

**Terms of the Compulsory Convertible Debentures**

The Investor has the right to convert any or all the Compulsory Convertible Debentures into Common Equity Shares of the company during the Conversion Period (defined below). The Investor shall issue a notice, in writing, at any time during the Conversion Period, intimating the number of Debentures to be converted and number of Equity Shares to be issued in lieu of the conversion of the Debentures and requesting the Company to convert such number of Debentures as is specified in the Debenture Intimation Notice ("Convertible Debentures") into Equity Shares on the basis of the Conversion Price ("Debenture Intimation Notice").

- 1.1. **CONVERSION PERIOD / TENURE:** The term of debentures shall be for a period of 5 (Five) years from the Allotment Date unless mutually agreed to be extended by both the Parties for a period not exceeding another 5 years.
- 1.2. **CONVERSION PRICE:** Conversion of the Debentures shall at the discretion of the Investor at any time during the conversion period to convert the CCDs into Equity Shares at 4500 Crores pre money equity value of the Company
- 1.3. **CONVERSION:** In case the Investor doesn't choose to convert the CCD's into equity shares at the Conversion Price, and / (or) the Call option is not exercised, before the expiry of the Tenure/ Conversion Period, then the Company reserves the right to convert entire CCD's (at the Subscription Amount) into equity shares of the Company at the Conversion Price.
- 1.4. **CALL OPTION:** In case the option to convert the CCD's has not been exercised by the Investor, the Promoters of the Company or any of their affiliate/ group/ nominee entities reserves the right to acquire the entire CCD's from the Investor at the end of the term at a price which provides an IRR of 11% on the Face Value of CCD's to the Investor. Notwithstanding anything to the contrary contained herein, the Promoters of the Company may exercise the Call Option directly or through their affiliates/ associates/ group companies/ nominees and acquire the CCD's either in part or full by paying the Call Consideration. Call Option can be exercised for such value of CCD's in multiples of INR 1 Crore. Call Consideration is equal to an amount equivalent to Face Value of the CCD plus 11% IRR on such part of the CCD's redeemed from the date of drawdown till the date of redemption.

Call Option can be exercised by the Promoters either directly indirectly by giving 7 working days' notice to the Investor for either for part or full CCD's. Within 7 working days from the date of issuing

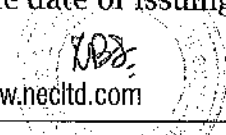
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**CIN:** U45203AP1986PLC006925





call option notice, the Promoters shall pay the Call Consideration to the Investor and acquire the CCD's either in part or full.

- 1.5. INTEREST: The Debentures shall not carry any interest / coupon.
- 1.6. VARIATION IN TERMS: Any variation in the terms of the CCDs can only be done with mutual consent of the parties.
- 1.7. VOTING RIGHTS: The Investor will have no voting rights in the Company until exercise of their option to convert their investment amount in whole or part into common equity shares. Each common equity share of the company has one voting right. Upon a conversion option being exercised, the Investor will have voting rights in proportion to the number of common equity shares in the Company the investor then holds.

#### **AGREEMENT TO PURCHASE / PUT OPTION**

- 1.1. THE INVESTOR RIGHTS: As there is no ready marketability of the Company's CCDs, in case the Investor so chooses, the Promoters / Company have agreed that the Investor shall have the right to sell and terminate this Agreement and put all or part of its CCDs/equity shares back to the Promoters / Company, and the Promoters / Company have agreed to purchase the Investor' CCDs/equity shares (hereinafter referred to as the "Agreement to Purchase"), within 6 months of exercise of such option (excluding the force majeure period, if any), in the event that:
- 1.1.1. any Material Breach of this Agreement is not remedied within a month of receipt of formal written notice from the Investor.
- 1.1.2. if any of the Promoters is found guilty of a criminal offense, of any nature whatsoever.
- 1.1.3. if any of the Promoters cease to be employees of the Company or cease to be associated with the Company.
- 1.2. FAILURE: If the Promoters fail to fulfill their obligations and are unable to purchase the Investor CCDs/shares within a period of six (6) months of the Investor exercising their Put option under the Agreement, excluding the Force majeure period, the Investor shall be free to sell the CCDs/shares to any other party and the company shall be bound to transfer such CCDs/shares to the prospective buyer.

For Navayuga Engineering Company Limited

*Zarina B. Shingala,*

Company Secretary

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