

SHARE PURCHASE AND SHAREHOLDERS AGREEMENT

30th July 2024

AMONG

PERSONS LISTED IN SCHEDULE 2
(as the Sellers)

LLOYDS ENGINEERING WORKS LIMITED
(as the Buyer)

AND

TECHNO INDUSTRIES PRIVATE LIMITED
(as the Company)

TABLE OF CONTENTS

1. DEFINITIONS AND INTERPRETATIONS.....	4
2. SALE AND PURCHASE OF THE SALE SHARES.....	4
3. CONSIDERATION.....	5
4. DELIVERY OF DOCUMENTS ON EXECUTION DATE.....	5
5. CONDITIONS PRECEDENT TO FIRST CLOSING.....	6
6. PROTECTIVE PERIOD UNDERTAKINGS.....	7
7. PRE-FIRST-CLOSING INFORMATION COVENANTS.....	9
8. FIRST CLOSING.....	10
9. POST FIRST CLOSING ACTIONS AND COVENANTS.....	13
10. SECOND AND THIRD CLOSING.....	13
11. BOARD OF DIRECTORS AND MEETINGS.....	15
12. GENERAL MEETINGS.....	16
13. SHARE TRANSFER RESTRICTIONS AND PERMITTED TRANSFERS.....	17
14. UNDERTAKINGS.....	18
15. SELLERS REPRESENTATIONS AND WARRANTIES.....	18
16. BUYER REPRESENTATIONS AND WARRANTIES.....	19
17. INDEMNIFICATION BY SELLERS.....	20
18. TERMINATION.....	25
19. GOVERNING LAW AND ARBITRATION.....	26
20. MISCELLANEOUS.....	27
SCHEDULE I DEFINITIONS AND INTERPRETATIONS.....	38
SCHEDULE II SHAREHOLDING PATTERN.....	47
SCHEDULE III CONDITIONS PRECEDENT.....	48
SCHEDULE IV SELLERS REPRESENTATIONS AND WARRANTIES.....	49
SCHEDULE V CONDITIONS PRECEDENT SATISFACTION LETTER.....	65
SCHEDULE VI FORM OF DISCLOSURE LETTER.....	66
SCHEDULE VII FINANCING FACILITIES.....	68
SCHEDULE VIII INSURANCE.....	69
SCHEDULE IX LIST OF PROCEEDINGS AGAINST THE COMPANY.....	74
SCHEDULE X BUYER DEMAT ACCOUNT.....	75

SHARE PURCHASE AND SHAREHOLDERS AGREEMENT

This Share Purchase and Shareholders Agreement ("**Agreement**") is made on this 30th day of July 2024 at Ahmedabad ("**Execution Date**"), by and among:

1. **THE PERSONS LISTED IN SCHEDULE 2** (hereinafter collectively referred to as the "**Sellers**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include their legal heirs and permitted assigns);
2. **LLOYDS ENGINEERING WORKS LIMITED**, a company incorporated under the Companies Act, 1956 (and now governed by the Act), with its registered office at Plot No. A 5/5 , MIDC Industrial Area, P.O. Murbad, District Thane- 421401, Maharashtra,(hereinafter referred to as the "**Buyer**" which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include, its successors and permitted assigns); and
3. **TECHNO INDUSTRIES PRIVATE LIMITED**, a company incorporated under the Companies Act, 1956 (and now governed by the Act), with its registered office at Plot No 5002, Nr. Indo German Tool Room, GIDC Phase - IV, Vatva, Ahmedabad -382445, Gujarat (hereinafter referred to as the "**Company**" which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors).

The Sellers, the Buyer and the Company, are hereinafter collectively referred to as the "**Parties**" and individually as a "**Party**".

WHEREAS

(A) As on the Execution Date,

1. the authorized share capital of the Company is INR 15,00,00,000 (Indian Rupees Fifteen Crore Only) consisting of 1,50,00,000 (One Crore Fifty Lakh) Shares (*as defined hereinafter*) and the total issued, paid-up and subscribed share capital of the Company is INR 12,49,99,990 (Indian Rupees Twelve Crore Forty Nine Lakhs Ninety Nine Thousand Nine Hundred Ninety) consisting of 1,24,99,999 (One Crore Twenty Four Lakhs Ninety Nine Thousand Nine Hundred Ninety Nine) fully paid up Shares. The shareholding pattern of the Company as on the Execution Date (on a Fully Diluted Basis (*as defined hereinafter*)) is set out in **Schedule II (Shareholding Pattern)**. In case of any change in the total issued, paid-up and subscribed share capital of the Company prior to First Closing, Parties agree to update **Schedule II (Shareholding Pattern)** to reflect such changes; and
2. the Sellers are the legal and beneficial owner of 1,24,99,999 (One Crore Twenty Four Lakhs Ninety Nine Thousand Nine Hundred Ninety Nine) Shares representing 100% (one hundred per cent) of the total issued, paid-up and subscribed share capital of the Company.

(B) The Company is engaged, among others, in the business of manufacturing, marketing of pumps, motors and elevators.

(C) Subject to the terms and conditions of this Agreement, the Sellers have agreed to sell, and the Buyer has agreed to purchase, the Sale Shares free from any Encumbrances.



[Handwritten signature] R. B. Patel



- (D) The Parties are now desirous of entering into this Agreement to set forth the terms and conditions agreed between them (i) for the sale and purchase of the Sale Shares; and (ii) to record their mutual rights and obligations in relation to the operation, administration and management of the Company and the matters related thereto on and from the occurrence of the First Closing.

NOW, THEREFORE, in consideration of the mutual representations, warranties and covenants contained herein, and other good and valuable consideration, the receipt and adequacy of which is acknowledged, and subject to the terms and conditions set forth in this Agreement, and intending to be legally bound, the Parties agree as follows:

1. DEFINITIONS AND INTERPRETATIONS

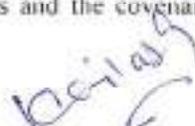
Unless the contrary intention appears and/or the context otherwise requires, in addition to the terms defined elsewhere, the definitions listed in **Part A of Schedule I (Definitions and Interpretations)** shall apply throughout this Agreement. The interpretation and/or construction of this Agreement shall be in accordance with the rules of interpretation annexed and marked in **Part B of Schedule I (Definitions and Interpretations)**.

2. SALE AND PURCHASE OF THE SALE SHARES

- 2.1 Subject to the terms and conditions of this Agreement, on the First Closing Date the Sellers shall sell and shall ensure that each of its nominees shall sell, as the legal and beneficial owner, with full title guarantee, and the Buyer (by itself and / or through its nominees) shall purchase, the First Tranche Sale Shares together with all rights and advantages attaching to the First Tranche Sale Shares (including the right to receive all dividends and distributions declared, paid or made on or after the First Closing Date), free from any Encumbrances as at the First Closing Date.
- 2.2 Subject to the terms and conditions of this Agreement, on the Second Closing Date the Sellers shall sell and shall ensure that each of its nominees shall sell, as the legal and beneficial owner, with full title guarantee, and the Buyer (by itself and / or through its nominees) shall purchase, the Second Tranche Sale Shares together with all rights and advantages attaching to the Second Tranche Sale Shares (including the right to receive all dividends and distributions declared, paid or made on or after the Second Closing Date), free from any Encumbrances as at the Second Closing Date.
- 2.3 Subject to the terms and conditions of this Agreement, on the Third Closing Date the Sellers shall sell and shall ensure that each of its nominees shall sell, as the legal and beneficial owner, with full title guarantee, and the Buyer (by itself and / or through its nominees) shall purchase, the Third Tranche Sale Shares together with all rights and advantages attaching to the Third Tranche Sale Shares (including the right to receive all dividends and distributions declared, paid or made on or after the Third Closing Date), free from any Encumbrances as at the Third Closing Date.
- 2.4 The Sellers acknowledge that the Buyer is entering into this Agreement in reliance on the Sellers Representations and Warranties given by the Sellers and the covenants undertaken herein by the Company and by the Sellers.



 R. B. Patel





3. CONSIDERATION

- 3.1 The consideration for the acquisition of First Tranche Sale Shares shall be INR 175,00,00,016.80 (Indian Rupees One Hundred Seventy Five Crores and Sixteen Rupees and Eighty Paise Only) ("**First Closing Consideration**"). The First Closing Consideration shall be paid as follows: (a) payment of INR 25,00,00,000 (Indian Rupees Twenty Five Crores) in cash to the Sellers for acquisition of 11% (eleven percent) of the total outstanding equity of the Company; and (b) preferential issue of equity shares of the Buyer to the Sellers in accordance with prevailing SEBI regulations and the Act for acquisition of 66% (sixty six percent) of the total outstanding equity of the Company.
- 3.2 The consideration for the acquisition of Second Tranche Sale Shares shall be INR 25,00,00,000 (Indian Rupees Twenty Five Crores) in cash to the Sellers ("**Second Closing Consideration**"). The Second Closing Consideration shall be paid by payment of cash to the Sellers for acquisition of Second Tranche Sale Shares. The Second Closing Date shall be not later than 3 (three) months from the First Closing Date.
- 3.3 The consideration for the acquisition of Third Tranche Sale Shares shall be equivalent to the proportionate equity value calculated as 9.25 times the EBITDA in accordance with the audited financial statements of the Company immediately preceding the date of the transfer of Third Tranche Sale Shares ("**Third Closing Consideration**"). The Third Closing Consideration shall be paid to the Sellers by issuance of shares of the Buyer either through a merger of the Company with the Buyer (where shares of the Buyer will be swapped for the Third Tranche Sale Shares) or through a preferential issue of equity shares of the Buyer to the Sellers for the relevant price in accordance with SEBI regulations at the time of consummation of the transaction for acquisition of Third Tranche Sale Shares. The Third Closing Date shall be not later than 3 (Three) years from the First Closing Date. *As an illustration, if the EBITDA of the Company is Rs.110 crores after 3 years, the equity value of the Company will be Rs.1,017.50 crores. To purchase the remaining 12% (twelve percent) equity shares of the Company, the Sellers will be paid Buyer's equity shares at the relevant price calculated in accordance with SEBI regulations at the time of consummation of the transaction for 12% (twelve percent) equity shares of the Company.*

4. DELIVERY OF DOCUMENTS ON EXECUTION DATE

- 4.1 The Sellers and the Company hereby agree to procure and deliver the documents specified below to be provided by the Sellers and/or the Company (as applicable), simultaneously with the execution of this Agreement, on the Execution Date, to the Buyer:
- (a) the Company shall provide, and the Sellers shall ensure that the Company shall provide to the Buyer a certified copy of the resolution passed by the Board: (i) approving the execution and implementation of this Agreement; and (ii) authorizing a Person to sign this Agreement on behalf of the Company; and
 - (b) the Sellers shall provide to the Buyer the duly executed Disclosure Letter.
- 4.2 On the Execution Date, the Buyer shall deliver to the Sellers and the Company a certified copy of the resolution passed by its board of directors approving: (i) the execution and implementation of the Agreement; and (ii) authorizing a Person to sign the Agreement on behalf of the Buyer.



[Handwritten signature]

R. B. Kulkarni



5. CONDITIONS PRECEDENT TO FIRST CLOSING

5.1 The completion of the sale and purchase of the First Tranche Sale Shares is conditional on the fulfillment of (or waiver in writing of) the Conditions Precedent, set out in **Schedule III** (*Conditions Precedent*), on or prior to the Long Stop Date.

5.2 Responsibility for satisfaction of Conditions Precedent

- (a) The Sellers and the Company shall be responsible for and shall ensure the satisfaction of the Conditions Precedent, as soon as reasonably practicable, and in any event prior to the Long Stop Date.
- (b) The Sellers and the Company shall from time to time keep the Buyer informed, in writing, of the status of the satisfaction of the Conditions Precedent and shall promptly (and in any case within 3 (three) Business Days) notify the Buyer if either of them becomes aware of any fact or circumstance that will or may prevent any of the Conditions Precedent from being satisfied before the Long Stop Date.
- (c) In connection with the fulfillment of Conditions Precedent, the Sellers or the Company shall not take any action, agree to any condition, or assume any obligations, which may prejudice the Company or the transactions contemplated under the Transaction Documents, or shall result in or is likely to result in the Company suffering an increase in any contingent liability or any new pecuniary liability, without the prior consent in writing of the Buyer; which consent shall not be unreasonably withheld. In this regard, the Buyer shall respond to any request made by the Sellers under this Clause 5.2 (c) within 5 (five) Business Days of receipt of the request, in writing, from the Sellers.
- (d) The Buyer shall co-operate with the Sellers and the Company and provide information and documents (which in the reasonable opinion of the Buyer is not confidential or sensitive in nature or, the release whereof would not have an adverse impact on the Buyer) for the satisfaction of the Conditions Precedent. Provided that, if any confidential or sensitive information or documents are required by any Governmental Authority and/or the Lenders, the Parties shall, on a good faith basis, discuss the manner in which such information can be submitted, or in the alternative, have discussions with the Governmental Authority or the Lenders (as the case maybe).
- (e) Any one or more of the Conditions Precedent may be waived (to the extent permissible under Applicable Law) in writing at the discretion of the Buyer in accordance with this Agreement on or prior to the Long Stop Date.
- (f) Completion of Conditions Precedent by the Sellers and Company:
 - (i) the Sellers, shall, within 5 (five) Business Days of the fulfillment of the last of the Conditions Precedent, notify the Buyer in writing of the same by issuing the Conditions Precedent Satisfaction Letter and provide all supporting documents, as applicable, in form and substance acceptable to the Buyer evidencing such fulfillment; and
 - (ii) within 5 (five) Business Days of receipt of the Conditions Precedent Satisfaction Letter, the Buyer shall, if it is satisfied with or has waived the completion of the Conditions Precedent, notify the Sellers and Company, in writing, of the completion or waiver of the Conditions Precedent ("**Conditions Precedent Acceptance Notice**"). In case the Buyer notifies the Sellers and Company within the aforesaid timeframe of its dissatisfaction with the fulfillment of any Conditions Precedent, the Buyer shall in its notice to the



Sellers and the Company indicate the basis for its dissatisfaction, and the Sellers and Company shall fulfill the relevant Conditions Precedent within 10 (ten) Business Days of receipt of such notice and shall provide to the Buyer all requisite documents evidencing fulfillment of those Conditions Precedent in form and substance acceptable to the Buyer, save and except approval obtained from the Lenders in accordance with **Schedule III (Conditions Precedent)** which shall be in substance acceptable to the Buyer. The procedure in this sub-clause shall be followed thereafter until the earlier of: (A) the Buyer issuing a Conditions Precedent Acceptance Notice; or (B) the Long Stop Date.

5.3 Failure to complete Conditions Precedent

In the event the Conditions Precedent are not or cannot be fulfilled, and are not waived by the Buyer, on or before 8.00 pm on the Long Stop Date:

- (a) the Long Stop Date may be mutually extended by the Sellers and the Buyer in writing; or
- (b) if the Long Stop Date is not extended in accordance with Clause 5.3 (a) above, this Agreement shall stand terminated on the Long Stop Date.

6. PROTECTIVE PERIOD UNDERTAKINGS

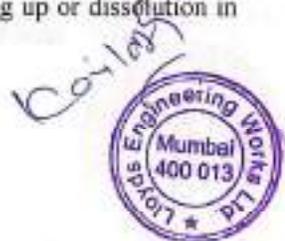
6.1 From the Execution Date until the First Closing Date ("**Protective Period**"), the Company shall, and the Sellers shall procure that the Company shall, carry on the Business, as a going concern, in the Ordinary Course of Business, in accordance with Applicable Law and Clause 6.2.

6.2 During the Protective Period, the Company shall not, and the Sellers shall ensure that the Company shall not, take any action with respect to the following matters, without the prior written consent of the Buyer:

- (a) take any actions or enter into any transactions that could be expected to result in a change in the Business of the Company;
- (b) amend or vary its Charter Documents;
- (c) directly or indirectly declare, pay, make or otherwise effectuate any dividend distributions, redemptions, repurchases or other similar transactions involving the Sale Shares;
- (d) acquire (whether directly or indirectly) or agree to acquire, any securities or interests in any other Person;
- (e) sell or dispose of any Assets of the Company;
- (f) create an Encumbrance on any Assets of the Company;
- (g) effect any change in the capital structure of the Company and issue any securities, any alteration in the rights, preferences or privileges of the Shares, or effect any scheme of amalgamation, arrangement, reorganization, liquidation, winding up or dissolution in relation to the Company;



R. B. RATH



- (h) pass any resolution to commence voluntary liquidation, winding up, bankruptcy proceedings, composition with creditors or other analogous insolvency proceedings in relation to the Company;
- (i) merge, restructure, consolidate, amalgamate the Company or commence any proceedings in relation to any of the foregoing;
- (j) initiate, settle or compromise any litigation, claim or proceedings, (including any appeals and challenges);
- (k) act in breach of any obligation or in contravention of any order of a Governmental Authority;
- (l) make, or agree to make, any payment of cash or distribution of Assets of the Company to any employees, other than in the Ordinary Course of Business and in accordance with the terms of employment of such employees;
- (m) record any Transfer of, or creation of any Encumbrance on the Sale Shares;
- (n) provide any loans or advances or undertake investments;
- (o) borrowing of funds, in any form including by way of issuance of bonds/debentures;
- (p) prepay any existing loans, borrowing or indebtedness (in whole or in part), in advance of its maturity;
- (q) provide security for, or guarantee or indemnify, the debts of the Sellers or any third party;
- (r) appoint/amend the terms of appointment/removal of any Key Managerial Personnel other than those whose appointment or amendment in terms of the appointment or removal has been undertaken with prior written consent of the Buyer;
- (s) enter into or renew any Related Party Transactions;
- (t) change its accounting policies except as required under Applicable Law or the Accounting Standards;
- (u) permit any of its insurances to lapse or do anything which would make any policy of insurance void or voidable;
- (v) enter into, amend or terminate any contract or series of related contracts;
- (w) enter into any treasury operation of a non-standard nature;
- (x) purchase any immovable property;
- (y) open and close any bank account;
- (z) establish any bonus, profit sharing, share option or other incentive scheme for the Directors and/or employees, or vary the terms of any such scheme;
- (aa) modify, amend, vary or terminate any of the Financing Documents;



Rishi R. B. Rind

Devi Jay



- (bb) save and except ratification of any appointment, removal or extension approved by the Board prior to the Execution Date, appoint, remove or extend of the term of the statutory auditor of the Company;
- (cc) save and except ratification of any matter approved by the Board or the shareholders prior to the Execution Date, enter into any matter requiring the approval of the shareholders of the Company under the Act; and
- (dd) enter into any agreement or arrangement (conditional or otherwise) to do or undertake any of the foregoing.

6.3 From the Execution Date to the Third Closing Date, the Sellers shall not:

- (a) other than as contemplated in this Agreement, Transfer any of the Sale Shares; or
- (b) conduct any discussions and/or negotiations with any prospective purchaser with respect to the transactions contemplated by this Agreement.

7. PRE-FIRST-CLOSING INFORMATION COVENANTS

7.1 During the Protective Period, the Company shall, and the Sellers shall procure that the Company shall provide to the Buyer:

- (a) within 10 (ten) Days from the end of each month, a report in Agreed Form on the status of the business, operations and finances of the Company in the previous month, along with copies of all financial statements and reports provided to the board of directors or the management of the Company during such period; provided that, the first MIS Report shall cover the period from 01st April 2024 till the last day of the month prior to the beginning of the Protective Period;
- (b) within 4 (four) Business Days of the receipt by the Company of the same, a copy of any notice or correspondence received from any Governmental Authority and within 4 (four) days of the dispatch by the Company of the same, a copy of any response or correspondence sent by the Company to any Governmental Authority;
- (c) details and copies of all relevant documents of any disputes or litigation initiated by or against the Company, no later than 4 (four) days from the date on which the Company and/or the Sellers, as applicable issues or receives notice of initiation of such dispute or litigation;
- (d) within 4 (four) days of the receipt by the Company of the same, a copy of any communication received from the Lenders which is not in the Ordinary Course of Business and within 2 (two) days of the dispatch by the Company of the same, a copy of any response or any other correspondence sent by the Company to the Lenders which is not in Ordinary Course of Business;
- (e) copy of the draft minutes of any Board/committee or shareholder meetings of the Company, within 5 (five) Business Days of its circulation, and the final minutes of any Board/committee or shareholder meetings of the Company immediately after it is ratified/ approved by the Board/ committee or the shareholders;
- (f) written intimation of any Material Adverse Effect not later than 2 (two) Business Days from the date of occurrence of the fact, event or circumstance resulting in the Material Adverse Effect; and



[Handwritten signature]

A. B. Patel

bellam



- (g) written intimation of any fact, event or circumstances resulting in a breach or non-compliance with any of the Sellers Representations and Warranties as specified under **Schedule IV (Sellers Representations and Warranties)** not later than 5 (five) Business Days from the date the Company and/or the Sellers become aware of the occurrence of such fact, event or circumstance.

7.2 Within 10 (ten) days of the Execution Date, the Company shall, and the Sellers shall procure that the Company shall provide the Buyer with the Accounts and within a period of 45 (forty-five) days of the Execution Date, the Buyer may conduct a due diligence exercise in respect of financial, legal and business aspects pertaining to the Company for the period commencing from 1st April 2024.

7.3 During the Protective Period, the Buyer shall provide a written intimation to the Sellers of any fact, event or circumstances resulting in a breach or non-compliance with any of the Buyer's representations and warranties (as provided under Clause 16) no later than 5 (five) days from the date the Buyer becomes aware of the occurrence of such fact, event or circumstance.

8. FIRST CLOSING

8.1 The First Closing shall occur on First Closing Date, at Ahmedabad or at such other time or place, as mutually agreed between the Parties in writing.

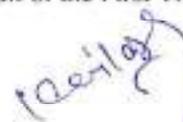
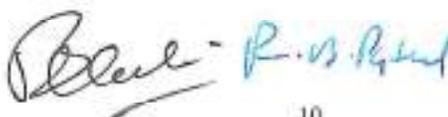
8.2 The obligations of the Parties on First Closing Date shall be interdependent, and First Closing shall not occur unless all such transactions specified in Clause 8.5 are consummated.

8.3 On the First Closing Date, the Sellers shall certify in writing to the Buyer that all Sellers Representations and Warranties are true, correct and accurate as on the First Closing Date, subject to Clause 15.2.

8.4 The Sellers shall 1 (one) Business Day immediately prior to the Scheduled First Closing Date, deliver to the Buyer, duly executed, irrevocable, unconditional, and undated delivery instruction slips (along with necessary attachments and documents) addressed to the depository participant of the Sellers ("**First Closing Seller Instruction Slips**") instructing such depository participant to transfer the First Tranche Sale Shares to the Buyer Demat Account on the First Closing Date by debiting such First Tranche Sale Shares from the Sellers demat account and crediting the same to the Buyer Demat Account.

8.5 On the First Closing Date:

- (a) the Buyer shall (a) date and deliver the First Closing Seller Instruction Slips to the Sellers depository participant for the Transfer of the First Tranche Sale Shares held by the Sellers from the Sellers demat accounts to the Buyer Demat Account, and the Sellers depository participant shall: (i) acknowledge such instructions and deliver a copy of such acknowledgement to the Buyer, and (ii) credit the First Tranche Sale Shares to the Buyer Demat Account; and (b) date and deliver the Buyer's written instructions to the Buyer's depository participant and the Buyer's depository participant shall acknowledge such instructions and deliver a copy of such acknowledgement to the Buyer. Upon receipt of the First Tranche Sale Shares held by the Sellers to the Buyer Demat Account, the Buyer's depository participant shall provide a confirmation to the Sellers in relation to the credit of the First Tranche Sale Shares to the Buyer Demat Account;



- (b) Upon receipt of confirmation from the Buyer's depository participant that the First Tranche Sale Shares have been credited to the Buyer Demat Account, the Buyer shall (a) transfer the First Closing Consideration, via an electronic mode to the designated bank account of the Seller, without any deduction or set-off, (b) issue and allot the equity shares of the Buyer on preferential basis by credit to the Sellers demat accounts;
- (c) the Company shall and the Sellers shall cause the Company to hold a meeting of its Board whereby the following resolutions shall be passed:
- (i) confirming the sale and Transfer of the First Tranche Sale Shares from the Sellers to the Buyer;
 - (ii) subject to receiving requisite shareholder approval, approving the adoption of the amended and restated Charter Documents of the Company;
 - (iii) subject to receiving requisite shareholder approval, appointing the directors nominated by the Buyer as directors of the Company with immediate effect ("**Buyer Nominee Directors**");
 - (iv) noting the resignation of all existing directors on the Board of the Company with immediate effect and such directors having confirmed that they do not have any claim against the Company in respect of breach of contract, compensation for loss of office or termination of employment or redundancy or unfair dismissal, or any other grounds whatsoever;
 - (v) noting the resignation of all Key Managerial Personnel of the Company except chief financial officer and company secretary of the Company with immediate effect and all such Key Managerial Personnel having confirmed that they do not have any claim against the Company in respect of breach of contract, compensation for loss of office or termination of employment or redundancy or unfair dismissal, or any other grounds whatsoever;
 - (vi) reconstituting committees of the Board as may be required;
 - (vii) changing signatories in respect of bank accounts of the Company;
 - (viii) cancelling all the powers of attorney and other similar authorisations issued by the Company (including but not limited to tax matters, regulatory matters, matters in relation to Governmental Authority, lenders, financiers and other creditors) and issuing relevant powers of attorney in favour of persons nominated by the Buyer;
 - (ix) convening an extraordinary general meeting of the shareholders of the Company for:
 - (A) approving, by way of special resolution, the amendment to the Charter Documents of the Company to the extent required for synchronisation with this Agreement and any other documents entered into between the Parties for implementing the transactions contemplated by this Agreement;
 - (B) approving, by way of ordinary resolution, appointment of the Buyer Nominee Directors as directors of the Company; and



R. B. Patel *R. B. Patel*



- (C) ratifying the resignation of all existing directors on the Board of the Company with immediate effect.
 - (x) authorising the entry of the name of the Buyer and its nominees in the records of the Company (including the register of members of the Company) as the legal and beneficial owners of the First Tranche Sale Shares (in the case of nominees of the Buyer, the Buyer shall be recorded as the beneficial owner of such First Tranche Sale Shares);
 - (xi) authorising making of necessary entries in the register of directors and Key Managerial Personnel of the Company recording the revised composition of the Board pursuant to this Clause 8.5 (d); and
 - (xii) authorising any of the directors and / or other officers of the Company to make all necessary filings with the relevant Governmental Authorities, including the registrar of companies, within the time limits prescribed under Applicable Law.
- (d) the Company shall, and the Sellers shall ensure that the Company shall convene an extraordinary general meeting of the shareholders of the Company, at short notice, to transact the following business: (a) to ratify the appointment of the Buyer Nominee Directors with effect from the First Closing Date; and (b) to ratify the resignation of all existing directors on the Board of the Company, with immediate effect; and (c) to approve, by way of special resolution, the amendments to the Charter Documents of the Company to the extent required for synchronisation with this Agreement and any other documents entered into between the Parties for implementing the transactions contemplated by this Agreement;
- (e) the Company shall, and the Sellers shall ensure that, the Company shall provide to the Buyer certified true copies of the updated register of directors and Key Managerial Personnel of the Company recording the revised composition of the Board pursuant to Clause 8.5(d); and
- (f) the Sellers shall certify in writing to the Buyer that they have provided all information required to be provided by the Sellers pursuant to Clause 6 (*Protective Period Undertakings*) and all such information is true, correct and accurate in all respects.
- 8.6 If any Party defaults in carrying out any of its actions required under Clause 8.5, the Buyer, in the case of such default by the Sellers or the Company, or the Sellers, in the case of such default by the Buyer, shall be entitled by written notice to the other Party served no later than 10 (ten) days after the originally Scheduled First Closing Date, to:
- (a) terminate this Agreement and the Parties shall be released from all obligations thereunder except those that may have accrued prior to such termination;
 - (b) effect the First Closing so far as practicable having regard to the defaults which have occurred; or
 - (c) fix a new date for First Closing (which shall be no later than 20 (twenty) Business Days after the date of the originally Scheduled First Closing Date and in any event shall be prior to the Long Stop Date) in which case the provisions under Clause 8.5, this Clause 8.6 and **Schedule II** (*Shareholding Pattern*) shall apply to First Closing so deferred.



R. B. Patel



9. POST FIRST CLOSING ACTIONS AND COVENANTS

9.1 Filings and Notifications and Handover Documents

- (a) The Company shall, and the Sellers shall ensure that the Company shall, within 2 (two) days from the First Closing Date, provide to the Buyer certified true copies of an updated register of beneficial owners of the Company and an updated register of members of the Company, updated to reflect the Transfer of the First Tranche Sale Shares from the Sellers to the Buyer and its nominees (in the case of nominees of the Buyer, recording that the Buyer is the beneficial owner of such First Tranche Sale Shares).
- (b) As soon as practicable after the First Closing and in any event within the time limits prescribed under Applicable Law, the Company will file and the Buyer shall cause the Company to file, all the requisite forms and returns required under the Applicable Laws, including without limitation, the Form MGT-14 for or in relation to the adoption of the amended and restated Charter Documents of the Company, Form DIR-12 for the appointment of the Buyer Nominee Directors and the resignation of the Sellers nominee directors and shall furnish copies of the same along with challans or the acknowledgements of delivery, as applicable to the Sellers.
- (c) Within 30 (thirty) days of the First Closing, all Handover Documents shall be submitted by the Sellers to the Company.

9.2 The Company shall, and the Sellers shall ensure that the Company shall, purchase land on which factory premises of the Company is situated at i.e. Plot No. 5002, Phase IV, G.I.D.C., Vatva, Ahmedabad, 382445, Gujarat, India from the Sellers for INR 20,00,00,000 (Indian Rupees Twenty Crores), within a period of 6 (six) to 9 (nine) months from the First Closing Date. The funding for purchase of land shall be arranged by the Buyer by infusing equity or debt into the Company by itself or through external funding.

9.3 Mr. Bharat Patel shall be appointed as the technical director without being member of the Board on the First Closing Date for a minimum period of 5 (five) years. Provided that, Mr. Bharat Patel may be appointed as a member of the Board at the option of the Company. Mr. Bharat Patel and the Company shall enter into a contract for this appointment. The remuneration of Mr. Bharat Patel would be INR 1,00,00,000 CTC per year plus an incentive package linked to projected top line and EBITDA.

9.4 The Buyer shall nominate and the Company shall appoint such nominated person as the chief executive officer / chief operating officer and also engage required team as it deems fit. The team will work under the guidance of the Board and the Sellers.

9.5 The Buyer shall infuse working capital and funds required for capital expenditure as per business plan as and when required by the Company.

9.6 The Buyer shall replace mortgage of the Sellers farmhouse with alternate security as required under the relevant financing documents of the Company entered into with the Lenders subject to approval from the Lenders.

10. SECOND AND THIRD CLOSING

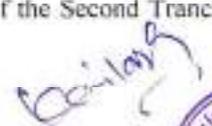
10.1 Second Closing Date



[Signature] R. B. Patel



- (a) The Sellers shall 1 (one) Business Day immediately prior to the Scheduled Second Closing Date, deliver to the Buyer, duly executed, irrevocable, unconditional, and undated delivery instruction slips (along with necessary attachments and documents) addressed to the depository participant of Sellers ("**Second Closing Seller Instruction Slips**") instructing such depository participant to transfer the Second Tranche Sale Shares to the Buyer Demat Account on the Second Closing Date by debiting such Second Tranche Sale Shares from the Sellers demat accounts and crediting the same to the Buyer Demat Account.
- (b) The obligations of the Parties on Second Closing Date shall be interdependent and Second Closing shall not occur unless all such transactions specified in Clause 10.1 (d) are consummated.
- (c) On the Second Closing Date:
- (i) each of the Parties shall certify in writing to the other Party, that such Party is not subject to proceedings under any applicable bankruptcy, insolvency, winding up, criminal or other similar law now or hereafter in effect and no proceedings in relation to the aforesaid laws have been admitted in the courts; and, in case of involuntary winding up the said proceedings have not been set aside within 30 (thirty) days from commencement of such proceedings, and that such Party, is not declared bankrupt or insolvent or ordered to be dissolved or wound up; and
- (ii) the Sellers shall certify in respect of the Second Tranche Sale Shares, in writing to the Buyer that the Sellers Representations and Warranties specified under **Part D of Schedule IV** are true, correct and accurate as on the Second Closing Date.
- (d) On the Second Closing Date,
- (i) the Buyer shall (a) date and deliver the Second Closing Seller Instruction Slips to the Sellers depository participant for the Transfer of the Second Tranche Sale Shares from the Sellers demat accounts to the Buyer Demat Account, and the Sellers depository participant shall: (i) acknowledge such instructions and deliver a copy of such acknowledgement to the Buyer, and (ii) credit the Second Tranche Sale Shares to the Buyer Demat Account; and (b) date and deliver the Buyer's written instructions to the Buyer's depository participant and the Buyer's depository participant shall acknowledge such instructions and deliver a copy of such acknowledgement to the Buyer. Upon receipt of the Second Tranche Sale Shares to the Buyer Demat Account, the Buyer's depository participant shall provide a confirmation to the Sellers in relation to the credit of the Second Tranche Sale Shares to the Buyer Demat Account.
- (ii) Upon receipt of confirmation from the Buyer's depository participant that the Second Tranche Sale Shares have been credited to the Buyer Demat Account, Buyer shall transfer the Second Closing Consideration, via an electronic mode to the designated bank account of the Sellers, without any deduction or set-off;
- (iii) The Buyer shall cause the Company to and the Company shall convene a meeting of the Board for:
- (A) confirming the sale and Transfer of the Second Tranche Sale Shares from the Sellers to the Buyer;



- (B) authorising the entry of the name of the Buyer in the records of the Company (including the register of members of the Company) as the legal and beneficial owner of the Second Tranche Sale Shares (in the case of nominees of the Buyer, the Buyer shall be recorded as the beneficial owner of such Second Tranche Sale Shares), and
- (C) authorising the officers of the Company to make all statutory filings required in connection with the Transfer of the Second Tranche Sale Shares to the Buyer and other related transactions.

10.2 Third Closing Date

Notwithstanding anything contrary contained in this Agreement, prior to the Third Closing Date, in the event the Company and the Buyer are being merged through a scheme of arrangement filed with the National Company Law Tribunal, the Third Closing Date will occur once such scheme is approved. Upon approval of such merger scheme, the Sellers shall be issued shares of the Buyer as a consideration for the Third Tranche Sale Shares in accordance with this Agreement and the terms of the merger scheme. However, in case the merger does not take place, then the Buyer shall undertake necessary corporate actions and approvals for issuance of equity shares to the Sellers on preferential basis for transfer of the Third Tranche Sale Shares in accordance with prevailing SEBI regulations and the Act.

All the provisions of Clause 10.1 (a) to (d) shall apply *mutatis-mutandis* in respect of the transactions to occur on the Third Closing Date. The reference to the term 'Second Closing Seller Instruction Slips' in Clause 10.1 (Second Closing Date) shall be deemed to have been substituted by the term 'Third Closing Seller Instruction Slips' and Clause 10.1 (d) (ii) shall be deemed to have been substituted by the following:

'(ii) Upon receipt of confirmation from the Buyer's depository participant that the Third Tranche Sale Shares have been credited to the Buyer Demat Account, Buyer shall issue equity shares of the Buyer to the Sellers at a SEBI stipulated price on preferential basis by credit to the Sellers demat accounts. However, in case merger of Company and Buyer is taking place, then relevant quantity of shares of the Buyer shall be issued to the Sellers in terms of the merger scheme approved by the National Company Law Tribunal.'

11. BOARD OF DIRECTORS AND MEETINGS

11.1 Applicability of Clause 11

The provisions contained in this Clause 11 shall be effective on and from First Closing.

11.2 Powers of the Board

Subject to this Agreement and the Act, the Board shall be responsible for the management, supervision, direction and control of the Company.

11.3 Composition

On and from the First Closing, the Buyer shall nominate all directors on the Board, subject to the requirement to appoint such number of independent Directors as may be required under Applicable Law. So long as the Sellers are shareholders of the Company, the Sellers shall exercise its votes in relation to the Shares held by it at any shareholders meeting called for the purpose of filling the positions on the Board and shall take all other actions necessary to ensure



R. D. Phatak



the election to the Board of the directors nominated by the Buyer. The Directors shall not be required to hold any qualification shares.

11.4 **Alternate Directors**

- (a) The Board may appoint an alternate director ("**Alternate Director**") for any Director who is unable to attend any meetings of the Board ("**Original Director**") provided that the appointment of any Alternate Director shall be in accordance with the Act, and the Alternate Director shall be nominated by the Buyer. Such Alternate Director shall be entitled to attend and vote at all meetings of the Board and to be counted in determining whether a quorum is present.
- (b) An Alternate Director shall be entitled to receive notice of all meetings of the Board, to attend and vote at any such meeting at which the Original Director is not personally present and at the meeting to exercise and discharge all the functions, powers and duties of the Original Director as a Director.
- (c) An Alternate Director shall automatically vacate his/her office as an Alternate Director if the Original Director ceases to be a Director.

11.5 **Board Meetings**

All meetings of the Board shall be held in accordance with the Act, the Charter Documents and the provisions of this Agreement.

12. **GENERAL MEETINGS**

12.1 **Applicability of Clause 12**

The provisions contained in this Clause 12 shall be effective on and from First Closing.

12.2 **Notice and Agenda**

Unless a shorter notice period is permitted in accordance with Applicable Law and agreed to by the Buyer in writing, no general meeting of the Shareholders shall be held unless at least 21 (twenty-one) days' written notice of that meeting has been given to each Shareholder. In any meeting of the Shareholders, only such agenda will be placed before and discussed by the Shareholders as is specified in the notice of such meeting provided to the Shareholders.

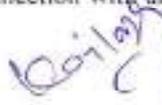
12.3 **Quorum**

Subject to the provisions of the Act, any meeting of the Shareholders shall require the presence of at least 1 (one) duly authorised representative of the Buyer at the beginning of the meeting and throughout the meeting ("**Shareholder Quorum**").

12.4 **Voting and Decision-Making Powers**

- (a) Each Share shall have one vote and there shall be no disproportionate voting rights in respect of the Shares. No resolution shall be passed in a general meeting without the affirmative vote of at least 1 (one) duly authorised representative of the Buyer.
- (b) In the event, the Sellers are required to vote in any general meeting, the Sellers hereby irrevocably and unconditionally agree that at any general meeting, including any adjournment, recess or postponement thereof, in connection with any written consent



16

of the shareholders of the Company and in any other circumstance upon which a vote, consent or other approval of all or some of the shareholders of the Company is sought, it shall, and shall cause any nominee holder of the Sellers, to vote and/or consent to any matter presented in accordance with the instructions of the Buyer. Provided that the Buyer shall not require the Sellers to provide any vote, consent or other approval in any manner which may result in the Buyer being in breach of Applicable Laws.

- (c) The Sellers shall not grant any proxy or enter into or agree to be bound by any shareholder agreement or similar arrangements of any kind (including any arrangement or agreement with respect to the acquisition, disposition or voting of any Shares) with any Person (including any Person that becomes a Shareholder hereafter) without the prior consent in writing of the Buyer.

12.5 Subject to this Clause 12, the Shareholders shall reasonably cooperate with each other to execute and perform all such deeds, documents, assurances, acts and things and to exercise all powers and rights available to them including the convening of all meetings, giving waivers/consents and passing of resolutions reasonably required to ensure that the terms of this Agreement, are given effect to at all times.

13. SHARE TRANSFER RESTRICTIONS AND PERMITTED TRANSFERS

13.1 Share Transfer Restrictions and Permitted Transfers

- (a) Until the Third Closing Date, no Shareholder shall Transfer, charge, pledge, grant options or third-party rights over or otherwise Encumber any interest in any of their Shares except:
- (i) the Transfer of the Third Tranche Sale Shares by the Sellers to the Buyer on Third Closing Date in accordance with the terms of this Agreement;
 - (ii) pledge any or all of Sale Shares by the Sellers in favour of the Lenders, in the manner as may be mutually agreed between the Buyer and the Sellers; and
 - (iii) any Encumbrance created by the Buyer over all or any of its Shares in favour of a bank or a financial institution, as the case may be, in the event of refinancing of the current Financing Facilities or for any other financial assistance availed by the Buyer or its Affiliates.

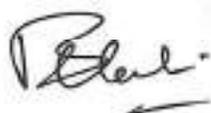
13.2 Any purported Transfer of, or Encumbrance on, Sale Shares (and any interest in Sale Shares) by the Sellers in contravention of this Agreement, the Charter Documents or Applicable Law, shall be null and void and the Company shall not register such aforesaid Transfer or Encumbrance, and shall reject and reverse such Transfer or Encumbrance made or attempted, if need be.

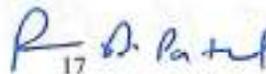
13.3 The Sellers, directly or indirectly, (including through Transfer of securities, directly or indirectly, of the Buyer), in whatever form, shall not be entitled to Transfer or otherwise dispose of any of the shares (or any rights or interest therein) until expiry of 6 (six) months from the date of issue of equity shares of the Buyer in accordance with Clause 8.5 (b) ("**Lock-in Period**"). After the expiry of the Lock-in Period, Sellers can sell maximum of 1/3rd each year of the Buyer's equity shares held by the Sellers.

13.4 Buyer's Right of First Refusal

- (a) If, after expiry of the Lock-in Period, the Sellers propose to Transfer the Buyer's equity









shares, the Buyer's nominee shall have the right, but not the obligation ("**ROFR Right**") to purchase such number of Buyer's equity shares that are being offered by the Sellers to the proposed transferee at the same price per Equity Share and on the same terms on which the Sellers proposes to Transfer the Buyer's equity shares to the proposed third party transferee.

- (b) The Sellers shall, before consummation of Transfer of any of the Buyer's equity shares, give a 15 (fifteen) days' prior written notice ("**ROFR Notice**") to the Buyer's nominee stating: (i) details of the proposed transferee; (ii) prevailing market price at the date of ROFR Notice ("**ROFR Price**"); and (iii) the date of the proposed Transfer.
- (c) If the Buyer's nominee desires to exercise their ROFR Right, they shall exercise the said right by giving the Sellers a written notice ("**ROFR Exercise Notice**") to that effect within 15 (fifteen) days from the date of receipt of the ROFR Notice ("**ROFR Exercise Period**"), by stating the number of Buyer equity shares it proposes to purchase (the "**ROFR Shares**").
- (d) In the event the Buyer's nominee decides to exercise the ROFR Right, the Transfer of the ROFR Shares to the Buyer's nominee shall be effected within a period of 15 (fifteen) days from the date of delivery of the ROFR Exercise Notice. For the purposes of achieving such completion, the Buyer's nominee shall pay the ROFR Price to the Sellers and the Sellers shall simultaneously execute the requisite demat instruction slips in relation to the Transfer of the ROFR Shares in favour of the Buyer.
- (e) In the event that the Sellers do not receive any ROFR Exercise Notice from the Buyer's nominee within the ROFR Exercise Period, the Sellers shall, within 5 (five) days of expiry of the ROFR Exercise Period, be entitled to sell all Buyer's equity shares to a third party purchaser on the terms indicated in the ROFR Notice and for a consideration that shall not be less than the ROFR Price.

14. UNDERTAKINGS

14.1 No Continuing Obligations

The Sellers shall not be required to provide any services to the Company such as human resources, accounts, secretarial and compliances, legal, financing, post the First Closing Date, and the Buyer will make all such arrangements.

- 14.2 The Shareholders agree, as between themselves, that, if any provisions of the Charter Documents at any time conflict with any provisions of this Agreement, the provisions of this Agreement shall prevail and the Shareholders shall exercise all powers and rights available to them to procure the amendment of the Charter Documents to the extent necessary to permit the Company and its affairs to be regulated as provided in this Agreement.

15. SELLERS REPRESENTATIONS AND WARRANTIES

- 15.1 The Sellers represents and warrants to the Buyer that the Sellers Representations and Warranties, are accurate, true and correct as of the Execution Date and shall be repeated as at the First Closing Date.
- 15.2 The Buyer agrees that the Sellers Representations and Warranties set out under Part B and Part C of **Schedule IV (Sellers Representations and Warranties)** shall be treated as qualified to the extent of matters or information:



Blue R. B. R. H. 18

Kailash



- (a) fully and fairly disclosed with reference to the Business Representations and Warranties in the Disclosure Letter or the Updated Disclosure Letter;
- (b) contained in the Financing Documents; and/or
- (c) set out in the provisions of this Agreement.

15.3 Each of the Sellers Representations and Warranties shall be separate and independent.

15.4 The Parties hereby agree that upon the Sellers delivering the Updated Disclosure Letter to the Buyer, the Parties shall in good faith discuss the additional disclosures made in the Updated Disclosure Letter, in order to determine the monetary limits or claim periods with respect to Specific Indemnity to be provided by the Sellers to the Buyer with respect to the additional disclosures made in the Updated Disclosure Letter, to which extent the Parties shall carry out such amendments and/or supplements to this Agreement as may be necessary. Notwithstanding anything to the contrary stated in this Agreement, if: (a) in the opinion of the Buyer the disclosures in the Updated Disclosure Letter require or are likely to require a reduction in the Consideration by an amount which is more than 1% (one percent) of the Consideration ("Agreed Variation"), and the Parties are not able to mutually agree on the adjustment to be made to the Consideration for the reduction beyond the Agreed Variation; or (ii) the Parties are not able to agree to the monetary limits or claim periods for specific indemnities for additional disclosures made under the Updated Disclosure Letter, then, either Party shall have the right to terminate this Agreement.

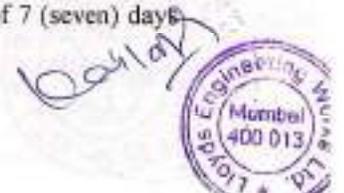
16. BUYER REPRESENTATIONS AND WARRANTIES

16.1 The Buyer represents and warrants as follows to the Sellers as of the Execution Date, and the First Closing Date:

- (a) The Buyer is duly organized and validly existing under the laws of India, and has the right, power and authority to execute, deliver and perform this Agreement and the other Transaction Documents to which it is a party;
- (b) The execution and delivery of this Agreement by the Buyer and the performance by the Buyer of its obligations under this Agreement has been duly and validly authorized by all necessary corporate action and does not require any further authorization or consent of any third party, or any Approval from any Governmental Authority and will not violate or result in breach of any terms and conditions thereof. This Agreement, constitute legal, valid, binding and enforceable obligations of the Buyer and are enforceable against it in accordance with their terms;
- (c) The execution, delivery and performance by the Buyer of this Agreement, the consummation of the transactions contemplated under this Agreement, and the compliance by it with the provisions of this Agreement will not result in:
 - (i) a breach of, or constitute a default under, any agreement (whether or not written) or instrument to which the Buyer is a party or by which the Buyer is bound; or
 - (ii) result in a breach of any Applicable Law, where the breach would affect its ability to enter into or perform its obligations under this Agreement.
- (d) No proceeding for commencement of bankruptcy, insolvency, liquidation or similar proceedings, whether voluntary or involuntary, is pending against the Buyer, which proceeding has not been dismissed or stayed within a grace period of 7 (seven) days



[Handwritten signature] *[Handwritten signature]*
19



nor is any such proceeding threatened against the Buyer (of which the Buyer has received notice in writing);

- (e) There is no writ, judgment, injunction, decree, or similar order of any court or other Governmental Authority restraining or otherwise preventing the Buyer from consummating any of the transactions contemplated by this Agreement, including the actions to be taken at First Closing; and
- (f) The Buyer has sufficient sources of funds and corporate approvals to pay the Consideration to the Sellers and consummate the transactions contemplated under this Agreement.

17. INDEMNIFICATION BY SELLERS

17.1 The Sellers hereby agree to indemnify, defend and hold harmless the Buyer, the Company, and their respective officers, directors, and employees ("Sellers Indemnified Parties"), promptly upon demand at any time and from time to time, from and against any Losses incurred or paid, by the Sellers Indemnified Party arising out of, resulting from or in relation to, in each case:

- (a) any breach of any Sellers Representations and Warranties;
- (b) a breach of any covenant or undertaking by the Sellers or the Company under this Agreement;
- (c) fraud, willful misconduct and gross negligence of the Sellers;
- (d) any Specific Indemnity, as set out in Clause 17.3;
- (e) any Tax liability, whether arising prior to or arising on or after Execution Date, as a consequence of or by reference to (i) any transaction, event, occurring before First Closing Date; or (ii) any income, claim, deduction, expense, including any tax position adopted by the Company in its Tax Returns filed on or before the Execution Date;
- (f) any claim or proceedings against any Sellers Indemnified Parties by any Governmental Authority arising out of a cause of action, which has occurred prior to First Closing;
- (g) any claim or proceeding by any third party against any Seller Indemnified Parties arising out of any act, deed or omission by the Company or the Seller, or arising out of a cause of action, which has occurred prior to First Closing; and
- (h) any undisclosed and contingent liabilities which relate to a period prior to the First Closing Date.

17.2 Any claim for indemnity made against the Sellers pursuant to this Agreement ("Claim") shall be brought by the Sellers Indemnified Party, by giving notice of the Claim (specifying in reasonable detail the circumstances which give rise to the Claim, the breach or default that results and the amount claimed, together with supporting documents, to the extent available with the Buyer, in connection with that Claim) to the Sellers ("Notice of Claim"), which shall, for the avoidance of doubt include a Third Party Notice. It is clarified that each Claim under this Clause 17 (*Indemnification by Sellers*), shall pertain to a fact, matter, event or circumstance which has occurred in the period prior to and including the First Closing Date (except as may be provided otherwise in this Agreement) irrespective of whether the Claim arises before or after the First Closing Date.



Paul - R B Patel



Further, for the avoidance of doubt, any Loss suffered by the Company due to or arising out of or resulting from items set out in Clause 17.1 shall be deemed to be a Loss suffered by the Buyer and the Sellers agree to indemnify at the option of the Buyer, the Buyer or the Company, in accordance with the provisions of this Clause 17 (*Indemnification by Sellers*).

17.3 Specific Indemnities

Notwithstanding any disclosures made under the Disclosure Letter or Updated Disclosure Letter, the Sellers hereby agree to, defend, indemnify and hold harmless the Sellers Indemnified Parties, from and against any and all Losses incurred, paid or suffered, by any Sellers Indemnified Parties arising out of, resulting from or in connection with:

- (a) the list of proceeding as specified in **Schedule IX** (*Proceedings relating to the Company as of the Execution Date*), including any proceedings, hearings, trials, appeals, challenges or applications for review arising therefrom;
- (b) Income Tax re-assessment order passed for FY 2013-14 for proposed addition of INR 5,81,00,000 (Indian Rupees Five Crores Eighty One Lakhs) with the demand of income tax (along with interest up to May, 2023) of INR 2,71,00,000 (Indian Rupees Two Crores Seventy One Lakhs) and interest after May, 2023 till finalization of appeal;
- (c) Income Tax re-assessment notice issued for FY 2015-16 dated 7th April, 2023 for income chargeable to tax amounting of INR 7,43,00,000 (Indian Rupees Seven Crores Forty Three Lakhs) in respect of errors in PAN numbers quoted and alleged accommodation entries with a Mehta group;
- (d) Value Added Tax and Central Sales Tax demand for scrutiny assessment for FY 2013-14 amounting to INR 16,92,000 (Indian Rupees Sixteen Lakh Ninety Two Thousand) and INR 20,96,000 (INR Twenty Lakh Ninety Six Thousand) respectively and interest in respect of pendency of forms, ITC mismatch etc;
- (e) TDS demand related to FY 2008-09 to 2012-13, of INR 2,16,000 (Indian Rupees Two Lakh Sixteen Thousand) and its interest of approximately INR 1,21,000 (Indian Rupees One Lakh Twenty One Thousand);
- (f) Any liabilities arising from on non-compliance with employment and labour laws applicable to the Company; and
- (g) Any claims/liabilities arising from immovable properties of the Company not having clear title/right/interest.

For avoidance of any doubt, any Loss suffered by the Buyer from any other contingent liability as mentioned above, the Sellers, agree to indemnify the Buyer or at the option of the Buyer.

17.4 Third Party Claims

- (a) If any claim is made or an action taken against any Sellers Indemnified Party with respect to a matter subject to indemnity hereunder ("**Third Party Claim**"), notice thereof ("**Third Party Notice**") shall be given to the Sellers by the Sellers Indemnified Party as promptly as practicable and in any event within 4 (four) Business Days after the Sellers Indemnified Party has received written notice of such Third Party Claim. For clarity, delay incurred by the Sellers Indemnified Party(ies) to notify the Sellers as aforesaid shall not prejudice the indemnification rights and/or remedies available to the



[Handwritten signature]
21



per annum by wire transfer, in immediately available funds, into the bank account designated by the Buyer, commencing from the date being 2 (two) Business Days of the date on which payment has been made by the Sellers Indemnified Party until the actual date of payment by the Sellers. The Sellers and the Buyer agree that the carry cost specified is a genuine pre-estimate of the damage caused to the Sellers Indemnified Party as a result of delay in payment by the Sellers and shall not be construed as a penalty.

- (f) Whether or not the Sellers elects to defend any Third Party Claim, the Parties shall cooperate and exercise all reasonable efforts in the defense or prosecution of any such claim and shall furnish to one another such records, information and testimony, and attend such conferences, proceedings, hearings, trials and appeals as may be reasonably required by the other in connection therewith.

17.5 Survival of Indemnities

The Sellers indemnity obligation under this Clause 17 shall survive as follows:

- (a) for any breach of the Fundamental Warranties, the indemnity obligations shall survive indefinitely;
- (b) for any Claim relating to a Specific Indemnity, the indemnity obligations shall survive for a period of 5 (five) years from the First Closing Date;
- (c) for any Claim relating to Clause 17.1 (c), i.e. as a result of or on account of any fraud, gross negligence or willful misconduct of the Sellers, the indemnity obligations shall survive indefinitely;
- (d) for any Claim relating to breach or misrepresentation of the Sellers Representations and Warranties set out in **Part C of Schedule IV ("Tax Representations and Warranties")**, the indemnity obligation shall survive for a period of 7 (seven) years from the First Closing Date; and
- (e) in case of all other Claims, other than as specified in Clauses 17.5 (a) to 17.5 (d), the indemnity obligation shall survive for a period of 10 (Ten) months from the First Closing Date.

17.6 All Claims for indemnification under this Clause 17 must be asserted prior to the expiration of the applicable survival periods set out above; provided however, that if the Sellers Indemnified Party delivers to the Sellers a Notice of Claim before the expiration of the applicable survival periods as set out above, such Claims shall be considered to be valid claims raised within their survival periods even if the satisfaction, defense or settlement of such claims extend beyond its survival period.

17.7 Monetary Limits

- (a) The Sellers shall not be liable for any Loss (other than a Loss with respect to Fundamental Warranty Claim, and/or Claim based upon any fraud, gross negligence or willful misconduct by the Sellers) where the Loss does not exceed INR 1,00,000 (One Lakh) for an individual Claim or a series of such Claims arising from substantially identical facts and circumstances ("**De Minimis Amount**").
- (b) The Sellers Indemnified Party shall not be entitled to make a Claim (other than a Fundamental Warranty Claim or Claim based upon any fraud, gross negligence or willful misconduct by the Sellers) in respect of any Loss, unless the aggregate amount



[Signature] R. B. Patel
23



of the Claim along with all other Claims (each such claim being above the De Minimis Amount), exceeds INR 1,00,000 (One Lakh) ("**Threshold Liability**"). Upon the aggregate Claims exceeding the Threshold Liability as aforesaid, the Sellers shall be liable, to compensate the Sellers Indemnified Party in respect of the Threshold Liability as well as all such Losses that exceed the Threshold Liability; and

- (c) For any Losses arising out of (i) breach of the Fundamental Warranties; (ii) Claim relating to Clause 17.1 (c), i.e. as a result of or on account of any fraud, gross negligence willful misconduct of the Sellers, the aggregate liability of the Sellers under this Clause 17 (*Indemnification by Sellers*), shall not be subject to any limitation.

17.8 General Limitations on Indemnification by Sellers

- (a) In addition to the limitations on the Sellers liabilities set out in this Clause 17 (*Indemnification by Sellers*) to indemnify or make payment to the Sellers Indemnified Party, any obligation of the Sellers to indemnify the Sellers Indemnified Party hereunder shall be subject to the limitations on liability set out below:
- (i) Mitigation. The Sellers Indemnified Party agrees that it shall use commercially reasonable efforts to mitigate any loss or damage arising from any Claim made under this Clause 17.
- (ii) No double recovery. The Sellers Indemnified Party shall not be entitled to recover damages or obtain payment, reimbursement, restitution or indemnity more than once in respect of any Claim.
- (iii) Indemnity Subject to First Closing. The Buyer shall be entitled to make a Claim only on and from the First Closing Date.
- (iv) Change in Law or rate of Taxation. The Sellers shall have no liability for any Claim to the extent that the same would not have occurred but for the enactment of or any change in, or change in interpretation of, by a Governmental Authority, after the Execution Date or the First Closing Date, any Applicable Law which retrospectively applies for the period prior to the Execution Date or the First Closing Date (as the case may be) including (and without prejudice to the generality of the foregoing) any increase in the rates of Taxes or any imposition of Taxes or any withdrawal of relief from Taxes not actually (or prospectively) in effect at the Execution Date or the First Closing Date (as relevant).
- (v) Subsequent Recovery. If the Sellers pay an amount to the Sellers Indemnified Party in discharge of any obligation relating to a Claim, and the Sellers Indemnified Party subsequently recovers (whether by payment, discount, credit, relief or otherwise) from a third party (including insurers), a sum which is related to the subject matter of such Claim, the Sellers Indemnified Party shall pay to the Sellers an amount equal to the sum recovered from the third party, save and except any Tax deducted at source on such amounts to be paid, for which the Sellers Indemnified Party shall provide the necessary Tax deduction at source certificate and any reasonable out-of-pocket costs and expenses incurred by the Sellers Indemnified Party, if any, in recovering the same. For avoidance of doubt it is clarified that the Sellers shall not be relieved of their obligation to indemnify the Sellers Indemnified Party in accordance with this Agreement even though there are similar indemnity claims made by the Sellers Indemnified Party against a third party.



[Handwritten signatures]
24

[Handwritten signature]



- 17.9 Save and except as disclosed in terms of Clause 15, the knowledge of the Sellers Indemnified Parties or the conduct of any investigation (actual, constructive or imputed) by any Person, shall not in any manner affect or limit the right to indemnification. For the avoidance of doubt and notwithstanding anything to the contrary contained in this Agreement, no disclosure under Clause 15.2, shall qualify or in any manner affect or limit the right to indemnification of the Sellers Indemnified Parties with respect to any Fundamental Warranties, the events specified in Clauses 17.1 (b) to 17.1 (d).
- 17.10 Any payment by the Sellers pursuant to this Clause 17 (*Indemnification by Sellers*) shall be made free and clear of, and without deduction for or on account of any Taxes, cess, duties, charges, fees, costs, expenses and other government levies, except as may be required under Applicable Law. Save and except for any Tax deducted at source, for which the Sellers shall provide the necessary Tax deduction at source certificate, and if any other Taxes, charges, fees, costs, expenses or duties are required to be deducted by the Sellers under Applicable Laws from any amounts payable or to be paid under this Clause 17 (*Indemnification by Sellers*), such additional amounts shall be paid by the Sellers as may be necessary to ensure that the recipient Sellers Indemnified Party receives a net amount equal to the full amount which it would have received had such payment not been subject to such Taxes, charges, fees, costs, expenses or duties.
- 17.11 The indemnification rights of the Sellers Indemnified Parties under this Agreement are independent of, and in addition to, such other rights and 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, provided that indemnification rights under this Clause 17 shall be the sole monetary remedy of the Sellers Indemnified Parties.
- 17.12 The fact that the Sellers Indemnified Parties have been indemnified with respect to certain Claims under this Agreement shall not prejudice the right of the Sellers Indemnified Parties from seeking indemnity with respect to any other distinct Claim, subject to Clause 17.8 (a) (ii).
- 17.13 The Sellers shall not seek restitution from the Company for any amounts paid by the Sellers in respect of any Claims under the terms of this Agreement. The Sellers expressly waive all their rights under the Applicable Law, equity or otherwise in respect of such restitution.

18. TERMINATION

18.1 This Agreement shall be effective from the Execution Date and shall continue to be valid and in full force and effect unless terminated in accordance with this Clause 18.

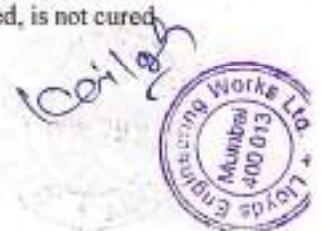
18.2 This Agreement may be terminated as follows:

Prior to First Closing:

- (a) *Mutual Agreement*: Prior to First Closing by mutual consent of the Parties;
- (b) *Buyer Termination Event*: This Agreement may be terminated by the Buyer prior to First Closing by a written notice to the Sellers and Company upon the occurrence of any of the following:
- (i) upon breach of any Fundamental Warranties;
 - (ii) upon material breach of Clause 6 (*Protective Period Undertakings*) by the Sellers or the Company and such breach if capable of being cured, is not cured



P. B. B. B. B. *P. B. B. B. B.*



within 10 (ten) Business Days following receipt of written notice of such breach by the Buyer;

- (iii) upon material breach of any of the covenants and obligations of the Sellers and/or the Company until the First Closing, under this Agreement which if capable of being cured, is not cured within 10 (ten) Business Days following receipt of written notice of such breach by the Buyer;
 - (iv) upon occurrence of a Material Adverse Effect;
 - (v) in accordance with Clause 15.4;
 - (vi) in accordance with Clause 8.6 (a); and/or
 - (vii) either the Sellers or the Company is subject to an Insolvency Event.
- (c) *Sellers Termination Event*: This Agreement may be terminated by the Sellers prior to First Closing by a written notice to the Buyer and the Company upon:
- (i) breach of the Buyer's representations and warranties under Clause 16;
 - (ii) the Buyer being subject to an Insolvency Event;
 - (iii) in accordance with Clause 8.6 (a);
- (d) *Long Stop Date*: If First Closing does not take place by the Long Stop Date or such other date as may be agreed by the Parties in writing, then this Agreement may be forthwith terminated by the Sellers or the Buyer by giving written notice to the other Parties.

18.3 After First Closing

This Agreement may be terminated after the First Closing Date by mutual consent of the Parties.

- 18.4 The termination of this Agreement shall in no event terminate or prejudice: (i) any right or obligation arising out of or accruing under this Agreement attributable to events or circumstances occurring prior to such termination; and (ii) any provision which by its nature is intended to survive termination, including Clauses 1 (*Definitions and Interpretations*), 17 (*Indemnification by the Sellers*), 18 (*Termination*), 19 (*Governing Law and Arbitration*) and 20 (*Miscellaneous*).

19. GOVERNING LAW AND ARBITRATION

- 19.1 This Agreement shall be governed in all respects by the laws of the Republic of India and, subject to the provisions of Clause 19.2 below, the courts in Mumbai shall have exclusive jurisdiction, in relation to all matters arising out of this Agreement.

- 19.2 In the event of a dispute between any of the Parties (the "**Disputing Parties**"):

- (a) The Disputing Parties shall first attempt to resolve the dispute amicably by holding discussions between senior officials of the Disputing Parties.
- (b) All disputes and differences between the Disputing Parties that cannot be resolved by discussions between the Disputing Parties within 30 (thirty) days after commencement of discussions, shall be referred to and finally resolved by arbitration in accordance with the Arbitration and Conciliation Act, 1996 ("**Arbitration Act**") for the time being



Blue - R. B. Patel
26

10/1/95



in force, and as may be amended from time to time, the provisions of which are deemed to be incorporated by reference in this Clause 19.2 (b). The seat of arbitration shall be Mumbai. The language of the arbitration shall be in English.

- (c) The arbitral tribunal shall consist of 3 (three) arbitrators, 1 (one) of whom shall be nominated by the Buyer and the Sellers (and the Company) each, and the 3rd (third) arbitrator, who shall be the presiding arbitrator, shall be jointly appointed by the 2 (two) aforesaid arbitrators. The third arbitrator shall be appointed within 7 (seven) days of the last of their appointment, failing which the third arbitrator shall be appointed in accordance with the Arbitration Act.
- (d) The award rendered by the arbitrators shall be final and binding upon the Disputing Parties and shall be enforceable in any court of competent jurisdiction. The cost of arbitration shall be as determined by the arbitral tribunal.
- (e) If any dispute under this Agreement has already been referred to arbitration ("**Existing Dispute**") and a later or subsequent dispute ("**New Dispute**") raises issues substantially the same as or connected with the issues raised in the Existing Dispute or arises out of the substantially the same facts as the subject of the Existing Dispute or involves the same parties to the Existing Dispute, the Disputing Parties may agree that such arbitral tribunal appointed for the Existing Dispute or to be appointed may also be appointed in respect of the New Dispute. If such appointment is made, the arbitral tribunal shall be authorized and empowered to consolidate the arbitration if the arbitral tribunal considers there are issues of fact or law that are common to the arbitrations so that consolidated proceedings are more effective, and no party would be materially prejudiced as a result of the consolidation.
- (f) The arbitrators shall have power to award specific performance.
- (g) Neither the existence of any dispute nor the fact that any arbitration is pending hereunder shall relieve any of the Disputing Parties of their respective obligations under this Agreement. The pendency of a dispute in any arbitration proceeding shall not affect the performance of the obligations under this Agreement.

20. MISCELLANEOUS

20.1 Notices

- (a) Form of Notice

Any notice, consent, request, demand, approval or other communication to be given or made under or in connection with this Agreement shall be in English, in writing and signed by or on behalf of the person giving it.

- (b) Method of Service

Service of a notice must be effected by one of the following methods:

- (i) by hand to the relevant address set out in Clause 20.1 (c) and shall be deemed served upon delivery if delivered during a Business Day, or at the start of the next Business Day if delivered at any other time; or
- (ii) by prepaid first-class post to the relevant address set out in Clause 20.1 (c) and shall be deemed served when proof of delivery is obtained by the delivering Party; or



[Handwritten signature] R. B. Patel



(iii) by electronic mail transmission to the relevant email address set out in Clause 20.1 (c) and shall be deemed served on dispatch (unless delivery of the same has failed and notification is received by the sender); or

(iv) In this Clause 20.1, "during a Business Day" means any time between 9.30 am and 5.30 pm on a Business Day based on the local time where the recipient of the notice is located. References to "the start of a Business Day" and "the end of a Business Day" shall be construed accordingly.

(c) Address for Service

Notices shall be addressed as follows:

For the **Sellers**:

Name: Bharat J Patel

Address: 5/6, Manichandra Society Part -1, Nr. Surdhara Circle, Thaltej, Bodakdev, Ahmedabad - 380054

Email: hjp.techno@gmail.com

For the **Buyer**:

Name: Shreekrishna Mukesh Gupta

Address: A-2, Madhu Industrial Estate, Pandurang Budkar Marg, Lower Parel, Mumbai -400 013

Email: skgupta@lloyds.in

For the **Company**: (till First Closing Date)

Name: Techno Industries Private Limited

Address: Plot No 5002, Nr. Indo German Tool Room, GIDC Phase - IV, Vatva, Ahmedabad - 382445

Email: cfo@technoelevators.com

(d) Change of details

A Party may change its address for service; *provided*, that it gives the other Parties not less than 7 (seven) days' prior notice in accordance with this Clause 20.1. (*Notices*).

20.2 Specific Performance



100 days
R. B. Patel



The Parties agree that damages may not be an adequate remedy and that each Party shall be entitled to an injunction, restraining order, right for recovery, suit for specific performance or such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to restrain the other Parties from committing any violation or enforce the performance of the covenants, representations and obligations contained in this Agreement. Provided that the indemnification rights under Clause 20 of this Agreement shall be the sole monetary remedy of the Indemnified Parties.

20.3 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.

20.4 Counterparts

This Agreement may be executed in one or more counterparts, each of which when so executed and delivered shall constitute one and the same instrument and any Party may execute this Agreement by signing any one or more of such originals or counterparts. The delivery of signed counterparts by facsimile transmission or electronic mail in "portable document format" (".pdf") shall be as effective as signing and delivering the counterpart in person.

20.5 Costs

Each of the Parties shall bear their own costs (including legal costs), charges and expenses incurred in relation to the negotiation, preparation and execution of this Agreement and any other document executed in connection with this Agreement; *provided, however*, that:

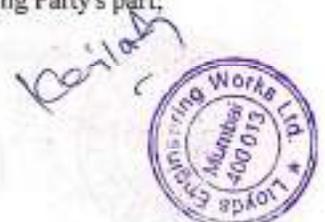
- (a) all stamp duty payable in respect of this Agreement in the place of execution of the Agreement shall be borne equally by the Buyer and Sellers ; and
- (b) costs and expenses incurred in connection with any third party Approval to be obtained by the Sellers for the transactions contemplated by this Agreement shall be borne by the Sellers.

20.6 Confidentiality

- (a) The Parties agree to treat all information and facts relating to the transaction contemplated herein which may come to their knowledge during the pendency of this Agreement as confidential information ("**Confidential Information**") and not to disclose in any manner whatsoever any Confidential Information to any Person directly or indirectly or use the same or permit the same to be used for any purpose other than the transaction contemplated herein, unless it has been previously agreed by the Parties.
- (b) Provided however that Confidential Information shall not include information which:
 - (i) at or prior to the time of disclosure by the disclosing Party was known to the receiving Party through lawful means; or
 - (ii) at or after the time of disclosure by the disclosing Party becomes generally available to the public through no act or omission on the receiving Party's part; or



R. B. R. H.
29



- (iii) is developed by the receiving Party independent of any Confidential Information it receives from the disclosing Party; or
 - (iv) the receiving Party receives from a third Person who is free to disclose such information without breach of any legal obligation.
- (c) Notwithstanding what is stated in Clause 20.6 (a) above, the Parties may disclose Confidential Information:
- (i) to their respective employees, professional advisors, consultants, partners (including potential partners or investors) or Affiliates who shall be similarly bound to maintain such confidentiality; or
 - (ii) with the written consent of the other Parties to this Agreement; or
 - (iii) as permitted in this Agreement; or
 - (iv) to the extent that disclosure is required by Applicable Law or by a Governmental Authority or for the purpose of dispute resolution or any other judicial or regulatory proceedings and examinations.
- (d) The Parties further agree that in the event, this Agreement is terminated pursuant to Clause 18 (*Termination*) above, each Party shall: (a) destroy all information of the other Party prepared or generated by the Party without retaining a copy of any such material; (b) promptly deliver to the other Party all other information received from that Party, together with all copies thereof, in the possession, custody or control of the Party; and (c) to the extent practical, certify all such destruction in writing to the other Party.

20.7 Public Announcement

- (a) No announcement concerning this Agreement or the transactions contemplated by this Agreement or any ancillary matter shall be made by a Party or its Affiliates without the prior approval of the other Party, such approval not to be unreasonably withheld or delayed.
- (b) Any Party may make an announcement concerning this Agreement or any ancillary matter if required by:
 - (i) Applicable Law; or
 - (ii) Any Governmental Authority or securities exchange to which such Party is subject or submits, wherever situated, whether or not the requirement has the force of law.

20.8 Entire Agreement

This Agreement constitutes the entire agreement of the Parties relating to the subject matter hereof and supersedes any and all prior agreements, including letters of intent and term sheets, either oral or in writing, between the Parties with respect to the subject matter herein.

20.9 Severability

If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid or unenforceable to any extent for any reason including by reason of any Applicable Law, the remainder of this Agreement and the application of such provision to



R. B. Patel
R. B. Patel
30

Kavilash



persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by Applicable Law. Any invalid or unenforceable provision of this Agreement shall be replaced with a provision, which is valid and enforceable and most nearly reflects the original intent of the invalid and unenforceable provision.

20.10 Further Assurances

The Parties shall promptly and duly execute and deliver all such further instruments and documents and do or procure to be done all such acts or things, as may be reasonably deemed necessary or desirable in obtaining the full benefits of this Agreement.

20.11 Assignment

This Agreement, or any right or interest herein, shall not be assignable or Transferable by any Party except with the prior written consent of the other Parties.

20.12 No Partnership

No Party shall act as an Agent of the other Party or have any authority to act for or to bind the other Party.

20.13 No Third-Party Beneficiary

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, any rights or remedies under or by reason of this Agreement or any transaction contemplated by this Agreement.

20.14 Waivers

- (a) To the extent permitted by Applicable Law: (i) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be discharged by one Party, in whole or in part, by a waiver or renunciation of the claim or right unless such waiver or renunciation is express in writing and signed by the Party or Parties giving the same; (ii) no waiver that may be given by a Party will be applicable except in the specific instance for which it is given; and (iii) no notice to or demand on one Party will be deemed to be a waiver of any obligation of such Party or of the right of the Party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.
- (b) Except where a specific period for action or inaction is provided herein, neither the failure nor any delay on the part of any Party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement shall operate as a waiver thereof, nor shall any waiver on the part of any Party of any such right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. The failure of a Party to exercise any right conferred herein within the time required shall cause such right to terminate with respect to the transaction or circumstances giving rise to such right, but not to any such right arising as a result of any other transactions or circumstances.

20.15 Amendment



[Handwritten signature]

R. B. Patel



This Agreement shall not be amended, modified or supplemented except by a written instrument executed by each of the Parties.

20.16 Reservation of Rights

No forbearance, indulgence or relaxation or inaction by any Party at any time to require performance of any of the provisions of the Agreement shall in any way affect, diminish or prejudice the right of such Party to require performance of that provision.

20.17 Non-Compete and Non-Solicit Restrictions on Sellers

- (a) Each of the Sellers, jointly and severally, undertakes that, he/she shall not, directly or through his/her Affiliates, and/or the directors, members, trustees, officers of any of the Sellers or their Affiliates shall, for a period of 10 (ten) years from the Execution Date,
- (i) singly or jointly, directly or indirectly (including through any other Person), in any capacity whatsoever including for their own account or as agent, employee, employer, partner, officer, director, consultant, investor, member, trustee, shareholder or, or any other individual or representative capacity start, operate, conduct, promote, partner in, establish, develop, finance, invest or hold any interest in, carry on or assist in carrying on, be engaged in or provide professional advice to or be associated with any business which involves manufacturing, marketing of pumps, motors and elevators.
 - (ii) undertake or attempt to do or undertake, by themselves, whether directly or indirectly, alone or in association with or through any Person, in any manner whatsoever (whether in their own capacity or in conjunction with or on behalf of any Person) any of the following activities:
 - (A) hire or solicit or attempt to hire or solicit the employment of any Director or employee of the Company (including those individuals whose employment has been terminated at any time during the preceding 12 (twelve) months);
 - (B) induce or attempt to induce any Director or employees employed or engaged by the Company to leave the employment of the Company or otherwise interfere in any manner with the contractual, employment or other relationship of such Director or employee of the Company;
 - (C) solicit, entice away or influence any staff and/or employee who is employed in any managerial, supervisory, technical, sales or administrative capacity from the Company for any competing business;
 - (D) solicit, influence or entice away any past/present client or customer of the Company, or to persuade such client or customer to cease doing business with the Company or to reduce the amount of business which any such client/customer has customarily done or might propose doing with the Company, whether or not the relationship between the Company and such client or customer was originally established in whole or in part through his efforts; or
 - (E) assist, influence, encourage or induce any of the actions set out in this



[Signature] A.B. Patel
32

[Signature]



Clause 20.17 (a)(ii), in any manner whatsoever.

- (b) Each of the Sellers acknowledge that the above undertaking and its term is justified in view of the particular nature of the business/ activities of the Company and their knowledge of the same. Each Seller undertakes that restraints imposed in this Clause are fair and reasonable as to the subject matter and duration. Each of the restrictions contained in this Clause 20.17 (a) shall be construed as a separate provision of this Agreement and may be enforced independently of the other restrictions. If any restriction is unenforceable but would be valid if reduced in scope or duration, the restriction shall apply with the minimum modifications as may be necessary to make it valid and enforceable. Each of the Sellers acknowledge that: (a) each restriction is no greater than is reasonably necessary to protect the interests of the Buyer; and (b) the Sellers are selling the Sale Shares which represent the goodwill in the business, to the Buyer and the restrictions set out in this Clause 20.17 are reasonably necessary to protect the interests of the Buyer.



Patel - R. B. Patel

10/1/17



IN WITNESS WHEREOF the Parties have executed this Agreement on the day and year first hereinabove written.

BHARAT JIVANLAL PATEL

A handwritten signature in black ink, appearing to read 'Bharat Jivanlal Patel', is written over a horizontal line.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the Parties have executed this Agreement on the day and year first hereinabove written.

RITABEN BHARATBHAI PATEL

R.B. Patel



[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the Parties have executed this Agreement on the day and year first hereinabove written.

FOR LLOYDS ENGINEERING WORKS LIMITED





(Authorized Signatory)

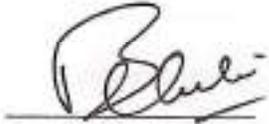
Name: KAILASH AGARWAL

Designation: GENERAL MANAGER (ACCOUNTS AND FINANCE)

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the Parties have executed this Agreement on the day and year first hereinabove written.

FOR TECHNO INDUSTRIES PRIVATE LIMITED



(Authorized Signatory)

Name: **BHARAT JIVANLAL PATEL**



Designation: Chairman and Managing Director

[INTENTIONALLY LEFT BLANK]

SCHEDULE I

DEFINITIONS AND INTERPRETATIONS

PART A: DEFINITIONS

In this Agreement, unless the context or meaning otherwise requires, capitalized terms defined by inclusion in quotations and/ or parenthesis have the meaning so ascribed and the following words and expressions as used herein shall have the following meanings:

1. "ACB-AML Laws" shall have its meaning under Clause 4.1 of **Part A of Schedule IV**;
2. "Accounting Standards" shall mean the Indian accounting standards as notified by the Central Government under the Act;
3. "Accounts Date" shall mean 31st March 2024;
4. "Accounts" means the Financial Statements of the Company as at and for the Financial Year ended 31st March 2024
5. "Act" means the Companies Act, 2013, to the extent notified and the Companies Act, 1956, to the extent in force;
6. "Affiliate" shall mean in relation to a Party:

being a company (including a body corporate), any company, partnership or proprietorship in which that party has, whether on its own or together with the equity holding of Persons acting in concert (as understood under the regulations and guidelines of the Securities and Exchange Board of India):

- (a) a majority equity holding, whether direct or indirect, through other entities; or
 - (b) Control of such company, partnership or proprietorship; and
 - (c) being an individual, any spouse, sibling, ascendant or descendant of such individual, or a relative as such term is defined in the Act;
7. "Agreed Variation" shall have its meaning under Clause 15.4;
 8. "Agent" means, in relation to a Person, that Person's directors, officers, employees and authorised representatives;
 9. "Agreed Form" shall mean form agreed between Buyer and Sellers and initialled for identification;
 10. "Agreement" means this Share Purchase and Shareholders Agreement together with its Recitals and Schedules, and any amendments made hereto and thereto in accordance with the provisions hereof;
 11. "Alternate Directors" shall have its meaning under Clause 11.4 (a);

"Applicable Law" means all statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions,



Boer R.B.P.M.
38

Keigh



directives and orders of any Governmental Authority (or any sub-division thereof), tribunal, board, court or recognized stock exchange (including the requirements of any listing agreement executed with such stock exchange) and if applicable, international treaties and regulations;

13. **"Approval"** means any permission, approval, consent, license, order, decree, authorization, authentication of, or registration, qualification, designation, declaration or filing with or notification, exemption or ruling to or from any Governmental Authority or third party required under any statute or regulation or prior agreement or otherwise;
14. **"Arbitration Act"** shall have the meaning assigned to it in Clause 19.2 (b);
15. **"Articles"** shall mean the articles of association of the Company;
16. **"Assets"** shall mean assets or properties of every kind, nature, character and description (whether movable, immovable, tangible, intangible, absolute, accrued, fixed or otherwise) as operated, hired, rented, owned or leased by a Person from time to time, including cash, bank balances, cash equivalents, receivables, loans and advances, accrued income, securities, accounts and note receivables, real estate, plant and machinery, equipment, intellectual property, raw materials, inventory, furniture, fixtures and insurance;
17. **"Board"** means the board of directors of the Company;
18. **"Business Day"** means a day, except Saturdays and Sundays, on which banks in Maharashtra are open for business during normal banking hours;
19. **"Business Representations and Warranties"** shall have the meaning assigned to it in **Schedule IV (Sellers Representations and Warranties)**;
20. **"Business"** shall mean the business conducted by the Company as on the Execution Date ;
21. **"Buyer Demat Account"** shall mean the demat account of the Buyer as specified in **Schedule X**;
22. **"Buyer Nominee Directors"** shall have its meaning under Clause 8.5 (d) (iii);
23. **"Buyer"** shall have its meaning under the title clause of this Agreement;
24. **"Charter Documents"** means the Articles and the Memorandum;
25. **"Claim"** shall have its meaning under Clause 17.2;
26. **"Closing Consideration"** shall mean First Closing Consideration, Second Closing Consideration and Third Closing Consideration collectively;
27. **"Company"** shall have its meaning under the title clause of this Agreement;
28. **"Conditions Precedent Acceptance Notice"** shall have the meaning assigned to it in Clause 5.2 (f) (ii);
29. **"Conditions Precedent Satisfaction Letter"** shall mean the letter in the form annexed hereto as **Schedule V**;

"Conditions Precedent" shall have the meaning assigned to it in Clause 5.1 and **Schedule III**;



[Handwritten signature]
39

[Handwritten signature]



31. "**Confidential Information**" shall have its meaning under Clause 20.6;
32. "**Control**" as used with respect to any Person, shall mean the direct or indirect beneficial ownership of or the right to vote in respect of, directly or indirectly, more than 50% of the voting shares or securities of a Person and/or the power to control the majority of the composition of the board of directors of a Person and/or the power to create or direct the management or policies of a Person by contract or otherwise or any or all of the above;
33. "**De Minimis Amount**" shall have the meaning assigned to it in Clause 17.7 (a);
34. "**Director**" shall mean a director of the Company;
35. "**Disclosure Letter**" shall mean the letter of even date from the Sellers to the Buyer, prepared in the form specified in **Schedule VI**, disclosing matters against Part B and Part C of the Sellers Representations and Warranties and executed by the Sellers and provided to the Buyer on the Execution Date;
36. "**Disputing Parties**" shall have the meaning assigned to it in Clause 19.2;
37. "**EBITDA**" shall mean earnings before interest, taxes, depreciation, and amortization of the Company;
38. "**Encumbrance**" shall mean any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right or interest of any Persons, claim, security interest, encumbrance, defect in title, title retention agreement, voting trust agreement, interest, option, lien, lease, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, Transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement, assignment (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same or which has an economic or financial effect similar to any of the above;
39. "**Execution Date**" means the date of execution of this Agreement;
40. "**Existing Dispute**" shall have the meaning assigned to it in Clause 19.2 (e);
41. "**Financial Statements**" shall mean the audited balance sheet, profit and loss and cash flow statement of the Company, certified by an authorized representative of the Company;
42. "**Financial Year**" shall mean the period commencing from 1st April of a calendar year and ending on 31st March of the next calendar year;
43. "**Financing Documents**" shall mean the documents executed by the Company and/or the Sellers in relation to the Financing Facilities, details whereof are set out in **Part B of Schedule VII (Financing)**;
44. "**Financing Facilities**" shall mean the facilities and related documents listed in **Schedule VII**;
45. "**First Closing**" shall mean the completion of the actions set out in Clause 8 (*First Closing*);
46. "**First Closing Consideration**" shall have the meaning ascribed to it in Clause 3.1;
- "**First Closing Date**" shall mean the date on which First Closing shall occur;



[Handwritten signature]
f. B. [unclear]

[Handwritten signature]
Centah



48. **"First Closing Seller Instruction Slips"** shall have the meaning assigned to it in Clause 8.4;
49. **"First Tranche Sale Shares"** shall mean the 96,25,000 (Ninety Six Lakhs Twenty Five Thousand) Shares, each having a face value of INR 10 (Indian Rupees Ten), representing 77% (seventy seven percent) of the total issued, subscribed and paid up share capital of the Company, on a Fully Diluted Basis as set out in **Schedule II**;
50. **"Fully Diluted Basis"** means the assumption that the exercise, and as may be applicable, the conversion of any notes, options (including employee stock options), warrants, contracts and instruments convertible into Shares whether or not compulsorily convertible outstanding on the date of calculation have been exercised or exchanged for or converted into Shares and all Shares issuable pursuant to contractual or other obligations have been issued;
51. **"Fundamental Warranties"** shall mean the Sellers Representation and Warranties as comprised in **Part A of Schedule IV**;
52. **"Fundamental Warranty Claim"** shall mean a Claim in relation to breach or misrepresentation of a Fundamental Warranty and the term **Fundamental Warranties Claim** shall be construed accordingly;
53. **"Governmental Authority"** means any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any governmental or statutory authority, agency, department, board, commission, public body or instrumentality of India, as applicable;
54. **"Handover Documents"** shall mean the documents as agreed amongst the Buyer and the Sellers as a Condition Precedent to First Closing in accordance with paragraph (z) of **Schedule III (Conditions Precedent)**;
55. **"Independent Accountant"** shall mean any of Ernst & Young, Deloitte Touché Tohmatsu, Pricewaterhouse Coopers or KPMG or their respective Indian associate firms or such other qualified and reputed accounting firm, as maybe mutually agreed between the Parties;
56. **"Insolvency Event"** shall mean with respect to a Person, if such Person: (a) is unable to pay its debts when due or has admitted in writing of its inability to pay its debts when due; or (b) other than pursuant to a solvent consolidation, reconstruction, amalgamation or merger, makes an assignment for the benefit of creditors or enters into any compromise or arrangement with its creditors or any class of its creditors generally; or (c) commences proceedings for or takes any corporate action authorizing or providing for its winding up, dissolution or liquidation; or (d) any involuntary action or other proceeding is filed, including a proceeding being filed under the Insolvency and Bankruptcy Code, 2016, against such Person seeking liquidation or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or any substantial part of its property; or (e) any voluntary action or other proceeding is filed, including a proceeding being filed under the Insolvency and Bankruptcy Code, 2016, by such Person seeking liquidation or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or any substantial part of its property or if such Person consents to any such relief or to the appointment of or taking possession by any such official in an involuntary action or other proceeding against it;



[Signature]
41

Keilath



57. "Key Managerial Personnel" shall have the meaning assigned to such term in the Act;
58. "Leased Assets" shall have its meaning under Clause 3.13 (a) of Part B of Schedule IV;
59. "Lenders" shall mean the following lenders from whom the Company has availed Financing Facilities: *(Insert name of the lenders)*;
60. "Limitation Period" shall mean the limitation period under the Applicable Laws;
61. "Lock-in Period" shall have its meaning under Clause 13.3
62. "Long Stop Date" shall mean 180 (One Hundred Eighty) days from the Execution Date;
63. "Loss(es)" shall mean actual losses, liabilities, damages, penalties, Taxes, costs, expense (including costs of investigation and defense, reasonable attorneys' fees and out of pocket expenses) but shall exclude remote, indirect, special, punitive, consequential losses or damages, of any kind;
64. "Material Adverse Effect" shall mean, individually or in the aggregate, any fact, matter or circumstance, that is reasonably likely to adversely affect:
- (a) the assets, business, liabilities, financial condition or operations of the Company by more than 5% (Five percent) of the Consideration, on a cumulative basis;
 - (b) the ability of the Company, or the Sellers, as the case may be, to perform their respective obligations under this Agreement; or
 - (c) the validity or enforceability of this Agreement or the rights and remedies of the Parties prior to First Closing Date;
65. "Memorandum" shall mean the memorandum of association of the Company;
66. "MIS Report" shall have its meaning set out under Clause 7.1 (a);
67. "New Dispute" shall have the meaning assigned to it in Clause 19.2 (c);
68. "Notice of Claim" shall have its meaning under Clause 17.2;
69. "Original Director" shall have its meaning under Clause 11.4 (a);
70. "Ordinary Course" or "Ordinary Course of Business" means an action taken by or on behalf of the Company in accordance with Applicable Laws that: (i) is taken in the ordinary course of the Company's normal day-to-day operations; and (ii) is taken in accordance with past practice of the Company's operations;
71. "Party" (and "Parties") shall have its meaning under the title clause to this Agreement;
72. "Person" means any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, Governmental Authority or any agency or political subdivision thereof, works council, employee representative body or any other entity that may be treated as a person under Applicable Law (whether or not having separate legal personality), and shall include any successor (by merger or otherwise) of such entity or organization;



Blue R. B. R. H. 42

Devi



73. "Proceedings" shall have its meaning under Clause 2.4 of Part A of Schedule IV;
74. "Protective Period" shall have the meaning assigned to it in Clause 6.1;
75. "Related Party Transactions" shall mean transactions of any nature with a Related Party;
76. "Related Party" shall, in relation to the Company, have the meaning set out in the Act or under the Accounting Standards and rules made thereunder;
77. "ROFR Exercise Period" has the meaning ascribed to such term in Clause 13.4 (c);
78. "ROFR Exercise Notice" has the meaning ascribed to such term in Clause 13.4 (c);
79. "ROFR Notice" has the meaning ascribed to such term in Clause 13.4 (b);
80. "ROFR Price" has the meaning ascribed to such term in Clause 13.4 (b);
81. "ROFR Right" has the meaning ascribed to such term in Clause 13.4 (a);
82. "ROFR Shares" has the meaning ascribed to such term in Clause 13.4 (c);
83. "Rupees" or "INR" means the lawful currency of India;
84. "Sale Shares" shall mean collectively or individually (as the context may require), the First Tranche Sale Shares, the Second Tranche Sale Shares and/or the Third Tranche Sale Shares;
85. "Scheduled First Closing Date" shall mean the date agreed between the Parties pursuant to Clause 8.1 as the date on which First Closing is scheduled to occur, which date shall be no later than the Long Stop Date;
86. "Scheduled Second Closing Date" shall mean the date agreed between the Parties as the date on which Second Closing is scheduled to occur;
87. "Second Closing Consideration" shall have its meaning as set out under Clause 3.2;
88. "Second Closing Date" shall mean the date on which Second Closing shall occur;
89. "Second Closing Seller Instruction Slips" shall have the meaning assigned to it in Clause 10.1 (a);
90. "Second Closing" shall mean the completion of the actions set out in Clause 10.1 (d);
91. "Second Tranche Sale Shares" shall mean the 13,75,000 (Thirteen Lakhs Seventy Five Thousand) Shares, each having a face value of INR 10 (Ten), representing 11% (eleven percent) of the total issued, subscribed and paid up share capital of the Company, on a Fully Diluted Basis as set out in Schedule II;
92. "Security Documents" shall mean the respective/relevant documents set out in Paragraph B of Schedule VII (*Financing Documents and Security Documents*);
93. "Sellers" shall have its meaning under the title clause of the Agreement;
94. "Sellers Indemnified Parties" shall have its meaning under Clause 17.1;



R. B. B. B. B.
43

10/11/2015



95. **"Seller Instruction Slips"** shall mean the First Closing Seller Instruction Slips and Second Closing Seller Instruction Slips, individually or collectively, as the case may be;
96. **"Sellers Representations and Warranties"** shall mean the representations and warranties of the Sellers set out in **Schedule IV**;
97. **"Shareholder Quorum"** shall have its meaning set out under Clause 12.3;
98. **"Shareholders"** shall mean any Person who holds Shares of the Company in accordance with this Agreement, the Charter Documents and the Act;
99. **"Shares"** means fully paid up equity shares of the Company with a face value of INR 10 (Indian Rupees Ten) each with 1 (one) vote per Share;
100. **"Tax"** means any tax on income, capital stock, profits, gross receipts, sales, use, value added, transfer, registration, stamp duty, premium, excise, customs duties, octroi, goods and service taxes, severance, environmental, real property, movable property, ad valorem, occupancy, license, occupation, employment, payroll, disability, workers' compensation, withholding tax, duty, fee, assessment or other governmental charge and the terms **"Taxation"** and **"Taxing"** shall be construed accordingly;
101. **"Tax Authorities"** shall mean any supranational, national, provincial, municipal or other Governmental Authority or court of a relevant jurisdiction, competent to impose any liability in respect of Tax or responsible for the administration and/or collection of Tax or enforcement of any law in relation to Tax;
102. **"Tax Representations and Warranties"** shall have its meaning under Clause 17.5 (d);
103. **"Tax Returns"** means all returns and reports, amended returns, declarations, estimates, forms, elections, certificates or other documents required to be filed or submitted to any Governmental Authority with respect to the determination, assessment, collection or payment of any Tax; **"Third Closing Consideration"** shall have its meaning as set out under Clause 3.3;
104. **"Third Closing Date"** shall mean the date on which Third Closing shall occur;
105. **"Third Closing Seller Instruction Slips"** shall have the meaning assigned to it in Clause 10.2 (a);
106. **"Third Party Claim"** shall have its meaning under Clause 17.4 (a);
107. **"Third Party Notice"** shall have its meaning under Clause 17.4 (a);
108. **"Third Tranche Sale Shares"** shall mean the 14,99,999 (Fourteen Lakhs Ninety Nine Thousand Nine Hundred and Ninety Nine) Shares, each having a face value of INR 10 (Indian Rupees Ten), representing 12% (twelve percent) of the total issued, subscribed and paid up share capital of the Company, on a Fully Diluted Basis as set out in Schedule II;
109. **"Threshold Liability"** shall have the meaning assigned to it in Clause 17.7 (b);
110. **"Transfer"** (including with correlative meaning, the terms **"Transferred by"** and **"Transferability"**) means to transfer, sell, assign, pledge, hypothecate, create a security interest in or Encumbrance on, place in trust (voting or otherwise), exchange, gift or transfer by



R. B. Pillai
R. B. Pillai
44

K. Bilal



operation of Applicable Law or in any other way subject to any Encumbrance or dispose of, whether or not voluntarily; and

111. "Updated Disclosure Letter" shall mean the updated disclosure letter, executed by the Sellers, as on the date falling 15 (fifteen) Business Days prior to the Scheduled First Closing Date in the same form as the Disclosure Letter, fully and fairly disclosing matters against the Sellers Representations and Warranties as specified under Part B and Part C of **Schedule IV** (*Sellers Representations and Warranties*) so as to enable the Buyer to identify the nature and scope of the disclosures, in respect of any new events, circumstances and developments that have occurred after the Execution Date but on or before the First Closing Date (provided however, the Updated Disclosure Letter shall not include any disclosure which had not been communicated to the Buyer in terms of Clause 7.1 (f)).

PART B: INTERPRETATION

In this Agreement, unless the context otherwise requires:

1. any reference herein to any Clause or Schedule is to such Clause or Schedule to this Agreement unless the context otherwise requires. The Schedules to this Agreement shall be deemed to form an integral part of this Agreement;
2. the headings or interpretations are inserted for convenience only and shall not affect the construction of this Agreement;
3. words importing the singular include the plural and vice versa, and pronouns importing a gender include each of the masculine, feminine and neuter genders;
4. reference to any legislation or law or to any provision thereof shall include references to any such legislation or law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision;
5. the terms "hereof", "herein", "hereby", "hereto" and derivative or similar words refer to this entire Agreement or specified Clauses of this Agreement, as the case may be;
6. reference to the word "include" shall be construed without limitation;
7. unless otherwise specified, whenever actions are agreed to be performed by the Parties on a certain date under this Agreement, if such day is not a Business Day, such actions shall be performed on the immediately following Business Day;
8. the Recitals and the Schedules hereto shall constitute an integral part of this Agreement;
9. reference to any document includes an amendment or supplement to, or replacement or novation of, that document, but disregarding any amendment, supplement, replacement or novation made in breach of this Agreement;
10. reference to an "amendment" includes a supplement, modification, novation, replacement or re-enactment and "amended" is to be construed accordingly;



Blue - R.B.R. Red

Keilash



11. any reference to "writing" or "written" shall include printing, typing, lithography, transmissions by facsimile or in electronic form (including e-mail) and other means of reproducing words in visible form;
12. time shall be of the essence in the performance of the Parties' respective obligations. If any time period specified herein is extended, such extended time shall also be of the essence; and
13. this Agreement and all other agreements and documents forming part of or referred to in this Agreement are to be taken as mutually explanatory and unless otherwise expressly provided elsewhere in this Agreement, the priority of this Agreement and other documents and agreements forming part hereof or referred herein shall, in the event of any conflict between them, be in the following order:
 - (a) this Agreement; and
 - (b) all other agreements and documents forming part hereof or referred to herein.



Handwritten signature in blue ink.



SCHEDULE II

SHAREHOLDING PATTERN

Name of Shareholder	Number of Shares held	Percentage of shareholding in the Company
Mr. Bharat J Patel	1,21,97,199	97.58%
Ms. Ritaben Patel	3,02,800	2.42%
Total	1,24,99,999	100%



Bharat R. B. Patel

100%



SCHEDULE III

CONDITIONS PRECEDENT

1. The Sellers shall have finalized the amended and restated Charter Documents, in form and substance acceptable to the Buyer;
2. Receipt of written consent or approvals from the Lenders consenting to or approving:
 - (a) the transactions contemplated under this Agreement;
 - (b) any pledge on the First Tranche Sale Shares being released immediately prior to First Closing; and
 - (c) the adoption of the amended and restated Charter Documents by the Company.
3. The observations arising of the financial, legal and business due diligence conducted by the Buyer for the period between April 2024 and June 2024 shall have been resolved by the Sellers to the satisfaction of the Buyer.
4. The Sellers shall have ensured that the physical shares of the Company held by its nominee are converted into demat form and shall provide the statement of accounts to the Buyer evidencing such conversion;
5. The Sellers shall provide a no-dues certificate to the Buyer in relation to any human resources, accounts, secretarial and compliances, legal, financing services provided by the Sellers to the Company until (and including) the date of the certificate and shall waive any future claims against the Company in this regard;
6. In relation to Related Party Transactions, the Sellers and the Company shall (i) settle all outstanding Related Party Transactions; (ii) provide a no dues certificate under each of these Related Party Transactions; and (iii) terminate such Related Party Transactions as required by the Buyer;
7. Along with Conditions Precedent Satisfaction Letter, the Sellers shall provide an updated list of nominee shareholders of the Company;
8. The list of Handover Documents shall be agreed upon and finalized amongst Buyer and Sellers.
9. The Company shall enter into a lease deed for the factory located at plot no. 505, phase 4, GIDC Vatva, Ahmedabad, 382445, Gujarat, India effective from the First Closing Date at a monthly rent of INR 20 (Indian Rupees Twenty) per square feet.



R. B. Patel



- 2.7 The Company has neither issued any other share or share equivalents or options or warrants nor has it entered into any arrangements which provide for the issuance of any of the foregoing by the Company.
- 2.8 There are no outstanding loans or advances provided by the Sellers or any Affiliate or associated company of the Sellers to the Company.
- 2.9 No Person has any agreement, arrangement or option, or any right or privilege capable of becoming an agreement or option for the acquisition of, any of the Sale Shares (including in relation to any indebtedness), other than under the Financing Documents.
- 2.10 All the Sale Shares have been issued in consideration for cash and have not been issued pursuant to (a) conversion of any indebtedness, (b) revaluation reserves, or (c) any other non-cash consideration.

3. AUTHORITY; NO CONFLICT

- 3.1 The Sellers represents and warrants that they have all requisite power and authority and full legal capacity to execute this Agreement and all agreements or instruments contemplated therein to which it is a party and to perform its obligations under this Agreement. The delivery and performance of this Agreement to which the Sellers and the Company are a party have been duly and validly authorized by, all necessary corporate actions on the part of the Company, as applicable, and relevant Charter Documents of the Company and all consents and government approvals required for the same have been procured or will be procured in accordance with Schedule III (*Conditions Precedents*) of the Agreement. This Agreement and all agreements or instruments contemplated therein constitute legal, valid, and binding obligations of each of the Sellers and the Company, enforceable against such Parties in accordance with the terms of the Company's Charter Documents.
- 3.2 The Sellers represents and warrants that neither the execution, delivery and performance by the Sellers and the Company of this Agreement, nor the consummation of the transactions contemplated under this Agreement in accordance with its terms (including obtaining the relevant approvals as specified as Conditions Precedent), by such party, or the compliance by Sellers/Company with any of the provisions/terms of this Agreement will:
- (a) 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 pursuant to, any contract or agreement or arrangement to which the Sellers or the Company is a party or by which the Sellers or the Company or their respective Assets may be subject or bound or violate any contract or agreement (whether or not written) or arrangement or other document binding on the Sellers or the Company, as the case may be;
 - (b) violate any provision of the Company's memorandum of association or articles of association or contravene any provision of any Applicable Law, or any order, writ, injunction or decree of any court or Governmental Authority to which they are subject; or
 - (c) result in a breach of any Applicable Laws.



Blue - R. B. Patel



100/10/10

- 3.3 There have not been any written threats, notices or claims by any Person claiming that such Person is (a) the holder or the beneficial owner of, or has the right to acquire or to obtain beneficial ownership of, any share of, or any other voting equity or ownership interest in, the Company, or (b) entitled to all or any portion of the Closing Consideration payable for the Sale Shares.
- 3.4 The Company does not own or control (either directly or indirectly) any equity security or other interest (including voting or ownership interest) of any other corporation, partnership, limited liability company or other business entity or subsidiaries or associated companies (including any legal entity that carries on business that competes with the business of the Company as presently conducted / contemplated to be conducted). The Company is not a participant in any joint venture, partnership, limited liability company or similar arrangement.
- 3.5 The Persons executing this Agreement on behalf of the Company have been duly authorised by necessary corporate actions.

4. COMPLIANCE WITH ANTI - MONEY LAUNDERING LAWS

- 4.1 The operations of the Company are, and have at all times been, conducted in compliance with the applicable anti-bribery, anti-corruption and anti-money laundering laws in India ("ACB-AML Laws").
- 4.2 To the Sellers and Company's knowledge, none of the officers, authorized Agents, employees or directors of the Company, have been or is in violation of the ACB-AML Laws in relation to conduct of the Company's Business (including obtaining Governmental Approvals for conduct of Business).
- 4.3 The Company is not and has not been subject to any investigation, action, suit or proceeding by or before any court or Governmental Authority or body or any arbitrator with respect to non-compliance of ACB-AML Laws, and no such actions, suits or proceedings have been threatened by notice.

PART B: BUSINESS WARRANTIES

1. CHARTER DOCUMENTS, STATUTORY BOOKS AND RETURNS

- 1.1 The Charter Documents of the Company are true, correct and complete and reflect all amendments made thereto at any time prior to the Execution Date.
- 1.2 All returns, particulars, resolutions and other documents which the Company is required by law to file with or deliver to the Registrar of Companies have been correctly made and duly filed or delivered and there is no outstanding notice from the Registrar of Companies received by the Company in this regard.
- 1.3 There has been no corporate reorganisation processes, such as merger, spin off in relation to the Company.
- 1.4 All statutory books, minute books, records and registers, prescribed under the Applicable Law, have been properly maintained by the Company and no notice with regard to any non-compliance has been received by the Company and/or the Sellers. All such statutory books, minute books, records and registers belonging to the Company are in the possession of the Company and under its direct control.



Rahul - R. B. Patel
51



1.5 The Company has implemented and complied with precautions for preserving the availability, security and integrity of the computer and telecommunication facilities, the software and databases used by the Company.

1.6 The Charter Documents of the Company fully set out the rights and restrictions attaching to the Sale Shares.

2. COMPLIANCE WITH LAWS

2.1 The Sellers and the Company have complied with the Applicable Laws in relation to the conduct of the Business of the Company. Neither the Sellers nor the Company have received any written notification by any Governmental Authority indicating that the Company has not complied with any Applicable Laws.

2.2 The Company is not subject to any fine, penalty, judgment, order or decree of any court or other Governmental Authority and no notice from any Governmental Authority has been received by the Company specifying or threatening any fine or penalty or liability.

2.3 None of the existing directors of the Company, have been disqualified from being directors under the Applicable Laws.

2.4 The Related Party Transactions entered into by the Company have been entered into in the Ordinary Course of Business and in compliance with Applicable Laws.

3. OWNERSHIP OF ASSETS

3.1 As on the Accounts Date, the Company does not own any Asset except as reflected in the Accounts. The Assets reflected in the Accounts (save and except the Leased Assets) are the only properties owned, controlled, used or occupied or possessed by the Company and all deeds and documents necessary to prove title to each Asset are in the possession of the Company.

3.2 The Company has not agreed to dispose of, any Assets of a value in excess of INR 1,00,000 (Indian Rupees One Lakh).

3.3 None of the Assets, undertaking or goodwill of the Company is subject to any Encumbrance, other than in terms of the Security Documents.

3.4 The Assets of the Company comprise all the Assets necessary for the continuation of the Business as carried on such date.

3.5 The Company has duly completed and undertaken all formalities, filings and registrations necessary or advisable for establishing or protecting its rights in relation to any of the Assets and ensuring the notice thereof to third parties, all such filings and registrations continuing to be in full force and effect.

3.6 There has been no transaction pursuant to or as a result of which: (i) any of the Sale Shares; or (ii) any Asset owned, 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 Applicable Law of any relevant jurisdiction.



Beitath
R. B. Patel



- 3.7 None of the Assets owned or used by the Company are the subject of any Encumbrance or any royalty, factoring arrangement, leasing or hiring agreement, hire purchase agreement, conditional sale or credit sale agreement, agreement for payment on deferred terms or any similar agreement or arrangement (or any agreement or obligation, including a conditional obligation, to create or enter into any of the foregoing). No floating charge in respect of any Asset has been crystallized.
- 3.8 There has been no non-payment or delayed payment of any statutory dues or Taxes in respect of the Assets or any modification in the usage of the immovable property that is required by the Company and/or, any act or omission which in any manner interferes with or otherwise adversely affects the transactions contemplated in this Agreement.
- 3.9 The Company has not received any notice from any Governmental Authority or other entity having jurisdiction over the Assets, threatening a suspension, revocation, modification or cancellation of any Approvals obtained by the Company in respect of such Assets.
- 3.10 There is no covenant, restriction, burden or stipulation affecting any Asset which conflicts with its present use by the Company. All covenants (whether affecting the freehold or any leasehold title to any of the Asset) have been properly performed and observed by the Company and neither the Company nor the Sellers have received notice of any outstanding breach of covenant in respect of any Asset.
- 3.11 There is no unresolved claim (in writing) regarding any of the boundaries, easements, covenants or other matters relating to any Asset of the Company or its use save and except as provided under Schedule IX.
- 3.12 All the Assets of the Company are in good working condition, subject to normal wear and tear.
- 3.13 **Leased Assets**
- (a) In respect of the Assets used by the Company under a lease, tenancy or license ("**Leased Assets**"), all the leases and licences are valid and subsisting. The Company is in compliance in all respects with the terms of all the applicable lease or license in relation to the Leased Assets and is not in breach thereof, either under contract or as per Applicable Law. The Company enjoys the right to use each of the Leased Assets under such leases or licences and has the rights necessary for carrying on the Business in the manner in which it is presently carried on by the Company.
- (b) The Company has not assigned any of its interests/ rights in any Leased Assets or any part thereof, in respect of which it has a continuing liability (contingent or otherwise) for payment of rent or otherwise.
- (c) All leases/ leave and licenses or immoveable Leased Assets are on arm's length basis.
- (d) Where the Company holds any Leased Assets:
- (i) no person (including, without limitation, the landlord or licensor) may bring the term to an end before the expiry of the lease, tenancy or license by efflux of time (except by unlawful forfeiture) other than as per the terms of the lease, tenancy or license;

(ii) there is no existing fact or circumstance which:



R. B. Patel
53



- (A) entitles or requires a person (including, without limitation, a landlord or licensor) to forfeit or enter on, or take possession of, or occupy, the Leased Assets; and
- (B) restricts or terminates the Company's continued and uninterrupted possession or occupation of the Leased Assets,

nor has the Company received any written notice threatening the existence of such fact or circumstance.

- (e) Stamp duty and necessary registration fee have been paid for, all agreements relating to Leased Assets as required under Applicable Law.
- (f) There is no prohibition or order of attachment served on the Company by any Governmental Authority or demand outstanding as on date in relation to any Leased Assets.
- (g) In relation to each of the Leased Assets, the Company has not received any notices, claims, orders, proposals, applications or requests affecting or relating to any of such Leased Assets that have been served or made by any Governmental Authority on the Company. The Company has not received any notices or complaints from any landlord alleging any breach of the terms of the leases or tenancy agreements under which such Leased Assets are held.

4. ENVIRONMENTAL COMPLIANCE

- 4.1 The Company has carried out its Business in accordance with applicable environmental laws and has obtained all environmental Approvals necessary to carry out its Business.
- 4.2 The Company has not received any notice alleging that any of its activities have been undertaken in contravention of applicable environmental laws. The Company has not disposed of any waste or hazardous substances in contravention of any Applicable Law.

5. LITIGATION

- 5.1 Neither the Company nor any of its directors or officers are engaged in any litigation, arbitration or alternate dispute resolution proceedings, including any appeals and applications for review nor are any such proceedings threatened by notice; and there are no outstanding claims, notices or other proceedings pending by or against the Company.
- 5.2 The Company is not the subject of any investigation, inquiry, enforcement proceedings or process by any Governmental Authority nor is such investigation, inquiry or enforcement proceedings or process threatened by notice. There has been no act or omission by the Company in relation to its Business as would entitle any Governmental Authority under Applicable Law to prevent the Company from conducting its Business.

6. NO MATERIAL ADVERSE EFFECT

- 6.1 There has been no:

- (a) Material Adverse Effect;



Blair - R.B. K. # 21

Worilagh



- (b) impairment in the ability of the Sellers or the Company to perform their respective obligations under this Agreement or to consummate the transactions contemplated therein.

7. ACCURACY OF ACCOUNTS

7.1 The Accounts are in compliance with Applicable Law and have been prepared in accordance with Accounting Standards and are true and fair in all 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, as applicable.

7.2 The Accounts are not affected by any unusual or non-recurring items.

7.3 Since the Accounts Date:

- (a) the Business of the Company has been conducted in the Ordinary Course of Business and the Company has not entered into any contract or commitment or made any payment which is not in the Ordinary Course of Business;
- (b) there has been no material adverse change in the financial position of the Company;
- (c) the Company has not borrowed or raised any money from any lenders or banks/financial institutions;
- (d) the Company has not entered into any Related Party Transactions, other than any actions or performance under Related Party Transactions already in existence as of the Accounts Date;
- (e) the Company has paid its Lenders and any banks/ financial institutions within the times agreed with them and, without limiting the foregoing, no debt owing by the Company has been outstanding for more than 90 (ninety) days;
- (f) other than in the Ordinary Course of Business, no Asset has been acquired or agreed to be acquired by the Company;
- (g) no Asset of a value in excess of INR1,00,000 (Indian Rupees One Lakh) has been disposed of or agreed to be disposed of by the Company;
- (h) no contract(s) involving capital expenditure, in aggregate, in excess of INR 1,00,000 (Indian Rupees One Lakh) have been entered into by the Company;
- (i) there are no transactions of any kind by the Company in circumstances where the consideration actually received or to be received for the transaction is less than the consideration which could be deemed to have been received for Tax purposes;
- (j) no event has occurred on account of which any lender or third party has called or has given notice to call for the repayment of indebtedness of the Company prior to the normal maturity date; and
- (k) the Company has not settled any litigation.



8. BOOKS AND RECORDS

[Signature]

R. B. R. R.

Keilata



8.1 The Accounts, books, ledgers and other financial records, as applicable, of the Company have been properly maintained and contain true and fair records of all matters required to be entered in them under Applicable Law.

8.2 The Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (a) transactions are executed and access to Assets is given only in accordance with management's authorisations; (b) transactions are recorded as necessary to permit preparation of periodic financial statements and to maintain accountability of corporate assets; and (c) recorded assets are compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences between recorded and actual assets.

9. DIVIDENDS AND DISTRIBUTIONS

9.1 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.

9.2 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 its Charter Documents.

10. BORROWINGS, LOAN CAPITAL AND GUARANTEES

10.1 The Company has not availed of any loans, credit facility, working capital facility, overdrafts or revolving credit facilities from any bank, financial institution or any other Person other than the Financing Documents.

10.2 The Company has not guaranteed the payment or performance of any Person or has entered into any other security arrangement or created other Encumbrances (other than the Security Documents) nor has it agreed to indemnify any Person or act as a surety or pledged securities or otherwise agreed to be contingently or secondarily liable for the obligations of any Person.

10.3 Save and except the Financing Documents, the Company is not a party to any financing or loan agreements, which are subject to a change of control provision or that would entitle the other party to terminate or make any changes to the relevant financing or loan agreement as a result of execution of this Agreement or the performance of the transactions contemplated under this Agreement.

10.4 Save and except the Financing Documents, the Company is not a party to any financing agreement that provides for the prior approval of the financing party for the purposes of entering into this Agreement or for performing the transaction contemplated under this Agreement.

10.5 The amounts borrowed by the Company do not exceed the amounts stated in the relevant Financing Documents and the amount borrowed by the Company do not exceed the limitation of the borrowing powers set out in the Charter Documents.

10.6 No guarantee, mortgage, charge, pledge, lien or other security agreement or arrangement has been entered into by the Company or the Sellers or to the knowledge of the Company or the Sellers, by any third party, in respect of any obligations of the Company save and except in terms of the Security Documents.

10.7 The Company has complied with all the terms and covenants of the Financing Documents for all its borrowings and it is not in breach of any such terms and covenants.



R.B. Patel
56

Kenly



10.8 The Company has not advanced any money or provided loans or agreed to advance any money or provide loans.

10.9 In relation to the Financing Documents:

- (a) no event of default has been declared by the Lenders or has been threatened by notice to the Company;
- (b) there is no potential event of default;
- (c) no fines or penalties or no default interest has been levied under the Financing Documents;
- (d) no event has occurred which has resulted in or which may result in, an adverse action being taken in relation to the Company;
- (e) loans are standard;
- (f) the Financing Documents entered into by the Company have been adequately stamped as per the Applicable Laws.

11. BANK ACCOUNTS

The statement of the Company's bank accounts (along with reconciliation statements, if any) and of the credit or debit balance on each of them as on the Accounts Date is correct. The Company does not have any bank or deposit account (whether in credit or overdrawn) whose statement has not been provided as per the Paragraph above.

12. APPROVALS

12.1 The Company has obtained in its own name and duly maintained all Approvals and has made all requisite filings with any central, state or local Governmental Authorities that are necessary for the purpose of carrying on the Business and the use of its Assets as presently used. The Company is in material compliance with the terms and conditions of such Approvals. The Company has not received any written notification from any Governmental Authority for suspension or termination of any Approval or indicating that the Company has not complied with any Approvals.

12.2 None of the Approvals contain conditions which cannot be fulfilled or performed by the Company in the Ordinary Course of Business.

12.3 The transactions contemplated in this Agreement will neither result in the revocation, termination or modification of such Approvals nor require any additional consent, notification or any further approval.

13. COMMERCIAL

13.1 Contracts

- (a) Each contract entered into by the Company is in full force and effect and is legal, valid, binding and enforceable in accordance with its terms, and the Company has not received any notice of breach or threatened breach thereunder.



[Handwritten signature]
57



- (b) 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. As on the Execution Date or First Closing Date, no party with which the Company has entered into any contract has given any notice indicating breach or default by the Company or of its intention to terminate or repudiate such contract or modify or accelerate the contract, in a manner which would have an adverse effect on the Business or the Company. So far as the Company is aware, there is no breach of any material obligation of the Financing Documents by a counterparty.
- (c) The Company is not a party to any contract, arrangement or obligation which:
- (i) is not in the Ordinary Course of Business or grants or offers any warranties or indemnifications other than in the Ordinary Course of Business; or
 - (ii) prevents it from freely carrying out the Business; or
 - (iii) exceeds the scope of its objects under its Charter Documents; or
 - (iv) provides for a right (including a right of termination) or provision for variation of its terms in the event of any change in the underlying ownership or control of the Company, or would be affected by such change; or
 - (v) is incapable of performance in accordance with its terms; or
 - (vi) requires a consideration payable by the Company which is in excess of INR 20,00,000 (Indian Rupees Twenty Lakhs).
- (d) The transactions contemplated in this Agreement will not result in the revocation, termination or modification of such contracts other than as expressly stated under the Transaction Documents.

13.2 Intellectual property

- (a) The Company own's intellectual property and has registered the same in accordance with Applicable Law.
- (b) The Company has valid licensing rights with respect to any intellectual property which is used in the Business of the Company.
- (c) There is no suit, claim, or notice pending, or to the knowledge of the Sellers, threatened against the Company, for infringing the intellectual property of any Person.

13.3 Insurance

- (a) To the extent that the Company is required, to be insured against any risk, it is insured against that risk in the amount required and has in its possession or control originals or copies of all relevant insurance policies.
- (b) 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 or any failure to pay insurance premium) which could make any such policy void or voidable in whole or in part and there is no claim outstanding under any such policy.



Blue P. D. Pital₅₈

Sanjay



- (c) Details of insurance policies obtained by the Company are listed in **Schedule VIII**. There is no claim by the Company pending under any of such insurance policies. All premiums due and payable under all such insurance policies have been paid.
- (d) The consummation of the transactions contemplated in this Agreement and/or Transaction Documents does not result in a right of the insurer to cancel such policies or reduce the coverage thereunder.

14. EMPLOYEES

- 14.1 All employees have signed employment contracts with the Company.
- 14.2 The Company has complied with the terms and conditions of all employment contracts entered into by it with its employees. Save and except in the Ordinary Course of Business, the Company does not have any outstanding liability to pay compensation to any of its employees or any former employee, including for loss of employment or any redundancy or retrenchment payment.
- 14.3 The Company is not a party to any collective bargaining agreement or union contract and the Sellers are not aware of any employee unions operating within the Company or at the site of the Project.
- 14.4 The Company has not granted to the employees any other rights or benefits than those explicitly resulting from the individual employment agreements and management decisions and it is not in the process of negotiating any modification of the salary rights policy and other benefits policy for the employees and has not undertaken in any manner whatsoever any obligation or it has not entered into any arrangement representing the grounds for creating any other rights and benefits for the employees or having the legal effect of any of the foregoing.
- 14.5 Neither the performance of this Agreement, nor the consummation of the transaction contemplated hereunder or thereunder, will result in any payment obligation by the Company in cash or in kind (including any bonus, golden parachute or severance payment) to any current or former employees (whether or not under any benefit plan).
- 14.6 The Company is in compliance with all Applicable Laws relating to the employment of labour and its workforce including any provision thereof relating to pay roll practices, wages, hours, collective bargaining, employee health, safety and welfare, payment of contributions specifically under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948 and the Company has obtained all registrations, licenses, authorizations under Applicable Law and has not received any notice from any Governmental Authority in connection with violation of any Applicable Laws relating to the employment of labour or workforce.
- 14.7 There have been no fatalities of the employees in any accidents during the course of employment with the Company at the offices or other locations under the control of the Company.
- 14.8 The Company has not experienced any disputes that have remained unresolved or resulted in any claims against the Company by its employees or contract labour, including, without limitation, lock-outs, strikes, slowdowns or work stoppages.



R. B. Patil
R. B. Patil

Patil



- 14.9 As on the Execution Date there are no amounts owing or agreed to be loaned or advanced by the Company to any employees (other than amounts representing salary for the period between the Execution Date and the First Closing Date).
- 14.10 The Company and all contractors appointed by the Company in relation to the business have complied with all terms of the Contract Labour (Regulation and Abolition) Act, 1970.
- 14.11 The Company does not operate, nor has it proposed or agreed to operate, for any of its employees any schemes with respect to incentives, commissions, options, bonuses or profit sharing (which for the avoidance of doubt would not include any incentives or performance linked bonuses payable to individual employees) whether or not share based, in which its employees participate or are entitled to the benefits.
- 14.12 No Key Managerial Personnel are engaged in any business that competes directly and/or indirectly with the Company.
- 14.13 The Company has been in compliance with (i) the local shops and establishment legislations; (ii) the Industrial Disputes Act, 1979; (iii) the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996; (iv) the Building and other Construction Workers Welfare Cess Act, 1996; (v) the Employee's State Insurance Act, 1948 and the Employees State Insurance (General) Regulations, 1950; (vi) Employee's Provident Fund and Miscellaneous Provisions Act, 1952; (vii) Payment of Gratuities Act, 1972; and (viii) Payment of Bonus Act, 1965.

15. POWER OR ATTORNEY

The Company has not given any power of attorney or any other authority which is still in force, to any person to enter into any contract or commitments on its behalf.

16. ARRANGEMENT WITH THE SELLERS

- 16.1 Neither the Sellers nor any person connected with any Sellers is entitled to a claim of any nature against the Company or has assigned such right to any other person.
- 16.2 There are no disputes or any litigation, arbitration, mediation or other legal proceedings (whether as plaintiff, defendant or otherwise), pending or for which notice has been received in writing between the Sellers and/or the Company.

17. INFORMATION

All information, provided by the Company and the Sellers to the Buyer, during the course of the due diligence conducted by the Buyer and its representatives in connection with the transactions contemplated by this Agreement, has been provided in good faith, and is true. The Company has provided all material information which would be required by a buyer to understand the Company and its Business. For the purposes of this Paragraph 17, information does not include any information which constitutes projections, estimates, any forward-looking statements and any general information relating to any jurisdiction, market or sector in which the Company operates.

18. INSOLVENCY



Bohla - R.B. Patel



No Insolvency Event has occurred or is threatened by notice in relation to the Sellers or the Company.

PART C: TAX WARRANTIES

1. TAXATION

- 1.1 All Tax Returns that were required to be filed by the Company on or before the Execution Date and/or the First Closing Date, as the case may be, have been duly and timely filed, including any extensions of time to file. All Taxes owed by the Company have been paid in full. With respect to any period for which Tax Returns are not yet due, the Company has made sufficient provisions for such Taxes in its books and records (including the Accounts) in accordance with the applicable Accounting Standards and Applicable Laws.
- 1.2 The Company has classified assets appropriately based on its nature under the block of fixed assets and applied appropriate rates of depreciation while computing depreciation under section 32 of the Income Tax Act, 1961.
- 1.3 The Company has duly identified specific payment transactions which are liable for deduction of tax at source under various provisions of the Income Tax Act, 1961 and deducted tax at source at appropriate rates under the relevant provisions of the Income Tax Act, 1961. The Company has duly deposited the tax deducted at source in the government accounts within the due date under Income Tax Act, 1961. The Company has duly filed the TDS returns of respective quarters within due dates under the provisions of the Income Tax Act, 1961. Further, TDS certificates have been issued to various parties under the form and within the time prescribed under the Income Tax Act, 1961. In case of payment of TDS amount in the government accounts and filing of TDS returns after due date, the same has been remedied by payment of appropriate penal interest or penalty under the provisions of the Income Tax Act, 1961. Furthermore, the TDS returns have been corrected by filing the revised returns for respective quarters and payment of TDS demand along with interest and penalty, wherever, there is error in processing of TDS returns as per TRACES website.
- 1.4 The Company has accurately computed the income chargeable to income tax in accordance with the provisions of the Income Tax Act, 1961.
- 1.5 There are no liens for direct and indirect Taxes upon any of the assets of the Company.
- 1.6 No matters are the subject matter of any dispute before Tax Authorities under the Income Tax Act, 1961 other than in the Ordinary Course of Business. The Company has not received any notice in writing for re-opening of any closed assessments of the Company for any tax period in respect of which Tax Returns have been filed.
- 1.7 The Company has complied with all requirements specified under the Income Tax Act, 1961 with reference to Tax Returns, computations, deductions, withholdings, transfer pricing reports and information which is, or is required to be, made or given by the Company to any income-tax authorities. The Company has submitted and filed all reports (including transfer pricing reports), computations and returns as required by the Income Tax Act, 1961 and all such reports, computations and returns are true, accurate and complete.
- 1.8 The Company is not under any obligation to make, at any time, any payment outside its Ordinary Course of Business nor has it made any payment or incurred an obligation to make any payment which will not be wholly deductible for the purposes of the Income Tax Act, 1961.



R. P. Patil
R. P. Patil
61



- 1.9 The Company has not, at any time, been a party to, participated or otherwise been involved in any transaction, scheme or arrangement (or series of transactions, schemes or arrangements) for the principal purpose of tax evasion.
- 1.10 The Company has always been resident only in the territory in which it was incorporated. The Company has not ever been subject to tax in any territory by virtue of having a permanent establishment in that territory or for any other reason. The Company has not filed its Tax Returns in any other territory.
- 1.11 The provision for taxes and contingent liability shown in the Accounts for the year ended on 31 March, 2024 is to the knowledge of the Sellers, adequate for taxes due or accrued as of the date of this Agreement. There is no contingent liability with respect to indirect Taxes.
- 1.12 The Company is not liable to indemnify any third party in respect of any Taxes. The Company is not liable for any tax as the result of acting as agent or representative for any other Person. Further, the Company is not liable to repay any tax credit, subsidy or similar amount received from any Governmental Authority concerned with Taxation or other Governmental Authority or Person whatsoever.
- 1.13 The Company has not availed any indirect tax incentives such as foreign trade policy or any import benefits such as procurement of goods at concessional rate of taxes or exemptions (etc.).
- 1.14 The Sellers are persons resident in India and hold valid permanent account number issued by the tax authorities in India.
- 1.15 No loan or advance or facilities obtained by the Company has been challenged under the provisions of section 68 of the Income Tax Act, 1961 on account of credit worthiness of the party which has provided the loan/advances and genuineness of the loan/advance transactions. The Company has obtained all the loans/advances only through the authorized banking channel. The source of the loans and advances are explainable before tax authority.
- 1.16 The Company has duly paid the applicable indirect tax liabilities, including liability under reverse charge mechanism, within the due dates provided under Indirect tax laws to the Government account. In case of any demand or delayed payment in relation to indirect Tax liability, the same has been remedied by payment of appropriate penal interest or penalty under the relevant indirect Tax laws. The Company, being the provider of exempt services, has not taken the credit of service tax/GST. The Company has duly filed the returns within due dates under relevant Indirect tax laws. The indirect Tax Returns filed by the Company are reconciled with the books of accounts.
- 1.17 The Company is not liable to reimburse any charges for shared services / common services provided by the Sellers, which are in excess of the expenditure already accounted for in the Accounts.

2. ACCOUNTS AND FINANCIAL RECORDS

- 2.1 The Company has not capitalized any components in the block of the property, plant and equipment which cannot be so capitalized in accordance with Accounting Standards.
- 2.2 The employee benefit liabilities recorded by the Company are true and fair as per applicable Accounting Standards.



[Handwritten signature] R. B. R. H.

[Handwritten signature] Gayatri



- 2.3 To the knowledge of the Sellers, the Company is not liable for any liabilities other than recorded and/ or disclosed in the Accounts.

**PART D: REPRESENTATIONS AND WARRANTIES
AS ON THE SECOND AND THE THIRD CLOSING DATE**

As on the Second and the Third Closing Date, the Sellers hereby represent and warrant to the Buyer, as follows:

1. AUTHORITY

The Sellers have full power and authority to perform his obligations under this Agreement and there are no impediments of whatsoever nature which in any way restrict the performance of his obligations arising under this Agreement.

2. OWNERSHIP OF SECOND AND THIRD TRANCHE SALE SHARES

- 2.1 The Sellers represent and warrant that it they are legal and beneficial owner of the Second Tranche Sale Shares and the Third Tranche Sale Shares held by them in the Company, and subject to the terms of this Agreement, have the right to exercise all voting and other rights over such Second Tranche Sale Shares and Third Tranche Sale Shares and all rights under Applicable Laws.
- 2.2 The Second Tranche Sale Shares and the Third Tranche Sale Shares were acquired and held by the Sellers in compliance with all Applicable Laws and there are no Encumbrances on the Second Tranche Sale Shares and the Third Tranche Sale Shares (save and except in terms of the Security Documents).
- 2.3 The Sellers are entitled to transfer or procure the transfer of the full ownership of the Second Tranche Sale Shares and the Third Tranche Sale Shares on the terms set out in this Agreement without approval consent or authorisation of any third party.
- 2.4 The Second Tranche Sale Shares and the Third Tranche Sale Shares, as the case may, are not the subject matter of any Proceedings.

3. AUTHORITY; NO CONFLICT

- 3.1 The delivery and performance under this Agreement have been duly and validly authorized by, all necessary actions on the part of the Sellers, as applicable, and all consents and government approvals required for the same have been procured or will be procured in accordance with this Agreement. This Agreement and all agreements or instruments contemplated therein constitute legal, valid, and binding obligations of the Sellers, enforceable against such Parties.
- 3.2 The Sellers represent and warrant that neither the execution, delivery and performance by the Sellers of this Agreement, nor the consummation of the transactions contemplated under this Agreement in accordance with its terms (including obtaining the relevant approvals as specified as Conditions Precedent), by such party, or the compliance by the Sellers with any of the provisions/terms of this Agreement will:

- (a) 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



[Handwritten signature]
63



creation of any Encumbrance upon any Assets pursuant to, any contract or agreement or arrangement to which the Sellers are a party or by which the Sellers or its respective Assets may be subject or bound or violate any contract or agreement (whether or not written) or arrangement or other document binding on the Sellers;

- (b) contravene any provision of any Applicable Law, or any order, writ, injunction or decree of any court or Governmental Authority to which its subject to; or
- (c) result in a breach of any Applicable Laws.

3.3 There have not been any written threats, notices or claims by any Person claiming that such Person is (a) the holder or the beneficial owner of, or has the right to acquire or to obtain beneficial ownership of, any share of, or any other voting equity or ownership interest in, the Company, or (b) entitled to all or any portion of the Second Closing Consideration and/or the Third Closing Consideration payable for the Second Tranche Sale Shares and the Third Tranche Sale Shares respectively.



Handwritten signature R. D. Patil

Handwritten signature Kailash



SCHEDULE V

CONDITIONS PRECEDENT SATISFACTION LETTER

[<On the letterhead of Sellers>]

[<Dated prior to the First Closing Date>]

To,

LLOYDS Engineering Works Limited

Plot No. A 5/5 , MIDC Industrial Area,

P.O. Murbad,

District Thane- 421 401, Maharashtra,

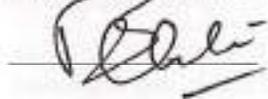
Re: Share Purchase and Shareholder's Agreement Dated 30th July 2024 (the "Share Purchase and Shareholder's Agreement") executed by and amongst Bharat Patel, LLOYDS Engineering Works Limited and Techno Industries Private Limited.

We refer to the Share Purchase and Shareholder's Agreement executed by the parties thereto. In this letter, all capitalized terms used but not defined shall have the meaning given to them under the Share Purchase and Shareholder's Agreement.

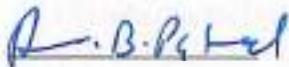
Sellers hereby confirms the fulfillment of the Conditions Precedent as applicable to the Sellers/Company (other than any conditions that are required to be fulfilled on the First Closing Date) set out in Clause 5 read with Schedule III of the Share Purchase and Shareholder's Agreement. Where applicable, the documents evidencing the fulfillment of the Conditions Precedent (or, with respect to conditions that are required to be fulfilled either on the First Closing Date or immediately prior to the First Closing Date, evidence of capability of fulfilling the same) are enclosed herewith.

Yours sincerely,

BHARAT PATEL



RITABEN BHARATBHAI PATEL



SCHEDULE VI

FORM OF DISCLOSURE LETTER

DISCLOSURE LETTER

Date: 30th July 2024

To:

LLOYDS ENGINEERING WORKS LIMITED

Plot No. A 5/5 , MIDC Industrial Area,

P.O. Murbad,

District Thane- 421 401, Maharashtra

Dear Sirs,

Subject: Disclosure Letter issued by Mr. Bharat Patel (referred to as "Warrantor")

We refer to the share purchase agreement dated 30th July 2024 ("Agreement") among (i) Warrantor, (ii) LLOYDS Engineering Works Limited ("Buyer") and (iii) Techno Industries Private Limited ("Company").

- (a) Capitalized terms, words and expressions defined in the Agreement, particularly in Clause 1 (*Definitions and Interpretation*) of the Agreement, shall have the same meaning in this letter, unless otherwise defined in this letter or unless the context otherwise requires.
- (b) This Disclosure Letter is delivered in accordance with the provisions of the Agreement. The Disclosure Letter comprises: (i) this letter; and (ii) the Annexures to this Disclosure Letter (including the information and matters provided herein).
- (c) The purpose of this Disclosure Letter is to disclose exceptions to the Sellers Representation and Warranties set out in Part B and Part C of **Schedule IV** (*Sellers Representations and Warranties*) in terms of Clause 15.2 of the Agreement. Accordingly, each relevant Sellers Representation and Warranty is qualified by the disclosure made by the Warrantor against such Sellers Representation and Warranty in this Disclosure Letter and to the extent, any disclosure has been made under this Disclosure Letter against a Sellers Representation and Warranty, the Buyer or any other Sellers Indemnified Parties shall not be entitled to make a claim for indemnity for breach of the relevant Sellers Representation and Warranty under Clause 17.1 (a) of the Agreement. For the avoidance of doubt, no disclosure made under the Disclosure Letter shall qualify or in any manner affect or limit the right to indemnification of the Sellers Indemnified Parties with respect to any Fundamental Warranties, the events specified in Clauses 17.1 (b) to 17.1 (d) of the Agreement.
- (d) This Disclosure Letter does not constitute any representation, warranty, assurance or undertaking by the Warrantor not expressly set out in the Agreement and shall not have the effect of, or be construed as, adding to or extending the scope of any of the Sellers Representation and Warranty.



Handwritten signature: Bharat Patel
66



- (e) No disclosure in this Disclosure Letter relating to any possible non-compliance, breach or violation of any contract, permit, ruling, certification, registration, filing or any Applicable Law shall be construed as an admission that any such non-compliance, breach or violation exists or has actually occurred vis a vis a third party, and nothing in this Disclosure Letter shall constitute an admission of any liability or obligation of the Warrantor to any third party or shall confer or give any third party any remedy, claim, liability, reimbursement, cause of action or other right.
- (f) All the information contained in this Disclosure Letter is Confidential Information of the Warrantors, as the case may be. The information contained in this Disclosure Letter is disclosed in confidence for the purpose contained in the Agreement and is subject to the provisions of Clause 20.6 (*Confidentiality*) of the Agreement.
- (g) This Disclosure Letter and any dispute or claim arising out of or in connection with it (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of India, and as per the dispute resolution understanding contained in the Agreement.
- (h) Accordingly, subject to Paragraph (f) above, the following information with respect to the Company and the Warrantor are hereby disclosed by the Warrantor as disclosures to the Sellers Representation and Warranty set out in Part B and Part C of **Schedule IV** (*Sellers Representations and Warranties*). The headings and reference to paragraphs below correspond to those in **Schedule IV** of the Agreement.

A. GENERAL MATTERS

In relation to the Sellers Representations and Warranties set out under Part B and Part C of **Schedule IV** (*Sellers Representations and Warranties*):

- (a) The provisions of the Agreement are generally disclosed.
- (b) The Financing Documents, copies of which have been provided to the Buyer prior to the Execution Date are generally disclosed.

B. SPECIFIC MATTERS

There are no matters specifically disclosed in relation to the Sellers Representations and Warranties.



R.B. Patil *Keilang*



SCHEDULE VII

FINANCING FACILITIES

PART A: FINANCING FACILITIES

The Lenders as on date are as mentioned below:

Name of Lender	Rupee Commitment (INR in Crores)	Non-Fund Based Facility (INR in Crores)
HDFC Bank Limited	20	35
ICICI Bank Limited	14	6

PART B: LIST OF FINANCING AND SECURITY DOCUMENTS

HDFC Bank Limited - Security

Primary – FD, Stock, Debtors, LC

Collateral –

SI No	Property description	Type of property (Residential / commercial)	Area	Market Value (INR)
1	F P NO 299 SURVEY NO 299 S NO. 299, F P NO 299, 11,35,06,800.00 No. 228 Nr Greenwood Resort, Village Onganj 380060 Ahmedabad	Bungalow	4,486.92 Sq. Ft.	11,35,06,800.00
2	10,00,00,000.00 unit land and building construction cost INR 307.50 Lakh Techno House, Opp. Doctor House F P No 720 Parimal Garden, Sub Plot No 4 Nr. Parimal Garden, 380006	Office building Of the unit	25,500 Sq. Ft.	10,00,00,000.00

Guarantor – Bharat J Patel

ICICI Bank Limited – Collateral and Primary Security same as of HDFC Bank Limited

Additionally Original Paper of Factory is given to bank as security for time being. Once HDFC Bank issue Pari pasu Letter then ICICI bank will return us Original Paper

Guarantor – Bharat J Patel and Archan Bharat Patel



Bharat J Patel

Archan Bharat Patel



SCHEDULE VIII

INSURANCE

PART A: INSURANCE POLICIES OBTAINED BY THE COMPANY

Sl. No.	Policy Number	Policy Type	Policy Period		Insurer
1.	2130014824000300	Burglary (FFF, Stock & P&M)	22-02-2024	21-02-2025	Shriram General Insurance
2.	213001/11/24/002063	Burglary (Office)	22-02-2024	21-02-2025	Shriram General Insurance
3.	2130014824000300	Burglary (Stock Floater)- 2130014824000301	22-02-2024	21-02-2025	Shriram General Insurance
4.	2130011124002050	Fire (Building)- 2130011124002059	22-02-2024	21-02-2025	Shriram General Insurance
5.	2130011124002060	Fire (FFF, Stock & P&M)	22-02-2024	21-02-2025	Shriram General Insurance
6.	213001/11/24/002063	Fire (Office)	22-02-2024	21-02-2025	Shriram General Insurance
7.	2130011124002060	Fire (Stock Floater)- 2130011124002061	22-02-2024	21-02-2025	Shriram General Insurance
8.	2111 2012 5272 6206 000	Standard Fire & Special Perils Policy	30-11-2023	29-11-2024	HDFC ERGO General Insurance Company Limited
9.	2002/I/206877409/03/000	MARINE SINGLE TRANSIT Import POLICY	21-09-2023	20-09-2024	ICICI Lombard
10.	6520012090	MARINE CARGO OPEN POLICY	21-09-2023	20-09-2024	TATA AIG
11.	4010/253537139/01/000 (TRUE COPY)	WC Policy Company (Main Factory all Location within India)	02-08-2023	01-08-2024	ICICI Lombard



R. B. Patel



12.	12220031220950000000	Vehicle	24-12-2023	23-12-2024	The New India Assurance Co. Ltd.
13.	6200214222 01 00	Vehicle	18-03-2024	17-03-2025	Tata AIG General Insurance Company Limited's
14.	3003/AL-18095197/00/000	Vehicle	12-04-2023	11-04-2024	ICICI Lombard General Insurance Co. Ltd.
15.	3008/247243261/01/000	Vehicle	15-05-2024	14/05/2025	ICICI Lombard GIC Ltd.
16.	6200369182 01 00	Vehicle	14-06-2024	13-06-2025	Tata AIG General Insurance Company Limited's
17.	6200452991 01 00	Vehicle	20-07-2024	19-07-2025	Tata AIG General Insurance Company Limited's
18.	3001/305422066/00/000	Vehicle	23-09-2023	22-09-2024	ICICI Lombard General Insurance Co. Ltd.
19.	2311 2043 9900 6600 000	Vehicle	24-11-2021	23-11-2024	HDFC ERGO
20.	3005/O/266961728/00/B00	Vehicle	07-11-2023	06-11-2024	ICICI Lombard General Insurance Co. Ltd.
21.	160222223120086737	Vehicle	19-12-2023	18-12-2024	Reliance General Insurance company Limited
22.	300100312310000641	Vehicle	12-06-2023	11-06-2024	The National Insurance Company Ltd.
23.	300100312310000640	Vehicle	12-06-2023	11-06-2024	The National Insurance Company Ltd.



Blue - R.B. B. B. B.

10/11/24



24.	300100312310000643	Vehicle	12-06-2023	11-06-2024	The National Insurance Company Ltd.
25.	300100312310000642	Vehicle	12-06-2023	11-06-2024	The National Insurance Company Ltd.
26.	4008/301896875/00/000	Maintenance (Nabinagar UP)	11-08-2023	10-08-2024	ICICI Lombard General Insurance Company Ltd.
27.	4005/303884709/00/000	Dismantling and Erection all risk policy	25-08-2024	24-08-2024	ICICI Lombard General Insurance Company Ltd.
28.	5006/309257936/00/000	EAR Policy for BSA Hospital Rohini Delhi	30-09-2023	29-09-2024	ICICI Lombard General Insurance Company Ltd.
29.	5006/309617491/00/000	EAR Policy for Sportz Complex Rohini Delhi	06-10-2023	05-10-2024	ICICI Lombard General Insurance Company Ltd.
30.	5006/311062047/00/000	03. EAR Policy Department of publication-Delhi	10-10-2023	09-10-2024	ICICI Lombard General Insurance Company Ltd.
31.	WC Policy No. 4010ra53537139 roroce Pchey Period from o2m8/2023 to oira8ce024 Issued PAN India Basis~	GPA-BHEL Certificate North Karanpura Super Thermal Power Project	02-08-2023	01-08-2024	ICICI Lombard General Insurance Company Ltd.
32.	5006/324143488/00/000 (TRUE COPY)	EAR Jilla Panchayat Baroda	04-01-2024	03-01-2025	ICICI Lombard General Insurance Company Ltd.
33.	4008/328611116/00/000	PLI vish Nagar Mehshana	02-08-2024	07-02-2025	ICICI Lombard General Insurance Company Ltd.



R. B. R. K. V.
71

ICICI



34.	RDANI15CP0052V012019 20	EAR Electrical Division Labor welfare Board Office, Vadodara	09-02-2024	08-02-2025	ICICI Lombard General Insurance Company Ltd.
35.	Policy Pending for Monday	EAR-Varunalaya Delhi	09-02-2024	08-02-2025	ICICI Lombard General Insurance Company Ltd.
36.	4008/336536475/00/000	PLI Korba Chhattisgarh	28-03-2024	27-03-2025	ICICI Lombard General Insurance Company Ltd.
37.	4005/317710840/00/000(Su rat)	Torrent power Surat	27-11-2023	26-11-2024	ICICI Lombard General Insurance Company Ltd.
38.	4005/345756212/00/000	Torrent power Surat (Katar Gam)	31-05-2024	30-05-2025	ICICI Lombard General Insurance Company Ltd.
39.	4008/293807418/01/000	NTPC KHARGONE Madhya Pradesh 451113	06-06-2024	06-05-2025	ICICI Lombard General Insurance Company Ltd.

PART B: CLAIMS UNDER INSURANCE POLICIES

Sl. No.	Policy No.	Type of Policy	Date of loss	Claim Pending amount (INR)	Description
1	4010/253537139/01/000	WC- Policy	06/05/2024	30602/-	Hand Injury
2	4010/253537139/01/000	WC- Policy	08/06/2024	Approx 7000- 10000/-	Right Leg Hairline Fractured
3	4010/253537139/01/000	WC- Policy	12/07/2024	60000/- Treated Under Package	Left Hand Finger and Palm Injured



Signature - P. B. R. M. 72

Signature



4	5130012813	Bharat Laghu Udyam Suraksha	28.05.2023	82190.55	Due to heavy rainfall boundary wall fallen
---	------------	--------------------------------------	------------	----------	--



R. P. Patil R. P. Patil

Dailash



SCHEDULE IX

List of proceedings against the company

Sr No.	Name of the Party	Case No	Case Type	Date of claim filed	Pending at court
1	Sharp Pump Registered V/S Techno Industries pvt ltd.	5750/2018	Civil Suit	12/11/2018	Civil Court- 85 Ludhiana
2	ESIC Regional Director ESI Corporation Ahmedabad	93/2015	APPLICATION E.S.I.	8/10/2015	Industrial Court 1, Ahmedabad
3	ESIC Regional Director ESI Corporation Ahmedabad	15874/2018	ESIC U/s 085	24/01/2019	Ahmedabad Labour Court- 6



Signature

2.9.2014

10/11/18



SCHEDULE X

BUYER DEMAT ACCOUNT

DP ID	Client ID	Name
IN304295	52918564	Lloyds Engineering Works Limited



Handwritten signature

R.A.P.T-d

10/11/15



