

Counter Part



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INDIA NON JUDICIAL

Government of Karnataka

Rs. 1,000

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Unique Doc. Reference : SUBIN-KAKAKSFCL0836353905614349X
Purchased by : SAMARSH CAPITAL FUND I
Description of Document : Article 22 Counter part or Duplicate
Property Description : SHARE SUBSCRIPTION AGREEMENT
Consideration Price (Rs.) : 0
(Zero)
First Party : SAMARSH CAPITAL FUND I
Second Party : SAI PARENTALS LIMITED
Stamp Duty Paid By : SAMARSH CAPITAL FUND I
Stamp Duty Amount(Rs.) : 1,000
(One Thousand only)

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SECURITIES SUBSCRIPTION AGREEMENT

DATED 17 JUNE 2025

AMONG

**SAI PARENTERAL'S LIMITED
("COMPANY")**

AND

**ANIL KUMAR KARUSALA
("PROMOTER 1")**

AND

**VIJITHA GORREPATI
("PROMOTER 2")**

AND

**ARUNA KARUSALA
("PROMOTER 3")**

AND

**SAMARSH CAPITAL - FUND I
("NEW INVESTOR")**

THIS SECURITIES SUBSCRIPTION AGREEMENT (Agreement) is made on 17 June 2025 (**Execution Date**) in Bengaluru, Karnataka, India by and amongst:

- (1) **SAI PARENTERAL'S LIMITED**, an unlisted private limited company, incorporated under the (Indian) Companies Act, 1956, having CIN U24231TG2001PLC036043, and having its registered office at Plot No. 39, 5th Floor, Lavanya Arcade Jayashree Enclave, Gachibowli, K.V.Rangareddy, Seri Lingam ally, Telangana - 500032, India (hereinafter referred to as the "**Company**"), which expression shall, unless repugnant to the meaning or context thereof, mean and include its successors and permitted assigns) of the **FIRST PART**;
- (2) **ANIL KUMAR KARUSALA**, a citizen of India, resident of India, holding Aadhar number 516910790229 (hereinafter referred to as "**Promoter 1**" which expression shall, unless repugnant to the meaning or context thereof, mean and include his successors, legal heirs and permitted assigns) of the **SECOND PART**.
- (3) **VIJITHA GORREPATI**, a citizen of India, resident of India, holding Aadhar number 946139340497 (hereinafter referred to as "**Promoter 2**" which expression shall, unless repugnant to the meaning or context thereof, mean and include his successors, legal heirs and permitted assigns) of the **THIRD PART**.
- (4) **ARUNA KARUSALA**, a citizen of India, resident of India, holding Aadhar number 943086516577 (hereinafter referred to as "**Promoter 3**" which expression shall, unless repugnant to the meaning or context thereof, mean and include his successors, legal heirs and permitted assigns) of the **FOURTH PART**.

AND

- (5) **SAMARSH CAPITAL - Fund I**, a scheme of Sa marsh Capital, a category II Alternative Investment Funds, registered under the Securities Exchange Board of India (Alternative Investment Funds) Regulations, 2012 bearing registration no. IN/AIF2/24-25/1620 and having its office at Office No. 01, 5th Floor, 1 Sobha, 50 St. Marks Road, Bangalore, Karnataka - 560001 (hereinafter referred to as the "**New Investor**"), which expression shall, unless repugnant to the meaning or context thereof, mean and include its successors and permitted assigns) of the **LAST PART**.

(Promoter 1, Promoter 2, and Promoter 3 are hereinafter collectively referred to as the "**Promoters**" and individually referred to as "**Promoter**", as the context may require.

The Company, the Promoters, and the New Investor are individually referred to as such or as a "**Party**" and collectively as "**Parties**".)

WHEREAS

- (A) As of the Execution Date, the Company is engaged in the business of manufacturing, importing and exporting of bulk drugs and formulations. It deals in pharmaceutical, medical, chemical, industrial and other preparations, articles and compounds (**Business**).
- (B) As on the date of this Agreement, the authorised share capital of the Company is INR 21,00,00,000/- (Indian Rupees Twenty One Crore only) divided into 4,20,00,000 (Four Crore Twenty Lakh) Equity Shares with a face value of INR 5/- (Indian Rupees Five only) each; and the issued and paid up share capital of the Company is INR 13,30,89,800/- (Indian Rupees Thirteen Crores Thirty Lakhs Eighty Nine Thousand and Eight Hundred only) divided into 2,66,17,960 (Two Crores Sixty Six Lakhs Seventeen Thousand Nine Hundred and Sixty only) Equity Shares of face value INR 5/- (Indian Rupee Five only) each. The shareholding pattern

of the Company as on the Execution Date is as set forth in **Part A of Schedule 1** (*Shareholding Pattern on the Execution Date*).

- (C) Relying on the representations and warranties, covenants and undertakings of the Company and the Promoters, the New Investor is desirous of subscribing to the Subscription Securities (*as defined below*) and the Company is desirous of allotting the Subscription Securities to the New Investor, aggregating to 4.99% (four point ninety nine cent) of the Share Capital on a Fully Diluted Basis of the Company as on the Closing Date (*as defined below*) in accordance with this Agreement.
- (D) Simultaneously with the execution of this Agreement, the New Investor has entered into a Shareholders' Agreement (*as defined below*) with the Company, the Promoters, Existing Investor (*as defined therein*) and the Other Investor (*as defined therein*).
- (E) The Parties are now entering into this Agreement to set forth the terms and conditions for the subscription of the Subscription Securities (*as defined below*).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless otherwise defined in this Agreement, the following terms when capitalized shall have the meaning set out below:

Accounts means the audited balance sheets, profit and loss accounts and cash flow statements of each of the Company and the notes and Directors' reports relating to them.

Accounts Date means 31 March 2025;

Act means the Companies Act, 2013 including rules made thereunder, as amended from time to time and shall include any statutory replacement or re-enactment thereof;

Affiliate means:

- (a) in respect of any specified Person other than a natural Person, any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified Person or any investment funds managed or advised by such specified Person; and
- (b) in relation to a Person being a natural Person: (i) any other Person that is a Relative of such Person; and (ii) any Person that is directly or indirectly Controlled by such natural Person;

For the purpose of this definition, in relation to the New Investor, an Affiliate shall include: (i) any investment fund or special purpose vehicle or entity that shares the same investment manager and/ or the same investment advisor (such investment advisor being corporate entities); (ii) any general partner or limited partner or other partner of, or trustee, nominee, custodian, operator or manager of, or investment adviser to general partner or limited partner, of the New Investor; or (iii) any entity managed or advised by the general partners of the New Investor; It is clarified that: (i) any portfolio company of an Investor and/or a Competitor shall not be considered to be an Affiliate of the New Investor;

Anti-Corruption Laws shall mean Applicable Laws relating to anti-bribery or anti-corruption (governmental or commercial), including, without limitation, Applicable Laws that prohibit the corrupt payment, offer, promise, or authorization of the payment or transfer of anything of value (including gifts or entertainment), directly or indirectly, to any government official, commercial entity, or any other Person to obtain a business advantage; such as, without limitation, the Unlawful Activities (Prevention) Act, 1967; the Prevention of Corruption Act, 1988; Whistle Blowers Protection Act, 2011; the U.S. Foreign Corrupt Practices Act, 1977, as amended from time to time; the UK Bribery Act, 2010 and all national and international laws enacted to implement the OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions, or any other anti-bribery or anti-corruption law which apply to the business and dealings of the Company and its Shareholders;

Anti-Money Laundering Laws shall mean applicable financial record keeping and reporting requirements of the (Indian) Prevention of Money Laundering Act, 2002, as amended, and all anti-money laundering or proceeds of crime laws issued, administered or enforced by any governmental Authority in any jurisdictions where the Parties conduct their respective businesses;

Applicable Laws means and includes (but is not limited to) all applicable:

- (a) statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines, circulars or policies of any applicable country and / or jurisdiction including the countries and jurisdictions in which the Parties (as existing from time to time) are incorporated and / or carry on any business or activities as applicable to each Party; and
- (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any Authority or recognized stock exchange as may be in force from time to time;

As If Converted Basis means, with respect to any Securities held by any Shareholder of the Company, the assumption that such Securities (including convertible preference shares, convertible loan or debentures, warrants or other convertible instruments whether or not by their terms then currently convertible, exercisable or exchangeable) issued and outstanding on the date of calculation have been exercised or exchanged for or converted into the maximum number of Equity Shares in accordance with the terms and conditions of the issue of such Securities;

Assets means assets or properties of every kind, nature, character, and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed or otherwise) as now operated, hired, rented, owned or leased by a Person, including cash, cash equivalents, securities, accounts and notes receivable, contracts, real estate, equipment, brands, trademarks, raw materials, inventory, furniture, fixtures and insurance;

Authority means any national, federal, state, local, municipal district or other sub-division thereof, governmental or quasi-governmental authority, statutory, non-governmental, legislative, executive, administrative, fiscal, judicial, or regulatory authority, body, ministry, government department, agency, commission, board, tribunal or court or other law-, rule- or regulation-making entity, having jurisdiction over the matter in question. Without prejudice to the generality of the foregoing, the term governmental Authority shall include the RBI and any recognized stock exchange; and **Authorities** shall be construed accordingly;

Board means the board of Directors of the Company as constituted from time to time;

Business has the meaning given to it in Recital (A) and other business activities which may be permitted in accordance with the Business Plan and Budget;

Business Day means a day, other than Saturdays and Sundays, on which commercial banks in Hyderabad, Telangana and Bangalore, Karnataka, India are normally open for the conduct of general banking business;

Business Plan and Budget means the business plan and budget to be adopted by the Company on the Closing Date, a form of which is mutually agreed between the Parties and other shareholders of the Company prior to the Closing;

CCPS means compulsorily convertible preference shares issued by the Company, having a face value of INR 5/- (Indian Rupees Five only) and a premium of INR 123/- (Indian Rupees One Hundred and Twenty Three only) each, aggregating to INR 128/- (Indian Rupees One Hundred and Twenty Eight only) per CCPS;

Charter Documents means, collectively, the memorandum of association and the articles of association of the Company, as amended from time to time;

Company Warranties means the Warranties set out in **Part A of Schedule 4** (*Representations and Warranties*);

Confidential Information means all the terms of the Agreement and all information (whether oral, written electronic or in any other form) belonging or relating in any way to the disclosing Party (**Discloser**), its Affiliates or their businesses, affairs or activities and any other information which the receiving Party (**Receiver**) is reasonably expected to keep confidential) together with any and all analyses, compilations, studies and other data, reports, memoranda, notes or information derived or generated from such information or which otherwise contain or reflect such information regardless of whether or not it is specifically identified as being “confidential” and regardless of whether it is disclosed before or after the entering into the Agreement, but excluding information which:

- (a) is publicly available at the time it is made available to the Receiver or subsequently becomes generally available to the public, other than as a result of disclosure or other act or omission by the Receiver or its Affiliates in breach of the Agreement (save that a compilation of information in a form not itself published but comprising items of information each separately published shall not be excluded from the obligation of confidentiality hereunder); or
- (b) was in the Receiver's possession prior to such information having been disclosed or made available pursuant to the Agreement (as evidenced by written records); or
- (c) becomes available to the Receiver from a source other than the Discloser, which source the Receiver has ascertained, by enquiry of the Discloser, is not bound by any obligation of confidentiality to the Discloser in relation to such information; or
- (d) the Discloser has agreed in writing that it shall not be treated as Confidential Information; or
- (e) is independently developed by the Receiver (as evidenced by written records);

Condition Precedent means a condition set out in Clause 4 and **Conditions Precedent** means any and/ or all those conditions together;

Control means with respect to a Person, the power to direct or cause the direction of management and policies of such Person, either directly or indirectly, whether through the ownership, either directly or indirectly, of more than 50% (fifty per cent) of the voting securities of such Person, or the power to appoint or remove a majority of the members on the Board or equivalent governing body of such Person whether by operation of law, by contract or otherwise; provided that, in any event, right to appoint more than half of the Board (or similar governing body) of a Person and/or the direct or indirect ownership of over 50% (fifty per cent) of the voting securities of such Person is deemed to constitute Control of that Person;

Dilution Instruments means any Equity Shares, securities, rights, options, warrants or arrangement (whether oral or in writing) which are convertible into or entitle the holder to acquire or receive any Equity Shares, or any rights to purchase or subscribe to Equity Shares or securities by their terms convertible into or exchangeable for Equity Shares;

Director means a director of the Company, being a member of the Board;

EGM means an extra-ordinary general meeting of the Shareholders of the Company;

Encumbrance means, (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing or conferring any priority of payment in respect of, any obligation on any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws, (b) any irrevocable proxy for exercising voting rights issued to any third party, irrevocable power of attorney issued to any third party for transferring and/or exercising any rights, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person other than in pursuance of this Agreement, and (c) any adverse claim as to title, possession or use, and the term **Encumber** shall be construed accordingly;

Equity Shares means the equity shares of the Company having a face value of INR 5/- (Indian Rupees Five only) each. The term **Equity Share** shall be construed accordingly;

ESOP Scheme means the employee stock option scheme, for the issuance of stock options exercisable for Equity Shares to any eligible employees, directors or consultants of the Company, which is adopted and/or amended in the form and on terms which are approved by the New Investor in accordance with this Agreement;

Existing SSHA means the share subscription and shareholders agreement dated 27 May 2025 executed amongst the Company, M/s. AIG Direct LLC, and the Promoters;

FDI or Foreign Direct Investment shall have the meaning as defined under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019;

Fully Diluted Basis shall mean that the calculation shall be made assuming that all outstanding Securities (whether or not by their terms then currently convertible or exercisable), whether or not due to the occurrence of an event or otherwise, have been converted, exercised or exchanged into the maximum number of Equity Shares issuable upon such conversion, exercise and/or exchange, in accordance with the terms and conditions of the issue of such Securities, and all

authorised options under the employees stock options scheme (including the ESOP Scheme) that are issued or granted and outstanding shall be included for the aforesaid calculation irrespective of whether or not they have been vested, or exercised but shall exclude any rights given to any lender(s) (in the nature of banks and non-banking financial companies) of the Company under any financing agreement(s) to convert any outstanding loan amount(s) to equity in case the Company defaults in its repayment obligations;

Indian GAAP means the Indian generally accepted accounting principles promulgated by the Institute of Chartered Accountants of India, together with its pronouncements thereon from time to time;

INR or Rupee means Indian Rupee, the lawful currency of India;

Intellectual Property Rights means intellectual property rights, whether registered or not, including:

- (a) inventions, pending patent applications (including divisionals, reissues, renewals, re-examinations, continuations, continuations-in-part and extensions) and issued patents, including those inventions, pending patent applications and issued patents;
- (b) copyrights, including copyright registrations and applications;
- (c) industrial designs and similar rights, including registrations and applications; and
- (d) trademarks, service marks, service names, logos, get-up, trade names, internet domain names, rights in designs, copyright (including rights in computer software) and moral rights, database rights, semi-conductor topography rights, utility models, rights in know-how, trade secrets, and other intellectual property rights and proprietary data, including any goodwill or other value generated in connection with their use thereof, in each case whether registered or unregistered and including applications for registration, and all rights or forms of protection having equivalent or similar effect anywhere in the world which are held, licensed to or beneficially owned by the Company;

IT Systems means the information and communications technologies used by the Company, including hardware, proprietary and third-party software, services, networks, peripherals and associated documentation;

Key Personnel shall mean the following designations and executive roles in the Company or equivalent positions as identified by the Board: (a) chief executive officer; (b) chief financial officer; (c) any executive director with a cost to company exceeding INR 25,00,000/- (Indian Rupees Twenty Five Lakhs only) per annum;

KYC is 'know your customer' verification process as provided under the Master Direction - Know Your Customer (KYC) Direction, 2016 issued by the RBI;

Long Stop Date has the meaning given to it in Clause 4.5;

Losses shall mean all losses, liabilities, claims, demands, suits, judgments, awards, fines, penalties, Taxes, fees, settlements and proceedings, costs, expenses, diminution in value of Equity Shares or Securities (as the case may be) including reasonable attorneys' and accountants' fees and disbursements, but shall exclude any indirect and/or punitive losses;

Material Adverse Effect means any change, event or effect which is materially adverse to, (a) the Business, conduct of the Business, Assets, liabilities or financial condition or that could potentially materially impact the reputation and goodwill of the Company or (b) the ability of the Parties to consummate the transactions contemplated or to perform their obligations hereunder; or (c) the validity, legality or enforceability of the rights or remedies of the New Investor under this Agreement. However, any action of the Company or the Promoters taken pursuant to (i) the instructions of the New Investor, or (ii) required to be undertaken as per the terms of this Agreement, which causes a material adverse impact on the Business, Assets, or financial condition of the Company shall not be considered to constitute a Material Adverse Effect under this Agreement;

Ordinary Course of Business means actions, events or circumstances that are taken in the ordinary course of the Person's normal day-to-day operations, and:

- (a) are similar in nature and magnitude to actions customarily taken, without any separate or special authorization, in the ordinary course of the normal day-to-day operations of other Persons that are engaged in businesses similar to the Person's business; or
- (b) are consistent with past practice and existing policies of that Person;

Person means any individual, body corporate, partnership, association, company, joint venture, company, trust (including a discretionary trust), general partnership, limited liability partnership, limited liability company, unincorporated organization or any other enterprise, or Authority and **Persons** shall be construed accordingly;

Pre-Closing Period has the meaning given to it in Clause 3 (*Pre-Closing Undertaking*);

Promoters Event of Default means the occurrence of any of the following:

- (a) A material breach by the Promoters of any of the material terms and conditions of the Transaction Documents for which he is responsible thereunder;
- (b) Any act by the Promoters or the Company that constitutes a breach of applicable Anti-Corruption Laws or Sanctions Laws and Regulations;
- (c) an application being filed in relation to the insolvency resolution process of the Company or the Promoters under the Insolvency and Bankruptcy Code, 2016 or similar Applicable Laws before National Company Law Tribunal (NCLT) or other court(s) of competent jurisdiction, unless such application is withdrawn or dismissed before NCLT or such other court(s) of competent jurisdiction within 30 (thirty) days from the date of such application filing by a financial creditor of the Company and within 45 (forty five) days from the date of such filing by an operational creditor of the Company or any other party for a filing in any other court of competent jurisdiction, which shall be subject to extension if the Promoters or the Company has done everything to contest but is unable to do so because a court date is unavailable;
- (d) Any alleged fraud, gross negligence or wilful misconduct by the Promoters as may be determined on the basis of findings of an accounting firm or a reputed legal or forensic expert identified by the New Investor;

- (e) a Promoter being barred by any Governmental Authority from holding the position of Director in the Company, or if a Promoter is disqualified from being a director in a company.

RBI means the Reserve Bank of India;

Related Party has the meaning ascribed to it under the Act;

ROC means the relevant Registrar of Companies having jurisdiction over the Company;

Relative of a natural Person has the meaning given to it in Section 2(77) of the Act;

Revised Articles has the meaning given to it in Clause 4.1(g);

Sanctions Law and Regulations means any economic, financial or trade sanctions and export controls of any relevant jurisdiction, including those imposed, administered or enforced by (a) any territory having jurisdiction over the New Investor, (b) the Commonwealth of Australia (c) the Republic of India, (d) the United Nations Security Council, (e) the European Union or its Member States, (f) the U.S. Government, any United States agency or other relevant sanctions authority, including the U.S. Treasury Department's Office of Foreign Assets Control, the U.S. Department of State and the U.S. Department of Commerce's Bureau of Industry and Security, (g) the United Kingdom, including the U.K. Foreign and Commonwealth Office, the U.K. Department for Business, Innovation & Skills, and Her Majesty's Treasury of the U.K., and (h) Financial Action Task Force; including: (i) any of The Trading With The Enemy Act of 1917, the International Emergency Economic Powers Act of 1977, the Iran Threat Reduction and Syria Human Rights Act of 2012, the United Nations Participation Act of 1945, or the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003, all as amended, or regulations of the U.S. Treasury Department Office of Foreign Assets Controls, or any export control law or regulation applicable to U.S.-origin goods, or any enabling legislation or executive order relating to any of the above, as collectively interpreted and applied by the U.S. Government at the prevailing point in time, (ii) any U.S. sanctions related to or administered by the Department of State, (iii) any sanctions measures or embargos imposed by the United Nations Security Council, Her Majesty's Treasury of the U.K., the European Union or other relevant sanctions authority, and (iv) the (Indian) Unlawful Activities (Prevention) Amendment Act, 2008 and the (Indian) Prevention of Money Laundering Act, 2002 read with the applicable rules issued thereunder;

Securities means Equity Shares, CCPS, or any membership or ownership interests of a company, or any options, warrants, or other securities (including but not limited to compulsorily convertible preference shares and compulsorily convertible debentures), appreciation rights or instruments that are, directly or indirectly, convertible into, or exercisable or exchangeable for the Equity Shares (whether or not such derivative securities are issued) or any other equity securities of such company or may enable the holder thereof to acquire/exercise any voting rights in the company;

Shareholder means any Person that holds any Equity Shares of the Company and is registered under the register of members and index of beneficial owners maintained by the relevant depository of the Company as a shareholder;

Shareholders' Agreement means the Shareholders' Agreement of even date entered into between the Company, the Promoters, the Existing Investor (*as defined therein*), the Other Investors (*as defined therein*) and the New Investor, which shall with effect from the Closing,

supersede and replace any and all existing agreements between the Shareholders of the Company;

Share Capital means the total issued and paid-up share capital of the Company or the Subsidiary (as the case may be), determined on a Fully Diluted Basis;

Subscription Amount has the meaning given to it in Clause 2.1(a);

Subscription Securities has the meaning given to it in Clause 2.1(a);

Subsidiary refers to (i) Revat Laboratories Private Limited, a company incorporated under the laws of India with corporate identification number U24230TG1988PTC008741, and (ii) SP Analytics Private limited, a company incorporated under the laws of India with corporate identification number U71200TS2023PTC178997;

Tax and Taxes means any applicable direct or indirect taxes, assessments, service tax, social security charges, impositions, customs and other duties, which the Person is required to pay, withhold or collect, including any income taxes (including but not limited to minimum alternate tax, dividend distribution tax, buyback distribution tax, tax payable in a representative capacity), taxes on capital gains, property taxes, stamp duties, value added tax, goods and services tax, excise taxes, employee withholding taxes, payroll, social security and pension contributions, environmental taxes or other governmental charges or duties, levy of any kind including surcharge, cess and any interest, equalization levy, penalties, fines or other additions thereto under the Applicable Law for the time being in force;

Transaction Documents means:

- (a) this Agreement;
- (b) the Charter Documents of the Company; and
- (c) other agreements, undertakings, certificates, letters and documents unanimously identified by the Parties;

Valuer refers to KPMG, PricewaterhouseCoopers, Ernst & Young, Deloitte Touche Tohmatsu, Grant Thornton, TP Ostwal or such firm of chartered accountants associated with any of them and their respective successors; and

Warranties has the meaning given to it in Clause 6 (*Representations and Warranties*).

1.2 Interpretation

In this Agreement,

- (a) in addition to the above terms, certain terms may be defined in the recitals or elsewhere in the Agreement and wherever, such terms are used in the Agreement, they shall have the meaning so assigned to them;
- (b) the terms referred to in the Agreement shall, unless defined otherwise or inconsistent with the context or meaning thereof, bear the meaning ascribed to them under the relevant statute / legislation;

- (c) all the references in the Agreement to statutory provisions shall be construed as meaning and including references to:
 - (i) any statutory modification, consolidation or re-enactment made after the date of the Agreement and for the time being in force;
 - (ii) all statutory instruments or orders made pursuant to a statutory provision; and
 - (iii) any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.
 - (d) words denoting the singular shall include the plural and words denoting any gender shall include all genders;
 - (e) headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of the Agreement or the schedules hereto and shall be ignored in construing the same;
 - (f) references to recitals, clauses, schedules or exhibits are, unless the context otherwise requires, references to recitals, clauses, schedules and exhibits to the Agreement;
 - (g) reference to days, months and years are to calendar days, calendar months and calendar years, respectively, unless defined otherwise or inconsistent with the context or meaning thereof;
 - (h) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under the Agreement is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day;
 - (i) if any provision is a definition (or under this heading “Interpretation” and / or any other heading in the Agreement) and is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it is only in the definition (or such other Clause), effect shall be given to it as if it were a substantive provision in the body of the Agreement;
 - (j) any reference to “writing” shall include printing, typing, lithography and other means of reproducing words in visible form;
 - (k) any reference to a document being in “agreed form” means that the document has been agreed to in writing by the relevant Parties; and
 - (l) the words “include” and “including” are to be construed without limitation.
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2. SUBSCRIPTION

2.1 Subscription to the Subscription Securities

- (a) Subject to the terms of this Agreement and fulfilment of all Conditions Precedent by the Company and the Promoters to the satisfaction of the New Investor, unless any or

all Conditions Precedent are waived by the New Investor, the Company shall issue and allot to the New Investor, and the New Investor shall, relying on the representations and warranties, indemnities, covenants and undertakings of the Company and the Promoters contained herein, subscribe to 15,23,437 (Fifteen Lakhs Twenty Three Thousand Four Hundred and Thirty Seven) CCPS (whose terms are as set out in **Schedule 5) (Subscription Securities)** for a consideration of INR 19,49,99,936/- (Indian Rupees Nineteen Crore, Forty Nine Lakhs, Ninety Nine Thousand, Nine Hundred and Thirty Six only) (**Subscription Amount**) aggregating to 4.99% (four point ninety nine percent) of the Share Capital as of the Closing Date on a Fully Diluted Basis. The Parties hereby agree that the obligation of the New Investor to subscribe to the Subscription Securities is conditional upon the fulfilment of all the Conditions Precedent, each to the satisfaction of the New Investor in its sole and absolute discretion, unless otherwise waived (in whole or part) in writing by the New Investor. Each of the Subscription Security shall be allotted by the Company to the New Investor free of all Encumbrances and along with all the rights attached thereto.

- (b) On and from the Closing Date, the Shareholders shall be entitled to exercise their voting rights in proportion to their assumed shareholding in the Company upon completion of the Closing, and accordingly, the New Investor shall be entitled to voting rights equivalent to 4.99% (four point ninety nine percent) of the Share Capital on a Fully Diluted Basis on and from the Closing Date.

2.2 Shareholding Pattern

The shareholding pattern of the Company as on the Execution Date is as set out in **Part A of Schedule 1 (Shareholding Pattern as on the Execution Date)**. The shareholding pattern of the Company immediately upon the occurrence of the Closing Date shall be as set forth in **Part B of Schedule 1 (Shareholding Pattern as on the Closing Date)**.

2.3 Use of Proceeds

The Company may utilize the Subscription Amount after Closing in accordance with the terms of the Shareholders' Agreement.

2.4 Execution Date Events

On the Execution Date, the Company shall provide the certified true copies of resolutions passed by the board of directors of the Company, approving and authorising: (i) the transactions set out in this Agreement; (ii) appointment of the authorized signatories for execution of the Transaction Documents on behalf of the Company, to the New Investor; and (iii) copies of written consents and waivers from all Shareholders as may be required under the Existing SSHA to enter into this Agreement and the Shareholders' Agreement, to undertake the issuance and allotment of the Subscription Securities to the New Investor;

3. PRE-CLOSING UNDERTAKING

- 3.1 Each of the Company and the Promoters, severally and jointly undertake and covenant to the New Investor that, from the Execution Date until the Closing Date (the **Pre-Closing Period**), except as may be approved with the prior written consent of the New Investor or as is expressly required under this Clause 3.1 of the Agreement:

- (a) Neither the Company nor the Promoters will enter into any commitment or transaction or do anything which is, (i) not contemplated by this Agreement; and (ii) not in its Ordinary Course of Business;
- (b) The New Investor and its representatives and advisors shall be allowed access during business hours, to (i) the premises used by, and information related to management of, the Company and its Business provided that the Company shall be given reasonable notice of such inspection by the New Investor and (ii) the books and records of the Company (including all statutory books, minute books, leases, contracts, supplier lists and customer lists), with the right to take copies of the same;
- (c) Neither the Company nor the Promoters shall do, allow or procure any act or omission which would constitute or give rise to a breach of any provisions of this Agreement (including the Warranties);
- (d) All relevant information which comes to the notice of the Promoters or the Company in relation to any fact or matter (whether existing on or before the Execution Date or arising afterwards) which may constitute a breach of the provisions of this Agreement (including the Warranties) shall be promptly disclosed to the New Investor;
- (e) The Company shall promptly supplement or amend the information given in this Agreement or provided to the New Investor, and disclose to the New Investor, with respect to any matter, (i) which has been requested by the New Investor; or (ii) which makes it necessary to correct any information in this Agreement which may be rendered inaccurate thereby; or (iii) which constitutes a breach of the terms of any of the Transaction Documents and / or any events which make any information, statement or Warranty contained in this Agreement inaccurate, untrue or incomplete;
- (f) The Company shall conduct the Business in accordance with Applicable Laws and shall ensure that all consents, approvals, certifications and authorisations required for conduct of its Business shall remain valid and subsisting;

3.2 Each of the Company and the Promoters, severally and jointly undertake and covenant with the New Investor that, during the Pre-Closing Period, neither the Company shall, except as may be approved with the prior written consent of the New Investor or as is expressly required under this Clause 3.2 of the Agreement:

- (a) Declare, authorize, make or pay any dividend or other distribution (whether in cash, stock or kind) or undertake a bonus issue of its Securities or reduce, purchase or redeem any part of its Share Capital;
- (b) Amend its Charter Documents, except in order to comply with this Agreement;
- (c) Increase, decrease, alter or modify the authorized share capital or Share Capital, create or issue any Securities, or issue or grant new employee stock options, directly or indirectly ~~Transfer any Securities, effect any change in the shareholding pattern of the~~ Company or the Subsidiary, or effect any scheme of amalgamation, arrangement or reorganisation in relation to the Company; in each case except as required for the purposes of the Transaction Documents;

- (d) Provide any financial debt to any Person (including by way of subscription to any debt instruments), assume or incur any financial debt, or permit the creation of any Encumbrance over the Assets of the Company;
- (e) Incur any significant capital expenditure amounting to more than INR 25,00,000/- (Indian Rupees Twenty Five Lakhs only) relating to the Business, or change the scope or nature of its Business (including but not limited to entering into a new line of business which is not carried on by the Company or the Subsidiary as on the Execution Date, entering into any material contract, changing the territories in which the Business is carried on, or closing down any premises out of which the Company carries out its Business);
- (f) Approve or amend any existing business plan provided to the New Investor;
- (g) Acquire equity interest or other securities issued by any Person or enter into any agreement or arrangement with respect to the acquisition of equity interest or other securities in any Person, as well as any investment agreement, joint venture agreement or partnership agreement;
- (h) Terminate the employment of, change the terms of appointment (including by way of adopting new employee policies or amending existing policies) of any Key Personnel;
- (i) Enter into any contracts material to the Business or amend, waive, assign, transfer, suspend, abandon or terminate any contracts to which the Company is a party (including any material contract);
- (j) Directly or indirectly, initiate, respond to, process or hold any discussions in respect of, any offer of Securities or proposal for a potential purchase of any or all of the Assets of the Company, investment in the Company or potential purchase of any Securities of the Company, by any Person, other than as set forth in this Agreement, entering into any agreement or non-binding memorandum of understanding or letter of intent or arrangements or concluding or signing any term sheet / other documents or undertaking any other action (including, permitting any third parties from undertaking any due diligence in respect of the Company) in respect of the aforesaid;
- (k) Enter into, renew, terminate or amend any transactions with Related Parties, even if such Related Party transactions are on an arm's length basis and in the Ordinary Course of Business;
- (l) Make any change in the method of accounting or Tax practice or policy used by the Company in preparation of its financial statements and / or Tax returns, other than such changes as are required by Applicable Law;
- (m) Settle any litigation, arbitration or other legal proceeding involving the Company, or respond to any notice, order or directive received by the Company from any Authority; provided that the New Investor shall be promptly informed of such notice, order or directive and provided further that, if the New Investor fails to respond within a reasonable time and there is a legal obligation to respond to such notice within a stipulated timeline, the Company shall have the right to respond to such notices or take actions as per direction of such Authority within the timeline mentioned in the notice, order or directive;

- (n) Dispose of, license or otherwise affect the Intellectual Property Rights of the Company or Subsidiary in any manner, including but not limited to by making any applications or representations in relation to the Intellectual Property Rights of the Company;
- (o) Undertake any action relating to the liquidation, dissolution or winding up of the Company;
- (p) Pass any resolution of its Shareholders or any class of Shareholders, whether in a general meeting or otherwise except those contemplated in Clause 4 (*Conditions Precedent*);
- (q) Permit any insurances maintained by the Company to lapse or do anything which would make any policy of insurance void or voidable;
- (r) Transfer, sell, assign or pledge any Securities; or
- (s) Permit any of the foregoing to occur or enter into any agreement in relation to the foregoing.

4. CONDITIONS PRECEDENT

4.1 The obligation of the New Investor to consummate the Closing is subject to and conditional on the Conditions Precedent set out in this Clause 4 (*Conditions Precedent*) being fulfilled to the satisfaction of the New Investor (or waived in writing by the New Investor at its sole discretion), in accordance with the terms of this Agreement:

- (a) The Company having convened a meeting of the Board for the purposes of:
 - (i) approving the re-classification of authorised share capital to reflect the specific series of Securities to be issued to the New Investor under this Agreement;
 - (ii) approving amendment of the Charter Documents to reflect the specific series of Securities to be issued to the New Investor under this Agreement;
 - (iii) approving the issuance and offer to allot the Subscription Securities in accordance with Section 42 of the Act and the terms of this Agreement;
 - (iv) approving the draft offer letter in Form PAS-4 (**Offer Letter**) to be issued to the New Investor;
 - (v) authorizing the Directors to issue and execute the Offer Letter;
 - (vi) convening an EGM of the Shareholders at short notice to approve:
 - (A) re-classification of authorised share capital and subsequent amendments to the Charter Documents to reflect the specific series of Securities to be issued to the New Investor under this Agreement;
 - (B) issuance of the Offer Letter to the New Investor; and
 - (C) issuance and offer to allot the Subscription Securities to the New Investor in accordance with the terms of the Offer Letter and the Act;

The Company having delivered to the New Investor certified true copies of the aforementioned resolutions along with all requisite supporting documents and other proof evidencing compliance, to the satisfaction of the New Investor, with the procedure prescribed under the Act;

- (b) The Company having sent a notice to its Shareholders for holding the EGM referred to in Clause 4.1(a) along with an explanatory statement containing the disclosures required to be provided under the Act;
- (c) The Company having convened the aforementioned EGM at shorter notice and the Shareholders having passed a special resolution for:
 - (i) approving the re-classification of authorised share capital and subsequent amendments to the Charter Documents to reflect the specific series of Securities to be issued to the New Investor under this Agreement;
 - (ii) approving the issuance of the Offer Letter to the New Investor; and
 - (iii) approving the issuance and offer to allot the Subscription Securities to the New Investor in accordance with the terms of the Offer Letter and the Act;

and having delivered to the New Investor certified true copies of the aforementioned resolutions;

- (d) The Company having filed with the ROC (and delivered a copy to the New Investor) Form MGT-14 with respect to the aforesaid special resolution;
- (e) The Company having sent the Offer Letter along with the application form to the New Investor in accordance with the provisions of the Act, and such Offer Letter having been received by the New Investor;
- (f) The Company having delivered to the New Investor a copy of the valuation report issued by the Valuer who shall be qualified to issue a valuation report under the applicable statute indicating the fair value of the Subscription Securities, as required under (i) the Act, and (ii) the Income-Tax Act, 1961;
- (g) The Parties having agreed to a form of the amended and restated articles of association of the Company and the Subsidiary to be adopted at the Closing, which reflects the terms of the Shareholders' Agreement (**Revised Articles**);
- (h) The Parties having agreed to a form of the Business Plan and Budget to be adopted by the Company on the Closing Date, with the Company having delivered a copy of such Business Plan and Budget to the New Investor;
- (i) No event having occurred or be continuing which in the opinion of the New Investor has, or would reasonably be expected to have, a Material Adverse Effect; and
- (j) Each of the Warranties being true and accurate in all material respects as of the Closing Date.

4.2 Each of the Company and the Promoters shall procure the fulfilment of the Conditions Precedent as soon as possible and in no event later than the Long Stop Date, to the satisfaction

of the New Investor and unless otherwise waived or deferred by the New Investor (in writing) at its sole discretion.

- 4.3 Upon the fulfilment of the last of the Conditions Precedent set out in this Clause 4 (*Conditions Precedent*) (unless waived by the New Investor in writing), the Company and Promoters shall provide a notice in the form set out in **Schedule 2** to the New Investor confirming that the Conditions Precedent have been duly fulfilled (**CP Fulfilment Notice**). The CP Fulfilment Notice shall enclose certified copies of all documents evidencing fulfilment of the Conditions Precedent. Upon the New Investor being satisfied that the Conditions Precedent have been fulfilled, the New Investor shall confirm its satisfaction of the fulfilment of the Conditions Precedent by a written notice to the Company in the form set out in **Schedule 3 (CP Satisfaction Notice)**. Where the New Investor is not satisfied with the status of the Conditions Precedent, it shall within 5 (five) Business Days from the date of the CP Fulfilment Notice, intimate the same in writing to the Company and the Company shall then resolve these issues to the satisfaction of the New Investor and issue a revised CP Fulfilment Notice. The Parties agree that the process set out in this Clause 4.3 shall be repeated until the earlier of issue of a CP Satisfaction Notice by the New Investor or termination of this Agreement.
- 4.4 Unless otherwise agreed between the Parties, the Closing shall take place at the Company's corporate office 5 (five) Business Days from the date of issuance of the CP Satisfaction Notice, or such other date as may be agreed between the Company and the New Investor in writing (**Closing Date**).
- 4.5 Notwithstanding the other terms of this Clause 4, if the Conditions Precedent set out this Clause 4 (*Conditions Precedent*) are not satisfied (unless waived by the New Investor in writing) by 28 June 2025 or such other date as may be agreed between the Company and the New Investor in writing (**Long Stop Date**), provisions of Clause 8 (*Termination*) shall apply and the New Investor shall have the right to terminate this Agreement.

5. CLOSING

5.1 Closing

- (a) The following transactions shall be consummated simultaneously on the Closing Date. For the avoidance of doubt, the Closing shall be deemed to have been completed only upon completion of each of the following transactions (**Closing**):
- (i) the New Investor shall deliver to the Company the duly filled application form (as attached to the Offer Letter), required to be submitted by the New Investor to the Company as per the provisions of the Act for allotment of the Subscription Securities;
 - (ii) the New Investor shall issue transfer instructions to its banker to pay, through normal banking channels, in immediately available funds, the Subscription Amount into the bank account of the Company, the details of which are as set out in the CP Fulfilment Notice issued in terms of Clause 4.3 (**Remittance Instructions**);
 - (iii) upon the New Investor having provided evidence of the Remittance Instructions to the Company, the Company shall deliver duly signed delivery instruction slips to the depository participants (**Transfer Slips**) in respect of the Subscription Securities being issued to the New Investor;

- (iv) the New Investor shall duly execute and deliver the receipt instruction slips to its depository participant (**Receipt Slips**) together with supporting evidence of corporate authorisations of the New Investor. The New Investor shall also deliver Receipt Slips to the Company;
 - (v) The Company shall duly convene a meeting of the Board to approve and take on record the following:
 - (A) the issue and allotment of the Subscription Securities to the New Investor free of all Encumbrances;
 - (B) authorise officers of the Company: (A) to make all statutory filings required in connection with the issuance of Subscription Securities; and (B) enter the name and recording details of New Investor in the register of members of the Company as a holder of the Subscription Securities;
 - (C) approve and adopt the Revised Articles;
 - (D) approve and adopt the Business Plan and Budget; and
 - (E) approve the convening of an EGM of the Shareholders at shorter notice to adopt a special resolution approving the Revised Articles, effective as on the Closing Date.
 - (vi) The Promoters shall cause the Company to, and the Company shall, convene a meeting of the Shareholders at short notice at which meeting the Shareholders shall adopt the Revised Articles as approved by the Board.
- (b) Immediately upon completion of actions set forth in Clause 5(a) above, the Company shall provide the New Investor with the following:
- (i) certified copies of the resolutions of the meetings of the Board and the Shareholders held on the Closing Date;
 - (ii) certified copy of relevant extracts of register of members evidencing the ownership of the Subscription Securities by the New Investor;
 - (iii) demat holding statement reflecting the name of the New Investor holding the Subscription Securities in the Company; and
 - (iv) certified copy of the relevant extract of the Company's register of allotment in Form PAS-5 containing the details of the Subscription Securities;
- (c) The Parties agree that the fulfilment of the obligations of the Company set forth in Clause 4 (*Conditions Precedent*) and this Clause 5 are conditions precedent to the utilization of the Subscription Amount.
- (d) The Company and the Promoters shall deliver to the New Investor a certificate executed by the Company and Promoters on the Closing Date in a form acceptable to the New Investor, certifying that:

- (i) As on the Closing Date, there has been no Material Adverse Effect, no Promoters Event of Default and no event that constitutes or could constitute a Promoters Event of Default (as defined in the Shareholders' Agreement);
 - (ii) all appropriate authorisations necessary for consummation of the transactions contemplated herein have been obtained and are valid and subsisting as on the Closing Date;
 - (iii) each of the Warranties being true and accurate in all material respects as of the Closing Date;
 - (iv) the Promoters and the Company have complied with all their undertakings and covenants set out in Clause 3 (*Pre-Closing Undertaking*), Clause 5 (*Closing*) and Clause 9 (*Confidentiality*);
 - (v) to the best of their knowledge, the Promoters and Company have not taken any actions and there exist no events that constitute or could give rise to a breach by the Promoters or the Company of the Shareholders' Agreement upon its coming into effect on Closing Date or any other Transaction Documents; and
 - (vi) the Company has conducted its Business in the Ordinary Course of Business;
- (e) The Subscription Amount received by the Company shall be held by the Company to the order of the New Investor until such time as the Closing shall be deemed to have taken place in the manner contemplated in this Agreement. Provided however that, and notwithstanding anything contained in this Agreement, in the event Closing does not occur in the manner and time envisaged in this Agreement after remittance of the Subscription Amount by the New Investor, then without prejudice to the rights that the New Investor may have under Applicable Law, the Company shall refund the entire Subscription Amount to the New Investor within 2 (two) Business Days from the date on which the New Investor made the remittance or such later date as intimated by the New Investor. It is clarified that the New Investor shall not be entitled to claim indemnification under Clause 7 (*Indemnity*) unless the New Investor has paid the Subscription Amount to the Company.
- (f) If the Promoters or the Company fails to comply with the obligations under this Agreement, then the New Investor shall be entitled, without limiting remedies that may be available to the New Investor under Applicable Law and this Agreement by written notice to the Company, to:
- (i) proceed to the Closing as far as practicable (without limiting its rights under the Agreement and Applicable Law);
 - (ii) defer the Closing to a later Business Day in which case the provisions of this Clause 5.1 shall apply to the closing so deferred; or
 - (iii) terminate this Agreement in accordance with Clause 8 (*Termination*) if the Closing has not occurred.

5.2 Condition Subsequent to Closing

- (a) Within 10 (ten) Business Days from the Closing Date, the Company agrees and undertakes that it shall promptly make all relevant filings with respect to the actions undertaken on Closing, including the following:
 - (i) Form MGT-14 (Registration of Resolutions), Form PAS-3 (Return of Allotment), and all other applicable forms, if any, with respect to the allotment of Subscription Securities to the New Investor with the ROC; and
 - (ii) Form MGT-14 (Registration of Resolutions) with respect to adoption of the Revised Articles by the Company with the ROC.
- (b) The Company shall and the Promoters shall cause the Company to complete the actions listed in **Schedule 7** to the satisfaction of the New Investor within the timelines specified therein for each such action or such extended period as the Parties may mutually agree. The Company and the Promoters shall issue a written notice to the New Investor, no later than 1 (one) Business Day from the date of satisfaction of all of the conditions subsequent accompanied by all relevant documentation to evidence the same.

6. REPRESENTATIONS AND WARRANTIES

- 6.1 Each of the Company and the Promoters, jointly and severally represent to the New Investor that each of the representations and warranties in relation to the Company set out in and **Part A** of **Schedule 4** (*Representations and Warranties*) (**Company Warranties**) is true, correct and valid in every respect, as of the Execution Date and is not untrue, inaccurate and shall be true, correct, valid and subsisting as of the Closing Date. The Promoters represents and warrants to the New Investor that each of his representations and warranties as set out in **Part B** of **Schedule 4** (*Representations and Warranties*) (**Promoters Warranties**), is true, correct, valid and subsisting in every respect as of the Execution Date and is not untrue, inaccurate or and shall be true, correct, valid and subsisting as of the Closing Date. The Company Warranties and Promoters Warranties contained in **Part A** and **Part B** of **Schedule 4** (*Representations and Warranties*) respectively shall be collectively referred to as the **Warranties**.
- 6.2 The New Investor hereby represents and warrants to the Company and the Promoters that each of the following representations and warranties (**New Investor Warranties**) are true, correct, valid and subsisting as of the Execution Date and shall be true, correct, valid and subsisting as of the Closing Date:
 - (a) it is duly organized and validly existing under the laws of India with full corporate power to carry on its business as now conducted by it. The New Investor is not subject to an act of insolvency;
 - (b) it has full corporate power and authority to execute, deliver and perform this Agreement and the transactions contemplated herein and the execution, performance and delivery of this Agreement has been duly authorised by it;
 - (c) the execution and delivery of this Agreement by the New Investor shall constitute valid and binding obligations of the New Investor enforceable against it in accordance with its terms;
 - (d) neither the execution and delivery of this Agreement by the New Investor, nor the consummation by the New Investor of the transactions contemplated by this

Agreement, or compliance by the New Investor with any of the terms or provisions hereof, will violate any provisions of the charter documents of the New Investor or violate any Applicable Law or contractual obligations binding on the New Investor; and

- (e) as on the Closing Date, the New Investor shall have immediately available funds in its bank account to be able to pay the Subscription Amount.

6.3 Other terms

- (a) Each Warranty shall be construed independently of the other and is not limited by the reference to any other Warranty. Similarly, each New Investor Warranty shall be construed independently of the other New Investor Warranties and is not limited by reference to any other New Investor Warranty.
- (b) The Company and the Promoters acknowledge and confirm that the New Investor is entering into this Agreement in reliance of each of the Warranties. All Warranties herein shall be deemed to be material and to have been relied upon by the New Investor, notwithstanding any investigation, due diligence review or inspection made by or on behalf of the New Investor and shall not be affected in any respect by such investigation, due diligence review or inspection. None of the representations and warranties contained in the Warranties shall be treated as qualified by any actual, imputed or constructive knowledge on the part of the New Investor or any agent or advisor of the New Investor and no such knowledge shall prejudice any warranty Claim or operate so as to reduce any amount recoverable.
- (d) Except for the Warranties, the Company and the Promoters neither make any other express or implied warranty nor do they make any representation, under or in connection with this Agreement or any transaction contemplated under this Agreement.
- (e) The Company and the Promoters shall promptly give written notice to the New Investor of any matter or circumstance arising after the Execution Date and before the Closing Date, which comes to the notice of the Company and/or the Promoters after the Execution Date and before the Closing Date, which results or would reasonably result or would be likely to reasonably result in any of the Warranties being untrue, inaccurate or misleading.

7. INDEMNITY

7.1 The Company and the Promoters (each an **Indemnifying Person** and together, the **Indemnifying Persons**), jointly and severally, hereby covenant and undertake to, indemnify, defend and hold harmless and keep indemnified, the New Investor, its Affiliates (only to the extent of the indemnification event set out in Clause 7.1(a)), directors, officers and employees (each, an **Indemnified Person** and together, the **Indemnified Persons**) to the fullest extent from and against any and all Losses suffered or incurred by the Indemnified Persons in relation to each of the indemnification events set out under this Clause 7.1, promptly upon demand, at any time and from time to time in writing, as a result of, arising out of, or in connection with or relating to:

- (a) any breach or inaccuracy of (A) any Company Warranties or (B) any obligation, covenant, certificate or undertaking of the Company, or the Promoters under Clause 3 (*Pre-Closing Undertaking*), Clause 5 (*Closing*) and Clause 9 (*Confidentiality*);

- (b) past liabilities and claims arising from the conduct of the Business by the Company in relation to the period prior to the Closing Date including any unknown liabilities that were not reflected in the Accounts of the Company in the past two financial years;
- (c) any fraud, gross negligence or wilful misconduct on the part of the Company in relation to the conduct of the Business;
- (d) as a result of Taxes (or non-payment thereof) imposed on or payable by the Company or any Loss, Claim or liability relating to Taxes arising on or adversely affecting the Company in relation to the period prior to the Closing Date, whether arising prior to or after the Closing; or
- (e) the indemnity matters set out in **Schedule 6**.

7.2 The Promoters hereby covenants and undertakes to, indemnify, defend and hold harmless and keep indemnified, each Indemnified Person, to the fullest extent from and against any and all Losses, suffered or incurred by the Indemnified Person, promptly upon demand, at any time and from time to time in writing, arising out of or in connection with:

- (a) a breach of any Promoters Warranties or any obligation, covenant or undertaking of the Promoters under Clause 3 (*Pre-Closing Undertaking*), Clause 5 (*Closing*) and Clause 9 (*Confidentiality*); or
- (b) any Promoters Event of Default provided (A) that with respect to item (a) of the definition of 'Promoters Event of Default', an event shall be deemed to be a Promoters Event of Default only if such event being capable of being remedied remains unremedied for 30 (Thirty) days from receipt of notice from the New Investor requesting the same to be remedied; and (B) with respect to item (d), of the definition of 'Promoters Event of Default' where a third party expert is identified by the New Investor to conduct any investigation relating to any alleged fraud, gross negligence or wilful misconduct by the Promoters, the Company and the Promoters are required to appoint the same and provide it full access to all information at all reasonable times required by it to make its findings.

7.3 **Conduct of Claims**

- (a) Any Claim for indemnity pursuant to Clause 7 or Clause 7.2 (as the case may be) shall be made by the Indemnified Persons by notice in writing (**Claim Certificate**) to the Company and / or the Promoters (as the case may be) upon the Indemnified Person becoming aware of an indemnification event specified under Clause 7.1 or 7.2 (**Claim Notification Period**), which, (i) states the amount claimed (**Indemnity Amount**); and (ii) specifies the basis for arriving at the Indemnity Amount and the misrepresentation, breach of warranty, breach of covenant or claim giving rise to the Indemnity Amount, provided that if the basis for arriving at the Indemnity Amount cannot be determined within the Claim Notification Period in the reasonable assessment of the Indemnified Persons, the Indemnified Persons shall submit the Claim within the Claim Notification Period with a statement as to the indicative time period required for determining the actual claimed Indemnity Amount. Upon becoming aware of an indemnification event, the Indemnified Persons shall make commercially reasonable endeavors to assess its Claim and issue a Claim Certificate within 60 (sixty) Business Days, provided that a delay in bringing the Claim beyond 60 (sixty) Business Days shall not prejudice the ability of the Indemnified Parties to raise a Claim later (subject to time limitations in

Clause 7.12), however, the Indemnifying Party shall not be liable for any incremental loss attributable to such delay.

- (b) If the Company and / or the Promoters (as the case may be) objects to the indemnification of an Indemnified Person in respect of any Indemnity Amount claimed in the Claim Certificate, the Company and / or the Promoters (as the case may be) shall within 10 (ten) Business Days after receipt of the Claim Certificate, deliver to the Indemnified Person a notice to such effect, enclosing a summary of the basis for such objection and documentary support reasonably necessary to substantiate the objection (**Indemnity Objection**).
 - (c) The Company and / or the Promoters (as the case may be) and the Indemnified Person shall, within 15 (fifteen) Business Days from the date of receipt by the Indemnified Person of the Indemnity Objection, attempt, in good faith to agree upon the rights of the respective Parties with respect to each of such Claims to which the Company and / or the Promoters (as the case may be) shall have so objected.
 - (d) If the Parties succeed in reaching an agreement on their respective rights with respect to such Claims, the Parties shall promptly prepare and sign a memorandum setting out the agreement. Should the Parties be unable to agree if a Claim has arisen or as to any particular item or items or amount or amounts, the dispute shall be settled in accordance with the procedure set out in Clause 12 (*Governing Law and Dispute Resolution*).
 - (e) Within 10 (ten) Business Days of any amounts being deemed or determined as agreed claims, the Company and / or the Promoters (as the case may be) shall, pay to the Indemnified Person an amount equal to the agreed claim subject to additional conditions and / or limitations, if any, under this Clause 7 (*Indemnity*).
- 7.4 The New Investor may at its sole discretion require a Claim to be paid, through one or more of the following methods:
- (a) the New Investor may require the Company to make good the Loss that is suffered or incurred by the New Investor, by remitting the amount of such Loss to the New Investor; or
 - (b) unless prohibited by Applicable Law, such other method as may be notified by the New Investor at the relevant time.

7.5 **Third Party Claims**

- (a) If an Indemnified Person intends to seek indemnification under this Clause 7, in respect of any claim made or any proceeding commenced against any Indemnified Person by any third party (**Third Party Claim**), the Indemnified Person shall notify the Indemnifying Persons in writing with respect to such Third Party Claim (**Third Party Claim Notice**) within 15 (fifteen) Business Days following receipt of written notice by the Indemnified Person of such Third Party Claim, provided that the Indemnifying Persons shall not be liable for any additional or increased Losses on account of delay in delivering notice by the Indemnified Person beyond such period. The Third Party Claim Notice shall be accompanied by available details including the amount of claim, if known, and supporting documentation of the Third Party Claim in respect of which indemnification is being sought, and any written notices received by the Indemnified Person from such Third Party in connection with such Third Party Claim.

- (b) The Indemnifying Persons shall have 7 (seven) days after receipt of the Third Party Claim Notice to provide a written reply to the Indemnified Person as to whether they accept (**Claim Acceptance Notice**) or object to (**Claim Objection Notice**) such Third Party Claim, provided that failing to issue a Claim Objection Notice within 7 (seven) Business Days would be considered a deemed acceptance by the Indemnifying Persons of the obligation to indemnify for the Third Party Claim. The Claim Acceptance Notice should set out whether the Indemnifying Persons (i) admit the Third Party Claim and agree to pay the Indemnified Person with respect to such Third Party Claim in accordance with this Agreement, or (ii) subject to acknowledging their indemnification obligations in relation to the Third Party Claim and keeping the Indemnified Person fully indemnified in relation to the relevant Third Party Claim in accordance with this Clause 7, if they so desire and at their own cost, with the assistance of counsel as deemed appropriate by the Indemnified Person, elect to defend such Third Party Claim on their own and in consultation with the Indemnified Person. Notwithstanding the foregoing and without prejudice to the indemnification obligations of the Indemnifying Persons pursuant to this Clause 7, the Indemnifying Persons shall not have the right without the prior consent of the Indemnified Persons, to assume control of the defence of a Third Party Claim against any Indemnified Person if: (A) the Third Party Claim entails a criminal action against or potential criminal liability for the Indemnified Person, (B) the Third Party Claim entails action against or liability for the Indemnified Person in respect of violation of any Anti-Corruption Laws, Anti-Money Laundering Laws or Sanction Laws, or (C) the Third Party Claim has been made solely against or otherwise solely implicates the Indemnified Person ((A) to (C) collectively referred to as the **Specified Grounds**).
- (c) If the Indemnifying Persons choose to defend a Third Party Claim as contemplated under Clause 7.5(b) above, the Indemnifying Persons shall have the right to control the defence, negotiation or settlement of such Third Party Claim or proceeding, provided that:
- (i) The Indemnified Person shall continue to have the right to participate and be represented by its counsel in connection with the defence, negotiation or settlement of such Third Party Claim;
 - (ii) The Indemnifying Persons shall in good faith: (I) consult with the Indemnified Person in relation to such defence; (II) provide the Indemnified Persons (A) an opportunity to review all substantive or non-procedural written submissions proposed to be made in defence of such Third Party Claim, provided that the Indemnified Person shall respond within a reasonable period from receipt of any submission with due consideration to any timelines that the Indemnifying Persons need to adhere to when making the submission in respect of any Third Party Claim; and (B) copies of all written submissions made in respect of any Third Party Claim; (III) keep the Indemnified Person informed of all material developments and events relating to the defence of the Third Party Claim;
 - (iii) Where any settlement of any Third Party Claim is proposed, then the Indemnifying Persons shall not settle such Third Party Claim without the prior written consent of the New Investor (on its own behalf and on behalf of any of the Indemnified Persons) provided that such consent shall not be required if the proposed settlement provides an unqualified release to the Indemnified Persons from all Losses in relation to the Third Party Claim and does not

involve any non-monetary remedies or admission of guilt by the Indemnified Persons;

- (iv) Notwithstanding the Indemnifying Persons' election to control the defence, negotiation or settlement of such Third Party Claim or proceeding as provided above and without prejudice to the indemnification obligations of the Indemnifying Persons, the Indemnified Persons may, at any point of time and subject to compliance with the requirements of Clause 7.5(c)(v) below, take over the control of such defence, negotiation or settlement if: (I) the Indemnified Persons reasonably determine the Third Party Claim or any grounds claimed thereunder involves any of the Specified Grounds at the time of such determination; (II) in the Indemnified Persons' reasonable and informed opinion, the Third Party Claim involves a reputational risk to the Indemnified Persons; (III) the Third Party Claims seeks an injunction or equitable relief against an Indemnified Person; or (IV) there are actual conflicts of interests between the Indemnified Persons and the Indemnifying Persons in relation to the defences that can be taken in relation to the relevant Third Party Claim.
 - (v) If the Indemnifying Persons do not assume the conduct of any dispute, compromise, defence, appeal or negotiations with respect to the Third Party Claim in the manner set out in Clause 7.5(b), the Indemnified Persons shall have the right to defend themselves against such Third Party Claim, and any costs or expenses incurred in connection with such defence shall be deemed a Loss for the purposes of Clause 7.1 and Clause 7.2, if the Third Party Claim arises due to the occurrence of an indemnifiable event under Clause 7.1 or Clause 7.2 (*as applicable*).
 - (vi) Each Party hereto agrees to provide reasonable access to each other Party to such documents and information as may reasonably be requested in connection with the defence, negotiation or settlement of any Third Party Claim.
- (d) In the event the Indemnifying Persons deliver a Claim Objection Notice:
- (i) The Indemnified Persons shall have the right to defend themselves against such Third Party Claim, and shall be entitled to take any action, as it may deem necessary, to control the defence, negotiation or settlement of such Third Party Claim or proceeding;
 - (ii) The Indemnified Persons shall be entitled to independently pursue remedies against the Indemnifying Persons in respect of its indemnity claims under this Agreement.

7.6 Any indemnity payments made pursuant to this Agreement shall be made free and clear of and without deduction for or on account of any Taxes, except as may be required by Applicable Law.

7.7 If any deduction or withholding is required by Applicable Law from any payment to an Indemnified Person by an Indemnifying Person under this Agreement or an Indemnified Person is required to pay any Taxes on the amounts received by it from the Indemnifying Persons under this Agreement, the Indemnifying Person shall pay such additional amount as will, after such deduction or withholding has been made or after any amount of Tax has become payable or has

been paid on the amounts received by an Indemnified Person, leave the Indemnified Person with the full amount which would have been received by it had no such deduction or withholding been required to be made or no such amount of Taxes becoming payable or paid.

7.8 The Indemnified Persons shall not be entitled to indemnification under any provision of this Agreement for any Loss to the extent such Indemnified Person has been fully and completely indemnified or reimbursed by an insurance company or other third party provided that nothing contained in this Agreement shall restrict the right of Indemnified Person from making a claim against Indemnifying Person if the Indemnified Person fails to recover the entire Loss from such insurance company or a third party.

7.9 As the New Investor will be a Shareholder in the Company, and therefore the Company will be partly owned by the New Investor in proportion to its respective shareholding, the liability (if any) of the Company in relation to any Loss shall be grossed up to an amount (**Increased Loss**), only in the event the Company does indemnify the New Investor for such Loss, such that the share of the New Investor in the payment of the Increased Loss will also be added to the Loss, in the following manner:

$$\begin{array}{l} \text{Increased Loss Payable by the} \\ \text{Company} \end{array} = \begin{array}{l} \text{Loss to Indemnified Party} \\ \hline (1 - \text{percentage of shareholding of the Indemnified} \\ \text{Party (and/ or their Affiliates) in the Company}) \end{array}$$

To illustrate the formula mentioned above, if the percentage of shareholding of the New Investor in the Company is 10% (ten percent), and the Loss to the New Investor is INR 100 (Indian Rupees One Hundred only), the Increased Loss payable by the Company to the New Investor shall be INR 111.11 (Indian Rupees One Hundred and Eleven and Eleven Paise only).

7.10 If the Company has paid to the Indemnified Persons any amount by way of indemnification for a Loss in full and the Indemnified Persons subsequently recover any amount representing the whole or part of such Loss from another Person, the Indemnified Persons shall forthwith repay to the Company the lower of (a) such amount as previously paid by the Company, or (b) the amount recovered from such other Person, net of applicable taxes. It is clarified that where the Indemnified Person has been fully indemnified by the Indemnifying Person in terms of this Agreement and receives the benefit of any Tax set off or receives any amount out of such withheld Taxes, then the Indemnified Person shall return the amount that it receives or the amount of the benefit of any set off from the Tax Authorities, to the Indemnifying Persons net of applicable taxes.

7.11 Save and except to the extent provided herein, the aggregate liability of the Company and the Promoters for the indemnification obligations under Clause 7.1 and the liability of the Promoters under Clause 7.2 shall not exceed the aggregate Subscription Amount (**Indemnity Limit**). The Indemnity Limit shall not apply to any:

(a) indemnity claims in connection with the indemnity set out under Clause 7.1 (d), and 7.2(b) (only in relation to fraud, gross negligence or wilful misconduct of the Promoters); and

(b) matters listed out in **Schedule 6**.

- 7.12 Notwithstanding anything to the contrary contained in this Agreement, an Indemnified Person shall be entitled to make a claim with respect to indemnity events within the following time periods:
- (a) In relation to a breach of the Tax Warranties and breach under Clause 7.1(e), on or prior to the expiry of 7 (seven) years from the financial year in which the Closing occurs;
 - (b) In relation to a breach of Fundamental Warranties on or prior to the expiry of 10 (ten) years from the financial year in which the Closing occurs;
 - (c) In relation to the indemnity event set out under Clause 7.1(d) or 7.2(b), on or prior to the expiry of 7 (seven) years from the financial year in which the Closing occurs; or
 - (d) Other than as set out in Clauses 7.12(a) and 7.12 (b) above, an Indemnified Person shall be entitled to raise a claim in respect of any other indemnity events arising from Clause 7.1, on or prior to the expiry of 2 (two) years from the end of the financial year in which the Closing occurs.
- 7.13 The indemnification rights of the Indemnified Persons under this Agreement are independent of, and in addition to, such other rights and non-monetary remedies they may have under the Applicable Law or in equity or otherwise, including the right to seek specific performance, rescission, restitution or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby. Further, the Indemnified Persons shall be intended third party beneficiaries of this Clause 7 and notwithstanding any other provisions of this Agreement, such Indemnified Persons shall be entitled to enforce the provisions hereof.

8. TERMINATION

- 8.1 This Agreement shall be effective from the Execution Date and shall continue in full force and effect until terminated in accordance with the provisions of this Agreement.
- 8.2 This Agreement may be terminated by mutual written agreement of the Parties prior to the Closing.
- 8.3 The New Investor may, at its sole discretion terminate this Agreement prior to Closing:
- (a) If there is a material breach of any Warranty which cannot be cured or is not cured within 15 (fifteen) Business Days following the issue of notice of such breach by the New Investor or such other longer period of time mutually agreed by the Parties;
 - (b) In accordance with Clause 4.5 (on or after the Long Stop Date);
 - (c) In accordance with Clause 5.1(f)(iii) (if the Closing obligations under Clause 5.1 are not completed by the Company and the Promoters);
 - (d) If any Material Adverse Effect occurs;
 - (e) If there is a Promoters Event of Default;
 - (f) If there is any order, writ, injunction or decree being entered and be in effect, by any court of competent jurisdiction or any governmental or regulatory instrumentality or authority or that restrains, enjoins or invalidates any of the transactions contemplated

under the Transaction Documents which is not curable within 60 (sixty) days from the date of the Investor sending a written termination notice to the Company and the Promoters;

- (g) there is any statute, rule, regulations, decision or other requirement having been promulgated or enacted and be in effect, that restrains, enjoins or invalidates any of the transactions contemplated under the Transaction Documents; or
- (h) if there is any suit or other proceeding being commenced or if any written notice is received in relation to such suit or proceeding by any third party before any court or governmental agency seeking to restrain or prohibit or declare illegal, or seeking damages in connection with any of the transactions contemplated under the Transaction Documents.

8.4 The Company and the Promoters, severally and jointly undertake to disclose promptly to the Investor in writing any breach, matter, event, condition, circumstance, fact or omission that may give rise to a right of termination under this Clause 8 (*Termination*).

8.5 Termination of this Agreement for any cause whatsoever shall not relieve either Party hereto of any liability, which at the time of expiry or termination has already accrued to the other Party hereto, or which may, thereafter, accrue in respect of any act or omission prior to such expiry or termination.

9. CONFIDENTIALITY

9.1 It is contemplated that in the course of discussions in relation to the Company, Confidential Information shall be made available by each Party and / or its Affiliates (**Discloser**) to the other Party and / or its Affiliates (such other Party/ Affiliate being a **Receiver**). In consideration of the Discloser disclosing the Confidential Information to the Receiver, each Party hereby agrees, on its own behalf and as agent for each of its Affiliates which is a Receiver, to the terms and conditions set out hereinafter.

9.2 Save as otherwise provided for in this Agreement or the Shareholders' Agreement, each Party shall (and it shall procure that each of its Affiliates which is a Receiver shall):

- (a) at all times hold all Confidential Information in strict confidence and not, without the prior written consent of the Discloser, disclose any Confidential Information to a third party;
- (b) not use any of the Confidential Information other than in connection with or for the purpose of the proposed investment by the New Investor in the Company;
- (c) not claim, make or file any application for a patent, utility model, design right or other similar Intellectual Property Right based upon or disclosing any Confidential Information;
- (d) not copy or reproduce the Confidential Information in any manner whatsoever; and
- (e) not make any announcement, communication or disclosure concerning the Company (including the fact that discussions concerning the Company are taking place or the status of any such discussions) without the prior written consent of the other Parties.

- 9.3 Notwithstanding the provisions of Clause 9.2, the Receiver shall be entitled to disclose Confidential Information to those of its Affiliates and its and their connected Persons who need to know it for the purpose of its investment in the Company; provided that each such Affiliate and connected Person is bound by obligations of confidentiality and non-use in relation to the Confidential Information similar to those set out in this Agreement. The Receiver hereby undertakes to procure that each such Affiliate and connected Person complies with the terms of this Agreement. The Receiver shall continue to be liable for any breach by its Affiliate or the connected Persons of the confidentiality obligations set out herein.
- 9.4 The confidentiality obligations set out in Clause 9.2 shall not apply to the extent that the Receiver is required by Applicable Law or regulation or by any regulatory or other Authority to disclose the Confidential Information. In such circumstances the Receiver shall, immediately upon becoming aware of such disclosure requirement, give written notice of each disclosure requirement to the Discloser. Where practicable, the Receiver shall consult with the Discloser prior to making any disclosure of Confidential Information and shall in any event, at the request of the Discloser, take such action as the Discloser may reasonably require to prevent the disclosure of the Confidential Information or give such assistance as the Discloser may reasonably require in connection with the Discloser taking action to prevent such disclosure.
- 9.5 The Receiver acknowledges that the Confidential Information disclosed to it is the property and a valuable asset of the Discloser or its Affiliates. The Receiver agrees that all right, title and interest in and to the Confidential Information disclosed to it shall remain the property of the Discloser or its Affiliates. Nothing in this Agreement shall be construed as granting the Receiver any license or rights of any kind in relation to the Confidential Information. If the Receiver discovers or becomes aware of any use, disclosure or possession of Confidential Information in breach of this Agreement, it shall immediately notify the Discloser in writing of such fact and shall promptly take all such steps as are appropriate and necessary to prevent the further or continued use, disclosure or possession of the Confidential Information in breach of this Agreement.
- 9.6 Upon receipt of a written request from the Discloser or any of its Affiliates, the Receiver shall (and it shall procure that its Affiliates shall) promptly return to the Discloser or destroy, as the case may be, all Confidential Information then in its possession (including without limitation all data, information, documents and other materials derived or generated therefrom) and deliver to the Discloser a certificate confirming that all Confidential Information has been so returned or destroyed and that no copies, extracts or other reproduction, in whole or in part, have been retained.
- 9.7 The obligations contained in this Agreement are in addition to any other obligations which the Receiver and its Affiliates may have under statute, common law or otherwise. The Receiver acknowledges and agrees that damages would not be an adequate remedy for any breach by it of the provisions of this Agreement. Accordingly, the Receiver agrees that the Discloser shall be entitled to seek the remedies of injunction, specific performance and other equitable relief, for any threatened or actual breach of the provisions of this Agreement by the Receiver.
- 9.8 To the extent that an Affiliate of a Party discloses Confidential Information pursuant to this Agreement, it may enforce the terms of this Agreement and accordingly shall have the benefit of the provisions of this Agreement.

10. SURVIVAL

The termination of this Agreement shall in no event terminate or prejudice, (a) any right or obligation arising out of or accruing under this Agreement attributable to events or circumstances occurring prior to such termination; and (b) any provision which by its nature is intended to survive termination, including the provisions of Clause 1 (*Definitions and Interpretation*), Clause 6 (*Representations and Warranties*), Clause 7 (*Indemnity*), Clause 9 (*Confidentiality*), Clause 10 (*Survival*), Clause 11 (*Notices*), Clause 12 (*Governing Law and Dispute Resolution*) and Clause 13 (*Miscellaneous*), respectively.

11. NOTICES

11.1 Any notice provided for in this Agreement shall be in writing and shall be either by an internationally recognised courier service or by email to the following address:

(a) In the case of notices to **the Company**:

Address: Plot No. 39, 5th Floor, Lavanya Arcade Jayabheri Enclave,
Gachibowli, K.V. Rangareddy, Seri Lingampally, Telangana, India,
500032.

Email: md@saiparenterals.com
Attention: Mr. Anil Kumar Karusala

(b) In case of notices to **Promoter 1**:

Address: Plot No. 39, 5th Floor, Lavanya Arcade Jayabheri Enclave,
Gachibowli, K.V. Rangareddy, Seri Lingampally, Telangana, India,
500032.

Email: md@saiparenterals.com
Attention: Mr. Anil Kumar Karusala

(c) In case of notices to **Promoter 2**:

Address: Plot No. 39, 5th Floor, Lavanya Arcade Jayabheri Enclave,
Gachibowli, K.V. Rangareddy, Seri Lingampally, Telangana, India,
500032

Email: md@saiparenterals.com
Attention: Ms. Vijitha Gorrepati

(d) In case of notices to **Promoter 3**:

Address: Plot No. 39, 5th Floor, Lavanya Arcade Jayabheri Enclave,
Gachibowli, K.V. Rangareddy, Seri Lingampally, Telangana, India,
500032

Email: md@saiparenterals.com
Attention: Ms. Aruna Karusala

(e) In case of notices to **New Investor**:

Address: #1, 5th Floor, 1 Sobha, 50, St Marks Rd, Ashok Nagar, Bengaluru,
Karnataka.

Email: notices@samarshcapital.com
Attention: Mr. Sandeep Shenoy

- 11.2 In the event that a Party refuses delivery or acceptance of a notice, request or other communication, under this Agreement, it shall be deemed that the notice was given upon proof of the refused delivery, provided the same was sent in the manner specified in this Agreement.
- 11.3 Either Party may, from time to time, change its address or representative for receipt of notices provided for in this Agreement by giving all the other Parties not less than 10 (ten) days prior written notice.

12. GOVERNING LAW AND DISPUTE RESOLUTION

12.1 Governing Law

This Agreement and the relationship between the Parties hereto shall be governed by, and interpreted in accordance with, Indian law. Subject to the provisions of Clause 12.2 (*Dispute Resolution*), the courts at Bengaluru, Karnataka, India shall have exclusive jurisdiction in relation to all matters arising out of this Agreement.

12.2 DISPUTE RESOLUTION

- (a) If any dispute, controversy or claim between the parties arises out of or in connection with this Agreement, or any other documents executed in connection with this Transaction, including any question regarding its existence, validity or termination arising out of or in connection with this Agreement (**Dispute**), the Parties shall use all reasonable endeavours to negotiate with a view of resolving the Dispute amicably. If a Party gives the other Party notice that a Dispute has arisen (**Dispute Notice**) and the Parties are unable to resolve the Dispute amicably within 30 (Thirty) days of service of the Dispute Notice (or such longer period as the Parties may mutually agree), then the Dispute shall be referred to arbitration in accordance with the terms of Clause 12.1
- (b) Subject to Clause 12.1, any Dispute arising from this Agreement shall be referred upon the application of any Party to and finally settled through arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 (**Arbitration Act**) in force at the date of this Agreement.
- (c) The arbitration shall be conducted by a sole arbitrator appointed in accordance with the Arbitration Act. The seat and venue of the arbitration shall be Bengaluru, Karnataka, India. The language of this arbitration shall be English. A written transcript of the proceedings shall be made and furnished to the Parties.
- (d) The arbitrator shall have the power to grant any legal or equitable remedy or relief available under law, including injunctive relief (whether interim and / or final) and specific performance.
- (e) The arbitrator shall also have the power to decide on any dispute regarding the validity of this Clause 12 (*Dispute Resolution*).
- (f) Each Party shall participate in good faith to reasonably expedite (to the extent practicable) the conduct of any arbitral proceedings commenced under this Agreement.
- (g) The arbitrator shall render a written and reasoned award in writing at the earliest and in its award, also, decide on and apportion the costs and reasonable expenses (including reasonable fees of counsel retained by the Parties) incurred in the arbitration. Any arbitral

award or measures ordered by the arbitrator (i) may be specifically enforced by any court of competent jurisdiction; and (ii) shall be final and binding on the Parties.

- (h) In order to facilitate the comprehensive resolution of related disputes, and upon request of any Party to the arbitration proceeding, the arbitrator may, within 90 (Ninety) days of its appointment, consolidate the arbitration proceeding with any other arbitration proceeding involving any of the Parties relating to this Agreement and the Transaction Documents. The arbitrator shall not consolidate such arbitrations unless it determines that (a) there are issues of fact or law common to the proceedings, so that a consolidated proceeding would be more efficient than separate proceedings; and (b) no Party would be prejudiced as a result of such consolidation through undue delay or otherwise.
- (i) The provisions of this Clause 12 (*Dispute Resolution*) shall survive the termination of this Agreement.

12.3 **Enforcement**

Judgement upon any arbitral award rendered hereunder may be entered in any court having jurisdiction, or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.

12.4 **Co-operation**

Each Party shall co-operate in good faith to expedite (to the maximum extent practicable) the conduct of any arbitral proceedings commenced under this Agreement.

12.5 **Continuing Obligation**

Subject to any award in arbitration proceedings under this Clause 12 (*Governing Law and Dispute Resolution*), neither the existence of any Dispute nor the fact that any arbitration is pending hereunder shall relieve any of the Parties of their respective obligations under this Agreement. Subject to any award in arbitration proceedings under this Clause 12 (*Governing Law and Dispute Resolution*), the pendency of a Dispute in any arbitration proceeding shall not affect the performance of the obligations under this Agreement.

13. **MISCELLANEOUS**

13.1 **No Partnership**

Nothing contained in this Agreement shall constitute or be deemed to constitute a partnership between the Parties, and no Party shall hold himself out as an agent for the other Party, except with the express prior written consent of the other Party.

13.2 **Expenses**

Each Party shall bear their own expenses (including taxation) in connection with their obligations under this Agreement. The Company shall bear any and all costs and Taxes in relation to the execution of this Agreement, including but not limited to stamp duty as applicable in the State of Karnataka. The Company shall pay the stamp duty as applicable with respect to the subscription by and allotment of Subscription Securities to the New Investor.

13.3 **Severability**

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part of such provision and the remaining part of such provision and all other provisions of this Agreement shall continue to remain in full force and effect.

13.4 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, and all such counterparts taken together shall be deemed to constitute one and the same instrument.

13.5 **Cumulative Rights**

Save as otherwise expressly provided in this Agreement, the rights, powers and remedies provided in this Agreement or expressly referred to in it are independent and cumulative and do not exclude any rights, powers or remedies (express or implied) which are available as a matter of common law, statute, custom or otherwise.

13.6 **Entire Agreement**

This Agreement represents the entire agreement between the Parties in relation to the terms of the matters contained in this Agreement and shall supersede and extinguish, any previous drafts, agreements, undertakings, assurances, arrangements and understandings of any nature, whether in writing or oral between all or any of the Parties (whether oral or in written) relating to the subject matter herein, and shall include all exhibits and amendments executed by the Parties mutually in writing.

13.7 **Amendments and Waiver**

No modification or amendment to this Agreement and no waiver of any of the terms or conditions hereof shall be valid or binding unless made in writing and duly executed by or on behalf of the Parties. No waiver of any breach of any provision of this Agreement shall be effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

13.8 **Independent Rights**

Each of the rights of the Parties are independent, cumulative and without prejudice to all other rights available to them, and the exercise or non-exercise of any such rights shall not prejudice or constitute a waiver of any other right of the Party, whether under this Agreement or otherwise.

13.9 **Independent Parties**

Each Party to this Agreement is an independent Party and shall not be liable for any default of any other Party, nor shall default by one Party be deemed to be a cross default of another Party.

13.10 **Specific Performance and Injunctive Reliefs**

Parties agree that damages may not be adequate remedy and the Parties shall be entitled to institute any action or proceeding to seek specific performance or enforcement of the provisions hereof. Any Party against whom such action or proceeding is brought hereby waives any Claim

or defence therein that the other Party has an adequate remedy at law. The Parties agree that they shall be entitled to seek an injunction, restraining order, right for recovery, suit for specific performance or such other equitable relief from the courts of Bengaluru, Karnataka or any other court having jurisdiction to grant the same as it may deem necessary or appropriate to restrain the Company and / or any or all of the other Parties from committing any violation or to enforce the performance of the covenants, representations and obligations contained in this Agreement. These injunctive remedies are cumulative and are in addition to any other rights and remedies the Parties may have at law or in equity, including without limitation a right for damages. Notwithstanding anything in this Agreement, upon Closing under this Agreement, the only monetary remedies available to the New Investor for a breach of the Warranties will be indemnification in accordance with Clause 7 (*Indemnity*).

13.11 **Further Action**

Each Party agrees to perform (or procure the performance of) all further acts and things (including the execution and delivery of, or procuring the execution and delivery of, all deeds and documents that may be required by law or as may be necessary, required or advisable, procuring the convening of all meetings, the giving of all necessary waivers and consents and the passing of all resolutions and otherwise exercising all powers and rights available to them) as the other Party may reasonably require to effectively carry on the full intent and meaning of this Agreement.

13.12 **Non-Exclusive Remedies**

The rights and remedies herein provided are cumulative and none is exclusive of any other, or of any rights or remedies that any Party may otherwise have at law or in equity. The rights and remedies of any Party based upon, arising out of or otherwise in respect of, any inaccuracy or breach of any representation, warranty, covenant or agreement or failure to fulfil any condition shall in no way be limited by the fact that the act, omission, occurrence or other state of facts upon which any Claim of any such inaccuracy or breach is based may also be the subject matter of any other representation, warranty, covenant or agreement as to which there is no inaccuracy or breach. The exercise or non-exercise of any such rights shall not prejudice or constitute a waiver of any other right of the Party, whether under this Agreement or otherwise.

13.13 **Time**

Any date or period as set out in any Clause of this Agreement may be extended with the written consent of the Parties failing which time shall be of the essence. The termination of this Agreement for any cause shall not release any Party from any liability which at the time of termination has already accrued.

13.14 **Rights of Third Parties**

Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or give any Person, other than the Parties hereto and their successors and permitted assigns any rights or remedies under or by reason of this Agreement or any transaction contemplated by this Agreement.

SCHEDULE 1

SHAREHOLDING PATTERN

PART A – SHAREHOLDING PATTERN ON THE EXECUTION DATE

S.No.	Name of Shareholder	Equity Shares	Seed CCPS	ESOP Pool	Total Number of Securities	Shareholding (in percentage)
A1	Promoters					
1	Anil Kumar Karusala	16,58,597	-	-	16,58,597	6.23
2	Aruna Karusala	52,68,010	-	-	52,68,010	19.79
3	Vijitha Gorrepati	1,41,28,394	-	-	1,41,28,394	53.08
	Sub Total (A1)	2,10,55,001	-	-	2,10,55,001	79.10
A2	Promoter Group					
1	T. Visalakshi	1,20,000			1,20,000	0.45
2	Vijaya Sagar Galla Chowdary	11,110			11,110	0.04
3	Neeraj Kasam	20,000			20,000	0.08
4	Sujitha Ravoori	60,000			60,000	0.23
	Sub Total (A2)	2,11,110			2,11,110	0.79
	Sub Total (A1) + (A2)	2,12,66,111	-	-	2,12,66,111	79.89
C	Other Shareholders					
1	Other public Category Shareholders	53,51,849	-	-	53,51,849	20.11
	Sub Total (C)	53,51,849	-	-	53,51,849	20.11
D	ESOP Pool					
	Nil	-	-	-	-	
	Sub Total (D)	-	-	-	-	
	Grand Total (A) + (B) + (C) + (D)	2,66,17,960	-	-	2,66,17,960	100.00

PART B – SHAREHOLDING PATTERN ON THE CLOSING DATE

S.No.	Name of Shareholder	Equity Shares	Seed CCPS	ESOP Pool	Total Number of Securities	Shareholding (in percentage)
A1	Promoters					
1	Anil Kumar Karusala	16,58,597	-	-	16,58,597	5.43
2	Aruna Karusala	52,68,010	-	-	52,68,010	17.26
3	Vijitha Gorrepati	1,41,28,394	-	-	1,41,28,394	46.29
	Sub Total [A1]	2,10,55,001	-	-	2,10,55,001	68.98
A2	Promoter Group					
1	T Visalakshi	1,20,000			1,20,000	0.39
2	Vijaya Sagar Galla Chowdary	11,110			11,110	0.04
3	Neeraj Kasam	20,000			20,000	0.07
4	Sujitha Ravoori	60,000			60,000	0.20
	Sub Total (A2)	2,11,110			2,11,110	0.69
	Sub Total (A1) + (A2)	2,12,66,111	-	-	2,12,66,111	69.67
B	Investors					
1	AIG Direct LLC	9,37,500	-	-	9,37,500	3.07
2	Samarsh Capital - Fund 1	-	15,23,437	-	15,23,437	4.99
3	Indur Thakurdas Jaisinghani	3,90,625	-	-	3,90,625	1.28
4	Girdhari Thakurdas Jaisinghani	1,95,312	-	-	1,95,312	0.64
5	Reina Ramesh Jaisinghani	6,25,000	-	-	6,25,000	2.05
6	Nikhil Ramesh Jaisinghani	2,34,375	-	-	2,34,375	0.77
	Sub Total (B)	23,82,812	15,23,437	-	39,06,249	12.80
C	Other Shareholders					
1	Other public Category Shareholders	53,51,849	-	-	53,51,849	17.53
	Sub Total (C)	53,51,849	-	-	53,51,849	17.53
D	ESOP Pool					
	Nil	-	-	-	-	-
	Sub Total (D)	-	-	-	-	-
	Grand Total (A) + (B) + (C) + (D)	2,90,00,772	15,23,437	-	3,05,24,209	100.00

SCHEDULE 2

CP FULFILMENT NOTICE

Date: [●]

To

[Insert the New Investor's details]

Copy to: [●]

Attn: [●]

Subject: CP Fulfilment Notice

Dear Sir,

In this letter, all capitalized terms used but not defined have the meaning ascribed to them under the Securities Subscription Agreement dated [●] executed amongst the Company, Promoters, the New Investor and the Company (**Agreement**).

In terms of Clause 4 of the Agreement, the Company and Promoters hereby confirm and certify that:

- (a) [●]
- (b) [●]
- (c) [●]

All the documents evidencing fulfilment of the Conditions Precedent are enclosed herewith.

The Company requests the New Investor to pay the Subscription Amount on the Closing Date to the bank account of the Company, the details of which are set forth below:

Beneficiary Name	[●]
Account Number	[●]
Bank	[●]
IFSC Code	[●]
SWIFT	[●]
MICR	[●]
Address	[●]

Regards,

For

Name:

Designation:

[•]

SCHEDULE 3

CP SATISFACTION NOTICE

To

[Date]

[details of the Company]

[insert address]

Dear Sir,

We refer to the Securities Subscription Agreement dated [●] executed amongst the Company, Promoters, the New Investor and the Company (**Agreement**).

We hereby confirm that as of the date hereof, the Conditions Precedents to the Closing specified in Clause 4 of the Agreement have been satisfied.

In this letter, all capitalized terms used but not defined have the meaning ascribed to them under the Agreement.

Yours faithfully,

For and on behalf of [●]

SCHEDULE 4

REPRESENTATIONS AND WARRANTIES

PART A

COMPANY WARRANTIES

The Company and the Promoters hereby jointly and severally make the following representations, warranties and agreements. Each of the Company and the Promoters confirm that each representation and warranty is true and subsisting as on the Execution Date and shall be true and subsisting as on the Closing Date.

1. GENERAL

1.1 Organisation of the Company

The Company is duly incorporated under the Act and validly existing under the laws of India. The Company has the corporate power to carry on the Business as now conducted and the Business as proposed to be conducted under the Transaction Documents.

1.2 Company Capital Structure

As of the Execution Date, the capitalisation of the Company is as set forth in below.

S.No.	Name of Shareholder	Equity Shares	Total Number of Securities	Shareholding (in percentage)
A1	Promoters			
1	Anil Kumar Karusala	16,58,597	16,58,597	6.23
2	Aruna Karusala	52,68,010	52,68,010	19.79
3	Vijitha Gorrepati	1,41,28,394	1,41,28,394	53.08
	Sub Total (A1)	2,10,55,001	2,10,55,001	79.10
A2	Promoter Group			
1	T Visalakshi	1,20,000	1,20,000	0.45
2	Vijaya Sagar Galla Chowdary	11,110	11,110	0.04
3	Neeraj Kasam	20,000	20,000	0.08
4	Sujitha Ravoori	60,000	60,000	0.23
	Sub Total (A2)	2,11,110	2,11,110	0.79
	Sub Total (A1) + (A2)	2,12,66,111	2,12,66,111	79.89
C	Other Shareholders			
1	Other public Category Shareholders	53,51,849	53,51,849	20.11
	Sub Total (C)	53,51,849	53,51,849	20.11
	Grand Total (A) + (B) + (C) + (D)	2,66,17,960	2,66,17,960	100.00

- 1.3 All issued Securities of the Company are duly authorised, validly issued, allotted and fully paid and applicable stamp duty has been duly paid with respect to such issuance.
- 1.4 All transfers of Securities of the Company have been duly undertaken, in compliance with Applicable Laws (including with payment of adequate stamp duty on the relevant share transfer forms).
- 1.5 No Person is entitled or has Claimed to be entitled to require the Company to issue any share capital either now, or at any future date, whether contingently or not.
- 1.6 There are no statutory or contractual pre-emptive rights or rights of refusal with respect to the issuance of Subscription Securities or any other securities of the Company that have not been waived.
- 1.7 As a result of the consummation of subscription of Subscription Securities as per the terms of this Agreement, the New Investor (by itself and through its nominees) shall be the sole and beneficial holder of the Subscription Securities so issued with good and transferable title to the Subscription Securities, free and clear of any Encumbrance.
- 1.8 **Authority**
- (a) The Company has all requisite power and authority to execute, deliver and perform its obligations under the Transaction Documents and any other documents which may be required to effect to the transactions contemplated therein and no consent or approval of, or waivers or exemptions or clearances and permissions including regulatory permissions or filings or registrations with, any governmental Authority, statutory organization or third party are necessary or required in connection with the execution of the Transaction Documents or the consummation of the transaction contemplated therein.
- (b) The execution and delivery of the Transaction Documents and the consummation of the transaction contemplated therein have been duly authorised by all necessary action on the part of the Company and the Board and no further action is required on the part of the Company or the Board to authorise the execution of the Transaction Documents and the transaction contemplated therein.
- (c) The execution and delivery of the Transaction Documents by the Company shall constitute the valid and binding obligations of the Company enforceable against it in accordance with their respective terms.
- (d) Neither the execution, delivery or performance of any of the Transaction Documents by the Company, nor the consummation by the Company of the transactions contemplated therein, or compliance by the Company with any of the terms or provisions thereof, will, (i) violate any provisions of the Charter Documents, (ii) constitute or result in a breach or violation of any term, condition or provision of, or constitute a default under, or give rise to any right to termination, cancellation or acceleration with respect to, or result in the loss of a benefit under, or result in the creation of any Encumbrance upon any Assets of the Company pursuant to, any contract to which the Company is a party or by which the Company or their Assets may be subject or bound, or (iii) violate any Applicable Law or agreement or other document binding on the Company.

- (e) The Company is not in breach of the terms of the Existing SSHA including representations, warranties, covenants or indemnities provided therein and no claim has been made or threatened in this respect by any person. No grounds exist for any claim to be made on the Company for a breach of any term of the Existing SSHA or for a breach of any representations or warranties thereunder.

1.9 Recitals and Schedules

- (a) The particulars relating to the Company set out in the recitals and the Schedules to this Agreement are true and accurate.

1.10 Charter Documents, statutory books and returns and meetings

- (a) The copies of the Charter Documents delivered to the New Investor are accurate and complete, have been filed with the ROC and have incorporated provisions, restrictions and copies of all resolutions or agreements required by the Act or other Applicable Law to be so incorporated.
- (b) The statutory books, Accounts, other records and registers of the Company are up to date and have been maintained in all respects in accordance with Applicable Law and accounting principles on a consistent basis.
- (c) All returns, particulars, resolutions and other documents which the Company is required by Applicable Law to file with or deliver to the ROC or any other Authority have been correctly made up and duly filed or delivered.
- (d) All Board and Shareholders' meetings of the Company have been convened in the manner and within such intervals as required under the Act.

1.11 Subsidiaries, Association and Branches

- (a) Other than the Subsidiary, the Company does not own or have any interest in any securities or have an ownership interest, nor has it agreed to acquire any interest in any Person, including any corporation, limited liability company, joint venture, partnership or other unincorporated association or consortium (whether in India or abroad).
- (b) The Company does not have outside India any branch or any permanent establishment, does not have any office other than its offices in India, and the Company does not have any form of business presence of its own in any other jurisdiction.
- (c) The Company is not engaged in any business / activity other than the Business.

1.12 Prior transactions

There has been no transaction pursuant to or as a result of which any Asset owned or purportedly owned or otherwise held by the Company, is liable to be transferred or re-transferred to another Person or which gives or may give rise to a right of compensation or other payment in favour of another Person under the law of any relevant jurisdiction, other than certain Assets taken by the Company on a lease or hire basis which will be returned in the Ordinary Course and as per the terms of the relevant lease hire contract.

1.13 **Restrictions on business activities**

There is no judgment, injunction, order or decree of a competent court of jurisdiction to which the Company or any of its Affiliates is a party that has or may be reasonably expected to have the effect of prohibiting or impairing any business practice of the Company, any acquisition of property by the Company, or otherwise limiting the freedom of the Company to engage in any line of business or to compete with any Person.

1.14 **Business names**

The Company carries on the Business under its own name and does not have any other name.

1.15 **Powers of attorney**

The Company has not granted any power of attorney or similar authority which remains in force.

1.16 **Brokerage**

There are no claims for brokerage commissions finders' fees or similar brokerage / finders' compensation in connection with the transaction contemplated under this Agreement, based on any arrangement or agreement binding upon the Company or any of its Affiliates.

2. **RELATED PARTY CONTRACTS**

The Company has not entered into any contract or transactions with any Related Party which is not entirely on arm's length basis. The Company is in compliance with all transfer pricing regulations, and all transactions between the Company with its Related Parties have been undertaken in the Ordinary Course of Business.

3. **ACCOUNTS AND FINANCIAL MATTERS**

3.1 **Accuracy of Accounts**

The Accounts:

- (a) have been prepared in accordance with Ind AS and Applicable Law and are true and accurate in all material respects insofar as they are stated to be facts and not estimates, and accordingly give a true and fair view of all the Assets and liabilities (whether present or future, actual or contingent) and of the state of affairs, financial position and results of the Company as at and up to the Accounts Date;
- (b) correctly state the Assets and liabilities (whether present or future, actual or contingent) of the Company and give a true and fair view of the state of affairs, financial position and results of the Company as on the Accounts Date and of the profit or loss of the Company for the period ended on the Accounts Date or (as the case may be) for the periods in respect of which they were prepared; and
- (c) contain (as appropriate under applicable accounting standards and all other applicable statutes and regulations) specific provisions or accruals adequate to cover, or full

particulars in notes, of all Tax (including deferred taxation) and other liabilities (whether quantified, contingent or otherwise) of the Company as on the Accounts Date.

3.2 Valuation of stocks and fixed Assets

- (a) The Accounts have been prepared applying and adopting consistent policies, principles, bases, conventions, rules, practices, techniques, methods and procedures as were applied and adopted in the preparation of Company's accounts prior to the Accounts Date and in particular:
- (b) The rate of depreciation applied in respect of each fixed Asset for the period ended on the Accounts Date has been consistently applied over previous accounting periods of the Company and is adequate to write down the value of such fixed Asset to its net realisable value as at the end of its useful working life.
- (c) In the Accounts, the value attributed to each fixed Asset of the Company does not exceed its current market value as at the Accounts Date.

3.3 Book debts

- (a) The Company has not given any loans or advances or credit facilities or guarantees or other securities to any Person.
- (b) The Affiliates of the Company do not owe any debt to the Company.

3.4 Management Accounts

The unaudited management accounts of the Company have been prepared applying and adopting policies, principles, bases, conventions, rules, practices, techniques, methods and procedures consistent with those employed in preparing the Accounts and give a true and fair view of the income and expenditure of the Company for that period.

3.5 Conduct of Business

- (a) Since the Accounts Date, the Company:
 - (i) has conducted its Business in its Ordinary Course of Business;
 - (ii) has paid its creditors within the times agreed with them and, without limiting the foregoing, no debt owing by the Company has been outstanding for more than 30 (thirty) days from the date of invoice;
 - (iii) There has been no disposal of any Asset or supply of any service or business facility of any kind by the Company in circumstances where the consideration actually received or receivable for the disposal or supply was less than the consideration which could be deemed to have been received for Tax purposes;
 - (iv) Except as stipulated in the Charter Documents, the Company and its Subsidiary are not party to or bound or affected by any contract limiting the freedom of the Company to compete in any line of business or any geographic area;

- (v) To the best of the knowledge of the Company and Promoters, as a result of the transaction contemplated under the Transaction Documents: (A) No real estate developer, channel partner or Banks that the Company has entered into arrangements with has, ceased, or reduced its engagement with the Company; and (B) No customer of the Company has terminated of any contract with it or withdrawn or reduced its dealings with the Company.
- (b) The Company is not a party to any contract, arrangement or obligation which:
 - (i) is incapable of performance in accordance with its terms after the date on which it was entered into or undertaken; or
 - (ii) is reasonably expected to result in a loss to the Company on completion of performance; or
 - (iii) is of an onerous nature or cannot be reasonably fulfilled or performed by the Company on time and without undue or unusual expenditure of money or effort.

3.6 **Capital commitments**

The Company does not have any commitment on capital account outstanding as on the Accounts Date. Since the Accounts Date, the Company has not entered into nor agreed to enter into any capital commitment except in relation to the Subscription Amount.

3.7 **Dividends and distributions**

- (a) No dividend or other distribution of profits or Assets, has been or agreed to be declared, made or paid by the Company since the Accounts Date.
- (b) All dividends or other distributions of profits or Assets declared, made or paid since the date of incorporation of the Company have been declared, made and paid in accordance with Applicable Law and the Charter Documents.

3.8 All of the accounts receivable of the Company have arisen in the Ordinary Course of Business and are carried at values determined in a reasonable manner, consistently applied. No Person has any Encumbrance on any accounts receivable of the Company and no request or agreement for waiver, release or other compromise, deduction or discount has been made with respect to any accounts receivable of the Company.

3.9 **Working capital**

The Company has sufficient working capital for the purposes of continuing to carry on the Business in its present form.

4. **COMPLIANCE WITH LAWS AND INSTRUMENTS**

4.1 Except for the factory license for Unit-I and Unit-III, The Company has obtained all authorizations, licenses (including statutory licenses), consents to enable it to carry on its Business or activities in compliance with Applicable Law in all material respects. Such authorizations, licenses, consents are in full force and effect in accordance with their terms, are

not subject to any unusual or onerous conditions, and no event has occurred or circumstance exists that (with or without notice or lapse of time) may constitute or result in a violation of any such authorization, licenses, consents or give rise to an obligation on part of the Company to undertake or bear any cost. No proceedings are pending, which could result in their revocation or limitation and all steps have been taken and filings made on a timely basis with respect to each Authority and for its/ their renewal.

- 4.2 All material returns, filings, resolutions and other documents which the Company is required by Applicable Law to file with or deliver to a person, statutory authority, body or court charged with maintaining a registry have been duly made on a timely basis, and are true, correct, accurate and complete, duly filed and delivered.
- 4.3 The Company is not in the business of providing loans directly or indirectly to any borrower and has not at any time engaged in lending business, or presented or marketed itself to be a lender or agent of any lenders except as agents of Banks/ HFCs/ NBFCs.
- 4.4 The Company does not (A) underwrite any of the loans availed by customers; (B) provide any investment advice to any person.
- 4.5 The Company does not act as a recovery agent (i.e., it is not engaged in loan recoveries for lenders).
- 4.6 The Company does not provide any call centre services for any of its customers.
- 4.7 The Company's role in providing KYC related services to lenders are limited to collection of KYC documents from customers and its onward deposit with the lenders.
- 4.8 The Company has complied with all material terms of material contracts executed or entered by it and obtained all the necessary approvals and/or written consents (as the case may be) before entering into this Agreement and allotting CCPS to the New Investor.
- 4.9 The Company is engaged in activities that permit 100% (one hundred per cent) FDI (direct or indirect) under the automatic route under the FEMA Regulations.
- 4.10 The operations of the Company have been and are now conducted in compliance with Applicable Law and have not been in, (a) violation of, (b) breach of, or (c) default under, (i) any Applicable Law or any Anti-Corruption Laws or Anti-Money Laundering Laws, which has resulted or may result in any fine, penalty or other liability or sanction on the part of the Company or any of its officers, agents or employees; and (ii) any provision of its Charter Documents then in force.
- 4.11 The Company has not received any process, notice or other communication by or on behalf of any Authority having jurisdiction in competition matters in relation to any agreement.
- 4.12 **Data and records**

- (a) For the purposes of this Paragraph, Data Protection Legislation means all statutes, enacting instruments, common law, regulations, codes of practice, decisions, recommendations and the like concerning the protection and / or processing of personal data including relevant provisions of the (Indian) Information Technology Act, 2000, Aadhaar (Sharing of Information) Regulations, 2016 (Aadhaar Regulations) issued

under the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and the Digital Personal Data Protection Act, 2023.

- (b) All the records and all data and information of the Company are recorded, stored, maintained, operated or otherwise held exclusively by the Company and are not wholly or partly dependent on any facilities or means (including any electronic, mechanical or photographic process, computerised or otherwise) which are not under the exclusive ownership and/or control of the Company. The Company has not disclosed to any third party any such records, data or information.
- (c) The Company has complied with all relevant requirements of Data Protection Legislation.
- (e) The Company has not received any notice from any government authority, a data controller or a data subject alleging non-compliance with any Data Protection Legislation (including data protection principles), requiring the Company to change or delete any data or prohibiting any transfer of data to a place outside India.
- (f) No Person has Claimed or has the right to Claim compensation from the Company under any Data Protection Legislation, including for unauthorised or erroneous procurement, storage, processing or loss or unauthorised disclosure of data.

5. ASSETS

- 5.1 The Company owns, or leases (as the case may be), Assets required for the conduct of its Business or is otherwise entitled to use all Assets, and all Assets of the Company are accurately reflected in its register of Assets.
- 5.2 The Company's movable and immovable Assets are free and clear of all Encumbrances or rights of third parties, and no proceedings or steps have been taken or initiated by any Authority for the expropriation or requisition of any such movable and immovable Assets.
- 5.3 The movable and immovable Assets of the Company have been duly maintained in the Ordinary Course of Business in lines with the industry practice, subject to normal wear and tear.
- 5.4 No movable and immovable Assets of the Company have been disposed other than in the Ordinary Course of Business.
- 5.5 The Company has not given nor agreed to give any rights to any third party or entered into any agreement or other arrangement to sell any of their respective substantial Assets.
- 5.6 All the Assets of the Company have been properly maintained and are in normal operating condition consistent with industry standards and are not dangerous, obsolete, inefficient or in need or renewal or replacement.
- 5.7 There is no contract, judgment, injunction, order or decree to which the Company is a party that has or may be reasonably expected to have the effect of prohibiting or impairing any business practice of the Company, any acquisition of property by the Company, or otherwise limiting the freedom of the Company to engage in any line of business or to compete with any person.

- 5.8 The Company has no other offices where its Business is conducted apart from the following premises:
- i) Unit-1: D4, Phase-V, IDA-Jeedimetla, Qutbullapur(M). Hyderabad. PIN: 500055.
 - ii) Unit-2: D1, Phase-V, IDA-Jeedimetla, Qutbullapur(M). Hyderabad. PIN: 500055.
 - iii) Unit-3: Plot:51, TSIIC-IDA Industrial Park, Bhongir. Yadadri Bhuvanagiri (Dist.). PIN: 508116.
 - iv) Unit-4: Plot no 45 A&B, ANRICH industrial estate, IDA-Bollaram, Sangareddy (Dist.) PIN:502325, Telangana.

6. CONTRACTS

- 6.1 All material contracts entered into by the Company are legal, valid, binding, enforceable, and in full force and effect.
- 6.2 The Company has observed and performed all the terms and conditions on its part to be observed and performed under each of the contracts to which it is a party. The Company is not in breach or default, and no event has occurred which with notice or lapse of time would constitute a breach or default, or permit termination, modification, or acceleration, under any contract.
- 6.3 No customer of the Company has made any material claim for indemnification, damages for breach of contract, payment of penalty on account of delay in performance, under any -contract against the Company, and no event has occurred and no condition or state of facts exists which, with the passage of time or the giving of notice or both, would give rise to such a claim.
- 6.4 The Company is not in breach or default under any contract entered into by the Company with its customers and no event has occurred and no condition or state of facts exists which, with the passage of time or the giving of notice or both, would constitute a breach or default by the Company.
- 6.5 No business contract of the Company would be terminated on account of the Company entering into and performing this Agreement.
- 6.6 No offer, tender or the like which is capable of being converted into an obligation of the Company by an acceptance or other act of some other Person is outstanding, except in the Ordinary Course of Business.
- 6.7 The Company is not a party to any agency, distributorship, marketing, purchasing, manufacturing or licensing agreement or arrangement which restricts its freedom to carry on the whole or any part of its Business in any part of the world in such manner as it thinks fit.

7. INSOLVENCY

- 7.1 There are no claims, investigations or other proceedings, including appeals and applications for review, in progress, or pending against or relating to the Company before any applicable Authority including that specified under the Insolvency and the Bankruptcy Code, 2016.
- 7.2 No receiver, administrator or any similar officer has been appointed in respect of the Company or in respect of the whole or any part of the Assets or undertaking of the Company.

- 7.3 No administration order has been made, no petition or application has been presented for such an order, no insolvency resolution process has been initiated under the (Indian) Insolvency and Bankruptcy Code, 2016 and no documents have been filed with the court for the appointment of an administrator in respect of the Company and no notice of intention to appoint an administrator has been given in respect of the Company.
- 7.4 The Company and Promoters, no meeting has been convened at which a resolution is to be proposed, no resolution has been passed, no petition has been presented and no order has been made for the winding up of the Company and no provisional liquidator has been appointed for the Company.
- 7.5 The Company has not stopped or suspended payment of its debts, become unable to pay its debts or otherwise become insolvent in any relevant jurisdiction.
- 7.6 No unsatisfied judgment, order or award is outstanding against the Company, no written demand has been made against the Company and no distress or execution has been levied on, or other process commenced against, any Asset of the Company.
- 7.7 No meeting to approve a compromise or scheme of arrangement has been convened and no such compromise or scheme has been agreed to or sanctioned in respect of the Company.
- 7.8 The Company has not entered into any compromise or arrangement with its creditors or any class of its creditors generally.
- 7.9 The Company and Promoters, no Person has been appointed, no proceedings have been commenced, no order has been obtained and no other action has been taken of a type mentioned in any of the sub-Clauses above in any jurisdiction other than India.
- 7.10 No circumstances have arisen which entitle any Person to take any action, appoint any Person, commence any proceedings or obtain any order of a type mentioned in any of the sub-Clauses above in any relevant jurisdiction.
- 7.11 The Company nor any of its Related Parties, nor any person in the management or control of the Company, has an account classified as a non-performing asset.
- 7.12 The Company nor any of its Related Parties, nor any Person in the management or control of the Company, has executed an enforceable guarantee in favour of a creditor in respect of the Company against which an application for insolvency resolution made by such creditor has been admitted under the (Indian) Insolvency and Bankruptcy Code, 2016.

8. LITIGATION

- 8.1 The Company is not engaged in any litigation, arbitration or alternate dispute resolution proceedings, and the Company has not received any written claims, notices, investigations or other proceedings, including appeals and applications for review, pending by or against the Company.
- 8.2 To the knowledge of the Company or the Promoters, there are no circumstances which are likely to give rise to any litigation, arbitration or alternate dispute resolution proceedings by or against the Company.

- 8.3 The Company is not subject to any investigation, inquiry, enforcement proceedings or process by any Authority which is likely to give rise to any such investigation, inquiry or proceedings.
- 8.4 Except for the penalty of INR 8,19,000/- imposed by an order dated 30 May 2024 passed by Sri. Raghavendra, Joint Commissioner of Central Tax & GST (Appeals-II), The Company is not subject to any fine or penalty, or is subject to judgment, order or decree of any court or other governmental Authority.
- 8.5 The Company has not been subject to any investigation by any governmental agency with regard to any prohibited payment.

9. BORROWINGS, LOAN CAPITAL AND GUARANTEES

- 9.1 Except for the loans disclosed during the due diligence, the Company has not availed any loan or other indebtedness.
- 9.2 The Company has not entered into any loan agreements or other agreements or understanding in relation to obtaining or availing any credit facilities from any Person.

9.3 Derivative transactions

The Company does not have any outstanding obligations in respect of a derivative transaction including any foreign exchange transaction.

9.4 Loans

The Company has not lent any money as loan or advance or security or deposit or otherwise which has not been repaid to it and does not own the benefit of any debt (whether present or future, actual or contingent) other than amounts owing by way of trade credit in the Ordinary Course of Business as a result of services rendered on an arm's length terms.

10. IMMOVABLE PROPERTY

- 10.1 The Company owns and has good and marketable title to, and has validly obtained the right to possess and use, all immovable property that is required in relation to the conduct of its Business or activities as currently conducted or as proposed to be conducted.
- 10.2 All sale deeds, lease deeds, license agreements and other relevant documents in respect of all movable and immovable Assets owned, leased, licensed or otherwise utilized by the Company have been executed in accordance with Applicable Law.
- 10.3 The use of the immovable property for the purposes for which the Company is using or proposes to use such property, including for conduct of the Business, has been approved by the relevant Authority, if required, under Applicable Law.

- 10.4 The Company is in compliance in all material respects with all its lease deeds, license agreements, allotment letters and other relevant documents in respect of all property leased, licensed or otherwise utilized by the Company.

11. CONFIDENTIAL INFORMATION

- 11.1 The Company has not at any time (except, (a) in the normal and proper course of the Company's day-to-day business and subject to an obligation of confidentiality; or (b) to the Company's professional advisers and subject to an obligation of confidentiality) disclosed to any Person other than the New Investor or its advisers:
- (a) any of the secret or Confidential Information or property of the Company, including any financial information, plan, statistics, document, file, client list, marketing information, records or papers; or
 - (b) any other information relating to the Business or affairs the disclosure of which might or could cause loss or damage to or adversely affect the Company; or
 - (c) any secret or Confidential Information relating to any customer, client, employee or agent of the Company.

11.2 The Company is not a party to any agreement, arrangement or policy as to confidentiality of information which is void or unenforceable (whether in whole or in part).

12. INTELLECTUAL PROPERTY RIGHTS AND INFORMATION TECHNOLOGY

12.1 The Company owns and possesses adequate Intellectual Property Rights necessary to conduct the Business in the manner in which it is now being operated by it, or presently employed by it, and has not received any notice of infringement or conflict with asserted rights of others with respect to any Intellectual Property Rights. All royalties and other payments due for such Intellectual Property Rights have been paid/provided for and no notice of a breach or default has been sent or received by the Company under any such Intellectual Property Rights that remains uncured. All applications made for the registration of any Intellectual Property Rights (whether trademarks, designs, patents or otherwise) and any supplementary responses or updates to such applications are solely made by the Company.

12.2 The Company has full title, ownership and valid legal right to exploit all Intellectual Property Rights, Confidential Information and trade secrets used for undertaking the Business as now conducted without any restrictions, Encumbrances, conflict with or infringement of the rights of others and are not subjected to any limitation whatsoever including termination, other than any licensed Intellectual Property Rights, in respect of which the Company holds due authorization to use from the concerned third party owning the Intellectual Property Rights licensed to the Company.

12.3 The Company and/or the Promoters are not involved in any legal proceedings and have not received any notice (including any cease and desist notice) or claim from any Person asserting any infringement, ownership right, title, interest, claim and/or Encumbrance on any of the Intellectual Property Rights of the Company, and the Company and Promoters have taken all steps necessary to preserve the legal rights of the Company in and the secrecy of, all its Intellectual Property Rights.

12.4 The Company has not granted to any Person, nor is it obliged to grant, any license, sub-license or assignment in respect of any of the Intellectual Property Rights owned or otherwise required for the operation of the Business by the Company.

12.5 The Company is not in default under any license, sub-license or assignment granted in respect of any Intellectual Property Rights used in relation to the Business. The operation of the

Business of the Company as it is currently conducted, or is contemplated to be conducted, does not infringe or misappropriate any Intellectual Property Rights of any Person, and the Company has not received any notice from any Person claiming that such operation infringes or misappropriates any Intellectual Property Rights of such Person.

- 12.6 The Company has not granted and there are no outstanding options, licenses or agreements of any kind relating to any Intellectual Property Rights owned by and registered in the name of the Company (other than certain rights to use its Intellectual Property granted to the Subsidiary), nor is it a party to any option, license or agreement of any kind with respect to any of its Intellectual Property Rights.
- 12.7 Where information of a confidential nature has been developed or acquired by the Company, such information has been kept strictly confidential and has not been disclosed otherwise than subject to an obligation of confidentiality being imposed on the Person to whom the information was disclosed. The Company and/or the Promoters: (a) have not engaged in any breach of such confidentiality obligations owed to any third party, or (b) to the best of the knowledge of the Company and Promoters, do not use any processes and are not engaged in any activities, which involve the misuse of any Confidential Information of any Person.
- 12.8 There is no misuse by any Person of any of the Confidential Information or Intellectual Property Rights owned or used by the Company.
- 12.9 All Intellectual Property Rights incorporated into or embodied in any material components of the Business developed solely by employees or consultants of the Company are assigned to the Company, and no such Intellectual Property Rights have been retained by any employee or consultant of the Company.
- 12.10 The IT Systems are owned by, or properly and validly leased or supplied under third party contracts to the Company. The Company is not in breach of and has not breached any lease or supply contracts relating to the IT Systems.
- 12.11 To the best of the knowledge of the Company and the Promoters, there are no circumstances in which the ownership, benefit, or right to use the IT Systems may be lost, or rendered liable to termination, by virtue of the transactions contemplated in this Agreement and any other Transaction Documents.
- 12.12 The IT Systems have not failed, to any extent, and the data that they process has not been corrupted. The Company is not aware of any viruses or bugs in the IT Systems that distort the proper functioning of the IT Systems, or permit unauthorized access.

13. **INSURANCE**

- 13.1 The Company has obtained, and currently maintains, all insurance policies that it is required to obtain under any contracts or agreements with third parties as well as under Applicable Law and such insurance coverage / policies obtained by the Company are sufficient to cover any insurable risks for the conduct of Business. No Claim is outstanding by the Company under any such policy of insurance and there are no circumstances likely to give rise to such a Claim.
- 13.2 All insurance policies of the Company are currently in full force and effect and nothing has been done or omitted to be done (including any failure to report on a timely basis any matter or

circumstance to the insurer concerned) which could make any such policy void or voidable in whole or in part.

14. **TAXATION**

- 14.1 The Company has paid all Taxes due and payable, and has filed all returns, information statements, reports and other filings required by Applicable Law relating to Taxes required to be filed by it with any Authority in accordance with Applicable Law, and kept and preserved all records and information under Applicable Law as may be needed to enable it to deliver correct and complete returns to all relevant Tax authorities for all accounting periods for which such returns and declarations are required.
- 14.2 The Company has not received any written notice of any claims, proceedings, actions or demands against the Company in relation to Taxes and the Company are not the subject of any ongoing Tax scrutiny / assessment nor have they received any written notice of a Tax investigation or demand relating to unpaid Taxes.
- 14.3 All liabilities of the Company in respect of Taxes on or before the Accounts Date are fully provided for (as appropriate) or disclosed in the Accounts in accordance with Ind AS₂.
- 14.4 The Company has not made or changed any election in respect of Taxes or adopted or changed any accounting method in respect of Taxes. No Tax deficiencies have been assessed in writing against the Company. The Company has classified the fixed Assets for Tax purposes, and computed depreciation thereon, in accordance with Applicable Law.
- 14.5 All Taxes due and payable by the Company have been paid in full in accordance with Applicable Law.
- 14.6 The Company has, in accordance with Applicable Law, made all returns, given all notices and supplied all other information required to be supplied to all relevant Tax authorities and has maintained all records required to be maintained for Tax purposes including for the purpose of substantiating any claim in relation to Tax; all such information is correct, complete and accurate in all material respects and all such returns and notices are correct, complete and accurate in all material respects and, to the knowledge of the Company are not likely to, reveal any transactions which may be the subject of any dispute with any Authority. All refunds have been duly claimed in the Tax returns filed by the Company and such refunds claimed are, to the knowledge of the Company, considered refundable under Applicable Laws. Since its incorporation, the Company has not incurred any Taxes or Tax assessments other than in the Ordinary Course of Business or incidental to its Business.
- 14.7 The Company is not involved in any current dispute with any Authority or is subject to any litigation, proceeding, appeals, investigation, enquiry audit, non-routine inspections, or other similar and incidental actions by any Authority. In relation to the Company, there are no litigation proceedings (including prosecution), and no planned investigation, enquiry, audit, non-routine inspections, or other similar and incidental actions by any Authority and, to the knowledge of the Company, there are no facts which might cause such an action, proceedings, investigation, enquiry, audit or non-routine inspection to be instituted.
- 14.8 To the knowledge of the Company, there are no circumstances by reason of which the Company or any of their directors or officers (in his / her capacity as such) may become liable to pay to any Authority, any penalty, fine, surcharge or interest in respect of Tax. The Company has not

been required to provide any security in respect of any amount of Tax and no asset of the Company is subject to any charge, Encumbrances or power of sale in favour of any Authority or otherwise in relation to Tax.

- 14.9 No transaction in respect of which any consent, ruling, confirmation or clearance (each a ruling) was required by Applicable Law or sought from any Authority, has been entered into or carried out by the Company without such ruling having first been properly obtained. All information supplied to any Authority in connection with any such ruling fully and accurately disclosed all facts and circumstances to the giving of such ruling. Any transaction for which such ruling was obtained has been carried out only in accordance with the terms of such ruling and the application on which the ruling was based and at a time when such ruling was valid and effective. No facts or circumstances have arisen since any such ruling was obtained which would cause the ruling to become invalid or ineffective.
- 14.10 No relief from, against or in respect of any Tax has been claimed and / or given to the Company or taken into account in determining or eliminating any provision for Tax or deferred Tax in the Accounts.
- 14.11 The Company has made all deductions and retentions of or on account of Tax as it was or is obliged or entitled to make under Applicable Law and all such payments of or on account of Tax as should have been made under Applicable Law, including any filings in relation thereto, to any Authority in respect of such deductions or retentions.
- 14.12 All amounts payable to any Authority in respect of any employee (including any Tax deductible from any amounts paid to an employee and any social security, social fund or similar contributions required to be made in respect of employees) due and payable by the Company up to the date hereof have been duly paid and the Company have made all such deductions and retentions as should have been made under Applicable Law.
- 14.13 The Company has at all times been resident for Tax purposes in its place of incorporation and is not and has not at any time been treated as resident in any other jurisdiction for any Tax purpose (including any double Tax arrangement). The Company is not subject to Tax in any jurisdiction other than its place of incorporation by virtue of having a permanent establishment or other place of business in that jurisdiction. The Company has not received any written claim from a governmental Authority in a jurisdiction where the Company does not file Tax returns that the Company is or may be subject to taxation by that jurisdiction.
- 14.14 The Company is not liable for any Tax as the agent of any other Person or business or has not constituted a permanent establishment of any other person, business or enterprise for any Tax purpose.
- 14.15 The Company does not have liability for any Tax or any portion of a Tax (or any amount calculated with reference to any portion of a Tax) for any Person or entity as the transferee or successor, by contract, inter-company account system or otherwise.
-
- 14.16 In relation to stamp duty assessable or payable in India or elsewhere in the world, as at the date of this Agreement all documents in the enforcement of which the Company may be interested have been duly stamped and no document belonging to the Company as at the Execution Date which is a subject to ad valorem stamp duty is unstamped or insufficiently stamped; nor has any relief from such duty been improperly obtained.

- 14.17 In relation to goods and services tax or other similar Tax, the Company:
- (a) has been duly registered and is a taxable person;
 - (b) has complied with applicable statutory requirements, orders, provisions, directions and conditions; and
 - (c) maintains complete, correct and up-to-date records in all respects as is required by the Applicable Law (other than minor inadvertent errors);
- 14.18 The Company does not have any liability or other Encumbrances for Taxes in respect of, as a result of or in consequence of any Claim for Taxes which has been made in respect of or arising from any transaction effected on or before the Closing, or by reference to any income, profits or gains earned, accrued or received on or before the Closing Date.

15. LABOUR AND EMPLOYMENT

- 15.1 The workforce deployed for the conduct of the Business of the Company is adequate and sufficient.
- 15.2 The Company has obtained and is in compliance with the terms and conditions of all material licenses, registrations and permits that are required by Applicable Law relating to employment, use of contract labour and employment practices (**Employment Laws**), including with respect to (but not limited to) the maintenance of registers, payment of employee related contributions, constitution of committees, display of notices and filing of returns, in accordance with the applicable Employment Laws. The Company is in compliance with the applicable Employment Laws in all material respects.
- 15.3 The Company is in compliance with all Applicable Law with respect to employment and employment practices, and with respect to its employees or Persons working for the Company in each of the following cases: (i) the Company is not liable for any arrears of wages, fees, or any Taxes, and (ii) the Company is not liable for any payment to any trust or other fund governed by or maintained by or on behalf of any government or regulatory Authority, with respect to social security or other benefits for employees (other than routine payments to be made in the normal course of business and consistent with past practice). There are no actions, suits, claims or administrative matters pending against the Company or any of its Directors, employees or officers as of the Execution Date, relating to any employee related matter. The services provided by the employees of the Company are terminable at the will of the Company and any such termination would not result in any liability to the Company.
- 15.4 There are no subsisting labour disputes that are or have been subjected to any grievance procedure, arbitration or litigation. The Company has not received any notice in writing of any claims by any employee or worker of the Business.
- 15.5 ~~The Company does not have any collective bargaining agreements, arrangements and other similar agreement or understanding with any trade union, with respect to its Business or activities.~~

16. ANTI-BRIBERY AND CORRUPTION

- 16.1 Neither the Company, its Affiliates nor any of their respective directors, officers, or employees acting on their behalf, have taken any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any Person to improperly influence official action by that Person for the benefit of the Company, or to otherwise secure an improper business advantage for the Company.
- 16.2 The Company and its Affiliates have conducted their respective businesses in compliance with Anti-Corruption Laws.
- 16.3 Neither the Company, its Affiliates nor any of their respective directors, officers, or employees acting on their behalf, is or has been the subject of any investigation, inquiry or litigation, administrative or enforcement proceedings by any governmental Authority or any customer regarding any offence under Anti-Corruption Laws, and no such investigation, inquiry or proceedings are pending, or have been threatened in writing.
- 16.4 Neither the Company, its Affiliates nor any of their respective directors, officers, or employees acting on their behalf, has at any time, directly or indirectly:
- (a) made, provided or paid any unlawful contributions, gifts, entertainment or other unlawful expenses to any candidate for political office, or failed to disclose fully any such contributions in violation of any Applicable Law;
 - (b) made any payment to any local, state, federal or any other type of governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or allowed by Applicable Law;
 - (c) made any payment to any employee, officer or director of any entity with which the Company does business for the purpose of influencing such employee, officer or director to do business with the Company;
 - (d) engaged in any transactions, maintained any bank account or used any corporate funds, except for transactions, bank accounts and funds which have been and are reflected in the normally maintained books and records of the Company; or
 - (e) made any payment in the nature of bribery or any other unlawful payment.

17. SANCTIONS

- 17.1 Neither the Company, nor any of their respective directors, officers, or employees acting on their behalf, is a Person that is, or is owned or Controlled by one or more Persons that are:
- (a) The subject of any Sanctions Law and Regulations; or
 - (b) Located, organised or resident in a sanctioned territory.
-
- 17.2 The Company has not, directly or indirectly, used the proceeds of the offering or issuance, or lent, contributed or otherwise made available such proceeds to any other Person:

- (a) to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, or whose government is, the subject of any Sanctions Law and Regulations;
 - (b) to fund or facilitate any money laundering or terrorist financing activities; or
 - (c) in any other manner that will result in a violation of any Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions Law and Regulations by any Person (including any Person participating in the offering and issuance, whether as underwriter, advisor, investor or otherwise).
- 17.3 From the date of its incorporation, the Company has not engaged in, and is not now engaged in any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions Law and Regulations or located in a sanctioned territory.
- 17.4 The Company has conducted its business in compliance with Sanctions Law and Regulations, and no investigation, inquiry, action, suit or proceeding by or before any court or governmental agency, Authority or body or any arbitrator involving the Company or its Affiliates with respect to sanctions is pending or, to the knowledge of the Company, threatened in writing.

18. ANTI-MONEY LAUNDERING

- 18.1 The Company and its Affiliates have conducted their respective business in compliance with Anti-Money Laundering Laws, and no investigation, inquiry, action, suit or proceeding by or before any court or governmental Authority, governmental agency or body or any arbitrator involving the Company or its Affiliates with respect to Anti-Money Laundering Laws is pending or to the knowledge of the Company, threatened in writing.
- 18.2 The Company, its Affiliates or any of their respective directors or officers acting on their behalf (a) are not under investigation by any governmental Authority for, or has not been charged with, or convicted of, any money laundering, drug trafficking, terrorist related activities, violation of any Anti-Corruption Laws or Anti-Money Laundering Laws; (b) nor have had any of their funds seized or forfeited in any action under any Anti-Money Laundering Laws.

19. FULL DISCLOSURE

- 19.1. The Company has made available to the New Investor all information relating to the Company, which was required to be provided in relation to the information request lists provided by the New Investor and its advisors. All such information which has been provided to the New Investor is true and correct in all respects and no facts have been omitted from that information which would make such information misleading. Without limiting the generality of the foregoing, the Company has not failed to disclose to the New Investor, any information which would be material to a subscriber of the Securities of the Company.
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- 19.2. Any material developments in the Company or relating to the Business have been adequately disclosed to the New Investor. Details of any material contracts entered into or terminated by the Company, any change to key licenses and approvals, any litigations commenced or initiated against the Company, the Company having received any claims or notices and any investigations or other proceedings having been initiated have been duly disclosed.

20. OWNERSHIP OF ASSETS

- 20.1. As on the Accounts Date, the Company did not own any Assets except as reflected in the Accounts.
- 20.2. The Company has not disposed of any of the material Assets acquired or agreed to be acquired since the Accounts Date.
- 20.3. None of its material Assets is subject to any Encumbrance.
- 20.4. Its material Assets comprise all the assets necessary for the continuation of the Business as carried on at the Execution Date.

PART B

PROMOTER WARRANTIES

1. The Promoters hereby represents and warrants that:
 - (a) this Agreement constitutes a valid and binding obligation, enforceable against them in accordance with the terms hereof, and the execution, delivery and performance of this Agreement and all instruments or agreements required hereunder do not contravene, violate, accelerate obligations or cause a loss of benefits under or constitute a default of or require any consent or notice under any provision of any laws, agreement or other instrument to which they are subject or party or by which they are or may be bound;
 - (b) there are no material liabilities that affect their obligations under this Agreement vis-à-vis the Company;
 - (c) they have a good, valid and marketable title to the Securities of the Company held by them. They have not entered into any understanding, arrangement or agreement with any Person to transfer all or any of the Securities held by them and have not granted or created any option, right to acquire, mortgage, charge, pledge, lien or other form of security or Encumbrance on, over or affecting the Securities held by them or entered into any agreement or commitment to give or create any of the foregoing in respect of them and they have not received notice of any Claim by any Person to be entitled to any of the foregoing;
 - (d) they have not taken any action in furtherance of an offer, payment, promise to pay or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any Person to improperly influence official action by that Person for the benefit of the Company, or to otherwise secure an improper business advantage for the Company. No investigation, inquiry, action, suit or proceeding by or before any court or governmental agency, Authority or body or any arbitrator involving them, the Company with respect to Anti-Corruption Laws or Anti-Money Laundering Laws is pending or threatened;
 - (e) they have at all times complied with Sanctions Law and Regulations, and no action, suit or proceeding by or before any court or Governmental Authority or body or arbitrator involving them, or the Company, in relation to such Sanctions Law and Regulations is pending or threatened. The source of funds for the amounts invested into the Company by them are not derived from, or related to any activity that is illegal or illegitimate or deemed criminal under Applicable Law, nor are they derived from any account or Person located in a jurisdiction that has been designated a 'non-cooperative country or territory' by the Financial Action Task Force on money laundering;
 - (f) any material Intellectual Property Rights (including technology and know-how) that has been created in relation to the Business by them, have been fully assigned and transferred to the Company, and the Company has the sole and exclusive proprietary access and ownership over such Intellectual Property Rights;
 - (g) they do not have any interest, whether direct or indirect, in any company or business which is a Competitor of the Company. They have not entered into any arrangement, memorandum of understanding, negotiation, agreement, commitment or transaction

(whether written or unwritten, binding or non-binding) with any Person, registered or unregistered, to carry out any activities or any new business which competes with the Business or with the interests of the New Investor under this Agreement and/or any other Transaction Documents;

- (h) no proceedings under any applicable bankruptcy, insolvency, reorganisation, moratorium or similar laws affecting creditors' rights generally have been either initiated, pending or are threatened against them;
- (i) neither them nor any Person in their management or control, has an account classified as a non-performing asset; and
- (j) neither them nor any Person under their management or control has executed an enforceable guarantee in favour of a creditor in respect of themselves against which an application for insolvency resolution made by such creditor has been admitted under the (Indian) Insolvency and Bankruptcy Code, 2016.

SCHEDULE 5

TERMS OF CCPS

1. DIVIDEND RIGHTS

- 1.1. The CCPS are cumulative, participating, compulsorily and fully convertible preference shares having a face value of INR 5/- (Indian Rupees Five only) and a premium of INR 123/- (Indian Rupees One Hundred and Twenty Three only) each, aggregating to INR 128/- (Indian Rupees One Hundred and Twenty Eight only) per CCPS. Minimum preferential cumulative dividend rate is 0.001% (zero point zero zero one percent) per annum which dividend shall be *pari passu* with the dividend paid to the holders of Series B CCPS but prior and in preference to any dividend or distribution payable upon shares of any other class or series or Equity Shares (the **Preferential Dividend**).
- 1.2. In addition to and after payment of the Preferential Dividend, holders of the CCPS would be entitled to participate *pari passu* in any cash or non-cash dividends paid to the holders of Securities of all other classes (including Equity Shares) or series on a *pro rata*, Fully Diluted Basis.

2. CONVERSION

- 2.1. Upon conversion of the CCPS, the Equity Shares issued will, in all respects, rank *pari passu* with the Equity Shares in issue on the Conversion Date.
- 2.2. Each CCPS (together with accrued but unpaid dividends) may be converted into Equity Shares at any time at the option of the holder of such shares and in compliance with Applicable Law and the terms set out herein. Notwithstanding the foregoing, (A) each CCPS shall mandatorily convert into Equity Shares upon the occurrence of a Qualified IPO in accordance with Clause 10.2 of the Shareholders' Agreement, whereupon all rights associated with the CCPS shall be deemed relinquished; and (B) subject to compliance with Applicable Law, the holder of the CCPS shall have the right to convert any or all CCPS held by it into Equity Shares at any point in time; provided that each CCPS held by it shall convert into Equity Shares upon the expiry of 5 (five) years from the date of each respective allotment of the CCPS (**Conversion Date**).
- 2.3. On the Conversion Date, the CCPS held by the New Investor shall be converted into Equity Shares representing 4.99% of the Share Capital on a Fully Diluted Basis on a 1:1 basis such that each CCPS shall convert to 1 (one) equity share of the Company (**Conversion Ratio**).
- 2.4. The Conversion Ratio and the conversion price may be adjusted as per the illustration provided above. The holder of CCPS shall be entitled to the cumulative benefit of all adjustments. The Conversion Ratio and the conversion price shall be adjusted in a manner such that the holder of CCPS shall be converted into Equity Shares equivalent to 4.99% of the Share Capital on a Fully Diluted Basis, thereby preserving the corresponding economic interest in the Company.
- 2.5. The process of conversion of the CCPS will require the holder of CCPS to surrender of the relevant share certificate to the Company, along with a notice requesting conversion. Within 10 (ten) days of receipt of such notice and accompanying share certificates, the Company shall issue and deliver to the holder of the CCPS, a share certificate or certificates for the aggregate number of Equity Shares issuable upon such conversion. All costs and expenses (including

stamp duty) on the conversion of the CCPS and on the issuance of the Equity Shares shall be to the account of the Company.

- 2.6. The Company shall ensure that there is adequate authorized but unissued equity share capital for issuing Equity Shares to the holder of CCPS at the time of conversion of the Series A CCPS.

3. ANTI-DILUTION ADJUSTMENTS

- 3.1. Other than an issuance of Equity Share to Promoter 1 upon conversion of debt provided by Promoter 1 to the Company which is approved in writing by the New Investor, upon each issuance by the Company of any Dilution Instrument (other than pursuant to the Company's ESOP Scheme or QIPO) at a price per Security less than the price at which the CCPS are issued (**Dilutive Issuance**), the conversion price of the CCPS will be adjusted downward on a broad based weighted average basis, as per the formula set out below:

$$\text{NCP} = \text{P1} \times (\text{Q1} + \text{Q2}) / (\text{Q1} + \text{R}), \text{ where:}$$

- (a) NCP = new conversion price;
- (b) P1 = conversion price;
- (c) Q1 = the number of Equity Shares outstanding immediately prior to the new issue;
- (d) Q2 = number of Equity Shares that the relevant aggregate consideration received by the Company for such issuance would purchase at the conversion price; and
- (e) R = number of Equity Shares issuable / issued upon conversion of dilution instruments being issued in the new round.
- 3.2. In such an event, the Company shall forthwith take all necessary steps permissible under Applicable Law to either adjust the conversion price or issue additional Equity Shares to holders of CCPS, in accordance with the broad based weighted average formula detailed above.
- 3.3. The Company shall not issue any Dilution Instruments in contravention of the provisions of this Paragraph. Provided however, on account of any restrictions under Applicable Law, on exercising the right of anti-dilution, in the event the holders of CCPS cannot be issued additional Equity Shares at a price which will result in the effective price per Equity Share held by the holders of CCPS, post such issuance being equal to the price arrived at in accordance with broad based weighted average formula detailed above, then the Promoters and the Company shall take such reasonable actions, subject to Applicable Laws, as may be required by holders of CCPS to ensure that such additional Equity Shares are issued at such a price that the effective price per Equity Share held by the holders of CCPS, post such issuance is equal to the price arrived at in accordance with broad based weighted average formula detailed above.

4. VOTING RIGHTS

- 4.1. Each CCPS shall entitle the holder to such number of votes equal to the number of whole or fractional Equity Shares into which such CCPS could then be converted. To this effect, if Applicable Law does not permit the holder of CCPS to exercise voting rights on all shareholder matters submitted to the vote of the Shareholders of the Company (including the holders of Equity Shares), then until the conversion of all CCPS into Equity Shares, the Promoters, and the Promoter shall procure that all other Shareholders shall vote in accordance with the

instructions of the holders of the CCPS at a general meeting or provide proxies without instructions to the holders of CCPS for the purposes of a general meeting, in respect of such number of Equity Shares held by each of them such that a relevant percentage (**Relevant Percentage**) of the Equity Shares of the Company are voted on in the manner required by the holder of CCPS.

- 4.2. For the purposes of this Paragraph 4.2, the Relevant Percentage in relation to the holder of the CCPS shall be equal to the percentage of Equity Shares in the Company that the holder of A CCPS would hold if such holders were to elect to convert all the CCPS into Equity Shares based on the then applicable conversion price.
- 4.3. The Promoters and the Company hereby jointly and severally acknowledge that the holders of CCPS have agreed to subscribe to CCPS on the basis that such holder of CCPS will be able to exercise voting rights on the CCPS as if the same were converted into Equity Shares.

5. STATUTORY RIGHTS

The holder of the CCPS will have all such rights as are provided to preference shareholders of a Company under Applicable Law so long as it holds the CCPS.

6. TRANSFER OF SERIES A CCPS

Subject to the terms of this Agreement, the CCPS may be transferred without restriction to any Person by endorsement and delivery in accordance with the provisions of the Act.

7. LIQUIDATION PREFERENCE

Upon the occurrence of a Liquidity Event, the proceeds of the Liquidity Event shall be paid or distributed to the holders of CCPS in accordance with Clause 12 (*Liquidation Preference*) of this Shareholders' Agreement.

SCHEDULE 6

SPECIFIC INDEMNITY MATTERS

- (1) Any loss arising due to the Company's failure to update the factory licenses for:
 - (i) Unit-I, located at D4, Phase-V, IDA Jeedimetla, Qutbullapur (M), Hyderabad – 500055; and
 - (ii) Unit-III, located at Plot No. 51, TSIIC-IDA Industrial Park, Bhongir, Yadadri Bhuvanagiri District – 508116,to reflect the name Sai Parenteral's Limited.
- (2) Any loss resulting from the Company's failure to ensure that its subsidiary, Revat Laboratories Private Limited, holds a valid and subsisting factory license.
- (3) Any loss arising from the Company's failure to obtain registration of the Company's logo as a trademark in its own name
- (4) Any loss arising from the Company's failure to secure registration of the following trademark applications:
 - (i) Application No. 5543203
 - (ii) Application No. 5543206
 - (iii) Application No. 5543210
 - (iv) Application No. 5543217
 - (v) Application No. 5543220
- (5) Any loss arising from the failure of the Company to renew the rental agreement dated 11 November 2021 executed between K. Vijitha and Revat Laboratories Private Limited.
- (6) Any loss arising from the failure of the Company to (i) file Form 'A' filed under Payment of Gratuity Act, 1972; (ii) maintain registers, records and muster-rolls maintained under Maternity Benefit Act, 1961; (iii) make monthly contributions towards provident fund for employees working in Unit 3 and Unit 4 of the Company; and (iv) maintain registers and records giving such particulars of employees employed by him, the work performed by them, the wages paid to them, the receipts given by them and such other particulars and in such form as may be prescribed under the Minimum Wages Act, 1948 and The Equal Remuneration Act, 1976.
- (7) Any loss arising from the past Tax liabilities or penalties imposed on the Company.

SCHEDULE 7

CONDITIONS SUBSEQUENT



Each of the following actions unless otherwise specified shall be completed within 30 (thirty) days from Closing:

- A. The Company shall update the factory licenses for Unit-I, located at D4, Phase-V, IDA Jeedimetla, Qutbullapur (M), Hyderabad – 500055, and Unit-III, located at Plot No. 51, TSIIC-IDA Industrial Park, Bhongir, Yadadri Bhuvanagiri District – 508116, to reflect the correct name, Sai Parenteral's Limited, in place of Sai Parenteral's Private Limited.
- B. The Company shall provide a valid factory license for Revat Laboratories Private Limited.
- C. The Company shall ensure that SP Analytics Private Limited files an application with the Registrar of Companies (**ROC**) to obtain its Certificate of Commencement of Business
- D. The Company shall provide Form CHG-4 along with no dues certificates for the charges created in favour of ICICI Bank, identified by charge IDs:
 - (a) 100572364
 - (b) 100572372
 - (c) 100729742
 - (d) 100733480
- E. The Company shall provide Form CHG-4 along with the no dues certificate for all charges created in favour of DBS Bank.
- F. The Company shall file a trademark application for the registration of its logo in the name of the Company and furnish documentary proof of such filing to the New Investor.
- G. The Company shall provide the renewed rental agreement executed between *K. Vijitha* and *Revat Laboratories Private Limited* for the registered office of Revat Laboratories Private Limited.
- H. The Company shall obtain Directors and Officers (**D&O**) liability insurance to protect the Directors on the Board.
- I. The Company shall provide the updated Articles of Association and Memorandum of Association reflecting the revised authorised share capital and paid-up share capital of the Company.
- J. The Company shall provide the following documents:
 - (iii) Form MBP-1 and Form DIR -8 for FY 2022-23 and 2024-25 for Kalidindi Venkateswara Raju;
 - (iv) MBP-1 for FY 2023 -24 and 2024-25 and DIR -8 for FY 2022-23 and 2024-25 for Seeta Ram Anjaneyulu Gorantla;
 - (v) Director's report, auditor's report, AOC-4 and MGT-7 for FY 2024-25.



K. The Company shall provide the audited financial stated for the FY 2024-2025 to the New Investor.

[signature page follows]

IN WITNESS HEREOF, each of the abovementioned Parties have duly executed or caused the execution of this Agreement, by its duly authorised representative.

Signed by and on behalf of SAI PARENTERAL'S LIMITED 	<u>KARUSACA ANIL KUMAR</u> Name: Title: <u>MANAGING DIRECTOR</u>
In the presence of:  ANMOL R. GAWJO.	Name: ANMOL. Address: MUMBAI.

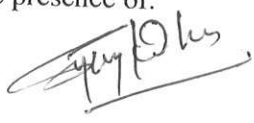
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<p>Signed by ANIL KUMAR KARUSALA</p> 	<p><u>ANIL KUMAR KARUSALA.</u></p> <p>Name: Title:</p>
<p>In the presence of:</p> 	<p>Name: ANMOL R. GANJO. Address: MUMBAI</p>



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<p>Signed by VIJITHA GORREPATI</p> <p><i>Vijitha G</i></p>	<p>Name: <i>Vijitha Gorrepati</i></p> <p>Title:</p>
<p>In the presence of:</p> <p><i>Shivali</i></p>	<p>Name: <i>Shivali Aggarwal</i></p> <p>Address: <i>c/o Sai Parenteral's limited</i></p>

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Signed by ARUNA KARUSALA K. Aruna.	Name: Aruna Karusala Title:
In the presence of: 	Name: Sanjay Kandhari Address: Clo Sci Parenterals Ltd

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<p>Signed by SAMARSH CAPITAL - FUND I</p> 	<p>Name: Sandeep Shau Title: CIO</p>
<p>In the presence of:</p> 	<p>Name: ANMOL R. GANTOO Address: MUMBAI</p>

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