

**महाराष्ट्र शासन**  
**GOVERNMENT OF MAHARASHTRA**  
**ई-सुरक्षित बँक व कोषागार पावती**  
**e-SECURED BANK & TREASURY RECEIPT (e-SBTR)**

19385177759397



Bank/Branch: IBXL - 6910204/MUMBAI - NARIMAN POINT  
 Stationery No: 19385177759397  
 Pmt Txn id : 700112769  
 Print DtTime : 18-AUG-2021 16:16:47  
 Pmt DtTime : 18-AUG-2021@15:40:42  
 ChallanIDNo: 69103332021081851327  
 GRAS GRN : MH005106351202122S  
 District : 7101-MUMBAI  
 Office Name : IGR182-BOM1 MUMBAI CITY  
 GRN Date : 18-Aug-2021@15:40:43

StDutySchm: 0030045501-75/STAMP DUTY  
 StDutyAmt : R 6,00,600/- (Rs Six, Zero Zero, Six Zero Zero only)

RgnFeeSchm: 0030063301-70/Registration Fees  
 RgnFeeAmt : R 0/- (Rs Zero only)

Article : 5(h) (A) (iv) -- Agreement creating right and having monetary value  
 Prop Mvblty: N.A. Consideration: R 29,98,00,000/-  
 Prop Descr : NA

Duty Payer: PAN-AAECJ4302P, JSR DYNAMICS PRIVATE LIMITED

Other Party: PAN-AAACI1268F, IDBI CAPITAL MARKETS AND SECURITIES LIMITED

Bank official Name & Signature

*Bull 6*  
*G. Kanakaraj*



Bank official Name & Signature  
 G. KANAKARAJ  
 जी. कन्कराज  
 प्रबन्धक / Manager  
 03344  
 EIN: Please write below this line ---

PALLAVIA SALASKAR  
 पल्लवी साळसकर  
 EIN:- 118185

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**SUBSCRIPTION CUM SHAREHOLDERS  
AGREEMENT**

**BETWEEN**

**PROMOTERS**

**AND**

**EXISTING SHAREHOLDERS**

**AND**

**INVESTOR**

**AND**

**JSR DYNAMICS PRIVATE LIMITED**

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Execution Date: August 20, 2021

## SUBSCRIPTION CUM SHAREHOLDERS AGREEMENT

This Subscription Cum Shareholders Agreement dated this 20<sup>th</sup> day of August, 2021, ("Agreement" or "SSHA") executed by and between:

**Air Marshal Shirish Baban Deo (Retd.)**, S/o Mr. Baban Deo, a resident Indian, having PAN ACEPD8848D presently residing at "Tulip", Flat No. 601, 6<sup>th</sup> Floor, Plot No. 187, Cement Road, Shivaji Nagar, Nagpur, Maharashtra - 440010 (hereinafter referred to as "**Promoter No. 1**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his heirs, administrators and executors) of the **FIRST PART**;

AND

**Mrs. Anjna Deo**, W/o Air Marshal Shirish Baban Deo (Retd.), a resident Indian, having PAN AIXPD4734F presently residing at "Tulip", Flat No. 601, 6<sup>th</sup> Floor, Plot No. 187, Cement Road, Shivaji Nagar, Nagpur, Maharashtra - 440010 (hereinafter referred to as "**Promoter No. 2**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include her heirs, administrators and executors) of the **SECOND PART**;

Promoter No. 1 and Promoter No. 2 are individually referred to as "**Promoter No. 1**" and "**Promoter No. 2**" respectively and collectively referred to as the "**Promoters**".

AND

**Mr. Prafulla Kale**, S/o Mr. Kashinath Kale, a resident Indian, having PAN ACKPK1687K presently residing at "2, Vallabh Housing Society, G M Chitnavis Marg, Civil Lines, Nagpur, Maharashtra - 440001 (hereinafter referred to as "**Existing Shareholder No. 1**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his heirs, administrators and executors) of the **THIRD PART**;

AND

**Mr. Gautam Kale**, S/o Mr. Satish Kale, a resident Indian, having PAN AMHPK7173M presently residing at Off. Henessy Road, Plot No. 3, Vallabh Hsg. Society, Civil Lines, Nagpur, Maharashtra - 440001 (hereinafter referred to as "**Existing Shareholder No. 2**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his heirs, administrators and executors) of the **FOURTH PART**;

AND

**Mr. Rohit Kale**, S/o Mr. Satish Kale, a resident Indian, having PAN ACQPK5764K presently residing at House No. - 5, Doongaji Colony, Behind Annupam Garden, G.E. Road, Raipur, Chattisgarh – 492001 (hereinafter referred to as "**Existing Shareholder No. 3**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his heirs, administrators and executors) of the **FIFTH PART**;

AND

**Mr. Kartik Kale**, S/o Mr. Prafulla Kale, a resident Indian, having PAN ANYPK7694M presently residing at Off. Henessy Road, Plot No. 2, Vallabh Hsg. Society, Civil Lines, Nagpur, Maharashtra – 440001 (hereinafter referred to as "**Existing Shareholder No. 4**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his heirs, administrators and executors) of the **SIXTH PART**;

AND

**Mr. Mahesh Panwar**, S/o Mr. Nathu Ram Panwar, a resident Indian, having PAN AFVPP0336C presently residing at D-18, U.I.T Colony, Pratap Nagar, Jodhpur, Rajasthan – 342001 (hereinafter referred to as "**Existing Shareholder No. 5**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his heirs, administrators and executors) of the **SEVENTH PART**;

Existing Shareholder No.1, Existing Shareholder No. 2, Existing Shareholder No. 3, Existing Shareholder No. 4 and Existing Shareholder No. 5 are individually referred to as "**Existing Shareholder No. 1**", "**Existing Shareholder No. 2**", "**Existing Shareholder No. 3**", "**Existing Shareholder No. 4**" and "**Existing Shareholder No. 5**" respectively and collectively referred to as the "**Existing Shareholders**".

AND

**M/S IDBI Capital Markets & Securities Limited**, CIN: U65990MH1993GOI075578 (Investment Manager on behalf of Maharashtra Defence and Aerospace Venture Fund - SEBI Registered Category II Alternative Investment Fund), a Company incorporated under the provisions of Companies Act, 1956, having its registered office at 6<sup>th</sup> Floor, IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai-400005, Maharashtra, India (hereinafter referred to as the "**Investor**" or "**IDBI Capital**", which expression shall unless repugnant to the meaning



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or context thereof, be deemed to include its successors in interest and permitted legal assigns) of the **EIGHTH PART**;

AND

**JSR Dynamics Private Limited, CIN: U29113MH2018PTC318834**, a Company incorporated under the provisions of Companies Act, 2013, having its registered office at H. No. 293, Sita Ram Smruti Bajaj Road, Dharampeth, Nagpur-440010, Maharashtra, India (hereinafter referred to as "**the Company**", herein represented by Air Marshal Shirish Baban Deo (Retd.), Managing Director, which expression shall unless repugnant to the meaning or context thereof, be deemed to include its successors in interest and permitted legal assigns) of the **NINTH PART**.

The Promoters, the Existing Shareholders, the Investor and the Company wherever the context so requires, are hereinafter individually referred to as "**Party**" and collectively as "**Parties**".

## RECITALS

### WHEREAS:

A. The Company is, *inter alia*, engaged in the business of manufacture of glide bombs, cruise missiles, loitering munitions etc ("**Business**"), and has been established by the Promoters in the year 2018;

B. The Promoters and Existing Shareholders are the legal and beneficial owners of the 100% of issued and paid-up share capital of the Company as per the particulars in **Part A of Annexure 1** of this Agreement hereto.

C. The Promoters and Existing Shareholders have requested the Investor for funds and based upon the Representations and Warranties of the Warrantors (*hereinafter defined*) and the terms and conditions contained in this Agreement; the Investor has agreed to invest not more than a sum of Rs. 29,98,00,000/- (Rupees Twenty Nine Crores and Ninety Eight Lakhs only) towards subscription of 29,97,000 Optionally Convertible Debentures of face value of Rs. 100 each and Rs. 1,00,000/- (Rupees One Lakh only) in Equity Shares aggregating to 0.99% of the equity share capital of the Company, towards Subscription of 10,000 Equity Shares of face value of Rs. 10/- per share ("**Subscription Securities**"), the details of which are more particularly set out in **Part B of Annexure 1**.

D. The proposed shareholding pattern upon execution of this Agreement is more

particularly set out in **Part C of Annexure 1**.

- E. The Parties are desirous of entering into this Agreement to (i) effect the investment by the Investor as contemplated under Recital C; (ii) set out the rights and obligations of the Promoters, the Existing Shareholders and the Investor in relation to their shareholding in the Company; and (iii) the operation and management of the Company, in supersession of any prior understanding or agreement in the manner set forth herein.

**NOW THEREFORE IT IS AGREED TO BETWEEN THE PARTIES AS FOLLOWS:**

**ARTICLE 1**

**DEFINITIONS AND INTERPRETATION**

1.1 When used in this Agreement, the defined terms set forth in this Article 1 shall have, unless otherwise required by the context thereof, the following meanings:

1.1.1 "Act" means the Companies Act, 2013 of India, including any statutory modifications or re-enactment thereof.

1.1.2 "Affiliate" in relation to a Party (i) being a corporate entity, partnership firm, trust or any other association of Persons, means any other Person that, either directly or indirectly through one or more intermediaries and whether alone or in combination with one or more other Persons, Controls, is Controlled by or is under common Control with that Party; and (ii) in case of a natural Person, means any Person who is a Relative of such Person. For the purposes of this definition, the term "Relative" shall have the meaning under the Act.

1.1.3 "Affirmative Vote Matters" means matters requiring the prior approval of Investor and includes matters as enumerated in **Annexure 5** of this Agreement.

1.1.4 "Articles of Association" means the articles of association of the Company.

1.1.5 "Audited Financial Accounts" means audited accounts prepared for period of 12 (twelve) months commencing on 1<sup>st</sup> April of any calendar year and ending on 31<sup>st</sup> March of the subsequent year.

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- 1.1.6 **“Board”** means the Board of Directors of the Company.
- 1.1.7 **“Business”** shall have the meaning ascribed to the term in Recital A of this Agreement.
- 1.1.8 **“Business Day”** means a day, not being a Saturday or a Sunday, on which banks are open for business in Mumbai, Maharashtra.
- 1.1.9 **“Business Hours”** means the hours between 9.00 a.m. and 6.00 p.m. on a Business Day.
- 1.1.10 **“Conditions Precedent”** means the conditions precedent to allotment of the Subscription Securities to the Investor as set out in **Annexure 3** of this Agreement. *hsc/ho*
- 1.1.11 **“Conditions Subsequent”** means the conditions subsequent to allotment of the Subscription Securities to the Investor as set out in **Annexure 7** of this Agreement. *Anupm Sr*
- 1.1.12 **“Confidential Information”** includes but is not limited to information which is or fairly can be considered to be of a confidential nature, which is obtained whether (without limitation) in graphic, written, electronic or machine readable form on any media and whether or not the information is expressly stated to be confidential or marked as such, in writing (provided that the confidentiality of such information is reasonably apparent), and also includes all Intellectual Property (as defined below) and the following items (without limitation): *hsc/ho*



- (a) information of value or significance to the respective Party holding it, its subsidiaries, divisions, affiliates, customers or its competitors (present or potential) such as:

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- (1) customer data, in particular, key contact names, addresses, business model, pricing lists, sales figures and sales conditions of the respective Party and its past, present or prospective clients;
- (2) business data, particularly data relating to new investment opportunities, products, services, promotion campaigns, distribution strategies, sources of supply, license agreements and joint ventures in which the respective Party is involved;
- (3) software data, particularly information relating to the software



and the modules thereof as well as any devices designed by the respective Party to prevent unauthorized copying;

- (4) financial data, in particular, concerning budgets, the fees and revenue calculations, sales figures, financial statements, profit expectations and inventories of the respective Party or of its subsidiaries, divisions, affiliates, and customers; and
- (5) any and all other information or materials or documents of a commercially sensitive nature relating to the respective Party's and/or its affiliates operations, research, plans, strategies, objectives, development, purchasing, marketing, and selling activities.
- (b) original information supplied by the respective Party;
- (c) information not known to competitors of the respective Party nor intended by the respective Party for general dissemination, including but not limited to, policies, strategies, the identity of various product-suppliers or service-providers, business models, investment strategies, billing schedules, needs of its clients, information as to the profitability of specific accounts, and information about the respective Party itself and its executives, officers, directors and employees; and
- (d) any business or technical information relating to the respective Party, including but not limited to financial information, equipment, documentation, strategies, marketing plans, prospective leads or target accounts, pricing information, information relating to existing, previous and potential customers and contracts disclosed by the respective Party to any of the Parties;

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but does not include:

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- (i) that which is in the public domain other than by any Party's breach of this Agreement, or of any other confidentiality agreement or non-disclosure agreement;
- (ii) that which was previously known as established by written records of any Party prior to receipt from the respective Party;
- (iii) that which was lawfully obtained by a Party from a third party; and



- (iv) that which was developed independently by a Party without reference to the Confidential Information provided by the respective Party.

1.1.13 **"Control"** (together with its correlative meanings, "controlled by" and "under common control with") in relation to an entity, means (i) the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such entity whether through legal or beneficial ownership directly or indirectly of more than 50% of the shares or other interest of such entity or partnership or other ownership interests whether through contract or otherwise; (ii) controlling, directly or indirectly, the majority of the composition of the board of directors of the entity by way of contract or otherwise; (iii) the power to direct the management or policies of such entity by contract or otherwise; or (iv) the ability to control the affairs and policies of such entity in any manner. The terms **"controlling"** and **"controlled"** shall be construed accordingly. For the purposes of this definition, Control may be exercised either directly or indirectly through one or more persons alone or in combination with one or more other persons.

1.1.14 **"Designated Bank Account of the Company"** means the no-lien bank account opened by the Company with IDBI Bank for the purpose of transfer of Subscription Amount.

1.1.15 **"Director"** means a director on the Board of the Company.

1.1.16 **"Execution Date"** means the date of execution of this Agreement.

1.1.17 **"Encumbrance"** means any mortgage, charge (fixed or floating), pledge, lien, security interest, hypothecation, trust, preferential right of set off or other third party right or interest (legal or equitable) including any right of pre-emption, assignment by way of security, reservation of title or any other security interest of any kind however created or arising or any other agreement or arrangement (including a sale and repurchase arrangement) having a similar effect.

1.1.18 **"Equity Share"** means an equity share of the Company having a face value of Rs. 10/- each.

1.1.19 **"Financial Year"** means each period of 12 (twelve) months commencing on 1<sup>st</sup> April of any calendar year and ending on 31<sup>st</sup> March of the subsequent year or such other period as the Board determines subject to Affirmative Vote

Matters.

- 1.1.20 **"Fully Diluted"** means that the calculation is to be made assuming that all outstanding convertible securities, stock options, warrants, including but not limited to any outstanding commitments to issue shares at a future date whether or not due to the occurrence of an event or otherwise, have been so converted, exercised or exchanged into Equity Shares based on conversion factor.
- 1.1.21 **"Governmental Authorisations"** means any authorisation, approval, consent, no-objections, franchise, financings, license, covenant, order, ruling, permit, certification, exemption or similar right or actions by, or filing or registration with, any Governmental Authority.
- 1.1.22 **"Governmental Authority"** shall mean any national, state, municipal or local government (including any subdivision, court, administrative agency or commission or other authority thereof) or any quasi-governmental or private body exercising any regulatory, taxing, importing or other governmental or quasi-governmental authority.
- 1.1.23 **"Intellectual Property Rights"** means rights pertaining to patents, trademarks, service marks, registered designs, database rights, trade or business names, know-how, copyright (including but not limited to rights in software), design rights, domain name rights and any other intellectual property rights and rights of a similar or corresponding nature in any part of the world (in each case whether registered or not and whether capable of registration or not) possessed/used by the Company as set out in **Annexure 4** of this Agreement.
- 1.1.24 **"Investor Director"** shall have the meaning ascribed to the term in **Article 5.1.1**.
- 1.1.25 **"Jurisdiction"** shall be limited to the territory of Mumbai, Maharashtra, India.
- 1.1.26 **"Laws"** shall mean all laws, statutes, ordinances, regulations, guidelines, policies and other pronouncements having the effect of laws of the applicable jurisdiction or jurisdictions, as the case may be, by the nation, the state, municipality, court, tribunal, agency, government, ministry, department, commission, board, bureau, or instrumentality thereof.
- 1.1.27 **"Material Adverse Change"** includes (a) any event, occurrence, fact,



condition, change, or development that has had or is likely to have an adverse effect on the business, operations, financial condition, assets or liabilities of the Business; or (b) any event, occurrence, fact, condition, change, or development that has had an adverse effect or is likely to have an adverse effect on the ability of the Company to consummate the transactions contemplated hereby in accordance with the terms of this Agreement; or (c) any event, occurrence or development, which results in a change in circumstances such that it would be improbable that a reasonable investor would proceed with a proposed investment due to such event, occurrence or development in the Business of the Company.

1.1.28 **"Memorandum of Association"** means the memorandum of association of the Company, as it exists at the relevant time.

1.1.29 **"Memorandum and Articles"** means the Memorandum of Association and Articles of Association.

1.1.30 **"Optionally Convertible Debentures"** (OCDs) means 0.01% Optionally Convertible Debentures of the Company having a face value of Rs. 100/- each issued as per terms mentioned in Annexure 6 of this Agreement.

1.1.31 **"Person"** means and includes any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his capacity as trustee, executor, administrator, or other legal representative.

1.1.32 **"Restated Articles"** means the revised Articles of Association, amended to incorporate the provisions of the Agreement, to be adopted at Transaction Date.

1.1.33 **"Right of First Refusal (ROFR)"** means the pre-emptive rights (and not the obligation) available to the Shareholders of the Company to subscribe to any fresh issue of Shares and/or instruments convertible into Equity Shares made by the Company, prior to issue of the same to third parties/selected Shareholders.

1.1.34 **"Rs.", "INR" or "Rupees"** means the lawful currency of India.

1.1.35 **"Share"** means Equity Shares having face value of Rs. 10/- each of the Company.

1.1.36 **"Shareholder"** means the Promoters, the Existing Shareholders, Investor or

any other person so long as they hold Shares in the Company.

1.1.37 **"Subscription Amount"** means an amount not exceeding Rs. 29,98,00,000/- (Rupees Twenty Nine Crores and Ninety Eight Lakhs only) to be paid by Investor as and when called upon by the Company towards purchase of Subscription Equity Shares aggregating to 0.99% of equity share capital of the Company and Subscription Debentures, the details of which are more particularly set out in **Part B of Annexure 1**.

1.1.38 **"Subscription Debentures"** means 29,97,000 (0.01%) Optionally Convertible Debentures to be allotted to the Investor, which is more particularly set out in Part B of Annexure 1. The terms of issue of Optionally Convertible Debentures are mentioned in Annexure 6 of this Agreement.

1.1.39 **"Subscription Equity Shares"** means 10,000 Equity Shares of the Company to be allotted to the Investor aggregating to 0.99% of the paid-up equity share capital of the Company, which is more particularly set out in Part B of Annexure 1.

1.1.40 **"Subscription Securities"** means Subscription Debentures and Subscription Equity Shares of the Company.

1.1.41 **"Tax"** means any and all applicable taxes payable by the Company specifically in relation to income, sales, works contract, octroi, entry, lease, service, excise or customs, including without limitation, on gross receipts, sales, turn-over, value addition, use, lease, consumption, property, income, franchise, capital, occupation, license, excise, and customs, stamp duty and other taxes, duties, assessments or fees, howsoever imposed, withheld, levied, or assessed by the relevant Governmental Authority pertaining to the aforesaid taxes.

1.1.42 **"Warrantors"** means the Promoters, the Existing Shareholders and the Company in relation to this Agreement.

## 1.2 Construction

1.2.1 Any reference in this Agreement to any statute or statutory provision shall be construed as including a reference to that statute or statutory provision as from time to time amended, modified, extended or re-enacted whether, before or after the date of this Agreement, and to all statutory instruments orders and regulations for the time being made pursuant to it or deriving validity from it.

- 1.2.2 The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The words "include", "including" and "among other things" shall be deemed to be followed by "without limitation" or "but not limited to" whether or not they are followed by such phrases or words of like import.
- 1.2.3 Unless the context otherwise requires words denoting the singular shall include the plural and vice versa and words denoting any gender shall include all genders.
- 1.2.4 Unless otherwise stated time will be the essence of contract for the purpose of the obligations under this Agreement. *h34m*
- 1.2.5 Unless otherwise stated references to articles, sub-clauses, sub-paragraph, annexure relate to this Agreement. *Anjanika*
- 1.2.6 The Parties acknowledge that they and their respective counsel have read and understood the terms of this Agreement and have participated equally in the negotiation and drafting. Accordingly, no court or arbitrator construing this Agreement shall construe it more stringently against one Party than against the other. *h34m*
- 1.2.7 Headings to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Agreement and shall be ignored in construing the same.
- 1.2.8 Reference to days, months and years are to Gregorian days, months and calendar years respectively. *AV Beladkar*



## ARTICLE 2

### CONDITIONS PRECEDENT

- 2.1 Notwithstanding anything contained in this Agreement, the subscription of Subscription Securities by the Investor is in all respects conditional upon the fulfilment of each of the Conditions Precedent (as set out in **Annexure 3** to this Agreement), to the satisfaction of the Investor.
- 2.2 The Promoters, the Existing Shareholders and the Company shall fulfil the Conditions Precedent on or before the subscription of Subscription Securities by the Investor. The Investor may at any time, by their discretion, by notice in writing, waive in whole or in part (with or without conditions), any of the Conditions Precedent.
- 2.3 Upon fulfilment of all Conditions Precedent, the Promoters and Existing Shareholders shall deliver to the Investor, a notice of fulfilment of all Conditions Precedent along with documents evidencing such fulfilment (except for those waived by the Investor in writing) ("CP Completion Notice").
- 2.4 In case the Investor notifies the Promoters and Existing Shareholders of its dissatisfaction in respect of any of the Conditions Precedent, the Promoters and Existing Shareholders shall fulfil such Conditions Precedent within 7 (seven) days of receipt of such notice and the Promoters and Existing Shareholders shall provide to the Investor, all requisite documents evidencing fulfilment of such Conditions Precedent.
- 2.5 If, any of the Conditions Precedent have not been fulfilled to the satisfaction of the Investor and such Conditions Precedent have not been waived in writing by the Investor as stated above, the Investor shall have the right to terminate this Agreement with immediate effect.
- 2.6 Upon the Agreement being terminated in accordance with Clause 2.5, no Party shall be entitled to make any claims against any of the other Parties under or pursuant to or in relation to this Agreement.



## ARTICLE 3

### SUBSCRIPTION TO SUBSCRIPTION SECURITIES

- 3.1 Subject to the terms and conditions of this Agreement and relying on the

Warranties, covenants and undertakings of the Warrantors and subject to conditions precedent, the Investor agrees to subscribe the Subscription Securities within 10 (ten) Business days of the CP Completion Notice.

- 3.2 The Company agrees to allot the Subscription Securities in the name of the Investor for the Subscription Amount, in the manner provided herein.
- 3.3 The Company, the Promoters and the Existing Shareholders undertake that they shall take all steps as may be required for issue and allotment of the Subscription Securities to the Investor in dematerialised form.

#### ARTICLE 4

#### TRANSACTION DATE

##### A. TRANSACTION DATE COVENANTS

4.1 The completion of the issue and allotment of the Subscription Securities to the Investor against the receipt of the Subscription Amount shall take place during Business Hours on the Transaction Date (the "Transaction Date") at the registered office of the Company (or such other venue as may be mutually agreed by the Parties) within 7 (seven) Business Days of receipt of the Subscription Amount.

4.2 On the Transaction Date:

4.2.1 The authorised representative of Investor shall deliver to the authorised representative of the Company and the Promoters evidence of the remittance of Subscription Amount to the Designated Bank Account of the Company; and

4.2.2 Upon receipt of the Subscription Amount from the Investor,

(i) the Board or a duly authorized committee thereof shall take the necessary corporate action as may be required under the Articles of Association or by any other Law for the time being in force in respect of the issue and allotment of Subscription Securities to the Investor, including passing the necessary resolutions and recording the necessary entries in its corporate and statutory registers; and

(ii) the Board shall hand over to the Investor, or their authorized representative, the details of corporate action initiated towards the credit of the Subscription Securities in the demat account held by the Investor;



4.3 Immediately upon the completion of the steps as set out in Article 4.2.1 and 4.2.2 of this Agreement, the Company shall hand over to the Investor or their authorized representatives

- (i) true copies of the resolutions so passed; and
- (ii) the extract of the register of members and the register of debenture holders wherein the name of the Investor is recorded as the shareholders and debenture holder of the Company and make necessary filings with the concerned Statutory Authority as required by applicable Laws in India.

4.4 The Promoters, the Existing Shareholders and the Company shall be responsible for the payment of Stamp Duties related to allotment of the Subscription Securities.

4.5 On the Investor becoming a registered shareholder of the Company i.e. from the Transaction Date, the rights and liabilities of the Parties shall be governed by this Agreement and the Restated Articles.

4.6 At the Transaction Date, the Company shall appoint Investor Director and/or Board Observer(s), if nominated by the Investor.

## B. CONDITIONS SUBSEQUENT

As a condition subsequent to the Transaction Date, the Company, the Promoters and the Existing Shareholders shall perform or cause to perform the matters as specified in **Annexure 7** of this Agreement.

## ARTICLE 5

### MANAGEMENT OF THE COMPANY

#### 5.1 Board of Directors

5.1.1 At the Transaction Date, the Board shall comprise of the following:

- (a) 1 Director representing Investor ("**Investor Director**"), if nominated by the Investor;
- (b) 2 Directors representing Promoter ("**Promoter Director**");
- (c) 4 Directors ("**Other Directors**");



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5.1.2 The Constitution of Board of Directors enumerated in Clause 5.1.1 is the most ideal constitution of the Board.

5.1.3 Each Director is entitled to cast 1 (one) vote at the Board meeting. The Chairman will have the casting vote.

5.1.4 In the event of a casual vacancy arising on account of the resignation of a Director or the office of the Director becoming vacant for any reason, the Party who has appointed such Director shall be entitled to designate a Director to fill the vacancy.

5.1.5 The Investor shall be entitled to appoint a representative as Investor Director and/or Board Observer and/or special invitee on the Board of Directors of the Company or any committee constituted by the Board and on the Board of Directors or any committee thereof of subsidiary company, if any.

5.1.6 The Investor Director shall be a non-retiring non-executive Director. Each Director shall have the right to nominate an individual to act as an alternate director and the Company shall procure the appointment of such nominee as an alternate director.

5.1.7 The Investor/Investor Director shall be entitled to invite to the Board/committee meetings, any number of experts as invitees/ special invitees, as may be deemed necessary by the Investor/ Investor Director, subject to the prior approval of Promoters. The experts/ special invitee(s) so invited shall have the right to speak at such meetings.

5.1.8 The Investor Director shall not be entitled to any sitting fee/remuneration for performing the role and/or duties of a Director. Provided that, the Company shall reimburse Investor Director/Board Observer/experts/ invitees/special invitees etc. for all expenses including but not limited to travel expenses, lodging allowance etc. incurred by him/her for attending the board meeting(s)/committee meeting(s)/shareholder meeting(s) up to a maximum of Rs. 10,000 (Rupees Ten Thousand only) per Investor Director/Board Observer/expert/ invitee/special invitee. The Investor Director/Board Observer/expert/ invitee/special invitee shall be entitled to attend the meeting through video conferencing or any other audio-visual means.

## 5.2 Board Observer

Additionally, the Investor shall be entitled to appoint Board Observer on the

Board of Directors and/or any committee thereof of the Company and/or its subsidiaries. These observers will have no conflict of interest and will not be privy to trade secrets and Intellectual property of the company. In case of any doubts about conflict of interest issues, decision of the board will be final and binding.

5.2.1 The Board Observer shall be entitled to attend all the meetings of the Board and/or any committee thereof of the Company and/or its subsidiaries and accordingly, receive relevant documents pertaining to such meeting at the same time, in the same manner and in the same mode including but not limited to the notice and agendas and thereafter minutes of such meetings, without prejudice to the general principle laid out in previous paragraph above.

5.2.2 The Board Observer shall be entitled to bring to such meetings, any number of experts as invitees/special invitees as nominated by Investor, as may be deemed necessary, subject to the prior approval of Promoters.

5.2.3 The Board Observer and the experts/special invitees so invited shall have the right to speak at such meetings.

5.3 The Board Observer, as a representative of the Investor, in absence of the Investor Director, shall be entitled to, on behalf of the Investor, cast his/her assent on matters included in Affirmative Vote Matters only as set out in **Annexure 5** of this agreement. Such assent/dissent shall be recorded in the minutes of such Board Meeting and/or Committee Meetings.

5.4 **Liability of Investor Directors and/or Board Observers**

5.4.1. Officer in Default: The Parties agree that the Managing Director of the Company shall be named as an "Officer in Default" (for the purpose of the Act) of the Company. For the purpose of clarity, every current and future Managing Director shall be the "Officer in Default" (for the purpose of the Act) of the Company. The Promoters and the Existing Shareholders expressly agree and undertake that the Investor Director shall not be liable for any default or failure of the Company in complying with the provisions of any Applicable Law. Subject to the provisions of the Act, the Company shall indemnify, and hold harmless to the fullest extent permitted by Applicable Law, the Investor Director from and against any and all threatened, pending or completed actions, suits, claims or proceedings and any and all costs, damages, judgments, amounts paid in settlement and expenses (including without limitation attorney's fees and out of pocket expenses) which such Investor Director may directly or indirectly incur, suffer, and/ or bear due to the failure



of the Promoters and/or the Existing Shareholders and/ or the Company to comply with any of the provisions of any Applicable Law or by reason of the fact that such person is or was a Director of the Company.

5.4.2. The Investor Director(s) will be non-executive Director(s) and none of the Investors Director(s) and/or Board Observer(s) shall be responsible for the day-to-day management of the Company.

5.4.3. The Investor Director(s) and/or Board Observer(s) shall not be considered as a "responsible officer", the "authorised officer", the "compliance officer", the "officer having knowledge", the "officer in charge", "an employer of the employees", "person-in-charge", "occupier of premises" or "officer who is in default" within the meaning of the Act and such other applicable Law of "assessee in default" under applicable Law.

5.4.4. The Promoters, the Existing Shareholders and the Company undertake to endeavour that the other Directors or suitable Persons (for clarity, Persons other than Investor Directors and/or Board Observers) are nominated as the "responsible officer", the "authorised officer", the "compliance officer", the "officer having knowledge", the "officer in charge", "an employer of the employees", "person-in-charge", "occupier of premises" or "officer who is in default" for the purposes of various statutory and regulatory compliances and applicable Laws, including any compliances under labour Laws, environmental Laws and the Act, failing which all the Promoters and the Existing Shareholders, provided they hold the office of Directorship, shall be considered as the "responsible officer", the "authorised officer", the "compliance officer", the "officer having knowledge", the "officer in charge", "an employer of the employees", "person-in-charge", "occupier of premises" or "officer who is in default" for the purposes of various statutory and regulatory compliances and applicable Laws.

#### 5.5 Directors' and Officers' Liability Insurance

The Company shall procure prior to obtaining disbursement from the Fund and till the time Investor holds any securities, suitable Directors' and Officers' Liability Insurance from a reputable insurance company for an amount up to Rs. 2,00,00,000 (Rupees Two Crores only) and on such terms that are acceptable to the Investor. Further, the nominee for such insurance shall be the Company itself.

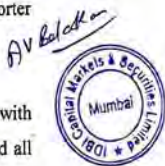
## 5.6 Appointment of Director

The Parties agree to use all their rights, including their rights as and in respect of, Directors and their voting rights in relation to Shares, to effectuate the appointment and election of each of the Investor Director as contemplated in this Agreement.

## 5.7 Board Meetings

5.7.1 The Parties agree that:

- (a) at least 4 (four) meetings of the Board will take place each calendar year and Board Meetings shall be held at such intervals as may be required under the Act;
- (b) additional Board Meetings will be convened at the written request of any Director / Investor;
- (c) meetings of the Board will be held in Nagpur or such other place as may be mutually agreed to by the Board and shall provide the facility for any of the directors to join by way of teleconference or video conference, subject to provisions of applicable Laws;
- (d) the Board Meetings may also be conducted by video conference or any similar means of audio-visual communication, subject to provisions of applicable Laws;
- (e) at least 7 (seven) days prior written notice of Board Meetings together with written notes of an agenda must be given to all Directors at their respective addresses and such notice shall be sent by hand delivery or by post or by electronic means unless otherwise mutually agreed by the Parties; However, Board Meeting shall also be conducted with shorter notice in accordance with the provision of Companies Act, 2013;
- (f) the agenda for Board Meetings must be determined in accordance with applicable Law and, shall at all times include a detailed agenda and all supporting documents for the items to be considered at the Board Meeting;
- (g) All decisions or resolutions relating to the matters specified in **Annexure 5** of this agreement shall require the consent of the Investor



- (h) subject to the provisions of this Agreement (including those relating to Affirmative Vote Matters) and applicable Law, the Board shall be entitled to pass circular resolutions in relation to such matters as it deems necessary and in accordance with the applicable Laws.

## 5.8 Quorum

A Quorum for each meeting of the Board shall be in compliance with applicable Laws subject to presence of at least one representative nominated by the Investor being present in person either physically or through any audio visual means, subject to the provisions of applicable laws. Provided that the person nominated by Investor for the purpose of fulfilling the requirement of quorum of Board Meeting shall include Investor Director or Board Observers or special invitee. For the sake of utmost clarity, it is hereby agreed by the Parties that the Investor Director, whenever present, shall be the representative of the Investor for the purpose of this clause. It is further agreed between the parties that when the notice of Board meeting has been duly served on the Investor Director/Board Observer, and in the event that they either express their inability to attend a meeting or in case of no correspondence/reply, the quorum for such meeting shall be valid and complete even without their presence in person. In no case, the requirement of the presence of Investor Director/Board observer in person for the purpose of quorum, impede the proceedings of the meetings and operations of the Company.

## 5.9 Chairperson

The Chairperson of the Company shall at all times be the Managing Director of the Company. The Chairperson shall have a casting vote in the event of equality of votes in a Board meeting. The Chairperson shall be entitled to take the chair at all meetings of the Board or committee thereof and at all general meetings of the Company.

## 5.10 Shareholders' meetings

5.10.1 All meetings of the Shareholders of the Company shall be held in accordance with applicable Laws and the Articles of Association with at least clear 21 (twenty one) days prior notice for such meeting or by shorter notice with the consent of members taken in accordance with applicable Laws.

5.10.2 The Quorum for a general meeting of the Shareholders of the Company shall be determined in accordance with applicable Laws and the Articles of

Association subject to one representative being present in person or proxy from Promoters, the Existing Shareholders and the Investor respectively.

If a Quorum is not present within 30 (thirty) minutes of the time specified for a general meeting, the general meeting will be adjourned to the same day in the next week at the same time and place by written notice to all the Shareholders, and the Chairman or the Company Secretary shall notify all the Shareholders of the adjourned meeting and any details required to join such meeting through electronic means as permitted under applicable Laws. If, at such adjourned meeting, the Quorum is not present then the Shareholders present at such meeting will be deemed to constitute the Quorum for such adjourned meeting provided that at least a representative of the Investor is present, in person or proxy, at the meeting and the Shareholders present shall be entitled to conduct, determine, discuss and vote on the matters provided in the agenda for such meeting including any Affirmative Vote Matters as set out in **Annexure 5** of this agreement. For sake of abundant clarification, it is mentioned that no decision on any Affirmative Vote Matters can be taken without the consent of Investor Director. It is further agreed between the parties that when the notice of a general meeting (whether the agenda for such meeting includes any Affirmative Vote Matters or not) has been duly served on the authorised representative of the Investor, and in the event that he either expresses his inability to attend a meeting or in case of no correspondence/reply, the quorum for such meeting shall be valid and complete even without his presence in person. In no case, the requirement of the presence of the authorized representative of the Investor in person for the purpose of quorum, impede the proceedings of the meetings and operations of the Company.

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**ARTICLE 6  
FURTHER FUNDING OF THE COMPANY**

- 6.1 In case the Company requires further funding, the Company shall endeavour to obtain the same as per the mode of funding approved by the Board subject to Affirmative Vote Matters.
- 6.2 The Company shall firstly endeavour to raise debt funding from lenders in its own name. If such borrowing is required to be secured, the Promoter, the Existing Shareholders and/or the Company will give security of its own assets. For the avoidance of any doubt, the Investor shall not be obliged to provide security, including by way of guarantee or comfort, for such

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borrowing. However, lenders shall not be eligible to participate in the share capital of the Company.

6.3 If the Company fails to obtain debt funding, then the further funding may be raised by issuance of Shares or instruments convertible into Equity Shares. The Company shall give the Investor a Right of First Refusal ("ROFR") in the event that it proposes to raise funds in future by making a preferential allotment of Equity Shares or securities/instruments convertible into equity shares to third parties other than the Investor.

6.4 The Investor shall communicate to the Company within 30 days of receiving an offer of subscription, its decision to further subscribe to the Shares/equity linked instruments of the Company.

6.5 Notwithstanding anything contained in Clause 6.3 of the Agreement, the Investor shall be entitled during such preferential allotment, to offer to a third party other than the Investor, to subscribe up to such number of Equity Shares or securities/instruments convertible into equity shares as required to maintain the Investor's shareholding/holding at the same percentage as prior to the preferential allotment on terms and conditions not less favourable than those on which preferential allotment is proposed to be made.

6.6 The Company, on receipt of a communiqué from Investor in regard to non-subscription to Shares/equity linked instruments, shall complete the issue and allotment of the Subscription Securities to Third Party within 120 (One Hundred and Twenty) Business Days from receipt of such decision at the registered office on such terms and conditions which are not more favourable than those offered to the Investor and at a price not less than that paid by the Investor for the Shares/equity linked instruments.

6.7 In the event that any future equity financing undertaken by the Company is, with the consent of the Investor, at a price less than that paid by Investor for the Subscription Securities under this Agreement, the Investor shall be entitled to subscribe to such number of additional securities at par such that for the Investor, the average acquisition price per security is the same as that of the preferential allotment.

## ARTICLE 7

### ANTI-DILUTION AND OTHER RESTRICTIONS

#### 7.1. Transfer

### 7.1.1 Lock-In

Subject to the applicable Laws, the Investor shall not be bound by any lock in period to, sell, assign, transfer or dispose of or in any way encumber the Subscription Securities of the Company. However, the Investor shall be required to obtain a No Objection Certificate from the Promoters of the Company before initiating the same.

### 7.1.2 Transfer to Affiliates or relatives or within the same Group

Subject to the provisions of Clause 7.1.1 but notwithstanding anything contained in Clause 7.1.3, the Shareholders may, without restriction, sell or transfer their respective Shares in the Company to any Affiliate or relatives provided that, such Shareholder shall cause the Affiliate or relative to retransfer all the said Shares, whenever such Affiliate or relative, to which the Shares have been sold or transferred, ceases to be an Affiliate or relative of the Shareholder. Each Shareholder undertakes that in the event of transfer of its Shares in the Company to its Affiliates or relative, it shall first give a guarantee of its obligations under this Agreement to the other Parties undertaking to be responsible for and underwrite its Affiliate's or relative's obligations hereunder notwithstanding such formal transfer of the Shares. Such Affiliate or relative shall be bound by all terms and conditions of this Agreement.

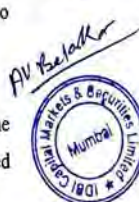
### 7.1.3 Right of First Offer (ROFO)

7.1.3.1 If any of the Shareholders ("Disposing Party") propose to transfer any of their respective shareholding in the Company to a third party in accordance with the provisions of this Agreement, the non-selling shareholders ("Other Parties") shall have a right of first offer in proportion to their Fully Diluted shareholding in the Company ("Right of First Offer") with respect to the Shares proposed to be transferred, to be exercised in the manner set out below.

7.1.3.2 The Disposing Party shall send a written notice (the "Transfer Notice") to the Other Parties, which shall state the number of Shares proposed to be transferred (the "Offered Securities").

7.1.3.3 Within a period of 7 (seven) days from the receipt of a Transfer Notice (the "Offer Period"), the Other Parties shall if desirous of purchasing the Offered Securities, by way of a written notice ("Acceptance Notice"), inform the Disposing Party the price ("Offer Price") at which the Other Parties are willing to purchase not less than all of the Offered Securities to which they are entitled. In the event that any of the Other Parties fail to communicate their decision as regards the Offered Securities within the Offer Period, the Disposing Party shall

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be entitled to sell such Offered Securities thereafter to any third party within a period of 7 (seven) days from the expiry of the Offer Period. It is hereby clarified that in the event any one or more of the Other Parties are unable / unwilling to purchase the Offered Securities, then, the number of Offered Securities offered to such Party shall be offered to the remaining non-selling shareholders in the proportion of their Fully Diluted shareholding in the Company on an As If Converted Basis. If the Disposing Party fails to sell the Offered Securities within the aforesaid period to such third party, the Disposing Party shall not be entitled to sell the Offered Securities thereafter to any third party, without first re-offering the same to the Other Parties in accordance with this Article 7.1.3.1.

7.1.3.4 The Disposing Party shall have a period of 7 (seven) days from the receipt of the Acceptance Notice to evaluate the offer made by the Other Party with respect to the Offered Securities in the said Acceptance Notice ("Evaluation Period").

7.1.3.5 In the event the Offer Price is acceptable to Disposing Party, the Disposing Party shall, within the Evaluation Period, intimate the respective Other Parties of the same under a written notice setting forth the delivery instructions and procedures required to effectuate the transfer of the Offered Securities. The Parties shall consummate the transaction relating to the sale and purchase of the Offered Securities within 7 (seven) days of the said notice.

7.1.3.6 In the event the Disposing Party does not accept the Offer Price, the Disposing Party shall be entitled to sell the Offered Securities to any third party within 7 (seven) days from the date of written communication of refusal, at a price that shall not be lower than the Offer Price and on terms that are no more favourable than the terms offered to the Other Parties.

7.1.3.7 If the Disposing Party fails to sell the Offered Shares within the aforesaid period to such third party or fails to communicate its decision to the Other Parties as regards the Offer Price within the Evaluation Period, the Disposing Party shall not be entitled to sell any such Offered Securities thereafter to any third party, without first re-offering the same to the Other Parties in accordance with this Clause 7.1.3.1.

## 7.2. Tag-Along

7.2.1 Subject to the Right of First Offer, unless any of the Shareholder waive their Tag-Along Right (defined below) in writing, in the event that any of the Shareholder (the 'Proposed Transferor') desire to sell all or any part of their Shares (the 'Offered Tag Shares') to a third party, (the 'Proposed Transferee') resulting in a change in Control of the Company, then the Non-

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selling shareholder shall have the right (the 'Tag-Along Right') to require the Proposed Transferor to cause the Proposed Transferee to purchase all but not less than all their Shares (as determined at their respective end and sole discretion) with the Offered Tag Shares at the time of such proposed sale on the same terms and conditions. In the event the aforesaid transfer does not result in a change in Control of the Company, then the Non-selling shareholder shall have a Tag Along Right of such number of Shares held by such Non-selling shareholder, which is in proportion to the number of Offered Tag Shares being sold by the Proposed Transferor. The Proposed Transferee shall agree to be bound by the terms hereby as applicable to the Proposed Transferor.

7.2.2 The Proposed Transferor shall submit to the Non-selling shareholder and the Company a written offer (the 'Offer'). The Offer shall disclose (i) the identity of the Proposed Transferee, (ii) the number of Offered Tag Shares proposed to be sold, (iii) the total number of Shares owned by the Proposed Transferor, (iv) the terms and conditions of the proposed sale of the Offered Tag Shares to the Proposed Transferee, including the price per Share to be paid, (v) the terms and conditions of payment offered by the Proposed Transferee, and (vi) that the Proposed Transferee has been informed of the Tag-Along Right provided for in Clause 7.2.1 and any other material facts relating to the proposed sale of the Offered Tag Shares to the Proposed Transferee.

7.2.3 The Tag-Along Right shall be exercised by the Non-Selling shareholder by notifying the Proposed Transferor and the Company in writing (the 'Tag-Along Notice') within 7 (seven) days of its receipt of the Offer. The Tag-Along Notice shall state the number of Shares that the Investor holds and will be included ("Tagged Shares") in the transfer to the Proposed Transferee.

7.2.4 Within 7 (seven) days of the receipt of the Tag-Along Notice, the Proposed Transferor shall deliver to the Investor, a notice setting forth the delivery instructions and procedures required to effectuate the transfer.

7.2.5 The Proposed Transferor shall ensure that the Proposed Transferee purchases the Tagged Shares from the Investor on the same terms and conditions and at the same price offered to the Proposed Transferor. If the Proposed Transferee does not agree to purchase the Tagged Shares on the same price and on the same terms and conditions as the Proposed Transferee is desirous of purchasing Shares from the Proposed Transferor, unless otherwise consented to or waived

by the Investor in writing, the Proposed Transferor shall not be permitted to transfer any Shares to the Proposed Transferee in the proposed transfer.

### 7.3. Drag Along Rights

7.3.1 In the event the Company is unable to provide exit to the Investor by way of either an "IPO" or an "Offer for Sale" within 72 months from the date of disbursement, then the Investor shall have the right to sell its equity shares and OCDS if any, along with attendant rights to any third party/strategic investor ("offerer"). On receipt of an offer by the Investor from third party and being offered the same to the Promoters and/or the Existing Shareholders on basis of right of first refusal, if the Promoters and/or the Existing Shareholders do not accept the offer within 30 days of the Investor's offer, then the Investor shall have the option to sell the shares to such third party. In such an event, the Promoters and/or the Existing Shareholders shall have to offer their shares at the agreed price, as required by the offerer, for enabling the Investor to sell his stake. The Company, the Promoters and the Existing Shareholders shall do all such acts/deeds/things/execute all such agreements/forms/documents as may be necessary to facilitate an exit for the Investor.

7.3.2 In order to exercise the right provided under this Clause 7.3.1, the Investor shall send a notice to the Promoters and the Existing Shareholders specifying the terms and conditions of such Drag Along (Drag Along Notice).

7.3.3 Upon issuance of such Drag Along Notice, the same shall be binding on the Promoters and the Existing Shareholders who shall be obligated to (i) transfer their shares free of any Encumbrance to such identified Third Party purchaser at the same price and on the same terms and conditions as contained in the Drag-Along Notice within 30 (Thirty) Business Days from the date of the Drag-Along Notice or such other longer period as may be specified in the Drag-Along Notice; and (ii) otherwise take all necessary action to cause the consummation of such transaction. The Drag Along Notice is revocable at the option of the Investor.

7.3.4 It is hereby understood and agreed that the Promoters and the Existing Shareholders shall provide such representations and warranties to Third Party that are customary of such transactions, including representations and warranties as to their title to the Drag along Shares held by them.

## ARTICLE 8 COVENANTS

Unless otherwise agreed in writing, the Promoters, the Existing Shareholders and the Investor jointly and severally undertake and covenant to comply with the obligations applicable to them as set out hereunder:

8.1 Laws

The Company shall at all times comply with all applicable Laws and Governmental Authorisations in the conduct of its Business and shall take all action as may be necessary or prudent to effect or maintain compliance therewith.

The Company will maintain its corporate existence and all rights and privileges in respect thereof and obtain and comply with the terms of and do all that is necessary to maintain in full force and effect all Governmental Authorisations required to enable the Company to lawfully carry on its Business and required to enable the Company to enter into and perform its obligations under this Agreement and to ensure the legality, validity, enforceability or admissibility in evidence thereof.

8.2 Maintenance of property

The Company shall maintain all its properties in good condition and will make all necessary repairs, additions and improvements thereto.

8.3 Taxes

The Company shall pay (including by way of making good faith estimated payments on a timely basis in accordance with appropriate procedures established for such purpose) and file, before the same shall become delinquent, all Taxes.

8.4 Use of proceeds

- (a) The Company, the Promoters and the Existing Shareholders agree and undertake that the Subscription Amount shall be utilised and applied by the Company only for the purpose of business of the Company. The disbursements (Investments) made by Investor shall be credited to a separate 'No-Lien' Account ("**Designated Bank Account of the Company**") opened with IDBI Bank Limited. The amount so disbursed may be transferred to regular banking accounts (Current, CC, OD etc.) of the Company for the purpose of executing the orders. For the sake of clarity, it is hereby agreed between the parties, that there shall be no restriction as to the usage of the subscription amount for the

purpose of business activities of the Company.

- (b) The Company, the Promoters and the Existing Shareholders further agree and undertake that the Subscription Amount shall not be used to provide an exit (partial or full) to the Promoters and/or the Existing Shareholders or pay off any debts of the Company and/or Promoters and the Existing Shareholders.

## ARTICLE 9

### NON-COMPETITION AND NON-SOLICITATION

9.1 The Promoters and the Existing Shareholders hereby irrevocably agree, undertake and confirm that they, their respective Affiliates, will not engage in any business in India (directly and/ or indirectly whether as a principal, through partnership or a distributor or as a shareholder, employee, joint venture partner, collaborator, employee, consultant or agent or in any other manner whatsoever, whether for profit or otherwise including by way of a technology or trademark licence or joint venture) which is in the "same" field of activities as the Business or other business carried on by the Company during or upto 3 (three) years from ceasing to be a Shareholder / Director of the Company.

9.2 The Promoters and the Existing Shareholders hereby irrevocably agree, undertake and confirm that they will not engage in any business in India (directly and/ or indirectly whether as a principal, through partnership or a distributor or as a shareholder, employee, joint venture partner, collaborator, employee, consultant or agent or in any other manner whatsoever, whether for profit or otherwise including by way of a technology or trademark licence or joint venture) during the term of this Agreement.

9.3 The Promoters and the Existing Shareholders shall not and shall ensure that their Affiliates shall not, at any time, for a period commencing from the date of execution of this Agreement till the conclusion of 5 years from complete disassociation from the Company, either solely or jointly, directly or indirectly, by themselves and/ or through its Affiliates, directly or indirectly through or in conjunction with, or on behalf of any other Person and whether as principal, shareholder, director, employee, agent, consultant, partner, lender or otherwise:

- a) Solicit the employment of any Person (a) who at the time of such solicitation is then employed by the Company or (b) who within a period of 12 (twelve) months prior to such solicitation had been employed by the Company;

- b) canvass, solicit, approach or endeavour to entice away from the Company,



its customers, clients, vendors, who is or which shall have been, a customer or client or vendor of or who has been dealing with, or negotiating with, or has been dealt with by, the Company in the last 3 (three) years;

- c) carry on, participate or be engaged, concerned or interested (whether as a partner, shareholder, principal, agent, director, affiliate, employee, lender, consultant or otherwise) in any activity or business which (i) competes with the business of the Company in whole or part; and/or (ii) competes with any other business which the Company is engaged in at the relevant point of time; or
- d) divert away from the Company any orders, enquiries, business or suppliers of the Company.

#### ARTICLE 10 CONFIDENTIALITY

10.1 The Parties recognize that they will be given and have access to Confidential Information of the other Parties pursuant to this Agreement. The Parties undertake not to use any of such Confidential Information for purposes other than for the purposes of the transaction set out herein without the prior written consent of the Party owning such information and shall use their best efforts to keep confidential and not to disclose to any third party, the other Parties' confidential and proprietary information. The Parties shall also cause their respective directors, employees, officers and any other persons to whom the above mentioned information is disclosed to execute a letter of confidentiality to the effect provided in Article 10.

10.2 The obligations of confidentiality shall not apply to any information that:

- (a) was developed independently by the Party and continued to be held in own name;
- (b) was known to the Party prior to its disclosure by the disclosing Party;
- (c) has become generally available to the public (other than by virtue of its disclosure by the receiving Party);
- (d) may be required in any report, statement to any regulatory authority;
- (e) may be required in response to any summons or subpoena or in connection with any litigation; or



- (f) may be required to comply with any Laws, order, regulation or ruling applicable to any Party hereto.

Provided that prior to any such disclosure in respect of a request to disclose information, a Party must first notify the Party owning such Confidential Information, who shall then have the opportunity to respond to and/or dispute such request.

- 10.3 Neither Party may make or send a public announcement, press release or communication concerning the Company or any aspect of this Agreement including its existence, unless it has first obtained the other Parties' written consent or is required by applicable Laws.

## ARTICLE 11

### REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

11.1 The Investor hereby represents to the Warrantors that:

- (a) they have the power and authority to execute and deliver this Agreement on behalf of the Investor and are not prohibited from entering into this Agreement under any Laws as applicable; and.
- (b) they have been appointed as authorised representative via Investment Management Agreement to sign this Agreement;
- (c) this Agreement has been duly authorized, executed and delivered by authorised representative of the Investor and upon execution and delivery of this Agreement by the Investor, the same will be a legal, valid and binding obligation of the Investor enforceable in accordance with its terms.

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## ARTICLE 12

### EXIT MECHANISM

12.1 **Initial Public Offer (IPO)**

12.1.1 The Promoters, the Existing Shareholders and the Company shall, within 72 months of disbursement of funds, strive to provide to the Investor an exit by way of IPO. The nature of IPO shall be subject to mutual Agreement between the Promoters, the Existing Shareholders and the Investor.

12.1.2 The Promoters, the Existing Shareholders and the Company shall obtain all relevant approvals from the Governmental authorities and such other approvals and comply with all statutory requirements, as necessary, for the

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IPO.

12.1.3 All fees and expenses incurred in relation to IPO shall be borne in full by the Company.

## 12.2 Offer for Sale

12.2.1 If the Promoters, the Existing Shareholders and the Company are unable to render an exit to the Investor under Clause 12.1 of this Agreement within 72 months from date of disbursement of funds, the Promoters, the Existing Shareholders and the Company shall facilitate making an offer for sale of the Investor's shareholding on a recognized stock exchange at such price and terms mutually decided by and between the Investor and the Promoters at that point of time.

12.2.2 The Promoter and the Existing Shareholders shall offer for sale such further number of shares held by them as may be required by law to be offered to the public as a condition for obtaining a listing on a recognized Stock Exchange.

12.2.3 All fees and expenses incurred in relation to offer for sale shall be borne in full by the Company.

12.2.4 The Promoters, the Existing Shareholders and the Company shall obtain all relevant approvals from the Governmental authorities and such other approvals and comply with all statutory requirements, as necessary, for the Offer for sale.

## 12.3 Sale to Strategic Investor

12.3.1 If Promoters, the Existing Shareholders and the Company are unable to render an exit under Clause 12.1 and Clause 12.2 of this Agreement within 72 months from date of disbursement of funds, then the Investor shall reserve the rights to sell its Equity Shares/OCDs, if any, along with the attendant rights to any Third Party or Strategic Investor at such terms and conditions as may be decided by the investor.

12.3.2 The Sale to Strategic Investor shall be governed by Clause 7.3 of this Agreement.

## 12.4 Liquidation

Subject to Clause 12.1 of this Agreement and terms of Affirmative Vote





Matters, in the event of sale of substantial part of the Assets of the Company (including but not limited to strategic sale, merger or consolidation of Company) or non-retention of majority of voting powers in the Company by the Promoters and/or the Existing Shareholders or dissolution or winding up of the Company, the Investor shall be entitled to receive, prior to any distribution to any other shareholder of the Company an amount equal to two times of the Subscription Amount.

#### 12.5 Buy Back by Company and/or Purchase by Promoters and the Existing Shareholders

12.5.1 In case the listing of Equity shares as specified in Clause 12.1 and 12.2 of this Agreement is not materialized, the Investor shall be entitled, at its discretion, to require the Company to buyback and/or the Promoters and the Existing Shareholders to purchase all Equity shares and OCDs, if any, held by the Investor in the Company, at such time as may be decided by the Investor at such price that provides a return at an IRR of 22% to the Investor.

12.5.2 Dividend or interest paid, if any, on Equity Shares and OCDs of the Company shall be taken into account for the purposes of IRR calculation.

12.5.3 The Promoters and the Existing Shareholders of the Company other than the Investor shall not tender their shares in the event of buyback offer from Company until all shares held by the Investor have been bought by the Company.

12.5.4 Notwithstanding anything mentioned in any part of this Agreement or any related documents, the Promoters, the Existing Shareholders, any person nominated by the Promoters and/or the Existing Shareholders and/or the Company reserve the unambiguous and unfettered right to buy back and/or redeem the shares/any financial instruments issued to the Investor at any time from the date of execution of this Agreement, at a pro-rata IRR of 22%. This right of the Promoters and the Existing Shareholders shall come into effect at the same time as this Agreement becomes effective.



12.5.5 For the sake of clarity, a brief illustration on the buyback amount calculated at 22% IRR has been provided in the table as under:

**Tentative Date of Investment: September 01, 2021**

Expected Tentative Exit Timelines	Buyback Amount (Amount in Rs.)
November 30, 2021	315,037,632.88
February 28, 2022	330,869,427.84
May 31, 2022	347,875,665.22
August 31, 2022	365,756,000.00
November 30, 2022	384,345,912.11
February 28, 2023	403,660,701.97
May 31, 2023	424,408,311.56
August 31, 2023	446,222,320.00
November 30, 2023	468,902,012.77
February 29, 2024	492,734,423.46
May 31, 2024	518,060,300.87
August 31, 2024	544,687,893.84
November 30, 2024	572,372,197.24
February 28, 2025	601,135,996.63
May 31, 2025	632,033,567.07
August 31, 2025	664,519,230.49

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**ARTICLE 13**  
**AMENDMENT TO ARTICLES OF ASSOCIATION**

- 13.1 The Memorandum and Articles shall be amended as required in the shareholders' meeting of the Company to be held on the Transaction Date so as to reflect the provisions of this Agreement.
- 13.2 In event of any conflict between this Agreement or Articles or any other document / agreement, the priority/superiority shall be:
- (a) This Agreement
  - (b) Articles
  - (c) Any other agreement / document
- 13.3 If there is any conflict between the provisions of this Agreement and the Memorandum and Articles then on receipt of a written request from any Party, the other Parties shall take all such necessary steps to amend any inconsistency in the Memorandum and Articles in order that they are in line with the legal and commercial understanding set forth in this Agreement.

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**ARTICLE 14**  
**INDEMNIFICATION**

- 14.1 Without prejudice to any other rights available to the Investor under applicable Law or contract or in equity, the Promoters, the Existing Shareholders and Company ("**Indemnifying Party**") shall be jointly and severally liable to indemnify, defend and hold harmless the Investor, the Investor Director, the Board Observer, experts nominated by the Investor/Investor Director their Affiliates, employees or any concerned related person and if so desired by the Investor, the Indemnifying Parties shall jointly and severally indemnify the Investor (collectively referred to as "**Indemnified Parties**"), from and against any and all losses suffered or incurred by, imposed upon or asserted against any of the Indemnified Parties that arise, directly or indirectly, from or as a direct or indirect result of, or are directly or indirectly in relation to:

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- (i) any inaccuracy in or any breach of any Representations and Warranties (including representations contained in **Annexure 2** of this Agreement) or Representations contained in any letter or certificate issued by any of the Warrantors;
- (ii) any fraud, intentional misrepresentation, gross negligence, or wilful misconduct by any of the Warrantors in connection with this Agreement,

or the transactions contemplated hereby and thereby;

- (iii) any claims, liabilities or obligations of any kind or nature relating to the Company or relating to or in connection with the Business, operations or affairs of the Company or any of the assets, properties, interests in assets or rights of the Company which were existing at or as of the Execution Date or arising in whole or in part out of any acts, transactions, conditions, circumstances or facts which occurred or existed on or prior to the Execution Date provided, however, this shall not include any indebtedness, claims, demands, obligations and/or other liabilities of whatsoever nature, whether actual or contingent, in respect of which provisions have been made in the accounts of the Company by the Warrantors;
- (iv) any breach of any of the covenants, undertakings, obligations of the Warrantors contained in this Agreement;
- (v) any claim or notice of demand from the Governmental Authorities arising in whole or in part out of any acts, transactions, conditions, circumstances or facts which occurred or existed on or prior to the Execution Date provided, however, this shall not include any indebtedness, claims, demands, obligations and/or other liabilities of whatsoever nature, whether actual or contingent, in respect of which provisions have been made in the accounts of the Company by the Warrantors;
- (vi) any notice of demand by or on behalf of the Tax authorities calling upon the Company to pay any Taxes pertaining to the period prior to the Execution Date.

- 14.2 In the event any claim is raised by an Indemnified Party on an Indemnifying Party, all payments pursuant to such claim shall be made by the Indemnifying Party within 7 (seven) days from the date of such claims being proved beyond reasonable doubt by the Indemnified party.

#### ARTICLE 15 AUDITED ACCOUNTS

- 15.1 The audited accounts for 12 months prior to 48 months from date of disbursement and for 12 months prior to 60 months from the date of disbursement would be prepared within 2 months of the 48<sup>th</sup> month from the date of disbursement and within 2 months of the 60<sup>th</sup> month from the date of

disbursement. The conversion price shall be decided on the basis of such audited financial accounts.

- 15.2 The financial accounts for computation purpose would exclude:
- (a) Outstanding debtors as on 48<sup>th</sup> month from the date of disbursement of funds and as on 60<sup>th</sup> month from the date of disbursement of funds respectively those were due but not realized within 90 days thereafter and taxes re-computed accordingly to arrive at the conversion PAT,
  - (b) Extraordinary income
  - (c) Deferred revenue expenditure capitalized
  - (d) Dividend distribution taxes
- 15.3 The accounts shall be finalised with the approval of the Investor. The Company shall submit to the Investor the audited financial accounts along with the conversion PAT computed and certified by the statutory auditors to the Investor.
- 15.4 The Investor shall be entitled to appoint independent auditor for calculation of conversion PAT, at their discretion. The fees for the same shall be borne by the Company. The Company shall provide to the independent auditor access to all its records, information and any other assistance/co-operation required by the independent auditor.

#### ARTICLE 16 RETURN ON INVESTMENT

- 16.1 The Return on Investment shall be as per Terms of issue of Optionally Convertible Debentures as specified in **Annexure 6** of this agreement.

#### ARTICLE 17 MISCELLANEOUS PROVISIONS

- 17.1 The Company shall prepare and provide to the Investor the audited financial statements within 90 days of end of a Financial Year. The Company shall along with the audited Financial Statements provide to the Investor other reports as may be requested by the Investor including but not limited to the management letter from the auditors. Company shall prepare and provide to the Investor quarterly the un-audited financial statements in a form acceptable to the Investors, within 30 days of end of relevant period. The report herein shall include, but not be limited to operating statements, income statement, balance sheet, cash flow, management discussion and analysis of the operating

management and financial health as well as accompanying notes.

- 17.2 The Company shall provide to the Investor, at an annual basis, an operating plan for the next Financial Year before one month of the commencement of the Financial Year or the time limit as stipulated by the Investor.
- 17.3 The Investor shall not be required to pledge its shares or to provide any support to any third party, including but not limited to lenders of the Company.
- 17.4 The Company shall promptly provide upon request by the Investor and within the time as defined by the Investor, access to all its records, report and/or any other information including but not limited to access to auditors, lawyers, merchant bankers, consultants about the Company or its subsidiaries or associate concerns or any investments made by the Company and also, make available copies thereof as required by the Investor. Any existing agreements including but not limited to confidentiality, non-disclosure agreements to be altered suitably as and when required. Company is entitled to deny access to information that is either the intellectual property of the company or may compromise security and violate agreements with Security agencies/Defence Public Sector Units/ Ordnance Factory Board/MOD/ Customers of friendly foreign countries.
- 17.5 The Company shall prepare and provide to the Investor, management information statement or any other management reports on a monthly basis or as per periodicity as defined by the Investor in a form acceptable to the Investor within 15 days of the end of the relevant period.
- 17.6 The Company shall, submit to the Investor, at the earliest all reports filed by the Company with any Governmental Authority including but not limited to tax filings. These reports are not technical/operational/tactical reports but only financial documents and will not include any data that will compromise the security.
- 17.7 The Company shall prepare and provide to the Investor, the final minutes of the meeting of the members of the Company, the Board and any committees formed by it thereof within 15 days of conclusion of respective meetings.
- 17.8 The Company shall cause its internal auditor to provide directly to the Investor its report. Till the time the Investor is invested in the Company by holding any number of shares / securities, the Company shall appoint an internal auditor, subject to the prior approval of the Investor, who shall be provided with full

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co-operation, assistance and access to the Company and if required for its associate / firms records, if any. This internal auditor shall not be removed without the prior approval of the Investor. The periodicity of the internal audit shall be as defined by the Investor. All fees and expenses payable to the shall be borne in full by the Company. The scope of the internal audit shall be determined by the Investor. Any alteration in the scope of internal audit shall be subject to the prior approval of the Investor. The Investor shall have direct access / contact to the internal auditor. The Company shall provide the internal audit report within a period of 30 days from the end of the relevant period. Any existing agreements including but not limited to confidentiality, non-disclosure agreements to be altered suitably as and when required.

17.9 The Company shall provide to the Investor the statutory auditor's report including those of its subsidiaries, associate concerns, any investment made by the Company. Till the time the Investor is invested in the Company by holding any number of shares / securities, the Company shall appoint a well-known and reputed Nagpur based firm of chartered accountants with prior approval of the Investor as its statutory auditors. The statutory auditor shall be provided with full co-operation, assistance and access to the Company and if required for its associate / firms records, if any. The periodicity of the statutory audit shall be as defined by the Investor. All fees and expenses payable to the statutory auditor shall be borne in full by the Company. The Investor shall have direct contact / access to the statutory auditor. The Company shall, within 90 days from the end of the Financial Year, provide to the Investor, a copy of the audited financial statements from the auditor. Any existing agreements including but not limited to confidentiality, non-disclosure agreements to be altered suitably as and when required.

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17.10 The Company shall provide to the Investor, such reports as may be required of the Company and its subsidiaries, associate concerns, and holding company, by the Investor and / or other stakeholders under any Law for the time being in force and / or agreement. The Company shall provide to the Investor, the report within a period of 10 days from the date of report being issued to the security holder / stakeholder.



17.11 The Company shall provide to the Investor, annually or at such periodicity as defined by the Investor, a compliance certificate in a form which is acceptable to the Investor certifying the fact that the Company, including but not limited to its subsidiaries, associate concerns that it is in compliance with all the applicable Laws and regulations. The Company shall provide the compliance certificate within a period of 30 days from the end of the relevant period.

- 17.12 The Company including but not limited to its subsidiaries, associate concerns, holding company shall provide to the Investor annually, its credit ratings report (if obtained by the Company). The credit rating report shall be provided to the Investor within 10 days from the date of publish/receipt of the report.
- 17.13 The Company shall provide an undertaking that in the event of procurement of additional funds including not limited to by way of initial public offer, equity funding, and private placement or through any other modes of such like, Investor shall be entitled to offer themselves to be appointed as arrangers / merchant bankers. The decision regarding the appointment of the arranges/merchant bankers shall be taken by the Board on the basis of the better valuation, competitive rates and other ancillary factors, which shall be the most beneficial to the Company.

**ARTICLE 18**  
**GENERAL PROVISIONS**

**18.1 Notices**

18.1.1 A Party giving notice or notifying under this Agreement must do so in writing:

- (a) directed to the recipient's address specified in this part of the Agreement, as varied by any notice;
- (b) hand delivered or sent by prepaid post to that address;
- (c) by electronic message (E-mail)
- (d) The Parties' addresses and numbers are:

Promoter No. 1

Address: Tulip", Flat No. 601, 6<sup>th</sup> Floor,  
Plot No. 187, Cement Road,  
Shivaji Nagar, Nagpur, Maharashtra – 440010  
Mobile: +91-8009903232  
Attention: Air Marshal Shirish Baban Deo  
(Retd.)  
Email: [shirish.deo@jsrdynamics.com](mailto:shirish.deo@jsrdynamics.com)





Promoter No. 2 Address: Tulip", Flat No. 601, 6<sup>th</sup> Floor,  
Plot No. 187, Cement Road,  
Shivaji Nagar, Nagpur, Maharashtra – 440010  
Mobile: +91-8527856669  
Attention: Mrs. Anjna Deo  
Email: [anjudeo1961@gmail.com](mailto:anjudeo1961@gmail.com)

Existing Shareholder No. 1 Address: 2, Vallabh Housing Society, G  
M Chitnavis Marg, Civil Lines,  
Nagpur, Maharashtra – 440001  
Mobile: +91-9822225050  
Attention: Mr. Prafulla Kale  
Email: [kumar@jaika.com](mailto:kumar@jaika.com)

Existing Shareholder No. 2 Address: Off. Henessy Road, Plot No. 3  
Vallabh Hsg. Society, Civil Lines,  
Nagpur, Maharashtra – 440001  
Mobile: +91-9822224040  
Attention: Mr. Gautam Kale  
Email: [gautam@jaika.com](mailto:gautam@jaika.com)

Existing Shareholder No. 3 Address: House No. - 5, Doongaji Colony,  
Behind Annupam Garden, G.E. Road,  
Raipur, Chattisgarh – 492001  
Mobile: +91-9822222100  
Attention: Mr. Rohit Kale  
Email: [rohit@jaika.com](mailto:rohit@jaika.com)

Existing Shareholder No. 4 Address: Off. Henessy Road, Plot No. 2,  
Vallabh Hsg. Society, Civil Lines,  
Nagpur, Maharashtra – 440001.  
Mobile: +91- 9822229373  
Attention: Mr. Kartik Kale  
Email: [kartikkale777@gmail.com](mailto:kartikkale777@gmail.com)

Existing Shareholder No. 5 Address: D-18, U.I.T Colony, Pratap Nagar  
Jodhpur, Rajasthan – 342001.  
Mobile: +91- 9414130199  
Attention: Mr. Mahesh Panwar  
Email: [mahesh.panwar@jsrdynamics.com](mailto:mahesh.panwar@jsrdynamics.com)

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*Handwritten signature: Anjna Deo*

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*Handwritten signature: Av Bala...*



Investor

Address: 6th Floor, IDBI Tower,  
WTC Complex, Cuffe Parade, Colaba  
Mumbai-400005, Maharashtra, India  
Mobile: 9619952086  
Attention: Mr. Amey Belorkar  
Email: amey.belorkar@idbicapital.com

Company

Address: H. No. 293, Sita Ram Smruti Bajaj  
Road,  
Nagpur, Maharashtra – 440010  
  
Mobile: +91-8009903232  
Attention: Air Marshal Shirish Baban Deo  
(Retd.) for JSR Dynamics Private Limited  
Email: shirish.deo@jsrdynamics.com

18.1.2 A notice given in accordance with Article 18.1.1 is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid registered post, ten days after the date of posting;
- (c) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the total number of pages of the notice and the sender has also sent such notice by prepaid post unless, within eight Business Hours after that transmission, the recipient informs the sender that it has not received the entire notice;
- (d) If sent by e-mail, when the read receipt is delivered to the sender of the e-mail or when the recipient informs the sender that it has received the entire notice.

## 18.2 Amendment

No modification or amendment to this Agreement and no waiver of any of the terms or conditions hereof shall be valid or binding unless made in writing and duly executed by all the Parties.

## 18.3 Relationship

None of the provisions of this Agreement shall be deemed to constitute a

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partnership between the Parties hereto and no Party shall have any authority to bind or shall be deemed to be the agent of the other in any way except as set out herein.

#### 18.4 Assignment

Subject to the provisions of this Agreement, the parties shall not be entitled to assign or otherwise deal with this Agreement or any right under this Agreement without the prior written consent of the other parties.

#### 18.5 Construction of Documents

Each Party represents, warrants and acknowledges that it has read and understood the terms and conditions of this Agreement and has sought necessary advice in relation to this Agreement and that the Agreement or any other documentation will not be construed in favour of or against either Party due to that Party's drafting of such documents.

#### 18.6 Governing Law

This Agreement shall be interpreted and governed in all respects by the Laws of India.

#### 18.7 Arbitration

18.7.1 In the event any dispute or difference arises in connection with the interpretation or implementation of this Agreement, the Parties shall attempt in the first instance to resolve such dispute through friendly consultations between the Promoters/Company and Investor (or person nominated by them representing the Promoters/Company and the Investor). If the dispute or difference is not resolved through friendly consultations within 30 days from the date of commencement of discussions or such longer period as the Parties agree in writing, then such Dispute shall be finally settled by way of arbitration conducted by panel of Arbitrators comprising of three arbitrators of whom there shall be one nominee arbitrator each of Promoters/Shareholders/Company and Investor and third arbitrator shall be jointly selected by the two nominee arbitrators and the third Arbitrator shall act as the Chairman of the Arbitral Tribunal.

18.7.2 The arbitration shall be conducted under the provisions of the Arbitration and Conciliation Act, 1996. All proceedings in any such arbitration shall be conducted in English.

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18.7.3 The venue of the arbitration proceedings shall be Mumbai, Maharashtra, India.

18.7.4 The arbitration award shall be final and binding on the Parties, and the Parties agree to be bound thereby and to act accordingly.

#### 18.8 Jurisdiction

Subject to Article 18.7 each Party submits to the exclusive jurisdiction of the Courts of Mumbai, Maharashtra, India.

#### 18.9 Costs and Expenses

Each Party shall bear its respective cost, charges and fees (including legal fees) incurred in the course of (i) preparation and finalization of this Agreement and all agreements contemplated hereby and (ii) performance of the obligations arising pursuant to such agreements.

Provided that all stamp duties payable in respect of this Agreement and the actionable arising therefrom shall be borne in full by the Company.

#### 18.10 Severance of terms

18.10.1 If any of the provisions of this Agreement may be constructed in more than one way, one of which would render the provision illegal or otherwise voidable or unenforceable, such provision shall have the meaning that renders it valid and enforceable. The language of each provision of this Agreement shall be construed according to its fair meaning and not strictly against any party.

18.10.2 In the event any Court or other Governmental Authority shall determine any provisions in this Agreement is not enforceable as written, the Parties agree that the provision shall be amended so that it is enforceable to the fullest extent permissible under the Laws and public policies of the jurisdiction in which enforcement is sought, and affords the Parties the same basic rights and obligations and has the same economic effect as prior to amendment.

18.10.3 In the event that any of the provisions of this Agreement shall be found to be void, but would be valid if some part thereof was deleted or the scope, period or area of application were reduced, then such provision shall apply with the deletion of such words or such reduction of scope, period or area of application as may be required to make such provisions valid and effective; provided however, that on the revocation, removal or diminution of the Law or

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provisions, as the case may be, by virtue of which such provisions contained in this Agreement were limited as provided hereinabove, the original provisions would stand renewed and be effective to their original extent, as if they had not been limited by the Law or provisions revoked. Notwithstanding the limitation of this provision by any Law for the time being in force, the Parties undertake to, at all times observe and are bound by the spirit of this Agreement.

#### 18.11 Entire Agreement

This Agreement along with all Annexures constitutes the entire understanding amongst the Parties as to the subject matter hereof. Any prior arrangements, agreements, representations or undertakings between the Parties regarding the subject matter of this agreement are hereby superseded.

#### 18.12 Waiver

No failure or delay on the part of any of the Parties to this Agreement relating to the exercise of any right, power, privilege or remedy provided under this Agreement shall operate as a waiver of such right power privilege or remedy or as a waiver of any preceding or succeeding breach by the other party to this Agreement nor shall any single or partial exercise of any right power privilege or remedy preclude any other or further exercise of such or any other right, power, privilege or remedy provided in this Agreement all of which are several and cumulative and are not exclusive of each other or of any other rights or remedies otherwise available to a party at Law or in equity.

#### 18.13 Counterparts

This Agreement may be signed by facsimile or in any number of counterparts, each of which is an original and all of which, taken together, constitutes one and the same instrument.

IN WITNESS WHEREOF the Parties hereto have set and subscribed their respective hands on the day and the year first hereinbefore written.



For IDBI Capital Markets & Securities Limited

For JSR Dynamics Private Limited

(Investment Manager of Maharashtra Defence and Aerospace Venture Fund)

*AV Beladkar*  


Authorised Signatory

*SA* *Shirish Baban Deo*

Managing Director



*Shirish Baban Deo*

Air Marshal Shirish Baban Deo (Retd.)

*Anjna Deo*

Anjna Deo

In Presence of

In Presence of

*H.D. Thaware*  
Witness H.D. Thaware.

*H.K. Karyekar*  
Witness H. K. Karyekar

IN WITNESS WHEREOF the Parties hereto have set and subscribed their respective hands on the day and the year first hereinabove written

This document forms the part of an Annexure to

**SUBSCRIPTION CUM SHAREHOLDERS AGREEMENT**

**AMONGST**

**PROMOTERS**

**AND**

**EXISTING SHAREHOLDERS**

**AND**

**IDBI CAPITAL**

**AND**

**JSR DYNAMICS PRIVATE LIMITED**

This is to certify that I, Mr. Prafulla Kale, a shareholder of the Company – JSR Dynamics Private Limited holding 81,000 Equity Shares agree to all the terms and conditions as mentioned in the abovementioned Subscription Cum Shareholders Agreement (SSHA)

The said SSHA has been executed by the Promoters of JSR Dynamics Private Limited namely Air Marshal Shirish Baban Deo (Retd.) and Mrs. Anjna Deo on 20<sup>th</sup> August, 2021.

I hereby state that I have affixed my signature to convey my acceptance of all the terms and conditions of the abovementioned SSHA as a Party to the SSHA.

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Signature:

Date: 20/08/2021

Place of Signing/Execution: Nagpur

Name of the Shareholder: Mr. Prafulla Kale

Witness 1

Signature: 

Name: Ajay Meshram

Date: 20/08/2021

Place of Signing/Execution: Nagpur

Witness 2

Signature: 

Name: SHALINI ANIL DEOGADE

Date: 20/08/2021

Place of Signing/Execution: Nagpur.

IN WITNESS WHEREOF the Parties hereto have set and subscribed their respective hands on the day and the year first hereinabove written

This document forms the part of an Annexure to

**SUBSCRIPTION CUM SHAREHOLDERS AGREEMENT**

**AMONGST**

**PROMOTERS**

**AND**

**EXISTING SHAREHOLDERS**

**AND**

**IDBI CAPITAL**

**AND**

**JSR DYNAMICS PRIVATE LIMITED**

This is to certify that I, Mr. Gautam Kale, a shareholder of the Company – JSR Dynamics Private Limited holding 81,000 Equity Shares agree to all the terms and conditions as mentioned in the abovementioned Subscription Cum Shareholders Agreement (SSHA)

The said SSHA has been executed by the Promoters of JSR Dynamics Private Limited namely Air Marshal Shirish Baban Deo (Retd.) and Mrs. Anjna Deo on 20<sup>th</sup> August, 2021.

I hereby state that I have affixed my signature to convey my acceptance of all the terms and conditions of the abovementioned SSHA as a Party to the SSHA.

Signature:



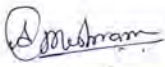
Date: 20/08/2021

Place of Signing/Execution: Nagpur

Name of the Shareholder: Mr. Gautam Kale

Witness 1

Signature:



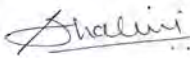
Name: Ajay Meshram

Date: 20/08/2021

Place of Signing/Execution: Nagpur

Witness 2

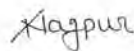
Signature:



Name: SHALINI ANIL DEOGADE

Date: 20/08/2021

Place of Signing/Execution: Nagpur





IN WITNESS WHEREOF the Parties hereto have set and subscribed their respective hands on  
the day and the year first hereinabove written

This document forms the part of an Annexure to

**SUBSCRIPTION CUM SHAREHOLDERS AGREEMENT**

**AMONGST**

**PROMOTERS**

**AND**

**EXISTING SHAREHOLDERS**

**AND**

**IDBI CAPITAL**

**AND**

**JSR DYNAMICS PRIVATE LIMITED**

This is to certify that I, Mr. Rohit Kale, a shareholder of the Company – JSR Dynamics Private Limited holding 81,000 Equity Shares agree to all the terms and conditions as mentioned in the abovementioned Subscription Cum Shareholders Agreement (SSHA)

The said SSHA has been executed by the Promoters of JSR Dynamics Private Limited namely Air Marshal Shirish Baban Deo (Retd.) and Mrs. Anjna Deo on 20<sup>th</sup> August, 2021.

I hereby state that I have affixed my signature to convey my acceptance of all the terms and conditions of the abovementioned SSHA as a Party to the SSHA.


  
Signature:

Date: 20-08-2021

Place of Signing/Execution: Raipur

Name of the Shareholder: Mr. Rohit Kale

Witness 1


Signature: 

Name: Vinay Verma

Date: 20-08-2021

Place of Signing/Execution: Raipur

Witness 2

Signature: 

Name: Pankaj Kamavisdar

Date: 20-08-2021

Place of Signing/Execution: Raipur

IN WITNESS WHEREOF the Parties hereto have set and subscribed their respective hands on  
the day and the year first hereinabove written

This document forms the part of an Annexure to

**SUBSCRIPTION CUM SHAREHOLDERS AGREEMENT**

**AMONGST**

**PROMOTERS**

**AND**

**EXISTING SHAREHOLDERS**

**AND**

**IDBI CAPITAL**

**AND**

**JSR DYNAMICS PRIVATE LIMITED**

This is to certify that I, Mr. Kartik Kale, a shareholder of the Company - JSR Dynamics Private Limited holding 81,000 Equity Shares agree to all the terms and conditions as mentioned in the abovementioned Subscription Cum Shareholders Agreement (SSHA)

The said SSHA has been executed by the Promoters of JSR Dynamics Private Limited namely Air Marshal Shirish Baban Deo (Retd.) and Mrs. Anjna Deo on 20<sup>th</sup> August, 2021.

I hereby state that I have affixed my signature to convey my acceptance of all the terms and conditions of the abovementioned SSHA as a Party to the SSHA.

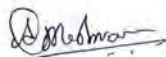
Signature: 

Date: 20/08/2021

Place of Signing/Execution: Nagpur

Name of the Shareholder: Mr. Kartik Kale

Witness 1


Signature: 

Name: Ajay Deshmukh

Date: 20/08/2021

Place of Signing/Execution: Nagpur

Witness 2

Signature: 

Name: SHALINI ANIL DEOGADE

Date: 20/08/2021

Place of Signing/Execution: Nagpur

IN WITNESS WHEREOF the Parties hereto have set and subscribed their respective hands on the day and the year first hereinabove written

This document forms the part of an Annexure to

**SUBSCRIPTION CUM SHAREHOLDERS AGREEMENT**

**AMONGST**

**PROMOTERS**

**AND**

**EXISTING SHAREHOLDERS**

**AND**

**IDBI CAPITAL**

**AND**

**JSR DYNAMICS PRIVATE LIMITED**

This is to certify that I, Mr. Mahesh Panwar, a shareholder of the Company - JSR Dynamics Private Limited holding 1,00,000 Equity Shares agree to all the terms and conditions as mentioned in the abovementioned Subscription Cum Shareholders Agreement (SSHA)

The said SSHA has been executed by the Promoters of JSR Dynamics Private Limited namely Air Marshal Shirish Baban Deo (Retd.) and Mrs. Anjna Deo on 20<sup>th</sup> August, 2021.

I hereby state that I have affixed my signature to convey my acceptance of all the terms and conditions of the abovementioned SSHA as a Party to the SSHA.

Signature:



Date: 20/8/2021

Place of Signing/Execution: Jodhpur

Name of the Shareholder: Mahesh Panwar

Witness 1

Signature:



Name: VINAY KATI

Date: 20/8/2021

Place of Signing/Execution: JODHPUR

Witness 2

Signature:



Name: KAN SINGH

Date: 20/08/2021

Place of Signing/Execution: JODHPUR

## ANNEXURE 1

## PART A

SHAREHOLDING PATTERN OF THE COMPANY AS ON DATE OF  
EXECUTION OF THE AGREEMENT

Particulars	No. of Shares	Share Capital (INR)
Authorised Equity Share Capital	20,00,000	2,00,00,000
Issued, Subscribed and Paid-up Equity share capital	10,00,000	1,00,00,000

Break up of Issued, Subscribed and Paid up Equity Share capital

Shareholder	No. of Equity Shares	Equity Share Capital (INR)	Percentage of Equity Shareholding
Air Marshal Shirish Baban Deo (Retd.)	5,73,400	57,34,000	57.34%
Mrs. Anjna Deo	2,600	26,000	0.26%
Mr. Prafulla Kale	81,000	8,10,000	8.1%
Mr. Gautam Kale	81,000	8,10,000	8.1%
Mr. Rohit Kale	81,000	8,10,000	8.1%
Mr. Kartik Kale	81,000	8,10,000	8.1%
Mr. Mahesh Panwar	1,00,000	10,00,000	10.00%
<b>TOTAL</b>	<b>10,00,000</b>	<b>1,00,00,000</b>	<b>100.00%</b>

## PART B

## SUBSCRIPTION SECURITIES / AMOUNT

Subscription Shares	No. of Equity Shares	No. of Optionally Convertible Debentures (OCDs)	Equity Share Capital – Nominal Value (INR)	Optionally Convertible Debentures Nominal Value (INR)	Subscription Amount (INR)
Maharashtra Defence and Aerospace Venture Fund	10,000	29,97,000	1,00,000	29,97,00,000	29,98,00,000
<b>Total</b>	<b>10,000</b>	<b>29,97,000</b>	<b>1,00,000</b>	<b>29,97,00,000</b>	<b>29,98,00,000</b>

PART C

SHAREHOLDING PATTERN OF THE COMPANY POST  
TRANSACTION DATE

Particulars	No. of Securities	Capital (INR)
Authorised Equity Share Capital	20,00,000	2,00,00,000
Issued, Subscribed and Paid up share capital	10,10,000	1,01,00,000

Break up of Issued, Subscribed and Paid up share capital

Shareholder	No. of Equity Shares with Face Value of Rs. 10	% of Equity Shareholding
Air Marshal Shirish Baban Deo (Retd.)	5,73,400	56.77%
Mrs. Anjna Deo	2,600	0.26%
Mr. Prafulla Kale	81,000	8.02%
Mr. Gautam Kale	81,000	8.02%
Mr. Rohit Kale	81,000	8.02%
Mr. Kartik Kale	81,000	8.02%
Mr. Mahesh Panwar	1,00,000	9.90%
Maharashtra Defence and Aerospace Venture Fund	10,000	0.99%
<b>TOTAL</b>	<b>10,10,000</b>	<b>100.00%</b>



## ANNEXURE 2

### REPRESENTATIONS AND WARRANTIES

#### A. Warranties of the Company, Promoters and Existing Shareholders to the Investor

The Warrantors (Promoters, Existing Shareholders and Company) hereby, jointly and severally, represent and warrant to the Investor as follows:

##### 1. Corporate Matters

1.1. The Company is a limited liability company duly formed, validly existing and in good standing under the laws of India. The Company has the requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted and proposed to be conducted.

1.2. There are no outstanding options, warrants, rights (including conversion or pre-emption rights) or agreements for the subscription or purchase from the Company of any Shares in the share capital of the Company or any securities convertible into or ultimately exchangeable or exercisable for any Shares of the Company and no Shares currently and /or when issued would be subject to any pre-emptive rights, rights of first refusal or other rights pursuant to any existing agreement or commitment of the Company other than as per the terms of this Agreement.

1.3. The statutory registers and books including the minute books and register of members of the Company have been properly and accurately maintained and written up to date in all material respects and contain full and accurate records of all resolutions passed by the Board and the Shareholders of the Company and all issuances and transfers of Shares or other securities of the Company. All such documents are in the possession or under the control of the Company.

1.4. The ledger/register of Shareholders of the Company contains a complete and accurate record of the members of the Company as required under the Act and the Company has not received any notice of any application nor intended application for rectification and current shareholders are the legal and beneficial owners of the Shares listed against their names.

1.5. The Business has been carried on in the ordinary and usual course both as regards the nature scope of the business.

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- 1.6. The statutory auditors have been appointed / reappointed in accordance with the provisions of the Act.
- 1.7. As of the Execution Date, the authorized, issued and paid-up share capital of the Company is as mentioned in Annexure 1.
- 1.8. The company shall amend the Memorandum and Articles of Association to give effect to the terms and provisions contained in this Agreement.

2. Authority and Capacity of the Company, the Promoters and Existing Shareholders

2.1. Each of the Promoters, Existing Shareholders and the Company have all requisite power and authority to enter into this Agreement. All necessary actions and consents on the part of each of the Promoters, Existing Shareholders and the Company have been taken to authorize the execution and delivery of the Agreement, the performance of its obligations under such Agreement and the consummation of the transactions contemplated hereby. The Agreement has been duly and validly executed and delivered by each of the Promoters, Existing Shareholders and the Company, and constitutes valid and binding agreement of such party, enforceable in accordance with the terms set out herein.

2.2. Neither the execution and delivery of this Agreement nor the consummation of the transactions nor the compliance by any Promoters and/or Existing Shareholders /or the Company with any of the provisions of this Agreement will:

2.2.1. Violate or conflict with any provision of its Memorandum and Articles, or any law, judgment, order, writ, decree or injunction applicable to it; or

2.2.2. Have a Material Adverse Change in title or interest of the Company in any of its assets; or

2.2.3. Violate, or conflict with, or result in a breach of any provision of, or constitute a default under any agreement to which any of the Warrantors is a party or by which they are bound or give any third party a right to terminate or modify, or result in the creation of any lien under, any agreement, license or other instrument; or

2.2.4. Have any Material Adverse Change on the Company in any manner whatsoever.

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2.3. Neither the Promoters nor the Existing Shareholders or the Company has entered into or arrived at any agreement and/or arrangement, written or oral, with any Person in respect of this Agreement, or the transactions contemplated hereby, which will make the subscription by the Investor violative of such agreements.

2.4. Subject to the Conditions Precedent, the Promoters, the Existing Shareholders and the Company have obtained all necessary Governmental, Regulatory Authorisations required in connection with the execution, delivery and performance by the Promoters, the Existing Shareholders and the Company of this Agreement. This Agreement will, upon execution and delivery, constitute the valid and binding obligation of the Promoters, the Existing Shareholders and the Company in accordance with its terms.

2.5. The investment by the Investor in the manner set out in this Agreement shall render the Investor the sole legal and beneficial owner of such Shares. The Investor shall have clear and marketable title to the shares and shall have good right, full power and absolute authority to sell, transfer their shares as per the terms of this Agreement, free from any third party claim or demand of any nature.

### 3. Legal Matters

3.1. The Promoters, the Existing Shareholders and the Company have been and are in compliance with all Laws, Government Authorisations, orders, writs, injunctions and decrees applicable to or otherwise concerning such Person and with its Memorandum and Articles.

3.2. There are no legal or arbitral proceedings or investigations, or any proceedings by or before any court, tribunal, arbitrator, Governmental Authority or any Person, pending or threatened against any Promoters or the Existing Shareholders or the Company or the transactions or any document executed in connection therewith of which the Promoters or the Existing Shareholders or the Company has notice.

3.3. To the best of its knowledge, all contracts and all leases, tenancies, licenses and agreements of any nature to which the Company is a party are valid, binding and enforceable obligations of the respective parties thereto and the terms thereof have been complied with and none of the provisions thereof have been breached by the Company and the counter parties thereto and there have occurred no grounds for rescission, avoidance or repudiation of any of the contracts or such leases, tenancies, licenses or agreements nor were there any

*Handwritten signatures and initials in blue ink, including "S. S. S.", "Anjan S.", and "S. S. S.".*





circumstances likely to give rise to any such default and no notice of termination or of intention to terminate has been received in respect of any thereof.

4. Accounts and Records

4.1. The balance sheets disclose true and fair value of the assets and liabilities and any increase in liability or decrease in the value of assets at the date of the balance sheet shall be borne by the Promoters and/or the Existing Shareholders entirely so as to ensure that the equity valuation of the Company is not diminished.

4.2. The books of accounts of the Company have been properly maintained, and the balance sheet has been prepared, in each case, in accordance with applicable law and in accordance with Generally Accepted Accounting Principles ("Indian GAAP") and consistently applied accounting principles of the Company provided such principles do not conflict with Indian GAAP, so as to give a true and fair view of the Business (including the assets, liabilities and state of affairs) of the Company other than as disclosed in the last audited annual report.

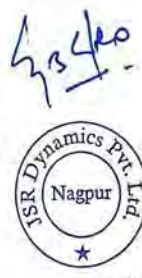
4.3. Any consent which is required to be procured pursuant to the terms of the financing documents from the respective lenders for the purposes of this Agreement has been procured and the copies thereof has been provided to the Investor.

5. Disclosures

5.1. To the best of each of the Company's, Promoters and the Existing Shareholders knowledge, the Company, the Promoters and the Existing Shareholders have each fully disclosed all information to the Investor which the Company, Promoters and the Existing Shareholders, respectively, know or should reasonably know and which are material for disclosure to the Investor in considering the proposed investments.

5.2. The Company, Promoters and the Existing Shareholders have not omitted to inform the Investor about any material facts which would in any way impair the transaction as contemplated in this Agreement or affect the Investor in considering the proposed investments.

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6. Taxation Matters

- 6.1. The Company has filed on its behalf all tax returns which are required to be filed ("Returns"), and has paid, or made provision for the payment of, all taxes with respect to the periods, property or transactions covered by said Returns, or pursuant to any assessment received by it.
- 6.2. There are no liabilities of taxes in respect of which a claim has been made against the Company.
- 6.3. All stamp duty and transfer fees and all other similar taxes, duties or registration fees have been paid in respect of all documents to which the Company is party which are of material importance and which relate to the Business.
- 6.4. The Company has not received any notice in relation to any breach in relation to any Taxation matters.
- 6.5. The Taxes on account of purchase of fixed assets shall be entirely borne by the Company.

7. Contractual Arrangements

- 7.1. There is no contract outstanding in relation to the Business of the Company:
- 7.1.1. which was entered into other than in the ordinary course of Business;
- 7.1.2. in respect of which any material liability, obligation or commitment on the part of the Company is, incapable of performance in accordance with its terms within 6 months of it being entered into;
- 7.1.3. under which any Affiliate of the Company acts or is to act as sales agent, distributor or franchisee or in any substantially similar capacity;
- 7.1.4. which, in the opinion of the Promoters or the Existing Shareholders, is of an unusual or onerous nature, having regard to the Business.
- 7.2. There are no contracts to which the Company is a party or bound by such contracts which:
- 7.2.1. grants management, operational or voting rights in the Company to any Person;



- 7.2.2. is a non-compete contract restricting the Company to engage in any activity or Business;
- 7.2.3. was entered into outside of the ordinary course of Business of the Company;
- 7.2.4. provides for the sharing of the revenue of the Company with any third party.
- 7.3. There are no existing contracts, understandings, transactions or proposed transactions between the Company on the one hand and any Affiliates or related parties on the other hand. All approvals required by the Company under Section 188 of the Act have been obtained by the Company and the same are in full force and effect and the same have been fully complied with by the Company. The Company maintains an up-to date register as required to be maintained by the Company under Section 189 of the Act and appropriate disclosures have been made as required under Section 188 of the Act.
- 7.4. The Company is not in default in the performance, observance or fulfilment of any of its obligations, covenants or conditions contained in any of the Material Contracts to which it is a party.
- 7.5. The Promoters shall resign from the board of all other companies and dissociate themselves from all companies and entities / businesses other than as specially permitted by the Investor in writing.
- 7.6. The Promoters/ and the Existing Shareholders shall agree and undertake not to engage in any activities and business that would compete against the Company or would be detrimental to its interest in any manner whatsoever.
- 7.7. The Promoters shall also agree not to engage in any new business (other than existing and disclosed business interests) and shall fully be involved with the Company.
8. Employees, Directors etc.
- 8.1. The Company has in relation to each of its employees and to each of its former employees:
- 8.1.1. complied in all respects with its obligations under relevant Laws and all other statutes and regulations relevant to its relations with each employee or the conditions of service of the employee / worker and has maintained adequate and suitable records regarding the service of the employee;

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8.1.2. discharged or adequately provided for in all respects its obligations to pay all salaries, wages, commissions, bonuses, overtime pay, holiday pay, sick pay and other benefits of or connected with employment up to the date of this Agreement; complied in all material respects with all its obligations concerning the health and safety at work of each of the employees and has not incurred any liability to any employee in respect of any accident or injury, which is not fully covered by insurance.

9. Operations

9.1. There is no damage, destruction or loss, whether or not covered by insurance, adversely affecting the Business or assets of the Company.

9.2. All money spent by the Company shall be incurred from only one Bank Account without any fund diversion.

10. Assets

10.1. The Company is the unrestricted legal and beneficial owner of and/or has the right to use all assets required for the conduct of its Business.

10.2. The assets of the Company have been properly maintained, are in normal operating condition consistent with industry standards and there has been no breach of any of the terms of the documents governing any leases or licenses, which would entitle the owner of such assets to terminate such leases or licenses or claim damages for any breach.

10.3. All documents, to which the Company is a party, or which form part of the title to any asset, owned or possessed by the Company, or which the Company may need to enforce or produce in evidence in any court of law have been duly stamped and registered in accordance with applicable law. All relevant land registers and building ledgers correctly identify the Company as the owner/s and valid title holder/s of all the properties owned by the Company.

10.4. The Company has not agreed to acquire, any asset, nor, is it receiving or agreeing to receive any services or facilities (including, without limitation, the benefit of any licensee or agreements), the consideration for the Subscription or provision of which was or will be in excess of its market value, or otherwise than on an arm's length basis.

10.5. The Company has not agreed to dispose, of any asset, nor are providing or

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agreeing to provide any services or facilities (including, without limitation, the benefit of any licenses or agreements), the consideration for the disposal or provision of which was or will be less than its market value, or otherwise than on an arm's length basis.

- 10.6. There are no Encumbrances or security interests or any other agreement or arrangements having a similar effect over any present or future assets or revenues of the Company.

11. Environment

The Company has not received any written request for information or been notified that it is a potentially responsible party or may otherwise be liable, under any environmental law.

12. Permits and Consents

- 12.1. Save and except as may be required pursuant to the Conditions Precedent, the Company owns or possesses all of the Governmental Authorisations and property rights that are necessary to own its assets and operate the Business. Each of the Governmental Authorisations which have been obtained are valid and in full force and effect, no event has occurred of which the Promoter have notice that could be expected to result in the revocation, termination or material adverse modification of any such Governmental Authorisation or have a Material Adverse Change on any rights of the Company.

13. Corporate Debt Restructuring

There are no proceedings pending before the CDR Cell.

14. Litigation

There are no litigations, arbitrations, proceedings pending or threatened against the Company. The Company has not filed any proceedings against any Person.

15. Fixed Deposit

The Company has not accepted any deposit from the public or its members as contemplated under Section 73 of the Act.

16. Related Party Transactions

All related party transactions entered into by the Company have been entered on an arm's length basis.

17. Compliance of Conditions Precedent as set out in Annexure 3:

All Conditions Precedent have been fulfilled to the satisfaction of the Investor prior to the Execution Date.

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18. Ownership of Existing Intellectual Property Rights:

18.1 The Promoter/Company are the owners of Patents, Trademarks and other.

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18.2 Intangible Assets ("Intellectual Property") which is being used by the Company.

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18.3 The liabilities incurred due to ownership of such Patents, Trademarks and other Intangible Assets shall be the sole responsibility of the Promoter/Company and in no case shall the Investor be held responsible for the same.

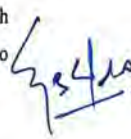
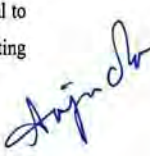



18.4 The liabilities incurred in due course of the business shall be the sole responsibility of the Promoter/Company and in no case shall the Investor be held responsible for the same.



## ANNEXURE 3

### CONDITIONS PRECEDENT

1. The Company to enter into long term lease agreement for the registered office factory space located at H No. 293, Sita Ram Smruti Bajaj Road, Dharampeth, Nagpur-440010.
2. The Promoters to arrange for unsecured loans of ₹19 Crores at a reasonable rate of interest. The unsecured loans shall not be repaid/taken out till such time Investor holds stake in the Company. The Company & Promoters to submit an undertaking for the same to the satisfaction of Investor. 
3. The Promoter to increase authorized share capital and paid-up share capital to the tune of equity investment proposed by the Promoters and Existing Shareholders in the Company. 
4. The Promoter shall amend AOA & MOA of the Company to include the provisions of this Agreement. 
5. The Promoters shall resign from the board of all other companies and dissociate themselves from all companies and entities/businesses other than as specially permitted by the Investor in writing
6. The Promoters shall agree and undertake not to engage in any activities and business that would compete against the Company or would be detrimental to its interest in any manner whatsoever.
7. The Promoters shall also agree not to engage in any new business (other than existing and disclosed business interests) and shall be fully involved with the Company.
8. The Promoters shall provide an undertaking that the Company at the Board Meeting held inter-alia to approve the Financial Statements for the respective financial year shall provide an annual certificate that its revenue recognition and accounting policies are in compliance with Generally Accepted Accounting Principles (GAAP) and the guidelines issued by ICAI.
9. The Company shall obtain and furnish a confirmation from the Promoters in a form and substance satisfactory to the Investor that the Promoters shall not veto or in any way object to or obstruct the allotment of the subscription



securities under this Agreement, of equity shares/OCDs to the Investor in the Company.

10. The Company shall obtain all approvals from the Governmental authorities and such other approvals / licenses and comply with all statutory requirements, as necessary, for allotment of equity shares and OCDs and for carrying on of the business of the Company.
11. The Promoters shall execute a non- disposal undertaking to hold all their existing equity shares of the Company as well as the shares which may be allotted to them in future by way of bonus, rights etc. till such time the Investor holds shares.
12. The Company shall appoint a well-known and reputed Nagpur based firm of chartered accountants that is acceptable to the Investor as its statutory auditors.
13. The Company shall appoint an internal auditor, acceptable to the Investor, who shall be provided with full co-operation, assistance and access to the Company & if required for its associate / firms' records, if any. This internal auditor shall not be removed without the prior intimation to the Investor. All fees and expenses payable to the internal auditor shall be borne by the Company.
14. The Flagship trademark "JSR Dynamics" has to be owned by the Company. The Promoters will take all the necessary steps to ensure that the trademark "JSR Dynamics" is owned by the Company.
15. The Company shall appoint suitable number of professionally qualified and experienced manpower. The Company shall document the fixed remuneration payable to Directors, Key Management Personnel (KMP), and senior management, execute the employee agreements, and issue the appointment letters to the satisfaction of Investor.
16. A CA certificate needs to be furnished that the Company and its Promoters are not in default to any bank or financial institution or other financial lender and have not been declared wilful defaulter by any Government authority.
17. To provide Net worth statement of the Promoters duly certified by a CA.
18. Statement of assets and liabilities of the Company as on a date closer to the execution of this Agreement duly certified by a Company's Statutory Auditor /

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Independent CA as the case may be.

19. Undertaking that the existing borrowings and other liabilities, if any, of the Company from banks / shareholders / directors / Promoter, shall not be repaid from the proceeds of the Subscription Amount.
20. The Promoters shall give an undertaking that the Company shall take all such steps to hold in dematerialized form the current shareholding of the company and the proposed issue of equity shares / OCDs
21. The Promoters shall also give undertakings that they shall not encumber, pledge or create a lien on their shares, or do any other act which has the effect of undermining the underlying beneficiary / fiduciary rights and responsibilities of the Promoters without the express written consent of the Investor.

*Handwritten signatures and initials:*  
K. S. Chao  
Anjandha  
K. S. Chao



## ANNEXURE 4

## LIST OF INTELLECTUAL PROPERTIES

Sr. No.	Trade Mark Number	Applicant	Class	Trademark
1.	4119794	JSR Dynamics Private Limited	12	<b>JSR DYNAMICS</b> (Airplanes & Structural Parts)



*AV Balakrishna*



## ANNEXURE 5

### AFFIRMATIVE VOTE MATTERS

Collective affirmative consent of the Investor will be required for following events:

1. Commencing of or carrying on any new business other than the existing Business of the Company which was not part of the original business plan as submitted with the Investor; These decisions will be taken in the Board meetings by the board.
2. amending or waiving of any provisions of Memorandum and Articles;
3. changing the Company's share capital by issuance and or allotment of any Shares, or the granting of convertible debentures bonds, warrants, or any other instrument convertible into equity shares howsoever called including and creating new classes/series of shares or issuing ESOPs;
4. Reclassify any component of the Share Capital of the Company;
5. approving any merger, sale of tangible or intangible assets, sale or licensing of the intellectual property rights of the Company;
6. reorganization, Subscription, formation of subsidiary or any change of Control transaction;
7. approving the Company's liquidation or dissolution;
8. changing the Company's name, registered office, marketing strategies or mission;
9. creation of joint ventures or the Subscription of any company or business and any strategic financial or alliance with a third party, except business, strategic or financial alliance with third parties including vendors in the ordinary course of business;
10. cessation of any business unit representing more than 10% of the Company's revenue;
11. any related party transactions;



12. change of the Board, management or Control of the Company;
13. approving terms of any ESOP scheme/ equity option plan or change in any such existing plan;
14. modification to the terms of this Agreement and any investment agreement entered into by the Company;
15. conversion of the Company from a Private Limited Company to a Public Limited Company;
16. Guarantee third party Indebtedness;
17. Acquire any assets of any Person in excess of Rs. 6,50,00,000 per transaction ~~or cumulatively during any financial year;~~ *Handwritten signature*
18. Permit any subsidiary to issue securities or shares; *Handwritten signature*
19. Approve or amend the Company's annual business plan, operating plan and budget;
20. Appoint an auditor for the Company;
21. Any amendment to the Company's charter documents or similar documents;
22. Capitalization of reserves;
23. Liquidate, dissolve or wind-up the operations of the Company, or sell material assets that are in excess of Rs. 2,00,00,000 per transaction ~~or cumulatively during any financial year;~~ *Handwritten signature*
24. Availing of Indebtedness by the Company in excess of Rs. 36,00,00,000 beyond what is approved by the Board in the business plan;
25. Transfer of any intellectual property used by the Company, unless such transfer is between the Company and its subsidiary;
26. Any strategic/financial/other alliance with a third party which results in investments by the Company or offer certain exclusive rights to such third party;
27. Any investment in non-fixed income bearing securities including deployment



of redemption reserves, excluding short-term (only in the case of fixed income securities) and working capital investments;

28. Appointment or removal of any Key Managerial Person as per Companies Act, 2013;
29. Institution of or defense of any legal proceedings by the Company;
30. Any change in the board structure including but not limited to expansion of Board, appointment of new Director (including independent director);
31. Changing of financial year, accounting year or accounting policies;
32. Cancel, compromise, release or waive any claims or rights (or series of related claims or rights) with a value to the Company exceeding Rs. 2,00,00,000;
33. Settle or compromise any Proceeding involving the Company where the value of such settlement either directly or indirectly, including on account of potential loss of Business to the Company exceeds Rs. 2,00,00,000;
34. Make or rescind any Tax election, settle or compromise any Tax Liability in excess of Rs. 2,00,00,000 during any financial year;
35. Any commitments to do any of the foregoing.



## ANNEXURE 6

### TERMS OF OPTIONALLY CONVERTIBLE DEBENTURES

The issue of Optionally Convertible Debentures shall be subject to following terms:

1. The OCDs shall carry an interest rate of 0.01% per annum from their date of allotment. The OCDs shall have a moratorium period of 2 years from the date of allotment.
2. The interest on the outstanding OCDs shall accrue and be payable annually on June 30<sup>th</sup>.
3. The company shall not declare any dividend on the equity shares till conversion of the OCDs.
4. Coupon on OCDs shall be payable till the date of conversion/redemption. The Promoters and the Company would undertake to allot equity shares/OCDs in dematerialized form, .
5. The Investment in Equity Shares by the Investor shall be ranked pari passu with the existing issued equity shares with respect to all stock activities including but not limited to voting rights, dividends and right issuance.
6. The capital structure shall be reconstituted in such a manner so as to include provision for issue of equity shares.
7. On exercise of the option of conversion, the OCDs held by Investor shall be converted into equity shares of the company as per the conversion terms below and the company shall increase the authorised capital so as to enable issuance of the requisite number of additional equity shares to Investor.
8. The Company and / or Promoters and/or Existing Shareholders may, with the consent of the Investor, redeem the OCDs as per the terms given below in the table:

Date	On or before 48 months from date of disbursal of funds	On or before 60 months from date of disbursal of funds
Investment IRR p.a.	22%	22%

9. The Investor would have a right to exercise his right to convert the OCDs into equity shares at any time after 48 months from date of disbursal of funds. The terms of conversion shall be as follows:

a. The OCDs held by the Investor shall be converted fully paid up equity shares of the company at a pre-money valuation based on the following table:

Period of Conversion	48 months from date of disbursal	60 months from date of disbursal
Basis of Conversion	Profit and loss accounts for previous 12 months	Profit and loss accounts for previous 12 months
Valuation of the Company's equity share capital	4 times the profit after tax of previous 12 months	8 times the profit after tax of previous 12 months
Extent of	50% of the OCDs	Balance 50% of the OCDs

*Handwritten signatures and initials in blue ink.*

b. As given in the table above, the Investor shall have right to convert the OCDs into fully paid up equity shares of the company at by a pre money valuation arrived at applying PE multiple of 4 to profit after tax (PAT) for the period of 12 months prior to 48 months from the date of disbursal of funds (50% of the OCDs) and /or PE multiple of 8 to profit after tax (PAT) for the period of 12 months prior to 60 months from the date of disbursal of funds (balance 50% of OCDs) at any time after the end of the respective financial years up-to 96 months from the date of disbursal of funds.



c. The conversion would be based on the profit after tax. the audited financials of the company. The conversion option shall be exercised by the Investor any-time after 48 months and/or 60 months after date of disbursal of funds.



10. In case, at any time, if the fully diluted stake of the Investor exceeds 30% of the fully diluted paid up capital, then in compliance with the applicable provisions of the Companies Act 2013, the Investor shall convert that number of OCDs so as to keep the Investor stake less than or equal to 30% of the fully diluted paid up capital. The balance unconverted OCDs would be redeemed by

the Company or purchased by the Promoter so as to give investor an IRR of 22% p.a.

ii. In case, the Company attracts fresh round of venture funding before the conversion as above takes place, the OCDs held by the Investor may be converted (at option of the Investor) into fully paid-up equity shares at a discounted price decided and agreed between the Company and a second investor(s) so that the Investor gets a notional IRR of 22% p.a. at the price of investment by the new investor in the investee company; subject to the following condition:

- Second investor is neither the Investor nor any other existing shareholder of the Company; and
- In case of IPO, discounted price for conversion of the OCDs into equity shares would be arrived with respect to floor price (lower price limit) of IPO price band, so as to give Investor a notional IRR of 20% at the floor price of IPO. (For the purpose of calculation of IRR, period would be from the date of making respective tranche of investment to the date of conversion without taking into account the dividend paid during the period).

12. In the event of option to convert the OCDs not being exercised or the Investor opts to convert only a portion of the OCDs, then the unconverted OCDs shall be bought back in eight equal quarterly instalments starting from 72 months after date of disbursement of funds.

13. In case the Company defaults in payment of annual coupon on the OCDs, the same will be paid cumulatively in the subsequent years.





**ANNEXURE 7**  
**CONDITIONS SUBSEQUENT**

1. The Company shall appoint IDBI Capital's Nominee Director on the Board of the Company and/or an Observer as and when nominated by IDBI Capital on the Board of the Company and all Committees constituted by the Board within 30 days from the date of investment/disbursement .
2. The Company shall deliver to IDBI Capital duly executed and stamped original share certificates/dematerialised shares for Optionally Convertible Debentures and Equity Shares evidencing the amount invested by IDBI Capital within 60 days from the date of allotment of subscription securities
3. The Company shall provide to IDBI Capital certified true copies of Board Resolutions and Shareholders Resolutions passed by the Company to give effect to the terms of the Investment by IDBI Capital within 14 days from the date of investment.
4. The Company shall provide to IDBI Capital certified copy of the relevant extracts from the register of members and register of debenture holders of the Company evidencing IDBI Capital as the legal and beneficial owner of the Securities within 14 days from the date of investment
5. The Company shall file all requisite forms and documents with the Registrar of Companies and other governmental authorities as applicable to give effect to the terms of the Investment and provide certified true copies of filed forms / challans within 14 days from the date of investment
6. The Company shall submit duly filed copies of Form DIR-12 along with certified true copy of the Board Resolution appointing IDBI Capital's Nominee Director, certified true copy of the notice for holding of Board Meeting under which the appointment of IDBI Capital's Nominee Director was approved within 7 business days from the date of appointment of IDBI Capital's Nominee Director.

