares within the period specified in this Clause, it shall not be entitled to sell its shares thereafter to any third party, without first re-offering the said shares to the other Parties and the Co-Investors in accordance with this Clause.



19.2.9 It is clarified that in the case of clauses 19.2.6, 19.2.7 and 19.2.8 above, the Promoters and all the Non-Selling parties and Non-Selling Shareholders shall be deemed to have accorded their approval to the proposed transfer by the Selling Investor.

19.3 The Promoters and the Company shall ensure that the securities sold in pursuance of this Clause as aforesaid and lodged for transfer by the acquirer are transferred within a period of 30 days from the date of lodgment.

20 PROMOTERS RIGHT TO MAKE AN OFFER TO PURCHASE INVESTOR SECURITIES :

20.1 The Promoters shall have the right to make an offer (hereinafter referred to as the “buy-back offer”) to purchase either themselves or through any third party, the Investors' Securities, after the period of 18 months from the date of allotment of equity shares to the investor at a price that is not less than the price paid by the Investor in the company.

20.2 Investors will have an exclusive and independent right to accept or reject such an offer made by the Promoters within a period of 45 days from the date of receipt of the buy-back offer.

21 RESTRICTIONS ON PROMOTERS' SECURITIES :

21.1 During the term of this Agreement, the Promoters shall

not be entitled to, and shall not, sell, pledge, mortgage, charge, hypothecate, create a Lien on or otherwise encumber their respective Promoters' Securities or any interest therein save and except with the independent prior written permission of the Investor and on such terms and conditions as the Investor may specify.

21.2 Without prejudice to the generality of the aforesaid, in case of proposed pledge, mortgage, charge, hypothecation, Lien on or other encumbrance on the Promoters' Securities, Investor may grant permission subject to terms and conditions such that the conditions of the security documentation would require Investors' approval, the Investor be periodically furnished with a certificate that the interest / principal has been duly paid / repaid by the Promoters and a right of first refusal in favour of the Investor's in the event of the security holder enforcing the security by sale of the Promoters' Securities.

21.3 In the case of proposed sale by a Promoter of any of the Promoters' Securities ("the Sale Securities"), the Investor, may grant the permission subject to the condition that the proposed purchaser of the Sale Securities purchases such of its Investors' Securities at the same price and other terms and conditions as those for the sale of the Sale Securities. In such event, the Promoters shall ensure that the proposed purchaser of the Sale Securities purchases such of the Investors' Securities before purchasing the Sale



Securities.

22 TRANSFER IN VIOLATION OF AGREEMENT :

22.1 Any transfer or attempted transfer of any Promoters' Securities in violation of any provision of this Agreement shall be void, and the Company shall not record such transfer on its books or treat any purported transferee of such Promoters' Securities as the owner of such Promoters' Securities for any purpose and the Promoters shall not do any Act, deed or thing to facilitate such transfer.

23. LIQUIDATION PREFERENCE :

23.1 In the event of Liquidation, the Investor shall, on pari-passu basis be entitled, before any distribution is made upon any share capital of the Company or otherwise to any other Shareholder of the Company, to receive a preferential payment from the assets of the Company of cash or property.

23.2 To the extent funds are legally available therefore, Investor shall receive an amount higher of:

23.2.1 Financial Contribution made by the Investor in the company; or

23.2.2 Amount which would be distributed to the shareholders, if all amounts available were distributed among all the Shareholders of the Company.

23.3 The Promoters, for the purpose of giving effect

to this clause, shall deposit the proceeds received by them against the Promoters' Securities, in a separate escrow account with a nationalized bank and thereafter pay to the Investor, the difference between the amount receivable by the said Investor in terms of this clause and the actual amount received by it as proceeds of the Liquidation.

24. CONFIDENTIALITY :

24.1 Confidentiality of the information: During the subsistence of this Agreement, each Party and/or its Affiliate(s) shall receive and maintain all Confidential Information (as defined hereinafter) in the strictest confidence and trust.

24.2 Confidential Information: For purposes of this clause, "Confidential Information" shall mean with respect to any Party any information (verbal or documented) relating to the business and affairs, Intellectual Property Rights, trade or technical secrets, proprietary information or any other confidential information relating to such Party which is specifically identified by such Party at the time of the disclosure as being confidential or proprietary.

24.3 The term "Confidential Information" in this Agreement shall specifically include any tangible expression of such information, including, without formulae, process, , photographs, plans, drawings, , journals, , computer programs, samples, models, prototypes and mock-ups relating thereto, and shall further include any confidential or proprietary information owned by any other person or entity and furnished by such other person or entity pursuant to an

undertaking to maintain the same in confidence.

24.4 Exceptions: Notwithstanding anything contained in this Agreement to the contrary, the restrictions covered under this Agreement for the use or disclosure of Confidential Information shall not apply to any information:

24.4.1 which is independently developed by the receiving party or any Affiliate or lawfully received free of restriction from another source having the right to so furnish such information; or

24.4.2 which is in the public domain or, after it has become generally available to the public without breach of this Agreement by the receiving party or any Affiliate; or

24.4.3 which at the time of disclosure to the receiving party was known to such party or Affiliate free of restriction so long as such prior knowledge is promptly disclosed in writing following disclosure of the information; or

24.4.4 which the disclosing party agrees in writing is free of such restrictions; or

24.4.5 which is required to be disclosed to any court, tribunal or governmental, statutory or other authority in terms of any Law;

24.4.6 which is required to be disclosed by the Investor and / or the company for promotional purpose.

25. INTELLECTUAL PROPERTY RIGHTS :



- 25.1 The Company and/or the Promoters own or use the Intellectual Property Rights that are more particularly described in the Annexure E hereto for the purposes of the business of the Company. The said Annexure E also contains necessary details of all applications and rights to apply for protection of any of such Intellectual Property Rights of the Company;
- 25.2 The Company and the Promoters warrant that to the best of their knowledge the Company and the Promoters do not infringe or pass off any third entities Intellectual Property Rights in the course of their business activities or otherwise and undertake to indemnify the Investor and its nominee against any action for infringement / passing off or any other damages caused to them in relation to the infringement / passing off of a third entities' Intellectual Property Rights.
- 25.3 The Intellectual Property Rights belonging to, or being developed by the Company, shall be owned by the Company in its own name.
- 25.4 The Intellectual Property Rights belonging to or being sublet by the Investor shall be owned by the Investor in its own name.
- 25.5 The Company shall take adequate measures to ensure that its and Investors right, title or interest to or in any of its Intellectual Property Rights are registered, established and protected under the Laws as well as the applicable

laws of any country in which they are or are proposed to be published, sold, licensed or otherwise used.

25.6 The Company shall ensure that it enters into suitable agreements with its employees and/or consultants in the manner required by the Investor or any of them to ensure that the Intellectual Property Rights developed by them, respectively, during their employment or consultancy with the Company (or any of them) or otherwise for the Company shall belong to and be the property of the Company and shall be assigned to it if so required under the applicable laws to establish and maintain its right, title and ownership in or to such Intellectual Property Rights.

25.7 The Promoters and the Company shall not dispose of the Intellectual Property Rights of the Company including by way of licensing and/or sub-licensing and/or transferring and/or assigning the same without the independent prior written approval of the Investor.

25.8 All the Intellectual Property Rights generated by the Promoters during the term of this agreement shall stand assigned to the Company without any charges or fees what so ever. It shall be the responsibility of the Company to apply for, secure, and maintain the Intellectual Property Rights assigned to it by the Promoters. The Promoters agree to provide all assistance and execute any document required for carrying out the above responsibilities by the Company without demanding any compensation. The Company's decision regarding applying, prosecuting,

securing or maintaining the Intellectual Property Rights shall be final.

26. INDEMNIFICATION :

26.1 The Promoters and the Company jointly and severally agree and undertake to indemnify and save harmless the Investor, its officers, directors, employees and agents and the Nominee and observer appointed by the Investor on the Board (hereinafter referred to as “Indemnified Person”) to the fullest extent lawful from and against any and all actions, suits, claims, proceedings, costs, damages, judgments, amounts paid in settlement and expenses (including without limitation attorney’s fees and disbursements) (hereinafter collectively referred to as “Loss”) relating to or arising out of:

26.1.1. any inaccuracy in or breach of the Representations and Warranties, covenants or agreements made by the Company and/or the Promoters herein;

26.1.2 any other conduct by or of the Company and/or the Promoters or any of their employees or agents as a result of which, in whole or in part, any Indemnified Person is made a party to, or otherwise incurs any loss pursuant to, any action, suit, claim or proceeding arising out of or relating to any such conduct; or

26.1.3 any action or failure to act undertaken by an Indemnified Person at the request of or with the consent of any Promoter.



- 26.1.4 any action or proceedings taken against an Indemnified Person in connection with any contravention or alleged contravention of any Laws including, without limiting the generality, the Foreign Exchange Management Act, 1999, laws relating to provident fund, gratuity, labor, environment and pollution by the Company or any Promoter;
- 26.2 The Promoters shall also reimburse the Indemnified Person for all out-of-pocket expenses (including attorney's fees and disbursements) as are incurred in connection with investigating, preparing to defend or defending any such action, suit, claim or proceeding (including any inquiry or investigation) whether or nor an Indemnified Person is a party thereto.
- 26.3 If an Indemnified Person makes a claim under this clause for payment or reimbursement of expenses, the same shall be paid or reimbursed promptly against the indemnified Person providing relevant information and supporting documents evidencing its claim, even if any Promoter(s) reserve(s) the right to dispute whether this agreement requires the payment or reimbursement of such expenses.
- 26.4 The obligations of the Promoters under this clause shall survive the sale or transfer of the Promoters'/Investors' Securities and the term and

termination of this Agreement, to the extent that such obligations relate to liabilities incurred or rights accruing prior to such termination.

- 26.5 The agreements contained in this clause shall be in addition to any other rights of the Indemnified Person against the Promoters or the Company or others and the liability of the Promoters and the Company under this clause shall be in addition to any other liability that the Promoters and the Company might otherwise have to the Indemnified Person under this Agreement, at Law or otherwise.

27. SPECIAL CONSULTANTS :

The Investor shall have the right to require the Promoters and/or the Company to have a business, financial, tax or legal review of the Company and its Affiliates conducted from time to time. The review shall be conducted by one or more independent professionally qualified consultants recommended by the Investor and the scope of work of such consultant shall also be decided by the Investor. Such consultant shall be appointed by the Company and the costs and expenses for conducting such annual review shall be borne by the Investor. The Company and the Promoters shall provide all co-operation and assistance to such independent consultant and make available all documents and relevant information with respect to the Company and its Affiliates to such consultant to enable him to perform such review.

28. TERM OF THE AGREEMENT :

- 28.1 This Agreement shall become binding on the Parties on and from the date first above written. This Agreement shall

cease to operate with respect to the Investor upon the sale by the Investor of more than 90% of Investors' Securities, or listing of the Company on a recognized Stock Exchange.

28.2 Provisions of this Agreement relating to Representations and Warranties, Indemnification, Arbitration, Confidentiality and any other provision which by its very nature is such as shall survive after the term of this Agreement, shall survive the term of the Agreement.

28.3 Notwithstanding anything contained in this Agreement, the expiry of this Agreement shall not limit or otherwise affect the right of any party to enforce any right or have any remedy against any breach of this Agreement, which may have arisen before the expiry.

29. **BREACH OF THE AGREEMENT AND REMEDIES :**

- i) If a breach of any of terms and conditions of this Agreement is committed by any Party to this Agreement, the same shall be remedied by the defaulting party within 30 days of the same being brought to the notice of the defaulting party.
- ii) Parties hereto, jointly and severally, acknowledge and agree that monetary damages are an inadequate remedy for breach or threatened breach of this Agreement and each party agrees that, notwithstanding anything to the contrary herein, in the event of a breach of this Agreement by the Company and/or the Promoters, the respective rights and obligations hereunder shall be enforceable by specific performance or injunctive remedy in any

court of competent jurisdiction. The Parties hereby acknowledge and agree that Investors' Securities are unique property that cannot be readily obtained in the open market and that the Investors will be irreparably injured if this Agreement is not specifically enforced. The remedy of specifically enforcing any or all of the provisions of this Agreement in accordance with this clause shall be exclusive of any other rights or remedies which the Investors may otherwise have under this Agreement or otherwise, all of which rights and remedies shall be cumulative with respect to the Investor.

30. FORCE MAJEURE :

If the performance by a Party of any of its obligations shall be in any way prevented, interrupted or hindered in consequence of Force Majeure, the obligations of the Party concerned shall be wholly or partially suspended during the continuance and* to the extent of such prevention, interruption or hindrance. None of the Parties to this agreement shall be liable: for any breach or non-observance of any term or condition of this Agreement on account of Force Majeure, while such circumstances last provided the Party intimates the others of such Force Majeure within a period of seven (7) days therefrom and exercises due diligence in mitigating and minimizing the extent and time of such breach or non-observance of the terms and conditions of this Agreement.

31. BINDING EFFECT ON THE SUBSIDIARIES :

All the provisions of this Agreement shall be binding on the subsidiaries of the Company, whether in India or abroad, to the extent permissible under the applicable laws, unless otherwise specifically agreed to by the Investor in writing. For the purpose of their obligations towards the

Investor, such subsidiaries shall be treated on par with the Company.

32. OVERRIDING NATURE OF THIS AGREEMENT :

It has been specifically understood and agreed by and between the Parties that, should any of the clause/s of this Agreement be conflicting with any other agreement, memorandum of understanding, letter, deed, document, indenture or arrangement, entered into by all or any of the Company and / or the Promoters, either prior to the execution of this Agreement, or subsequent to it, the clauses of this Agreement will supersede all such provisions, and shall be treated as final and binding without any further action on the part of the Company or the Promoters including approval from the Board or the shareholders of the Company.

33. ENTIRE AGREEMENT :

This Agreement constitutes the whole agreement between the Parties relating to its subject matter and supersedes any and all existing contracts, agreements and understandings between the parties, whether written or oral, relating to the subject matter hereof.

34. WAIVER AND VARIATION :

- i) The failure to exercise or delay in exercising a right or remedy provided by this Agreement or by Law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. A waiver of a breach of any of the terms of this Agreement or of a default under this Agreement does not constitute a waiver of any other breach or default and shall not affect the other terms of this Agreement. A waiver of a breach of any of the terms of this Agreement or of a default under this Agreement will not prevent a Party from subsequently requiring compliance with the waived obligation. The rights and remedies

provided by this Agreement are cumulative and (subject as otherwise provided in this Agreement) are not exclusive of any rights or remedies provided by Law.

- ii) Except as otherwise provided herein, no variations, modification or amendment of any provision of this Agreement shall be effective unless made in writing and signed by an authorised representative for and on behalf of each of the Parties.

35. SUCCESSORS AND ASSIGNS :

Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the parties and their respective heirs, executors, administrators, successors and legal representatives and any permitted subsequent holders of the Investors'/Promoters' Securities who shall agree to be bound by the provisions of this Agreement by executing a suitable Deed of Adherence and the respective heirs, executors, administrators, successors and permitted assigns of each of them, so long as they hold any Investors' / Promoters' Securities.

36. ASSIGNMENT :

This Agreement and the rights and obligations hereunder are personal to the Parties and except to the extent permissible under this Agreement shall not be assigned to any third party, without the express prior written consent of the others.

37. SEVERABILITY :

- i) Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be

invalid, illegal or unenforceable in any respect under any applicable law in any jurisdiction, such invalidity, illegality or unenforceability shall not effect any other provision or any other jurisdiction, but this Agreement shall be served, reformed, construed and enforced in

such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained therein.

- ii) If this Agreement and / or any provision of this Agreement is found to be invalid, unenforceable or not binding as regards any particular Party or Parties for any reason whatsoever then, notwithstanding anything stated elsewhere, this Agreement and / or such provision (as the case may be) shall continue to be valid applicable and binding on and as regards all the other Parties to the Agreement.

38. FURTHER ASSURANCE :

At any time on or after the execution of this Agreement the Company and/or the Promoters shall (at their own cost) execute and do (or procure to be executed and done by any other person) all such deeds, documents acts and things as the Investor or any of them may from time to time reasonably request for the purpose of giving full effect to the provisions and the intent of this Agreement.

39. NOTICES :

- i) Any notice and other communications provided for in this Agreement shall be in writing and shall be first transmitted by facsimile transmission and then confirmed by postage, prepaid registered post with acknowledgement due or by internationally recognized courier service, in the manner as elected by the Party giving such notice :



- a) In the case of notice to the Company at the registered office.
 - b) In the case of notice to the Promoters at their residential addresses or at the registered office of the company as per option exercised.
 - c) In the case of notice to the Investor at the registered office.
- ii) All notices shall be deemed to have been validly given on (i) the Business Day immediately after the date of transmission with confirmed answer back, if transmitted by facsimile transmission, or (ii) the Business Day after expiry of seven days after posting if sent by registered post, or (iii) the date of receipt or the succeeding Business Day if the date of receipt is not a Business Day, if sent by courier.
- iii) Any party may, from time to time, change its address or representative for receipt of notices provided for in this Agreement by giving to the other not less than seven (7) days prior written notice.

40. **GOVERNING LAW AND JURISDICTION :**

- i) This Agreement shall be construed in accordance with and be subject to and governed by the Laws of India.
- ii) All legal proceedings arising out of or under this Agreement shall be subject to the exclusive jurisdiction of the competent Courts in Delhi, India.

- iii) In the event of any legal proceedings by or against the Investor, the Company shall not bear any expenses towards defending the Promoters in their individual capacity, including court fees, advocate fees, or any other related or incidental charges.

41. **ARBITRATION :**

- i) Any dispute, difference, question, issue or claim arising out of or relating to this Agreement or interpretation thereof or the breach or alleged breach thereof, or affecting this Agreement in any way (**“Dispute”**) shall be referred to arbitration.
- ii) Either Party shall be entitled to give 30 (thirty) days clear notice in writing to the others of its intention to refer the Dispute to arbitration (**“Arbitration Notice”**).
- iii) In such an event, the dispute shall be decided by
- iv) The sole arbitrator, (hereinafter referred to as the **“Arbitration Tribunal”**), may, if it so deems fit proceed to decide the Dispute on the basis of the statement of claim or a statement briefly describing the nature of the Dispute and the reliefs claimed and the written statement or brief defense and/or counter claim, as the case may be, or require such further and other information and/or documents and/or statements as may be required by it to decide the Dispute and for this purpose grant such time (not exceeding 60 days) to the parties to the Dispute.
- v) The Arbitration Tribunal shall decide the Dispute and pass an award in accordance with the period fixed in the Arbitration and Conciliation Act.



- vi) Subject to the procedure laid down herein, the arbitration shall be conducted, in accordance with and governed by the provisions of the Arbitration and Conciliation Act, 1996 or any modification thereof or amendment thereto.
- vii) The arbitration shall be held in Delhi, and English language shall be used in the arbitral proceedings.
- viii) It is agreed that the Arbitration Tribunal shall also determine and make an award as to the costs of the arbitration proceedings.
- ix) Notwithstanding anything contained herein, the Parties shall have a right to institute legal proceedings to prevent any continuing breach of the provisions of this Agreement to seek an injunctive relief.

42. WARRANTY OF AUTHORITY :

All the Parties have the authority to execute and be bound by the terms of this Agreement and the Agreement shall not be invalid for want of an authority to execute and be bound by the terms thereof.

43. EXECUTION OF AGREEMENT :

This agreement is executed in duplicate.

IN WITNESS WHEREOF THE PARTIES HERETO HAVE SET AND SUBSCRIBED THEIR RESPECTIVE HANDS AND SEALS ON THE DAY, MONTH AND YEAR FIRST HEREIN ABOVE WRITTEN.



Signed by the within named

Mr.

(Authorized signatory for company)

Signed by the within named

Mr.

(Promoter No.1)

Signed by the within named

Mr.

(Promoter No.2)

Signed by the within named

Mr.

(for investor / NRDC)



ANNEXURE-A

Investment in the current round

Investor	(Amount in Rupees in Lakhs) Total

**ANNEXURE-B**

Paid-up Share capital of the company before investment by investor

Name of the member	No. of shares	%
Mr. Promoter 1		
Mr. Promoter 2		
Mr. Promoter 3		
Total		

Paid-up Share capital of the company after investment by investor

Name of the member	No. of shares	%
Mr. Promoter 1		
Mr. Promoter 2		
Mr. Promoter 3		
NRDC (Investor)		
Total =		

ANNEXURE-C

Joint and several Representations and Warranties of the Company

1. POWERS :

- a) That it has the full legal right, power and authority to enter into, execute and deliver this Agreement and to perform the obligations, undertakings and transactions set forth herein.
- b) The execution and delivery of this Agreement has been duly authorized and approved and does not require any further authorization or consent of any third party.
- c) Upon execution, this Agreement will be a legal, valid and binding obligation of the Company, enforceable in accordance with its terms.
- d) The execution and delivery of this Agreement by the Company, and its promises, agreements or undertakings under this Agreement do not and shall not violate any Law, rule, regulation or order applicable to it or violate or contravene the provisions of or constitute a default under any documents, contracts, agreements or any other instruments to which it is a party or which are applicable to it; and
- e) The Company has not entered into any agreement or arrangement and there are no subsisting obligations or commitments of the Company to issue its Securities to any third Person.

2. NON-VIOLATION OF LAW ETC. :

The execution of this Agreement and performance of its obligations under this Agreement shall not violate or conflict with, or exceed any limit imposed by (i) any Law to which it are subject or (ii) any of the Articles of the Company or other agreement, instrument or undertaking binding upon them.

That it has not committed any economic and/or cognizable offense, that the Company does not have substantial financial interest in any unit/company which is in default of State/All India Financial Institutions or Banks, that they do not require to obtain any approval under the provisions of any Law, and that they have not received any notice or other communication from any Government Authority so as to require the referring of this Agreement to the Central Government or any other authority for clearance of approval.

In the event the said representation is found to be incorrect or it being determined that the Company were required to obtain any approval under any Law before embarking upon the Project, the Investor shall have the non-exclusive and independent option to terminate this Agreement and the Investor shall be entitled to claim from the Company reimbursement of expenditure incurred by them and also damages suffered by them on account thereof, and the entire Financial Contribution invested by the Investor in the Company shall be paid by the Company and/or the Promoters to the Investor immediately but not later than 30 days from the date of receipt of notice from the Investor/s in this behalf.

3. LITIGATION :

The Company is not engaged in any litigation or arbitration proceedings

in relation to its entry into and performance of its obligations under this Agreement, the shares of the Company or the transfer thereof, and the Company does not know of anything which is likely to give rise to any such litigation or arbitration proceedings. The Company is not subject of any investigation, enquiry or enforcement proceedings or process by any governmental, administrative or regulatory body which would affect the shares of the Company or the Projected Performance nor is the Company aware of anything which is likely to give rise to any such investigation, enquiry, proceedings or process.

4. INSOLVENCY :

No receiver or administrative receiver has been appointed with respect to any of material part of any or all of their assets or undertakings of the Company or with respect to the whole or any part of the assets or undertakings of any of the Company. In relation to the Company, no meeting has been convened at which a resolution shall be proposed, no resolution has been passed, no petition has been presented and no order has been made for the winding-up. The Company is solvent and will be able to pay its debts.

5. NO POWERS OF ATTORNEY :

The Company has not granted any power of attorney or similar authority which remains in force and which would in any manner affect their ability to perform its obligations under this Agreement.

6. NO LIEN :

That, as per its records, it has no notice of and has not permitted the creation of any liens, charges or encumbrances of any description, whether by way of pledge or otherwise on any of the paid up Equity Shares owned by the Promoters of the Company.



Annexure-IC

ANNEXURE-D

Joint and several Representations and Warranties of the Company

1. POWERS :

That they have the full legal right, power and authority to enter into, execute and deliver this Agreement and to perform the obligations, undertakings and transactions set forth herein, and this Agreement has been duly and validly executed and delivered by them and constitutes their legal, valid and binding obligation, enforceable against them in accordance with its terms.

2. NON-VIOLATION OF LAW ETC. :

That their entry into this Agreement and performance of their obligations under this Agreement shall not violate or conflict with, or exceed any limit imposed by (i) any Law to which they are subject or (ii) any of the Articles of the Company or other agreement, instrument or undertaking binding upon them.

That they have not committed any economic and/or cognizable offense and that they do not have substantial financial interest in any unit/company which is in default of State/All India Financial Institutions or Banks and that they do not require to obtain any approval under the provisions of any Law and that they have not received any notice or other communication from any Government Authority so as to require the referring of this Agreement to the Central Government or any other authority for clearance of approval. In the event the said representation is found to be incorrect or it being determined that the Promoters were required to obtain any approval under any Law before embarking upon the Project, the Investor shall have the non-exclusive and independent

option to terminate this Agreement and the Investor shall be entitled to claim from the Promoters reimbursement of expenditure incurred by them and also damages suffered by them on account thereof, and the entire Financial Contribution invested by the Investor in the Company shall be paid by the Company and/or the Promoters to the Investor immediately but not later than 30 days from the date of receipt of notice from the Investor/s in this behalf.

3. LITIGATION :

That they are not engaged in any litigation or arbitration proceedings in relation to their entry into and performance of their obligations under this Agreement, the shares of the Company or the transfer thereof and they do not know of anything which is likely to give rise to any such litigation or arbitration proceedings. That they are not subject of any Investigation, enquiry or enforcement proceedings or process by any governmental, administrative or regulatory body which would affect the shares of the Company or the Projected Performance nor are they aware of anything which is likely to give rise to any such investigation, enquiry, proceedings or process.

4. INSOLVENCY :

He / she is neither insolvent nor is he/she unable to pay their debts as they fall due under any applicable Law and no Person has taken any action nor have any steps been taken or legal proceedings been started or threatened against the Promoter for insolvency or for the enforcement of any Encumbrance over any material part of their assets or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of them or any material part of any or all of their assets or revenues.



5. PROMOTERS' FURTHER WARRANTY :

If any shareholder's or other support is required for financial tie-ups of or financial assistance to the Company (including support by way of guarantees, share pledges, etc.), the Investor shall not be required to provide any such support, guarantees, pledges, etc.

6. NO POWERS OF ATTORNEY :

That they have not granted any power of attorney or similar authority which remains in force and which would in any manner affect their ability to perform their obligations under this Agreement.

7. NO LIEN :

That there are no liens, charges or encumbrances of any description, whether by way of pledge or otherwise on any of the paid up Equity Shares of the Company held by them.

ANNEXURE-E

Quarterly MIS : April – June 20....

S.N O.	PARTICULARS	DAT A	REMARK S
A	BUSINESS		
	Key customers / projects added / lost (alongwith values)		
	New products introduced in the last qtr.		
B	EMPLOYEES		
	Number of employees		
	Employee cost (for the qtr & YTD)		
	Stock options granted / vested / exercised in the last quarter		
C	FINANCIAL STATUS		
	Total expenditure (qtr & YTD)		
	Grant funding raised (qtr & YTD)		
	Utilisation of grant funding (qtr & YTD)		
	Other sources of funding : ----- De bt ----- Equ ity ----- Oth er		



D	COMPLIANCE		
	Date of BOD meeting for previous quarter (attach minutes of meeting)		
	Internal audit completed for period (attach audit report)		
	Compliance report from internal auditors (attach compliance certificate)		