



**INVESTMENT AGREEMENT**

**AMONGST**

**VEEDA CLINICAL RESEARCH LIMITED**

**AND**

**SHANKARAPPA NAGARAJA VINAYA BABU**

**AND**

**BIONEEDS INDIA PRIVATE LIMITED**

**AND**

**THE EXISTING SHAREHOLDERS (DETAILS SET OUT IN SCHEDULE 3)**

**DATED 7 July, 2021**

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**THIS INVESTMENT AGREEMENT** (*Agreement*) is made on 7 July 2021 at Bengaluru by and among:

**BIONEEDS INDIA PRIVATE LIMITED**, a company incorporated under the (Indian) Companies Act, 1956, having its registered office at Devarahosahalli Sompura Hobli Nelamangala Bangalore, Karnataka - 562111, India (hereinafter referred to as the *Company* which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its administrators, liquidators, successors and permitted assigns) of the **FIRST PART**;

**SHANKARAPPA NAGARAJA VINAYA BABU (DETAILS AS SET OUT IN SCHEDULE 1)**, son of M.S. Nagaraja, an individual residing at Siddhi Siri Veera Sadana Ashoka Nagara, 6th Cross, Tumkur 572102 (hereinafter referred to as *Promoter*, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to include his heirs, executors, administrators, legal representatives, successors and permitted assigns) of the **SECOND PART**;

**VEEDA CLINICAL RESEARCH LIMITED**, a company incorporated under the laws of India having its principal place of business at Shivalik Plaza, A, 2nd Floor, opposite Ahmedabad Management Association, Ambawadi Ahmedabad, Gujarat, 380015 (hereinafter referred to as *Investor*, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors-in-interest and permitted assigns) of the **THIRD PART**; and

**THE PERSONS MENTIONED AT SECTION 1 OF SCHEDULE 3** hereto, (the *Existing Shareholders*, which shall include their heirs, executors, administrators, legal representatives, successors and permitted assigns) of the **FOURTH PART**.

The Company, the Existing Shareholders, the Promoter and the Investor are hereinafter referred to collectively as the *Parties* and individually as a *Party*.

**Whereas:**

- (A) The Company is engaged in the Business (as defined below). The authorized share capital of the Company is INR 27,85,00,000 (Rupees Twenty-Seven Crores Eighty Five Lakhs) consisting of 78,50,000 (seventy eight lakhs fifty thousand) equity shares of INR 10 each and 20,00,000 (twenty lakhs) preference shares of INR 100 each.
- (B) The paid-up capital of the Company is 71,42,883 (seventy-one lakhs forty-two thousand eight hundred and eighty-three) Equity Shares of INR 10 (Rupees ten) each.
- (C) The shareholding pattern of the Company as on the Execution Date is set out at Part A of Section 2 of the **Schedule 3** hereto and a description of the Company and its Subsidiaries (as defined below) is at **Schedule 2** hereto.
- (D) As on the Execution Date, the Promoter and Existing Shareholders collectively hold 50,00,000 fully paid Equity Shares, constituting an aggregate of 70% (seventy) of the fully paid-up share capital of the Company on a Fully Diluted Basis (as defined below).
- (E) The Investor has purchased 21,42,883 (Twenty-One lakh Forty-Two Thousand Eight Hundred Eighty Three) Equity Shares representing 30% (thirty percent) of the share capital of the

Company from the Company's erstwhile investor, Canbank Venture Capital Fund Limited (*CVCFL*), by way of the share purchase agreement entered into on 18 March 2021 (*CVCFL SPA*).

- (F) At the request of the Company and the Promoter, and relying on the representations and warranties and covenants of the Company, the Existing Shareholders and the Promoter hereunder, the Investor has agreed to invest the Investment Amount towards (i) subscription of Subscription Securities (as defined below); and (ii) purchase of Secondary Shares (as defined below), in the manner and on the terms and conditions as set out in this Agreement.
- (G) The Parties are entering into this Agreement for the purpose of recording the terms and conditions regulating the relationship as shareholders of the Company and for certain matters relating to, including amongst others, the Investor's subscription and purchase of the Subscription Securities and Secondary Shares of the Company and the management and operation of the Company.

Now therefore, in consideration of the mutual promises, covenants, representations, and warranties made herein and of the mutual benefits to be derived here from, the Parties hereto agree as follows:

## **1. Definitions and Interpretation**

### **Definitions**

1.2 In this Agreement, including in the Recitals, and unless the context requires otherwise, the following words and expressions shall have the following meanings:

*Accounts* means the audited balance sheet and cash flow statement of the Company as at the Accounts Date and the profit and loss account of the Company in respect of the Financial Year ended on the Accounts Date, together with any notes, reports, statements or documents included in or annexed to them, all of which are certified by the auditors of the Company;

*Accounts Date* means 31 March 2021;

*Act* means the Companies Act, 2013 and shall include all amendments, modifications and re-enactments of the foregoing, and all rules, regulations, notifications, circulars, instruments, or orders made under the Act;

*Additional Payment* has the meaning attributed to it in Clause 7.5;

*Affiliate* means, in relation to any Person, any entity Controlled, directly or indirectly, by that Person, any entity that Controls, directly or indirectly, that Person, or any entity under common Control with that Person or, in the case of a natural Person, any Relative (as such term is defined in the Act) of such Person. For the purpose of this definition:

- (a) a holding (as defined under the Act) or Subsidiary company of any entity shall be deemed to be an Affiliate of that entity; and
- (b) the Company shall be deemed not to be an Affiliate of the Investor until the Closing Date.

**Agreement** means this agreement together with its Schedules, as amended from time to time;

**Ancillary Agreements** means and includes the CVCFL SPA, the employment agreements to be entered into between the Company, and the Promoter and Key Employees pursuant to **Schedule 4** (*Conditions Precedent to Closing*), the lease agreements required to be entered into between the Company and the lessors pursuant to **Schedule 4**, and the Restated Articles;

**Assets** means all assets, properties, rights and interests of every kind, nature, specie or description whatsoever, whether movable or immovable, tangible or intangible including without limitation Intellectual Property Rights owned by the Company and its Group Companies, including cash, cash equivalents, receivables, securities, accounts and notes receivable, real estate, plant and machinery, equipment, trademarks, brands, other Intellectual Property, raw materials, inventory, finished goods, furniture, fixtures and insurance;

**Bank** has the meaning attributed to it in Clause 5.1(d);

**Base Payment** has the meaning attributed to it in Clause 7.5;

**Board** means the board of directors of the Company;

**Business** means the business of preclinical contract research offering animal toxicology, chemistry and other drug testing services to pharma, biopharma, agrochemical and medical device companies;

**Business Day** means a day (excluding Saturdays and Sundays) on which banks generally are open in Bengaluru, India, and Ahmedabad, India for the transaction of normal banking business;

**Business Plan** has the meaning attributed to it in Clause 15.4;

**Business Warranties** shall mean all the Warranties other than the Fundamental Warranties and the Tax Warranties, as set out in **Schedule 5**;

**Closing** has the meaning attributed to it in Clause 5.1(b);

**Closing Date** means the date on which the Closing takes place;

**Conditions Precedent to Closing** means the conditions precedent to the Closing specified in **Schedule 4**;

**Confidential Information** has the meaning attributed to it in Clause 16.1;

**Connected Person/Concern** of the Company and/or the Promoter shall mean:

- (a) any company under the same management as the Company;
- (b) any member (not being the Investor), director (not being the Investor Director/s or the independent directors), Key Employees of the Company or any Affiliates of the Company or any Affiliate of, any such member or director;

- (c) any Promoter or any Relative of the Promoter;
- (d) the trustees and beneficiaries of any trust in which the Company, the Promoter or any Relative of the Promoter is either a trustee or beneficiary;
- (e) any trust in which any Promoter or any Relative of a Promoter is a trustee or beneficiary;
- (f) any Affiliate of the Company (not being the Investor); or
- (g) any firm or company in which the Company, the Promoter, or any Relative of the Promoter, is a partner, or director or has any shareholding exceeding 26% (twenty six percent), or exercises Control;

**Consent** means any consent, approval, authorization, waiver, permit, grant, franchise, license, certificate, exemption, permission, order, registration, declaration, filing, report or notice of, with, to, from or by any Person, including any third-party consents, not limited to lender consents, in each case, evidenced in writing;

**Contract** means any agreements, contracts, instruments, obligations, offers, legally binding commitments, arrangements and understandings, (whether written or oral) including all loan agreements, indentures, letters of credit (including related letter of credit applications and reimbursement obligations), mortgages, security agreements, pledge agreements, deeds of trust, bonds, notes, guarantees, surety obligations, warranties, licenses, franchises, powers of attorney, purchase orders, leases, including any amendment variation, termination or extension under or in respect of any of the foregoing;

**Control** means (including with correlative meaning, the terms **Controlled by** and **under common Control with**) the acquisition or control of more than 50% (Fifty percent) of the voting rights or of the issued share capital of a Person or the right to appoint and/or remove all or the majority of the members of the Board or other governing body of a Person, the power to direct or cause the direction of the management, and exercise significant influence on the management or policies of a Person, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, through Contract or otherwise;

**CP Satisfaction Notice** has the meaning attributed to it in Clause 3.1(b);

**Deed of Adherence** means the deed of adherence in Agreed Form specified in **Schedule 8** and / or as amended with the consent of the Investor only in relation to the Permitted Transfers under Clause 14 (1) (a) of the Agreement;

**Designated Bank Account** means the bank account maintained by the Company (in accordance with Section 42(6) of the Act) to which the Investor shall remit the Subscription Amount in accordance with the terms of this Agreement, the details of which are as follows:

<b>Bank name</b>	Canara Bank
<b>Bank address</b>	Mid Corporate Branch, Maruthi Towers, Near SIT Main Gate, B.H. Road, Tumkur, 572103
<b>Beneficiary name</b>	Bionees India Private Limited
<b>Account number</b>	5141214000049
<b>IFSC Code</b>	CNRB0005141

**Devarahoshally Facility** means the facility of the Company situated at Devarahoshally Sompura Hobli Nelamangala Bangalore – 562111, Karnataka;

**EBITDA** means the earnings before interest, taxes, depreciation, and amortization of the Company determined in accordance with the respective clauses under this Agreement;

**Encumbrance** means any encumbrance including, without limitation, any claim, deed of trust, right of others, security interest, burden, title defect, title retention agreement, lease, covenant, debenture, mortgage, pledge, charge, hypothecation, lien, deposit by way of security, bill of sale, option interest, proxy, beneficial ownership (including usufruct and similar entitlements), encroachment, any voting agreement, interest, option, right of first offer, right of first refusal or transfer restriction in favour of any Person, any adverse claim as to title, possession or use, any provisional or executorial attachment and any other interest held by a third party or any agreement, arrangement or obligation to create any of the foregoing;

**Environmental Law** means any common or statutory law, regulation, directive or other law, statutory guidance and the like in any jurisdiction relating to the environment, pollution of the environment, human health or safety or the welfare of any other living organism which applies to and is binding on the company concerned, its premises or its activities;

**Equity Shares** means equity shares of the Company having a face value of INR 10 (Rupees Ten only) each;

**Equity Securities** means any Equity Shares or any securities representing a right (upon conversion, exercise, exchange or otherwise) to receive, Equity Shares, and includes the Subscription Securities and the Secondary Shares;

**Execution Date** means the date of execution of this Agreement;

**Expenses** has the meaning attributed to it in Clause 9.12;

**FEMA** means the Foreign Exchange Management Act, 1999 and related rules, regulations and circulars, as amended from time to time;

**Financial Year** means a continuous period of 12 (Twelve) months commencing on 1 April of a calendar year and ending on 31 March in the immediately succeeding calendar year;

**Force Majeure** means any:

- (i) act of God including fire, drought, typhoon, flood, earthquake, epidemic, pandemic, natural disaster;



- (ii) war and hostilities of war, riot, bandh, act of terrorism or civil commotion, statewide, or nationwide riots, commotion, civil disorder, industrial disturbances, strikes, lock-outs; and
- (iii) the promulgation of or amendment in any Law or new interpretation of any Law by a Governmental Authority, rule or regulation or the issue of any injunction, court order or direction from any Governmental Authority which prevents the Company and / or the Promoter from carrying out its operations in the Ordinary Course of Business.

**Fundamental Warranties** shall mean the Warranties set out in paragraphs Schedule 5 Part A 1.1, 2, 3, 5, 6, and 8.1 of Part A of **Schedule 5**;

**Fully Diluted Basis** means that the calculation is to be made assuming that all outstanding Equity Securities (whether or not by their terms then currently convertible, exercisable or exchangeable), whether or not due to the occurrence of an event or otherwise, have been so converted, exercised or exchanged (or issued, as the case may be) into the maximum number of Equity Shares issuable upon such conversion, exercise and exchange, as the case may be, and it is clarified that all authorized options under any employee stock option pool shall be included for the aforesaid calculation irrespective of whether or not they have been issued, granted, vested, or exercised;

**GAAP** means generally accepted accounting principles applicable in India, consistently applied throughout the specified period and in the comparable period in the immediately preceding Financial Year;

**Governmental Authority** means any nation or government, any state or other political subdivision thereof; any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any nation or any political subdivision thereof; any court, tribunal or arbitrator; and any self-regulatory organization; and includes the Securities and Exchange Board of India, recognised stock exchanges or quotation systems, and the Reserve Bank of India (**RBI**);

**Governmental Approvals** means any Consent, with, to, from or by any Governmental Authority;

**Group** means all the Group Companies;

**Group Company** means the Company and any company which is at any time a Subsidiary of the Company;

**Indebtedness** as applied to any Person, means, without duplication:

- (a) all indebtedness for borrowed money;
- (b) all obligations evidenced by a note, bond, debenture, letter of credit, or similar instrument;
- (c) that portion of obligations with respect to capital leases that is properly classified as a liability on a balance sheet in conformity with GAAP;
- (d) notes payable and drafts accepted representing extensions of credit;

- (e) any obligation owed for all or any part of the deferred purchase price of property or services;
- (f) all guarantees of any nature extended by such Person with respect to Indebtedness of any other Person; and
- (g) all indebtedness and obligations of the types described in the foregoing paragraphs (a) through (f) to the extent secured by any Encumbrance on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is non-recourse to the credit of that Person;

**Indemnifiable Amounts** has the meaning attributed to it in Clause 9.12;

**Indemnification Events** has the meaning attributed to it in Clause 7.1(a);

**Indemnitee** has the meaning attributed to it in Clause 9.12;

**Indemnified Parties** has the meaning attributed to it in Clause 7.1(a);

**Intellectual Property Rights** means all patents, patent applications, trademarks, service marks, logos, trade names, internet domain names, rights in designs, copyrights, software (including rights in computer software) and moral rights, databases, trade secrets, processes and models, rights in know-how, confidential information and other intellectual property rights, in each case whether registered or unregistered and including applications for registration, and all rights or forms of protection having equivalent or similar effect anywhere in the world;

**Investment Amount** means the aggregate of the Subscription Amount and the Purchase Amount;

**Investor Director** has the meaning attributed to it in Clause 9.1(a) below;

**Investor Group** means the Investor and its Affiliates;

**Investor Securities** includes the Subscription Securities, Secondary Shares and all Equity Securities from time to time held by the Investor and/or any member of the Investor Group;

**Key Employees** means the (a) Promoter; (b) employees who are reporting directly to the Board; and (c) all employees with the designation of 'general manager' or above in seniority and drawing a cost to company (CTC) of INR 50,00,000 (Rupees Fifty Lakhs) or above, as may be appointed by the Company from time to time, in each case by whatever title or equivalent title so given from time to time;

**Law** means any statute, law, bye-law, enactment, regulation, ordinance, policy, treaty, rule, notification, direction, directive, guideline, requirement, license, order, decree, judgment, or any restriction or condition, or any similar form of decision of, or determination or execution by, or interpretation or pronouncement having the force of law of, any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the Execution Date or thereafter, in any relevant jurisdiction;

**Listing** means the admission of Equity Securities to listing on a Relevant Market (including any primary or secondary public offering of the Shares which is being offered as part of a listing);

**Litigation** includes any action, cause of action, claim, demand, suit, proceeding, citation, summons, subpoena, inquiry or investigation of any nature, civil, criminal, regulatory or otherwise, in Law or in equity, pending before any court, tribunal, arbitrator or other Governmental Authority;

**Long Stop Date** has the meaning attributed to it in Clause 3.1(a);

**Losses** shall mean all losses, claims, demands, liabilities (including any liability imposed under any award, writ, order, judgment, decree or direction passed or made by any Governmental Authority), obligations, fines, costs (including costs and expenses incurred in respect of an indemnity claim), and damages (whether or not resulting from third party claims), including interest and penalties with respect thereto, losses and costs arising from actions, suits, proceedings, and out-of-pocket expenses, including reasonable attorneys' and accountants' fees and disbursements and shall include any diminution in the value of the Investor Securities and/or the Subsidiaries;

**Material Adverse Effect** means any event, occurrence, fact, condition, development, circumstance, change or effect that, individually or in the aggregate with all other circumstances, changes or effects, is or is reasonably likely to be materially adverse on:

- (a) the assets or properties or liabilities (including contingent liabilities) of the Company and its Subsidiaries, taken as a whole;
- (b) the business prospects, results of operations or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole;
- (c) the carrying on of business or operations of, or the employee, customer or supplier relationships of, the Company and its Subsidiaries, taken as a whole;
- (d) the ability of the Company and the Promoters to comply, and ensure that each of its Subsidiaries and Affiliates complies, with its obligations under this Agreement or any other Ancillary Agreements to which it is a party or the Company's and in the case of each of its Subsidiaries, such Subsidiary's Organisational Documents;
- (e) the validity or enforceability of this Agreement and / or any of the Ancillary Agreement, the validity or enforceability of any of the transactions contemplated hereunder, or of the rights or remedies of the Investor under this Agreement or any other Ancillary Agreement; or
- (f) the ability of each of the Promoter and /or the Existing Shareholders and /or its Affiliates to comply with its/his respective obligations under this Agreement or any other Ancillary Agreement to which it/he is a party;

**Ordinary Course of Business** means an action taken in the ordinary course of the Company's normal day-to-day operations and which is consistent with past practice and existing policies of the Company;

**Observer** has the meaning attributed to it in Clause 9.3;

**Organisational Documents** means the certificate of incorporation, charter, bylaws, memorandum of association and articles of association, articles of formation, regulations, operating agreement,

certificate of limited partnership, partnership agreement, and all other similar documents, instruments or certificates executed, adopted, or filed in connection with the creation, formation, or organization of a Person, including any amendments thereto;

**Parties** mean the parties to this Agreement;

**Person(s)** means any individual, sole proprietorship, unincorporated association, unincorporated organization, firm, body corporate, corporation, company, partnership, unlimited or limited liability company, joint venture, Governmental Authority, trust or any other entity or organization;

**Peenya Facility** means the chemistry and biopharma research and development facility of the Company situated at P-3, Peenya Industrial Area, 1st Main Road, Peenya 1st Stage, Bengaluru-560058, Karnataka;

**Promoter's Bank Account** has the meaning attributed to it in Clause 5.1(c);

**Purchase Amount** has the meaning attributed to it in Clause 2.1(i);

**Relatives** shall have the meaning given to the term under the Act;

**Relevant Market** means the Bombay Stock Exchange, the National Stock Exchange, or any other reputable and internationally recognized automated quotation system(s) or stock exchange(s) acceptable to the Investor;

**Reorganisation** means every issue by way of capitalisation of profits or reserves and every issue by way of rights or bonus and every consolidation or sub-division or reduction of capital, buy-back of Equity Securities or capital distribution or other reconstruction or adjustment relating to the equity share capital of the Company and any amalgamation or reconstruction affecting the equity share capital of the Company;

**Representatives** means, as to any Person, its officers, directors, employees, agents and other professional advisors;

**Restated Articles** means the amended articles of association of the Company and the Group Companies, in Agreed Form;

**Rupees** or **Rs.** or **INR** means the Indian Rupee, the lawful currency of the Republic of India;

**Secondary Shares** has the meaning attributed to it in Clause 2.1(i);

**Shareholder Party** means a Person who becomes a party to this Agreement by executing a Deed of Adherence;

**Social Laws** means any common or statutory law, regulation, directive or other law and all codes of practice, statutory guidance and the like applicable in India, relating to labour management issues including occupational health and safety, child labour, minimum wage standards, other applicable statutory labour Laws;

**Strategic Sale** has the meaning attributed to it in Clause 15.8;

**Subscription Amount** has the meaning attributed to it in Clause 2.1(ii);

**Subscription Securities** has the meaning attributed to it in Clause 2.1(ii);

**Subsidiary** has the meaning given to such term in Section 2(87) of the Act. It is clarified that for the purposes of this Agreement, any reference to **Subsidiaries** shall, in respect of the Company, include any other future subsidiaries of the Company;

**Tax** or **Taxation** means any applicable central, federal, state, local or foreign income, alternative, minimum, accumulated earnings, franchise, share capital, profits, windfall profits, gross receipts, sales, use, value added, transfer, registration, transaction, documentary, recording, listing, stamp, premium, excise, customs, severance, environmental, real property, personal property, ad valorem, occupancy, license, occupation, wage, withholding, provident fund, insurance, gratuity, employment, payroll, social security, disability, unemployment, workers' compensation, withholding, dividend, goods and service tax or other similar tax, duty, fee, contribution, levy, impost, assessment or other governmental charge or deficiencies thereof (including all interests, surcharges, fines and penalties thereon and additions thereto) due, payable, levied, imposed upon or claimed to be owed;

**Tax Holiday** includes any relief from Taxation, or allowance, exemption, set-off or deduction in computing, or against, profits, income or gains for the purposes of Taxation, or a credit against Taxation;

**Tax Returns** means any return, report, declaration, form, claim for refund or information, return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof;

**Tax Warranties** shall mean the Warranties set out in paragraph Schedule 5 Part A9.4 of Part A **of Schedule 5**;

**Transfer** (including with correlative meaning, the terms "**Transferred by**" and "**Transferability**") means any transfer, assignment, sale, disposal, lease, alienation, amalgamation, merger, or Encumbrance, in each case whether voluntary or involuntary;

**Warranties** means the representations and warranties provided by the Company, Existing Shareholders and the Promoter as set out in Clause 6 and **Schedule 5** (*Representations and Warranties*).

## **Interpretation**

1.3 In this Agreement, unless the context requires otherwise:

- (i) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Agreement;
- (ii) references to one gender include all genders;
- (iii) any reference to any enactment or statutory provision is a reference to it as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted (with

or without modification) and includes all instruments or orders made under such enactment;

- (iv) words in the singular shall include the plural and vice versa, as the context may permit;
- (v) any reference to Clause, Schedule or Paragraph shall be deemed to be a reference to a Clause, Schedule or Paragraph of this Agreement;
- (vi) references to an **agreement** or **document** shall be construed as a reference to such agreement or document as the same may have been amended, varied, supplemented or novated in writing at the relevant time in accordance with the requirements of such agreement or document and, if applicable, of this Agreement with respect to amendments;
- (vii) any reference in this Agreement to a Party shall, where the context permits, include such Party's respective successors-in-interest, legal representatives and permitted assigns;
- (viii) any reference to a document in **Agreed Form** is to a document in form and substance agreed in writing between the Company and the Investor;
- (ix) any reference to percentage or proportion of shareholding of the Investor in the Company shall be calculated on a Fully Diluted Basis taking into account the Investor Securities held by the Investor Group;
- (x) the words "hereby," "herein," "hereof," "hereunder" and words of similar import refer to this Agreement as a whole (including any Schedules hereto) and not merely to the specific clause or paragraph in which such word appears; and
- (xi) the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

## **2. Agreement to Purchase and Subscribe by the Investor**

2.1 On the Closing Date, subject to the terms and conditions contained in this Agreement, in reliance on the Warranties, and subject to the completion of the Conditions Precedent to Closing set out under **Schedule 4** (*Conditions Precedent to Closing*) to the satisfaction of the Investor, the Investor agrees to invest an aggregate of INR 85,33,00,000 (Rupees Eighty Five Crores and Thirty Three Lakhs only) (**Investment Amount**) in the Company in the following manner:

(i) Secondary Shares:

The Promoter and Existing Shareholders have agreed to sell an aggregate of 14,35,700 (Fourteen Lakhs Thirty Five Thousand Seven Hundred only) Equity Shares (**Secondary Shares**) owned by them in the Company (details of which have been set out in Section 3 of **Schedule 3**), which aggregates to a total of 20.1% (twenty point one percent) of the total share capital of the Company, to the Investor, for a total sum of INR 62,00,00,000 (Rupees Sixty Two Crores) and the details of the amount payable to each

of the Promoter and the Existing Shareholders will be detailed under **Schedule 3** (the total amount payable to the Promoter and Existing Shareholders are collectively referred to as the **Purchase Amount**).

(ii) **Subscription Securities:**

The Investor shall subscribe to 23,33,000 (Twenty Three Lakhs Thirty Three Thousand) optionally convertible preference shares of the Company, the terms and conditions of which have been set out in **Schedule 10**, at a face value of INR 100 (Rupees Hundred per preference share, (**Subscription Securities**)) for a total subscription amount aggregating to INR 23,33,00,000 (Rupees Twenty-Three Crores Thirty-Three Lakhs) (**Subscription Amount**).

2.2 It is hereby clarified that upon the purchase of the Secondary Shares, (taken together with the Investor's current holding in the Company, aggregating to 30% (Thirty percent)), the Investor shall hold a minimum of 50.1% (Fifty point One percent) of total shareholding in the Company at all times on and from the Closing Date (**Target Shareholding**). The Promoter shall continue to hold such Equity Shares in the Company representing a maximum of 49.9% (Forty Nine percent) of the share capital of the Company, on and from the Closing Date, save and except in accordance with the terms of this Agreement

2.3 **Second Tranche Call Option:** The Investor shall also have the option, to further invest in the Company, an additional 9.9% (Nine point Nine percent) of the total share capital of the Company, on a Fully Diluted Basis excluding the Subscription Securities, by way of a secondary investment effected by way of the sale of Equity Shares by the Promoter to the Investor (**Second Tranche Call Option**), at a valuation determined at 10.25 times of the EBITDA of the Company for the Financial Year 2020-2021, subject to applicable Law (**Second Tranche Purchase Price**). The Second Tranche Call Option may be exercised by the Investor at any time after Closing, by notice to the Promoter (**Second Call Option Notice**). Within 10 (ten) days of the Second Call Option Notice, the Promoter shall transfer the relevant shares to the Investor against payment of the Second Tranche Purchase Price. The Promoter and Company shall provide any transaction assistance to the Investor, as may be necessary in connection with the Second Tranche Call Option. The Company and Promoter hereby agree to do all acts and deeds necessary for effecting the Second Tranche Call Option, including providing necessary representations and warranties (which shall include the Fundamental Warranties set out in this Agreement specifically in relation to Second Tranche Call Option), indemnities and covenants.

2.4 **Additional Call Option:** Post the Closing Date and/or after exercise of the Second Tranche Call Option, the Investor shall have the option at their sole discretion, at any time, to require the Promoter to transfer the balance shares held by him in the Company (**Balance Shares**) in the manner as provided below. The Investor may be required to obtain the prior approval of the Reserve Bank of India as a condition precedent to the exercise of the Additional Call Option in accordance with applicable Law:

(a) **Swap Option:**

- (i) The Investor may acquire additional 25% (twenty five percent) of the total share capital of the Company on a Fully Diluted Basis excluding the Subscription Securities (**Swap Shares**) the consideration for which shall be the allotment of shares of the Investor, the swap ratio for which shall be as set out below.

**Swap Ratio:** Enterprise value of the Investor being 14 (fourteen) times Financial Year 2021 EBIDTA of the Investor, and the enterprise value of the Company being 11 times Financial Year 2021 EBIDTA, as audited and due diligenced by the Investor. For the purposes of this Clause the EBIDTA of the Company for the Financial Year 2021 is INR 28,60,00,000 (Rupees Twenty-Eight Crores Sixty Lakhs) (**Estimated EBIDTA**), subject to adjustment as mentioned below and the EBIDTA of Investor for the Financial Year 2021 is INR 63,00,00,000 (Rupees Sixty Three Crores). After exercise of the Swap Option, the Promoter shall hold a total of 52,771 (Fifty Two Thousand Seven Hundred Seventy One) equity shares of the Investor (adjusted for any splits, bonus or other corporate reorganisations), translating to 6.4% of the share capital of the Investor as on the Execution Date on a fully diluted basis (**Promoter Target Shareholding**), excluding 32,464 (Thirty-Two Thousand Four Hundred and Sixty-Four) Equity Shares as part under Investor's employee stock option scheme (**Investor ESOP**) of the Investor. Investor represents that save and except (a) as a result of the vesting of 32,464 (Thirty-Two Thousand Four Hundred and Sixty-Four) equity shares which are part of the Investor's ESOP, and (b) any future share allotments (by way of fresh infusion of funds into the Investor) post Execution Date, the Promoter Target Shareholding shall not be diluted.

The Swap Option is only available with the Investor till 31 December 2023. The Swap Ratio and the valuation proposed as above, will be valid if the Swap Option is completed on or before 31<sup>st</sup> March 2022, post which, the Parties will mutually agree on the Swap Ratio and valuation thereof will be based on EBIDTA trailing 12 (twelve) months immediately before such option is exercised.

- (ii) Provided that, in the event of filing of the draft red herring prospectus by the Investor in relation to the listing of its shares with the relevant stock exchange prior to the exercise of the Swap Option, then such Swap Shares held by the Promoter, shall compulsorily get swapped with the shares in the Investor at the Swap Ratio before filing of the red herring prospectus.
- (b) **Cash Acquisition:** The Investor may acquire further 15% (fifteen percent) of total share capital of the Company, on a Fully Diluted Basis excluding the Subscription Securities in such a manner that the total cash consideration payable by the Investor on exercise of the Second Tranche Call Option and this option together shall be equivalent INR 75,00,00,000 (Rupees Seventy Five Crores only) (**Cash Acquisition Aggregate Price**) in the event that this option is exercised by the Investor before 31 March 2022, and is detailed in **Schedule 11**. The Cash Acquisition Aggregate Price is on the assumption that the EBITDA projection of INR 36,00,00,000 (Rupees Thirty-Six Crores only) (excluding SEIS income) being met for FY 2022. In the event that the Investor exercises this option post 31 March 2022 but before 31 December 2023, then the acquisition will be at a valuation determined at the same multiples (as set out in **Schedule 11**), but at the revised EBITDA trailing 12 (twelve) months immediately before such option is exercised, for the relevant Cash Acquisition.



- (c) The Swap Ratio and/or Cash Acquisition Aggregate Price are subject to adjustments as stated in **Schedule 11**.
  - (d) The Promoter and Company shall provide any transaction assistance as may be necessary in connection with the Additional Call Option. The Company and Promoter hereby agree to do all acts and deeds necessary for effecting the Additional Call Option, including providing necessary representations and warranties (including but not limited to the Fundamental Warranties set out in this Agreement specifically in relation to Additional Call Option), indemnities and covenants.
- 2.5 The Subscription Securities acquired by the Investor in accordance with this Agreement shall have clear title and shall be free and clear of all Encumbrances and rank *pari passu* with the existing Equity Shares of the Company, in all respects, including in respect of entitlement to dividends.
- 2.6 The Secondary Shares transferred to the Investor in accordance with this Agreement shall be free and clear of all Encumbrances and rank *pari passu* with the existing Equity Shares of the Company, in all respects, including in respect of entitlement to dividends.

### **3. Conditions Precedent**

#### **3.1 Conditions Precedent to Closing**

- (a) The obligations of the Investor to purchase the Secondary Shares and subscribe to the Subscription Securities, under this Agreement shall be conditional upon each of the conditions precedent specified in **Schedule 4 (Conditions Precedent to Closing)** having been satisfied in form and substance to the Investor's satisfaction, as soon as reasonably practicable, except to the extent that such Conditions Precedent to Closing are waived in writing by the Investor in its absolute discretion, and in any event on or prior to the expiry of 30 July 2021 or such extended date as may be mutually agreed by the Company, Promoter and the Investor (**Long Stop Date**).
- (b) The Company and the Promoter shall promptly notify the Investor in writing if either of them becomes aware that a Condition Precedent to Closing is not satisfied or becomes incapable (for whatever reason) of being satisfied. Upon satisfaction of the Conditions Precedent to Closing, the Company and the Promoter shall certify the satisfaction and fulfilment of the same in writing to the Investor, in an Agreed Form (**CP Satisfaction Notice**), together with documentary evidence of such fulfilment to the reasonable satisfaction of the Investor.

#### **3.2 Non-fulfilment of Conditions Precedent to Closing**

- (a) If any of the Conditions Precedent to Closing are not fulfilled to the reasonable satisfaction of the Investor (to the extent they are not waived by the Investor in writing in its absolute discretion) on or before the Long Stop Date or any such Conditions Precedent to Closing shall cease to be capable of being satisfied (unless they have been waived by the Investor in writing in its absolute discretion), then this Agreement shall terminate at the sole discretion of the Investor.

- (b) The provisions of Clauses 6 (*Warranties*), 7 (*Indemnification*), 8 (*Covenants of the Company and Promoter*) 15.1 (*Announcements*), 16 (*Confidentiality*), 18.1 (*Costs*) 18.12 (*Notices*), 19 (*Dispute Resolution*) and 20 (*Governing Law and Jurisdiction*), shall survive the termination of this Agreement pursuant to Clause 3.2.

#### **4. Conduct before Closing**

4.1 Except with the prior written consent of the Investor, during the period between the Execution Date and the earlier of Closing or termination of the Agreement, pursuant to Clause 3.2 above (*Interim Period*), the Company and its Group Companies shall not, and the Promoter undertakes to procure and ensure that the Company and its Group Companies shall not:

- (a) Acquire any shares, assets, business, organization, or division of any Person;
- (b) Sell, Transfer, or otherwise dispose-off the Company's Assets, any of its Group Companies or change the capital structure of the Company and/or its Group Companies;
- (c) Sell, Transfer, assign, mortgage, pledge, hypothecate, grant security interest in, or create any other Encumbrance on any of the Assets of the Company or on any securities of the Company and/or its Group Companies;
- (d) Enter into any agreement, Contracts, arrangement or transaction for the assignment of the Company's assets and/or the assets of the Group Companies;
- (e) not merge or consolidate with, or agree to merge or consolidate with, or purchase substantially all of the Assets of, or otherwise acquire, any business, business organization or division thereof, of any other Person;
- (f) not acquire, or agree to acquire, any Asset, or enter into or amend any agreement or incur any commitment to do so, other than in the Ordinary Course of Business;
- (g) preserve intact its present business organization such that its goodwill and Business shall be in all material respects unimpaired upon Closing;
- (h) make any change in the authorized, issued, subscribed or paid-up share capital of the Company or record any beneficial interest in the Equity Shares issued by the Company;
- (i) not appoint, terminate or modify the terms of employment of any Key Employees of the Company, including but not limited to providing increments;
- (j) enter into any related party transactions;
- (k) amend any of its Organisational Documents, except to the extent permitted under this Agreement;
- (l) not enter into, any material Contract or agreement, with respect to the Business, including but not limited to providing increments;

- (m) not make any change to the accounting or Tax policies, procedures or practices of the Company, or appoint or remove the external or statutory auditors of the Company other than as required under applicable Law;
- (n) create of adopt any new or additional equity plan, or change or modify or amend any existing equity plan;
- (o) not commence any business other than the Business;
- (p) not declare dividends or other distributions on, or redeem or repurchase any shares of, any class of the Company's equity or increase any of the Company's obligations with respect to Indebtedness;
- (q) not assume or incur Indebtedness;
- (r) not amend any agreements, Contracts or arrangements entered into by the Company or enter into any fresh agreements, Contracts or arrangements in relation to the marketing and / or services provided by the Company;
- (s) not take, or commit to take, any action that would result in the occurrence of any of the foregoing; and
- (t) not take (or commence any steps to take) any action in respect of the matters listed in **Part B of Schedule 6** (*Investor Reserved Matters*).

4.2 Without prejudice to the generality of Clause 4.1 above, prior to Closing, the Promoter shall procure that:

- (a) the Company and its Group Companies shall ensure that the Investor is as soon as reasonably practicable, made aware of and kept involved in (and given all explanations and information to the extent such information is available), all material matters concerning the Group Companies and the Business and shall take full account of the views of the Investor, acting reasonably, in relation thereto;
- (b) the Company and its Group Companies shall allow the Investor and its Representatives, upon prior written notice of not less than 3 (Three) Business Days, reasonable access to, and to take copies of, the books, records and documents of, or relating in whole or in part to, the Group Companies and the Business.

4.3 If during the Interim Period, the Company or the Promoter become aware that:

- (a) there has been or there is likely to be any breach of any of the Warranties or any fact, matter or circumstance (whether existing on or before the date of this Agreement or arising afterwards) has arisen which would cause any of the Warranties given by them to become untrue or inaccurate or misleading in any respect; or
- (b) any provision of Clause 4.1 or any other provision of this Agreement has been or is likely to be breached; or

- (c) any event, occurrence, fact, condition, change, development or effect that, individually or in the aggregate, could reasonably have or result in a Material Adverse Effect or a breach of any of the provisions of this Agreement or any Ancillary Agreement by any party thereto;

then the Company and the Promoter shall immediately and in any event within a period of 2 (two) days notify the Investor of that fact in writing and shall provide all information in relation to the relevant event to the Investor and such other related information as may be reasonably requested by the Investor.

4.4 The Promoter and the Company undertake to and agree that, during the Interim Period, the Promoter and the Company will not, nor will the Promoter permit the Company, its Subsidiaries or any Connected Person/Concern of the Company (or authorize or permit any of their respective Representatives) to take, directly or indirectly, any action to initiate, assist, solicit, receive, negotiate, encourage or accept any offer or inquiry from any Person in preference to, or in substitution of, the proposed investment contemplated by this Agreement to:

- (a) make any investment in Equity Shares or other Equity Securities of the Company or any Group Companies;
- (b) reach any agreement or understanding (whether or not such agreement or understanding is absolute, revocable, contingent or conditional) for, or otherwise attempt to consummate, any investment in Equity Shares or other securities of the Company or any Group Company; or
- (c) furnish or cause to be furnished any information with respect to the Company or its Subsidiaries, to any Person who the Company or its Group Company, Promoter or Representative knows or has reason to believe is in the process of considering any investment or transaction referred to in this Clause 4.4.

4.5 If the Promoter or the Company or any of its Group Companies, Connected Person/Concern (to the extent such Connected Person/Concern informs the Company and/or the Promoter) or Representatives receive from any Person an offer, inquiry or information request identical or similar to those referred to in Clause 4.4 or in connection with any investment or transaction referred to in Clause 4.4, the Promoter and the Company will promptly advise such Person, by written notice, of the terms of Clause 4.4 (without disclosing the other terms of this Agreement and without divulging the name of the Investor) and will promptly, orally and in writing, advise the Investor of such offer, inquiry or request.

## **5. Closing**

### **5.1 Closing**

- (a) Subject to the fulfilment of the Conditions Precedent to Closing to the satisfaction of the Investor, the Closing shall take place at such venue and on such date as may be mutually agreed among the Parties, provided that such date shall not be later than 10 (Ten) Business Days, from the date on which the Investor receives the CP Satisfaction Notice, or such other date that is mutually agreed to, in writing, among the Parties (***Closing Date***).

- (b) On the Closing Date, the Parties shall consummate the transactions contemplated hereunder by completing the events set out in sub-Clauses (c) through (l) below (**Closing**). The obligations of each of the Parties in sub-Clauses (c) through (l) below are interdependent. All transactions contemplated under this Agreement to be consummated at Closing shall be deemed to occur simultaneously and Closing will not occur unless all of the obligations set out in sub-Clauses (c) through (l) below are complied with and satisfied in all respects and are fully effective.
- (c) On the Closing Date, the Investor shall give instructions to its bankers to remit the Purchase Amount to the bank account of each of the Promoter's and the respective Existing Shareholders' individual bank accounts (collectively **Promoter's Bank Account**) (the details of which shall be intimated by the Promoter and the Existing Shareholders to the Investor at least 10 (Ten) Business Days prior to the Closing Date).

The Promoter's Bank Account shall be a no-lien account and the Company shall, prior to the execution of this Agreement, have provided irrevocable instructions to the bank in which the Promoter's Bank Account is held (**Bank**) (such instructions to be in form and substance satisfactory to the Investor) that the Purchase Amount shall not be debited from the Promoter's Bank Account until the Investor has confirmed the receipt of (a) the relevant board resolution(s) issuing and allotting the Subscription Securities; (b) the demat statement representing the Subscription Securities in the Investor's demat account, details of which shall be communicated by the Investor to the Company at least 5 (Five) Business Days prior to the Closing Date (c) the relevant board resolution(s) authorizing the transfer of the Secondary Shares; and (d) the Secondary Shares in the Investor's demat account. The Investor shall instruct the Bank to immediately release the "no-lien" simultaneously with the receipt of the duly stamped letter of allotment in respect of the Subscription Securities, and receipt of the Secondary Shares by the Investor in the Investor's demat account (as the case may be) and such instruction shall not be unreasonably delayed or withheld. Provided that, if upon receipt of the duly stamped letter of allotment in respect of the Subscription Securities, and receipt of the Secondary Shares by the Investor in the Investor's demat account (as the case may be) to the satisfaction of the Investor, the Investor fails to provide such instruction to the Bank, then the Promoter and the Company shall be entitled to inform the Bank.

- (d) On the Closing Date, the Investor shall give instructions to its bankers to remit the Subscription Amount to the Designated Bank Account.
- (e) The Designated Bank Account shall be a no-lien account and the Company shall, prior to the execution of this Agreement, have provided irrevocable instructions to the bank in which the Designated Bank Account is held (**Company Bank**) (such instructions to be in form and substance satisfactory to the Investor) that the Subscription Amount shall not be debited from the Designated Bank Account until the Investor has confirmed the receipt of (a) the relevant board resolution(s) issuing and allotting the Subscription Securities, (b) the demat statement representing the Subscription Securities in the Investor's demat account, details of which shall be communicated by the Investor to the Company at least 5 (Five) Business Days prior to the Closing Date (c) the relevant board resolution(s) authorizing the transfer of the Secondary Shares; and (d) the Secondary Shares in the Investor's demat account. The Investor shall instruct the Company Bank to immediately release the "no-lien" simultaneously with the receipt of the duly stamped letter of allotment in respect of the Subscription Securities, and receipt of the Secondary Shares by the Investor in the Investor's demat account (as the case may be) and such

instruction shall not be unreasonably delayed or withheld, provided however that upon receipt of the duly stamped letter of allotment in respect of the Subscription Securities, and receipt of the Secondary Shares by the Investor in the Investor's demat account (as the case may be) to the satisfaction of the Investor, if the Investor fails to provide such instruction to the Company Bank, then the Promoter and the Company shall be entitled to inform the Company Bank.

- (f) Subject to sub-clause (c) and (d) above, if the Investor does not confirm that Closing has occurred to the Bank and / or the Company Bank and the Investor further informs the Bank and / or the Company Bank that it desires to withdraw its Purchase Amount and / or the Subscription Amount, then the Bank shall return the Purchase Amount to the Investor, and the Company Bank shall return the Subscription Amount to the Investor, subject to such Governmental Approvals as may be required (which approvals shall be promptly procured by the Company and the Promoter).
  
- (g) The Company shall hold a meeting of its Board, at which it shall be approved unanimously to:
  - (i) issue and allot the Subscription Securities to the Investor in accordance with the terms of this Agreement;
  - (ii) approve the transfer of the Secondary Shares to the Investor in accordance with the terms of this Agreement;
  - (iii) enter the name of the Investor in the register of transfers and the register of beneficial owners of the Company as the holder of (i) the Subscription Securities; and (ii) Secondary Shares;
  - (iv) appoint the nominees of the Investor, that is, the Investor Directors, as directors on the Board of the Company, in accordance with the terms of this Agreement;
  - (v) if required by the Investor, appoint an Observer;
  - (vi) approving the Restated Articles; and
  - (vii) pass such other resolutions as are necessary or required to give effect to the transactions contemplated under this Agreement to achieve Closing.
  
- (h) The Company shall hold a meeting of its shareholders, at which the following shall be approved:
  - i. appointment of the nominees of the Investor, that is, the Investor Directors, as a non-executive, non-retiring directors on the Board of the Company in accordance with the terms of this Agreement;
  - ii. appointment of the Investor Directors as a member of each of the committees of the Board (as applicable); and
  - iii. adoption of the Restated Articles of the Company.

- (i) The Company shall, and the Promoter shall procure that the Company delivers certified copies of the resolutions referred to in sub-Clauses (g) and (h) above to the Investor at Closing.
- (j) The Company shall duly issue and allot the Subscription Securities to the Investor in dematerialized form, and the Promoter shall ensure and procure that duly stamped and executed share certificates in respect of the Subscription Securities are delivered to the Investor in order to facilitate the dematerialization of the Subscription Securities by the Company. The Company shall, on the Closing Date, duly pay the requisite amount of stamp duty as required by Law in respect of issuance and allotment of the Subscription Securities.
- (k) Notwithstanding anything to the contrary, the Company shall be responsible for the payment of any and all stamp duties relating to allotment and issuance of the Subscription Securities in accordance with the terms of this Agreement (including stamping requirements under this Agreement and on the share certificates as applicable). The Company shall also bear the costs of making the payment of stamp duty in respect of the sale of the Secondary Shares through the relevant depository participant.
- (l) On the Closing Date, the Company shall execute the employment agreements with the Promoter and the identified Key Employees (as applicable), which employment agreements shall be in Agreed Form and shall be duly stamped by the Company.

## **5.2 Conditions Subsequent to Closing**

- (a) The Company shall (with the Board cooperation) and the Promoter shall cause the Company to fulfil (and provide certified true copies of documents evidencing such fulfilment) in form and substance reasonably satisfactory to the Investor, all the filings and compliances required under applicable Law, including the following:
  - (i) within 5 (Five) Business Days of the Closing Date, file with the Registrar of Companies, Form PAS 3 (or such other forms as may be applicable under the provisions of the Act) in connection with the issuance and allotment of the Subscription Securities to the Investor;
  - (ii) within 5 (Five) Business Days of the Closing Date, file with the Registrar of Companies, Form MGT-14 in respect of the shareholders' resolutions referred to in Clause 5.1(i) above;
  - (iii) within 5 (Five) Business Days of the Closing Date, file Forms DIR-11 and DIR-12 (or such other forms as may be applicable under the provisions of the Act) with the Registrar of Companies, in relation to the resignation of the existing director and the appointment of the Investor Directors;
  - (iv) within 30 (Thirty) Business Days of the Closing Date, carry out the Audit of the financial statements of the Company for the year ended 31 March 2021;
  - (v) within 30 (Thirty) Business Days of the Closing Date, carry out technical and physical verification of inventory and fixed assets;

- (vi) within 60 (sixty) Business Days of the Closing Date obtain the fire NOC for its Peenya Facility under Karnataka Fire Services Act 1964;
- (vii) within 30 (Thirty) Business Days of the Closing Date, the Company shall, shall require that the Company shall regularize any of its non-compliances for the existing employees of the Company under the Payment of Bonus Act, 1965;
- (viii) within 30 (Thirty) Business Days of the Closing Date, the Company shall develop a comprehensive Legal Register incorporating all applicable Environmental & Social legal requirements at the corporate level and facility level;
- (ix) within 30 (Thirty) Business Days of the Closing Date, the Company shall identify all categories of hazardous wastes generated in the Peenya Facility and accordingly apply for Hazardous Waste Management (*HWM*) Authorization from Karnataka State Pollution Control Board as per the Hazardous & Other Waste (Management and Transboundary Movement) Rules 2016;
- (x) within 30 (Thirty) Business Days of the Closing Date, the Company shall ensure that the owner of Peenya Facility has obtained lift license;
- (xi) within 30 (Thirty) Business Days of the Closing Date, the Company shall procure a director and officers insurance policy for 7 years from the Closing Date covering all its directors on Board, to the satisfaction of the Investor for the present directors of the Company for an amount of INR 40,00,00,000 (Rupees Forty Crores only).
- (xii) within 30 (Thirty) Business Days of the Closing Date, the board of directors and shareholders of the Company shall have passed resolutions (in Agreed Form) approving the increase / reclassification in its authorised share capital in order to accommodate the investment in the Company by the Investor under the Agreement (including the conversion of the Subscription Securities into Equity Shares) and the Company shall have filed with the Registrar of Companies in accordance with the provisions of the Act, certified copies of such resolutions and the Investor shall have received certified true copies of such resolutions and filings made by the Company with the Registrar of Companies evidencing payment of stamp duty and registration fees in relation to the increase in the Company's authorised share capital;
- (xiii) within 30 (Thirty) Business Days of the Closing Date, the Company shall make relevant filings with the registrar of companies, in accordance with the Act, in relation to release of the pledge over the shares by them in the Company in favour of Canara Bank Limited;
- (xiv) Within 10 (Ten) Business Days of the Closing Date, the Company shall notify Biotechnology Industry Research Assistance Council, Biocon Limited, BBT Biotech GmbH, and BSV Bioscience GmbH about the transactions contemplated under this Agreement;
- (xv) Within 10 (Ten) Business Days of the Closing Date, the Company shall notify all relevant regulatory authorities including authorities under the Drugs and Cosmetics



Act, 1940, about the change in shareholding of the Company, as required under Applicable Law; and

- (xvi) Within 60 (Sixty) Business Days of the Closing Date, the Company shall, and the Promoter shall require that the Company shall regularize any of its non-compliances under the Employees' State Insurance Act, 1948.
- (xvii) Within 30 (thirty) days of Closing, apply for approval from the Reserve Bank of India to sell or transfer the shares held by the Company in MyBioSciencelab SDN. BHD., Malaysia and thereafter take all requisite steps to complete such transfer as expeditiously as possible.

## 6. Warranties

- 6.1 The Company, the Promoter and the Existing Shareholders hereby jointly and severally represent, warrant and undertake to the Investor, as at the Execution Date and the Closing Date, that each of the Warranties, are and will be true, complete and correct in all respects and not misleading in any respect, and hereby acknowledge that the Investor has entered into this Agreement in reliance upon the Warranties being true, complete and correct in all respects and not misleading in any respect. These Warranties shall be applicable retrospectively for all the shares purchased by the Investor from CVCFL, aggregating to 30% (Thirty percent) of the share capital of the Company and effective from each of the date of execution and the date of closing of the share purchase under the CVCFL SPA. It is clarified that any representation and warranties provided by CVCFL which pertains to the ownership and title of Equity Shares of CVCFL (acquired by the Investor under the CVCFL SPA) shall remain the sole obligation of CVCFL only.
- 6.2 There is no fact or circumstance relating to the affairs of the Company and/or the Promoter which has not been disclosed to the Investor, and which if disclosed might reasonably have been expected to influence the decision of the Investor to enter into this Agreement and/or the Ancillary Agreements.
- 6.3 Each of the Warranties shall be construed as a separate and independent warranty (save as expressly provided to the contrary herein) and shall not be limited, restricted, modified or qualified by reference to or inference from the terms of any other Warranty, or any due diligence investigations or findings by the Investor.
- 6.4 None of the Warranties shall be treated as qualified by any actual or constructive knowledge or investigation on the part of the Investor or any of its Representatives, whether before or after the date of this Agreement.
- 6.5 Where any statement in this Clause 6, **Schedule 5** (*Representations and Warranties*) or elsewhere in this Agreement is qualified by the expression “so far as the relevant warrantor / any Party is aware” or “to the best of the relevant warrantor’s / Party’s knowledge, information and belief” or any similar expression, that statement shall, unless otherwise specified, be deemed to mean that it has been made after due and careful enquiry and diligence.
- 6.6 The Investor hereby makes the following representations and warranties (**Investor Warranties**)

to the other Parties with respect to itself, each of which is true and correct as of the date hereof and shall be true and correct as of the Closing Date:

- (a) The Investor has the full power and authority to enter into, execute and deliver and perform the transaction as contemplated herein and in the Ancillary Agreements.
- (b) The Investor is duly incorporated and validly existing under applicable Law; and
- (c) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder have been duly authorized by all necessary actions on its part and the execution and consummation of the transactions contemplated under this Agreement are not violative of its constitutional documents, or any contracts, court order or regulatory order or to which it is a party.
- (d) This Agreement shall constitute the legal, valid and binding obligations of the Investor, enforceable against it in accordance with its terms.

## **7. Indemnification**

7.1 Each of the Company, the Promoter and the Existing Shareholders (each an ***Indemnifying Party***), shall jointly and severally, indemnify, defend and hold harmless, the Investor, its Affiliates and Representatives (***Indemnified Parties***) from and against all Losses, incurred by the Indemnified Parties, as a result of or relating to or arising out of or in connection with the following events (***Indemnification Events***):

- (a) any breach of any Warranty under this Agreement;
- (b) any breach, default or violation of or failure to fulfil any covenant, obligation, agreement or unwaived condition under the Agreement and/or the Ancillary Agreements;
- (c) any gross negligence or willful misconduct or fraud on the part of the Promoter and/or the Company or its Group; and /or
- (d) Specific Indemnities in accordance with **Schedule 9** (***Specific Indemnities***);

Any claim for indemnity pursuant to this Clause 7.1 shall be made by the Indemnified Parties by notice in writing (***Indemnity Notice***) to the Company and the Promoter.

7.2 The Investor shall, in its absolute discretion, from time to time in respect of any claim arising under Clause 7.1 determine:

- (a) whether the Promoter and/or the Existing Shareholders and/or the Company shall indemnify the relevant Indemnified Party in respect of that claim;
- (b) which Indemnified Party (or more than one, as relevant) shall be indemnified in respect of that claim; and
- (c) the allocation of the indemnity as between the relevant Indemnified Party (or more than one, as

relevant),

and the Investor shall notify the Promoter and the Company in writing of its determination. The Promoter and the Existing Shareholders and the Company agree to comply with that determination. Provided however that, the Promoter, Existing Shareholders and the Company shall not be liable for indemnification for more than once for the same claim arising out of breach of the same Warranty.

- 7.3 Since the Investor is a shareholder in the Company, where the claim under this Clause 7 is being satisfied only by the Company (as indemnification for the Losses suffered by the Investor), the amounts payable will be grossed up to include such additional amount that is proportional to the shareholding of the Investor in the Company. If the Promoter and the Existing Shareholders, in accordance with this Clause 7, indemnify an Indemnified Party in respect of a claim arising due to an act or omission of the Company or any of its Group Companies, the Promoter and the Existing Shareholders expressly agree to waive any rights of counter-indemnity or other rights at Law against the Company and its Group Companies (as relevant) in respect of that indemnity. Any Loss suffered by the Company and/or its Group Companies as a result of or in connection with, or arising from or in relation to an Indemnification Event, shall be deemed to be a Loss (to a maximum extent on a proportional shareholding basis) for the Investor.
- 7.4 The Company, the Promoter and the Existing Shareholders jointly and severally undertake to pay to the Indemnified Parties promptly on ascertainment of the liability / cost, an amount equal to such proportion of any and all Taxes payable or suffered by the Company in respect of the items mentioned below:
- (a) in respect of or arising from any transaction effected or deemed to have been effected, on or prior to Closing;
  - (b) by reference to any profits earned, accrued or received (or deemed to have been earned, accrued or received) on or before Closing;
  - (c) any and all Tax arising by reason of the unavailability of any Tax Holiday, concession, benefit or exemption at any time where the reason for such unavailability is attributable to a transaction or the non-compliance with any formalities necessary for the continuance of such Tax Holiday concession, benefit or exemption by the Company on or before Closing; and
  - (d) any and all reasonable costs and expenses (including legal costs) incurred by the Investor in respect of a claim under this indemnity provision.
- 7.5 In respect of any matter in relation to which the Indemnified Parties are entitled to be indemnified by the Company and/or the Promoter and the Existing Shareholders (as the case may be) under this Agreement, in the event that any of the Company or the Promoter and the Existing Shareholders make any payment (**Base Payment**) to the Indemnified Parties hereunder, the Company or the Promoter and the Existing Shareholders shall make a further payment (**Additional Payment**) to the Indemnified Parties so that the sum of the Base Payment and the Additional Payment shall, after deducting from such payments the amount of all Taxes required to be paid in respect of the receipt or accrual of such payments, be equal to the Base Payment. If the Indemnified Party receives any Tax credit, deduction or refund in relation to

the Loss for which any indemnification payment is to be made, then the same shall be taken into account in determining the Additional Payment.

7.6 Notwithstanding the foregoing, no Person shall have the right to, and shall not be paid, any reimbursement from the Company or its Group Companies for any indemnity amount it and /or the Promoter paid to the Indemnified Parties if the Company and / or the Promoter is obliged to indemnify the Indemnified Parties under this Clause 7.

7.7 To the extent any breach, default, violation of or failure to fulfil any covenant, obligation, agreement, Warranty under this Agreement and/or the Ancillary Agreements are covered under the indemnification rights under this Clause 7 of this Agreement, such indemnification rights shall at all times be independent of, and in addition to, such other rights and remedies of the Indemnified Parties which they may have at Law or in equity or otherwise, including the right to seek damages, specific performance, rescission, restitution or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby. It is clarified that nothing herein shall prevent an Indemnified Party from obtaining an injunction (mandatory or prohibitory) upon any continuing breach of any provision hereof, notwithstanding that the Indemnified Party (in case of any Loss arising from any Third Party Claims) has been previously indemnified in respect of a Loss suffered by it/them on account of such breach.

#### 7.8 **Procedure for Claims**

(a) Upon the Indemnified Parties becoming aware of any facts giving rise to a claim under Clauses 7.1 above, the Indemnified Parties shall promptly issue the Indemnity Notice. It is clarified that any delay in giving the Indemnity Notice shall not relieve the Indemnifying Party of its indemnification obligations hereunder. Such Indemnity Notice shall contain, to the extent known to the Indemnified Parties, the facts constituting the basis for such Losses. Within 5 (Five) days of receipt of an Indemnity Notice, the Company and the Promoter and the Existing Shareholders shall indemnify the Investor for such Losses as set out in the Indemnity Notice.

(b) In case any third party alleges or asserts a claim, demand, action, proceeding or suit against the Company arising out of any matter in respect of which an Indemnified Party is entitled to be indemnified under this Agreement (*Third Party Claims*), such Indemnified Party(ies) shall as soon as reasonably practicable notify the Indemnifying Party in writing.

(c) The Indemnified Party(ies) shall have the right, but not the obligation, to contest, defend and litigate, and to retain legal advisers of its choice, in respect of any such Third Party Claims in relation to any Loss suffered or incurred and the Indemnifying Party shall continue to keep the Indemnified Party(ies) indemnified in respect of any Losses incurred by the Indemnified Party(ies) as a result of such Third Party Claim (including its reasonable costs, penalties, legal fees and expenses, guarantees and payments pursuant to an interim order or otherwise)). The Indemnifying Party shall also have the right to assume and control the defense of the Third Party Claims, and to retain legal advisers of its choice, irrespective of whether the Indemnified Party decides not to participate in the defence or abandons any defence, provided however that the Indemnifying Party shall continue to keep the Indemnified Party(ies) indemnified in respect of any Losses incurred by the Indemnified Parties as a result of such Third Party Claim. The Company shall provide all documents and cooperation as reasonably required by the Indemnifying Party for the purposes of defense of the Third Party Claim.

- (d) If the Indemnifying Party so assumes and controls the defence of any such Third Party Claim or Proceedings in relation thereto:
- (i) the Indemnifying Party shall consult in good faith with the Indemnified Party(ies) in the conduct of the Third Party Claim;
  - (ii) the Indemnifying Party shall act in good faith and use reasonable efforts to defend the Third Party Claim in consultation with, and having due regard to the advice of the Indemnified Party(ies) (but the Indemnifying Party is not bound to follow such advice);
  - (iii) the Indemnifying Party shall keep the Indemnified Party(ies) informed of all material developments and events relating to such Third Party Claim;
  - (iv) forthwith intimate the Indemnified Party(ies) in writing of the receipt of any correspondence or Third Party Claim and also simultaneously forward a copy thereof to the Indemnified Party(ies);
  - (v) the Indemnified Party shall cause the Company to reasonably co-operate with the Indemnifying Party(ies) in any legal proceedings that may be necessary or incidental in defending such Third Party Claim.
  - (vi) the Indemnified Party(ies) shall have the right, but not the obligation, to participate in any such defence, access and consult with counsel engaged by the Indemnifying Party in relation to such defence and to retain separate counsel. In the event that the Indemnified Party(ies) exercises its right to participate in any such defense, then the Indemnifying Party shall co-operate with the Indemnified Party(ies) in proceeding with the defence of such claim;
  - (vii) the Indemnifying Party shall not: (x) have the right to make admissions on behalf of the Indemnified Party(ies); (y) take any action in pursuance of such Third Party Claim on behalf of the Indemnified Party(ies); (z) under any circumstance settle, compromise, adjust, dispose, withdraw or admit any liability without the prior written consent of the Indemnified Party(ies); and
  - (viii) if any interim payments (including costs, expenses, fees, penalties or any guarantees or any other payments) are required to be made whether pursuant to an interim order or otherwise, then the Indemnifying Party shall be obligated to promptly make such payment.
  - (ix) If: (i) the Indemnified Party(ies) elects to assume and control the defence of the Third Party Claims (without prejudice to the right of the Indemnifying Party to assume defence); or (ii) the Indemnifying Party abandons or fails to conduct the defence of such Third Party Claim in accordance with the provisions of Clause 7.3(c) above, the Indemnified Party(ies) may proceed with the defence of such Third Party Claim on its own, at the expense of the Indemnifying Party. If the Indemnified Party(ies) proceeds with the defence of any such Third Party Claim on its own, it shall be entitled to defend the Third Party Claim in a manner it deems fit subject to the following:

- (x) the Indemnifying Party shall provide to the Indemnified Parties and their authorised representatives, reasonable access: (x) to the authorised representatives of the Indemnifying Party; or (y) to any property that is a subject matter of a Third Party Claim and is in possession of the Indemnifying Party, to the extent such access is reasonably required for conduct/defence of the Third Party Claim;
  - (xi) the Indemnifying Party shall reasonably co-operate with the Indemnified Party(ies) in any legal proceedings that may be necessary or incidental in defending such Third Party Claim;
  - (xii) the Indemnifying Party shall make available to the Indemnified Party(ies), all documents and information relating to Third Party Claim required by the Indemnified Party(ies) in any legal proceedings and render all assistance as the Indemnified Party(ies) may reasonably require at the Indemnifying Party's cost and expense; and
  - (xiii) the Indemnified Party(ies) shall have the right to compromise, adjust, withdraw, settle and/or dispose the Third Party Claim in good faith provided that no compromise, adjustment, settlement or admission of guilt shall be made binding on or on behalf of the Promoter or Existing Shareholders without their prior written consent.
- (e) Notwithstanding anything contained elsewhere in this Agreement, the Company, the Promoter and the Existing Shareholders hereby jointly and severally indemnify, defend and hold harmless, promptly on demand at any time and from time to time, the Indemnified Parties for any and all Losses caused to the Indemnified Parties, on account of, or as a result of, or in connection with, all or any of the matters specified in **Schedule 9** (*Specific Indemnities*) hereunder:

#### 7.9 **Limitation of Liability**

- (a) Save and except in case of fraud, the Indemnified Parties must make a claim:
  - (i) With respect to any claim for misrepresentation in, inaccuracy in or breach of any Business Warranties, no later than 3 (three) years from the Closing Date; and
  - (ii) With respect to any claim for misrepresentation in, inaccuracy in or breach of any Tax Warranties no later than 8 (eight) years from the Closing Date.
- (b) Provided that any indemnity claim made by the Indemnified Parties before the expiry of the above-stated limits shall continue and the time limits specified above shall stand extended until such claim is resolved, indemnified or withdrawn in accordance with the terms herein.
- (c) The liability for indemnification by the Company, Promoter and Existing Shareholders under this Agreement shall not be applicable with respect to any Losses arising from those breaches or matters which already disclosed to the Investor under the disclosure schedule to be delivered pursuant to this Agreement (*Disclosure Schedule*). Provided however that, the disclosures shall not be applicable for Losses arising under specific indemnities expressly provided under **Schedule 9** (*Specific Indemnities*), Fundamental Warranties and / or Tax Warranties hereof.

## **8. Covenants of the Company and Promoter**

- 8.1 The Company shall (with the cooperation of the Board) and the Promoter shall exercise its right to support the Company and /or the Group Companies to, at all times:
- (a) comply with all Laws and the conditions applicable under any Consents applicable to them;
  - (b) ensure that the Company and the Group Companies obtain and maintain all required Consents for its business and adheres to the terms and conditions thereof;
  - (c) pay all (undisputed) Taxes and statutory dues in full to the relevant Governmental Authorities within the applicable due dates;
  - (d) notify the Investor of any material loss or damage suffered by the Company and/or the Group Companies;
  - (e) maintain adequate insurance coverage for all of their respective assets and properties commensurate with the applicable industry standards; and
  - (f) comply with applicable Environmental Laws and Social Laws and the Company shall, at its quarterly Board meeting, review/monitor such compliance.
- 8.2 The Promoter shall not be permitted to Transfer the securities held by them in the Company without the prior written consent of the Investor, except as provided for in this Agreement.
- 8.3 The Promoter shall not be required, at any time, to encumber his Equity Shares in the Company, or provide any personal guarantee to any Person for any future indebtedness without his prior written consent, excluding any deposits or personal guarantees already given by the promoter, which are not released.
- 8.4 The Investor shall not be required, at any time, to encumber its Investor Securities in the Company, or provide any guarantee, recourse or any other support to any Person, including, to any banks or financing institutions providing credit facilities to the Company or its Group.
- 8.5 The Company shall cause for the benefit of Service Exports from India Scheme (*SEIS*) income for Financial Year 2020- 2021 to be passed to the Promoter upon receipt thereof, post deduction of applicable tax at source, if any.

## **9. Investor Directors**

- 9.1 The Board shall at all times comprise of a maximum of 5 (Five) directors. In this respect,
- (a) the Investor shall be entitled to appoint and maintain in office such number of directors from time to time which shall be in proportion to its shareholding in the Company at the relevant time (*Investor Directors*), being a minimum of 3 (Three) directors (and to remove from office any Investor Director so appointed by it, and to appoint another in the place of such Investor Director so removed by the Investor). The Investor Directors shall not be liable to retire by rotation;

- (b) the Investor Directors shall be entitled to be appointed as members of all the committees of the Company;
- 9.2 On and from the Closing Date, the Promoter shall be entitled to appoint 2 (Two) directors on the Board of the Company, (*Promoter Directors*) until the Promoter holds at least 20% (twenty percent) of the aggregate share capital of the Company (on a Fully Diluted Basis).
- 9.3 the Investor shall also be entitled to appoint an observer on the Board (*Observer*). It is clarified that the Observer shall not have any voting rights in the matters of the Board.
- 9.4 No Person, save and except in the case of fraud by any director appointed on the Board or if the removal of any director is required under the Act, other than the Investor, shall have the power or right to remove and replace such Investor Director. To the extent permissible by Law, the appointment of the Investor Director shall be by direct nomination by the Investor individually, and any appointment or removal, unless the contrary intention appears, take effect from the date it is notified to the Company in writing. If Law does not permit the Person nominated by the Investor to be appointed as a director or alternate director of the Company merely by nomination by the Investor, the Company shall ensure that the Board forthwith (and in any event within 7 (Seven) days of such nomination or at the next Board meeting, whichever is earlier) appoints such Person as a director or alternate director, as the case may be, of the Company and further ensure that, unless the Investor changes or withdraws such nomination, such Person shall also be elected as a director or alternate director, as the case may be, of the Company at the next general meeting of the shareholders of the Company. Each shareholder of the Company, shall promptly vote its Equity Securities in favour of the director and alternate director nominees nominated pursuant to the preceding sentence.
- 9.5 Without prejudice to the above, the Company and each of the Parties hereto agree to exercise all powers and rights available to them so as to fix the number of directors in accordance with this Clause 9 and to ensure that the Persons nominated by the Investor is expeditiously appointed or removed (as the Investor may specify in relation to its respective nominee) as directors of the Company and the appointments and removals referred to in this Clause 9 result in the Persons nominated / appointed or removed becoming or ceasing to be directors of the Company.
- 9.6 Investor Directors shall not be required to hold any Equity Securities in order to qualify as a director of the Company.
- 9.7 The Investor may require any Investor Director to resign or be removed (with or without cause) at any point of time, and shall be entitled to nominate another representative to replace such Investor Director. The Investor Directors shall not be liable to retire by rotation. The Company shall and the Promoter shall exercise its right to support the Company in order to take all actions as necessary to give effect to such removal or resignation in accordance with applicable Law.
- 9.8 The Investor Directors shall each be entitled to be a member of every committee of the Board as well as the board of directors of the Subsidiaries and Affiliates of the Company.
- 9.9 The Investor shall be entitled to nominate an alternate director to its Investor Director and the



Board shall appoint such Persons as alternate director to the Investor Director.

- 9.10 The Observer shall have the right to attend any and all meetings of the Board and shareholders of the Company, in a non-voting, observer capacity. The Observer shall act as an observer and not as an agent, proxy holder or legal representative of the Investor. The Observer shall have the right to receive all information as shall be provided to the directors. The Investor shall ensure that such Observer (prior to his appointment) shall be bound by such confidentiality obligations, in writing, which are no less stringent than those provided for herein.
- 9.11 The Company and its Subsidiaries shall reimburse members of their board of directors and observers respectively for reasonable travel and out-of-pocket expenses incurred to attend meetings of the board and committees and for any other work undertaken for the Company and/or its Subsidiaries (as may be applicable).
- 9.12 The Company shall indemnify, defend and hold harmless each of the directors on its Board (**Indemnitee**) who has been made a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a director of the Company, or is or was serving at the written request of the Company as a director of another company or other entity or enterprise, to the fullest extent permitted by Law against all direct expenses, costs and obligations (including, without limitation, reasonable attorneys' fees, experts' fees, court costs, retainers, transcript fees, duplicating, printing and binding costs, as well as telecommunications, postage and courier charges) (**Expenses**), damages, judgments, fines, penalties, and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties, or amounts paid in settlement) actually and reasonably incurred by him or her in connection with such action, suit or proceeding (**Indemnifiable Amounts**) if he or she acted in good faith and in the best interests of the Company in accordance with his or her fiduciary duty to the Company, provided however that, notwithstanding anything to the contrary, such indemnity shall not be available if it is established by a final order of the court of law that the Indemnitee is found to be guilty or had committed any fraud or wilful misconduct. Additionally, the Company agrees that:
- (a) if so requested by the Indemnitee, the Company may advance any and all Expenses incurred by the Indemnitee, either by (i) paying such Expenses on behalf of the Indemnitee, or (ii) reimbursing the Indemnitee for such Expenses;
  - (b) if the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses or other Indemnifiable Amounts in respect of a claim but not, however, for the total amount thereof, the Company shall indemnify the Indemnitee for the portion thereof to which the Indemnitee is entitled;
  - (c) for purposes of this Agreement, the termination of any claim, action, suit or proceeding, by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of *nolo contendere*, or its equivalent, shall not create a presumption that the Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable Law;
  - (d) the rights of the Indemnitee hereunder shall be in addition to any other rights the Indemnitee

may have under the Restated Articles or otherwise. To the extent that a change in applicable Law permits greater indemnification by agreement than would be afforded currently under the Restated Articles, it is the intent of the Parties hereto that the Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change; and

- (e) the Investor Director is not and shall not be considered as the "officer who is in default" for the purposes of any of the provisions of the Act and applicable Law.
- 9.13 Subject to applicable Laws, the Parties expressly agree and undertake that each Investor Director (and/or their respective alternate Directors, as the case may be) shall be a non-executive Director and shall not be responsible for / or involved in the day-to-day management or affairs of the Company, and shall not be liable for any default or failure of the Company in complying with the provisions of any applicable Laws (including, but not limited, to the Act).
- 9.14 Subject to applicable Laws, the Company further agrees and undertakes that it shall not identify / assign the Investor Directors (or any of their respective alternate Directors), with the responsibility of complying with any applicable Law, or as occupiers of any premises used or occupied by the Company, or as an employer under any applicable Law.

## **10. Corporate Governance**

- 10.1 The Board shall meet at least once every quarter and at least 4 (Four) times a year. Subject to applicable Law, at least 7 (Seven) Business Days' notice of each Board (or committee of the Board) meeting shall be given prior to such meeting or such shorter period as the directors on the Board, including the Investor Director may agree. The agenda for each Board (or committee of the Board) meeting and all agenda papers connected therewith and/or proposed to be placed or tabled before the Board (or committee of the Board) shall be circulated together with the notice for such meeting, and, no items save and except those specified in the agenda may be discussed at any Board (or committee of the Board) meeting, except with the Investor's prior written consent. Meetings of the Board may be held at any place which has been designated in the notice of the meeting or at such place as may be approved by the Board. The Company shall provide, in accordance with applicable Law, the Directors with the draft of the minutes of the meeting of the Board and shall finalise and adopt such minutes after incorporating the inputs from Directors and after approval of the Investor Director.
- 10.2 Subject to applicable Law, the presence of at least 1 (One) Investor Director and 1 (One) Promoter Director shall be required to be present throughout the meeting to fulfil the quorum requirement for a meeting of the Board (or committee of the Board), unless otherwise agreed in writing in advance by the Investor and Promoter. The Promoter shall not exercise any of their rights hereunder to prevent the Investor from exercising its rights under this Agreement. In the absence of a valid quorum presence, duly convened, the meeting shall be adjourned to the same time and place two Business Days thereafter, at the same place and time, and having the same agenda as that of the original meeting (***Adjourned Board Meeting***) by a written notice to all Directors. If a valid quorum in terms of this Clause 10.2 is not present for the Adjourned Meeting within 30 (thirty) minutes of the time specified for the Adjourned Meeting, then the directors present at the Adjourned Meeting shall, subject to applicable Law and presence of at least one (1) Investor Director, constitute quorum to discuss and decide on all matters except for Promoter Reserved Matters. and new agenda items. It is clarified that the notice to the

meeting will contain all agenda for the proposed meeting.

- 10.3 Members of the Board or any committee thereof shall be afforded the opportunity to, and may participate in a meeting of the Board or such committee by means of conference telephone, videoconference or similar communications equipment by means of which all Persons participating in the meeting can hear each other and participation in a meeting without interruption in communications pursuant to this provision shall, if, and in the manner permitted by applicable Law, constitute presence in person at such meeting.
- 10.4 An annual general meeting of the shareholders shall be held within 6 (Six) months from the end of each Financial Year as provided under the Act. Subject to the foregoing, the Board, on its own, may convene an extraordinary general meeting of the shareholders, whenever they deem appropriate.
- 10.5 At least 21 (Twenty One) days' prior written notice shall be given to all shareholders whose names appear on the register of members of the Company in respect of every annual general meeting or extraordinary general meeting of the shareholders. Any such general meeting of the shareholders (whether annual or extraordinary) may be called by giving shorter notice in accordance with applicable Law. The notice shall specify the place, date and time of the meeting. Every notice convening a meeting of the shareholders shall set forth in full and sufficient detail, the business to be transacted thereat. No business shall be transacted at such meeting unless the same has been stated in the notice convening the meeting.
- 10.6 The quorum for a meeting of the shareholders of the Company shall include a Representative of the Investor and the Promoter present throughout the meeting, unless otherwise agreed with the prior written consent of the Investor and Promoter. In the absence of a valid quorum presence, duly convened, the shareholders meeting shall be adjourned to the same time and place two Business Days thereafter, at the same place and time, and having the same agenda as that of the original meeting (*Adjourned General Meeting*). If a valid quorum in terms of this Clause 10.6 is not present for the Adjourned General Meeting within 30 (thirty) minutes of the time specified for the Adjourned General Meeting, then the shareholders present at the Adjourned General Meeting shall, subject to applicable Law and presence of at least one (1) Representative of the Investor, constitute quorum and discuss and decide on all matters, except for Promoter Reserved Matters and new agenda items. It is clarified that the notice to the meeting will contain all agenda for the proposed meeting.
- 10.7 The Company shall exercise its votes at the shareholders' meetings of the Group Companies in accordance with the decision taken in that regard by the Board of the Company and to give effect to the provisions of this Agreement. In relation to the board of directors of the Group Company, the following process shall be followed:
- (a) all agenda and notices of any board meetings and shareholder meetings of the Group Companies shall be forwarded to the Investor immediately on receipt;
  - (b) in respect of any Investor Reserved Matters, the Company and the nominee directors of the Promoter or the Promoter on the board of the Group Companies shall not permit any action to be taken or any resolution to be passed unless the prior written consent of the Investor have been given for the same;

- (c) in respect of any Promoter Reserved Matters, the Company and the nominee directors of the Investor or the Investor on the board of the Group Companies shall not permit any action to be taken or any resolution to be passed unless the prior written consent of the Promoter has been given for the same;
  - (d) in respect of all other matters, the Company, the Promoter and the nominee directors of the Promoter, subject to their fiduciary obligations under the applicable Law, shall exercise their rights in a manner which is consistent with and in support of this Agreement and, to the extent practicable subject to applicable Law, comply with the terms of this Agreement; and
  - (e) without prejudice to the above, in respect of all actions of the Company, the Promoter and the nominee directors of the Promoter on the board of the Group Companies, prior to taking such actions, the same shall be brought to the notice of the Board and the Board shall instruct them to give effect to the provisions of this Agreement.
- 10.8 The Company will place any matter on the agenda of Board (or committees of the Board) or shareholder meeting of the Company and/or the Group Companies that the Investor requests.

## **11. Information Rights**

- 11.1 The Company and the Group Companies shall, and the Company shall cause the Group Companies to, maintain true books of accounts and records of account in which full and correct entries shall be made of all its business transactions pursuant to a system of accounting established and administered in accordance with GAAP. The Company and the Group Companies shall provide to the Investor, its Investor Directors and Observer, the Promoter and the Promoter Directors, or the Investor's Affiliates and associates, the following information/documents, with respect to the Company and its Group Companies:
- (a) as soon as available, but in any event within 120 (One Hundred and Twenty) days after the end of each Financial Year, a copy of the audited consolidated and standalone financial statements (including the balance sheets and profit and loss account) of the Company and its Group Companies as at the end of such Financial Year and the related consolidated and standalone statements of income, statements of changes in shareholders' equity and statements of cash flows of the Company and its Group Companies for such Financial Year, all in reasonable detail and stating in comparative form the figures as at the end of and for the previous Financial Year and the scope of the audit shall be as per the applicable Law;
  - (b) as soon as available, but in any event not later than 15 (Fifteen) days after the end of each quarter, the unaudited consolidated and standalone financial statements (including the balance sheets) of the Company and its Group Companies as at the end of such quarter and the related unaudited consolidated and standalone statements of income, statements of changes in shareholders' equity and statements of cash flows of the Company and its Group Company for such quarter and for the elapsed period in such Financial Year, all in reasonable detail and stating in comparative form the figures as of the end of and for the comparable periods of the preceding Financial Year and budgeted figures for the period, approved by the Chief Financial Officer of the Company; all such financial statements shall be complete and correct in all material respects and shall be prepared in conformity with GAAP and applied on a consistent

basis throughout the periods reflected therein except as stated therein;

- (c) as soon as available, but in any event within 12 (Twelve) days after the end of each month, the management reports of the Company and its Subsidiaries, in such formats as may be approved by the Investor from time to time;
  - (d) promptly, but in any event within 5 (Five) days of such an event, copies of any management or audit or investigative reports provided to any security holder / lender of the Company and/or its Subsidiaries;
  - (e) promptly, but in any event within 3 (Three) days of receipt of (i) any show cause notices received from Governmental Authority, (ii) requisitions from any Governmental Authority for production of any information/documents, and/or (iii) any filings made by the Company with any Governmental Authority not being in the ordinary course of business / operations;
  - (f) promptly, but in any event within 5 (five) days of occurrence of such an event, information of any event or development at the Company or any Group Company which has or is likely to have a Material Adverse Effect;
  - (g) promptly, but in any event within 5 (Five) days of such an event, provide notice together with relevant details of any Claims against the Company and/or Subsidiaries by any third party having a value equal to or greater than INR 5,00,000 (Rupees Five Lakhs);
  - (h) termination of any actual or proposed Contract by a counterparty to such Contract having a value equal to or greater than INR 50,00,000 (Rupees Fifty Lakhs) per annum;
  - (i) promptly, but in any event within 7 (Seven) days of such an event, provide notice of resignation of any Key Employees of the Company and/or the Group Company;
  - (j) details of any event of Force Majeure where the Company is reasonably aware of such occurrences; and
  - (k) such other financial and accounting reports and information as the Investor may reasonably request.
- 11.2 The Company and the Group Companies shall provide to the Investor and the Investor Director and Observer, Promoter and Promoter Directors, any information reasonably requested by the Investor / Promoter whether in respect of the Company or any Group Company and the same shall be provided as soon as reasonably practicable by the Company or Group Company, as the case may be.
- 11.3 The Investor Directors will have access to any information available to any other directors of the Company / Subsidiaries.
- 11.4 The Investor shall be entitled to share information received in accordance with this Clause 11 with its Affiliates, subject to such Affiliates being bound by confidentiality obligations, which are no less stringent than those provided for herein.

11.5 All management reports will include a comparison of financial results with the corresponding quarterly and annual budgets.

#### 11.6 **Inspection and Audit Rights**

- (a) The Investor shall have an unconditional and absolute right to appoint, upon a prior written notice of 15 (Fifteen) days, at its own cost, whenever it considers necessary, any Person, firm, company or association of Persons engaged in technical, management, investigative services, special purpose audits including forensic audit, or any other consulting business to audit, inspect, review, investigate or examine the financial and/or operational state of affairs and working of the Company and its Subsidiaries and to report back to the Investor. The Company and its Group Companies shall co-operate fully in this regard including providing full access to its/their documents and records, assets, offices, facilities, books of accounts and financial statement. The Investor may, at its sole and absolute discretion, share the findings of such investigations and audits with the Promoter and the Company.
- (b) The Company and its Group Companies shall give full access to the Investor and its authorized Representative at all times, upon a prior written notice of 7 (Seven) days, to visit offices and facilities and inspect the assets, corporate and financial books and records of the Company and its Group Companies and to discuss the business, operations and conditions of the Company and its Subsidiaries with their respective directors, Key Employees, senior management, auditors, accountants and legal counsel. The Investor shall ensure that its Representatives are bound by confidentiality obligations no less onerous than those imposed on the Investor under this Agreement.
- (c) The Investor shall also have the right to cause the Company and its Group Companies to undertake periodic secretarial and other audits to the satisfaction of the Investor.
- (d) The Investor shall have the right to interact directly with the Company's statutory auditors and internal auditors to discuss matters related to the Company, without the prior approval of the Company and the said statutory auditors and internal auditors shall be free to share information and other inputs with the Investor directly without the prior approval of the Company.
- (e) For the purposes of clarity, it is hereby stated that the rights contained in Clause 11.6(a) to (d) may be exercised independent of each other by the Investor.

#### 12. **Reserved Matters**

12.1 On and from the Closing Date, no action or decision (including any steps being commenced or taken for any action or decision) relating to any of the matters in **Part A of Schedule 6 (Promoter Reserved Matters)** shall be proposed, taken or given effect to or acted upon (whether by the board, any director, any committee, the senior management or the shareholders of the Company, its Group Companies, or any of the employees, officers, managers of the Company or its Group Companies) unless the prior written consent of the Promoter is first obtained. It is further clarified and agreed among the Parties that no action, discussion or voting shall be taken up in respect of any of the Promoter Reserved Matters, either at the Board or shareholders meeting, unless prior written consent of the Promoter is obtained in respect of such matter. The rights available to the Promoter under this Clause 12.1 shall be deemed to be no longer applicable

on the Promoter ceasing to hold at least 20% (twenty percent) of the aggregate share capital of the Company (on a Fully Diluted Basis).

- 12.2 No action or decision (including any steps being commenced or taken for any action or decision) relating to any of the matters in **Part B of Schedule 6 (Investor Reserved Matters)** shall be proposed, taken or given effect to or acted upon (whether by the board, any director, any committee, the senior management or the shareholders of the Company, its Group Companies, or any of the employees, officers, managers of the Company or its Group Companies) unless the prior written consent of the Investor is first obtained. It is further clarified and agreed among the Parties that no action, discussion or voting shall be taken up in respect of any of the Investor Reserved Matters, either at the Board or shareholders meeting, unless prior written consent of the Investor is obtained in respect of such matter.

### **13. Exercise of Rights by Promoter, the Existing Shareholders and Company**

- 13.1 Without prejudice to the other provisions of this Agreement, the Promoter and the Existing Shareholders and the Company shall exercise all powers and rights available to them (including their voting rights and their rights as and in respect of directors and shareholders) to give full effect to the provisions of this Agreement and each Ancillary Agreement and so as to procure and ensure that the provisions of this Agreement are complied with in all respects by the Company, its Subsidiaries and the Promoter and the Existing Shareholders and their Affiliates, subject to applicable Law.
- 13.2 The Promoter and the Existing Shareholders and the Company shall be jointly and severally liable to ensure the performance and delivery of this Agreement and the Ancillary Agreements by the Company.
- 13.3 The Promoter and the Existing Shareholders shall vote or cause to be voted all Equity Securities bearing voting rights beneficially owned by them at any annual or extraordinary meeting of shareholders of the Company or in any written consent executed in lieu of such a meeting of shareholders, and shall take all other actions reasonably necessary to give full effect to the provisions of this Agreement.
- 13.4 The provisions of Clause 13 shall *mutatis mutandis* apply to the Group Companies so that references to the Promoter and Existing Shareholders in Clauses 13 shall be deemed to be references to the Promoter of the Group Companies and references to the Company therein shall be deemed to be references to the Group Companies.
- 13.5 All rights exercisable under this Agreement by any Person, who is an Affiliate of the Promoter or the Investor, shall not be so exercisable upon such Person ceasing to be an Affiliate of the Promoter or the Investor (as the case may be).

### **14. Transfer of Equity Securities**

#### **14.1 Transfers by the Promoter and the Existing Shareholders**

- (a) Subject to Closing, the Promoter shall not, Transfer any Equity Securities, except for the following Transfers provided they meet each of the following criteria (**Permitted Transfers**):

- (i) The Promoter may, at his discretion, Transfer up to 5% (Five percent) of their existing shareholding in the Company to existing employees of the Company, upon written intimation to the Investor. Such employees shall execute a Deed of Adherence automatically be bound by the terms of this Agreement on and from the date such Transfer is effective;
- (ii) Save and except for (i) above, all other Transfers by the Promoter should be subject to the prior written consent of the Investor;
- (iii) The Transfers should be at a price that is equal to or higher than the highest price paid by the Investor to subscribe to or purchase the Investor Securities of the Company; and
- (iv) In each Transfer, the transferee shall execute a Deed of Adherence.

The Promoter shall not Transfer any Equity Shares in the Company till 31<sup>st</sup> December 2023, failing which there will be no transfer restrictions. In the event that as a result of the Permitted Transfers any of the Promoter and / or the Existing Shareholders cease to be a shareholder in the Company, the provisions of Clause 17.5 (*Survival after Termination*) shall apply in respect of such Promoter and /or the Existing Shareholder.

- (b) Subject to this Clause 14, the Promoter shall (i) maintain their entire equity shareholding / economic interest and voting interests in the Company; and (ii) not transfer Control (management or otherwise) of the Company to any Person. Subject to the foregoing, the Promoter shall not sell / Transfer directly or indirectly or create any Encumbrance (directly or indirectly) over any of their Equity Securities or on economic interest in the Company, except with Investor's prior written consent.
- (c) The Parties agree that the Transfer restrictions on the Promoter and the Existing Shareholders in this Agreement and/or in the Organisational Documents of the Company shall not be capable of being avoided by the holding of Equity Securities indirectly through a company or other entity (or one or more companies or entities either alone or together in any combination or under Contract) that can itself (or the shares in it) be sold in order to Transfer an interest in Equity Securities free of restrictions imposed under this Agreement and the Organisational Documents of the Company. Any Transfer, issuance or other disposal of any securities (or other interest) resulting in any change in the Control, directly or indirectly, of the Promoter and/or the Existing Shareholders, or of any Affiliate of the Promoter and/or the Existing Shareholders which holds, directly or indirectly, any Equity Securities, shall be treated as being a Transfer of the Equity Securities held by the Promoter and /or the Existing Shareholders, and the provisions of this Agreement and the Organisational Documents of the Company that apply in respect of the restriction on Transfer of Equity Securities cannot be avoided by such change in Control in respect of the Equity Securities so held.

#### 14.2 **Transfer of Investor Securities by the Investor**

- (a) The Investor may Transfer, assign, pledge, encumber, or otherwise dispose, without any restrictions whatsoever, to any Person its Investor Securities in the Company and may assign



any or all of its contractual rights and/or obligations under this Agreement at any time.

- (b) Where the Investor is issued, or is purchasing Equity Securities pursuant to this Agreement, it may, at its sole and absolute discretion, exercise such right through any Affiliate. The Equity Securities to be Transferred pursuant to this Agreement shall, at the request of the Investor and subject to applicable Law, be transferred to any Affiliate, as may be nominated by the Investor. Further, any payment to be made to the Investor pursuant to this Agreement shall, at the request of the Investor and subject to applicable Law, be paid to any Person nominated by the Investor to receive such payment, which shall be deemed to be full and final payment towards the Investor.

#### 14.3 **Tag-Along Right**

- (a) If at any time after the Closing the Investor proposes to make a transfer of all or part of the Equity Securities held by them to a third party transferee (other than to an Affiliate), then the Investor shall send a written notice (the **Tag Along Notice**) to the Promoter. The Tag Along Notice shall state: (i) the intention of the Investor to transfer such Equity Securities, (ii) the name and address and identity of the proposed transferee, (iii) the number of Equity Securities to be transferred by the Investor, and (iv) the amount and form of the proposed consideration for the transfer and the price per Equity Security (**Tag-Along Price**).
- (b) The Promoter may require the Investor to cause the transferee to purchase from the Promoter (**Tag Along Right**), for the Tag Along Price, up to such number of Equity Securities as would constitute an equivalent percentage of Promoter's shareholding in the Company on a Fully Diluted Basis as the percentage represented by the Equity Securities being transferred by the Investor in relation to the Investor's total holding of Equity Securities in the Company.
  - (i) Within 30 (thirty) Business Days (Tag Period) following the receipt of the Tag Along Notice, in the event the Promoter exercises the Tag Along Right, the Promoter shall deliver a written notice of such election to the Investor (**Tag Acceptance Notice**) and the maximum number of Equity Securities (calculated in accordance with sub-clause (ii) above that the Promoter proposes to transfer to such transferee (Tag Along Securities). Such notice shall be irrevocable and shall constitute a binding agreement by the Promoter to sell such Equity Securities and on the Investor to cause such transfer.
  - (ii) If the Promoter exercises their respective rights provided under this Clause 14.3, in compliance with the above requirements, including the time period, it shall be deemed that the Promoter has waived his respective Tag Along Right with respect to such proposed transfer, and the Investor shall thereafter be free to complete the proposed transfer subject to the terms as specified in the Tag Along Notice.

### 15. **General Undertakings**

#### 15.1 **Announcements**

- (a) No formal or informal public announcement, press release or other communication which makes reference to any of the Parties hereto and/or the existence of this Agreement and/or the terms and conditions of this Agreement or the Ancillary Agreements or any of the matters or

Parties referred to under them, shall be made or issued by or on behalf of any of the Parties without the prior written consent of the other Parties.

- (b) If any Party is obliged to make or issue any announcement or press release required by Law or by any stock exchange or Governmental Authority, it shall give the other Parties every reasonable opportunity to comment on any announcement or release before it is made or issued (provided that this shall not have the effect of preventing such Party from making the announcement or release or from complying with its legal, stock exchange, governmental and/or regulatory obligations).
- (c) The Company, the Promoter and the Existing Shareholders undertake with the Investor that they shall not:
  - (i) use the name of the Investor or any Affiliate in any context whatsoever (except as required by Law) except with the Investor's prior written consent; or
  - (ii) hold themselves out as being associated with the Investor in any manner whatsoever without the Investor's prior written consent.
- (d) The Investor undertakes with the Promoter that it shall not:
  - (i) use the name of the Promoter in any context whatsoever (except as required by Law) except with the Promoter's prior written consent; or
  - (ii) hold themselves out as being associated with the Promoter in any manner whatsoever without the Promoter's prior written consent

## 15.2 Auditor

- (a) As at the Closing Date, the Company and its Subsidiaries shall have appointed Ernst & Young as the statutory auditor of the Company, including for the year 31 March 2021.
- (b) The appointed statutory auditor of the Company shall comply with GAAP, and such rules and regulations as required under applicable Laws.
- (c) The Company shall also appoint an internal auditor as selected by the Investor, to audit the books of the Company/review its operations and shall adopt accounting standards as required by Law.

## 15.3 Connected Person

- (a) All Contracts / transactions between or *inter alia* between the Company and/or any Group Company and any Connected Person / Concern including investments and loans shall be entered into on arms' length basis, on commercial terms that are consistent with the market practice and in the Ordinary Course of Business. Any Contract / transaction shall remain subject to the other rights of the Investor hereunder including the Investor Reserved Matters as set out in Clause 12.

- (b) The Promoter hereby agrees to inform the Investor from time to time of any new entities which may be incorporated or acquired by them.

#### 15.4 **Business Plan**

The Company and its Group Companies shall have an annual operating business plan (***Business Plan***), which will be prepared by the Promoter in his capacity as a Director of the Company and presented to the Board for its approval at the beginning of every Financial Year (within 30 (Thirty) days prior to the commencement of the Financial Year), and will be subject to Investor's prior written consent. The Business Plan shall contain the operating performance budget, capital expenditure, operational expenditure and borrowing details, besides other key performance indicators. The Business Plan for the Financial Year 2021-22 and the projections is annexed hereto as **Schedule 7**.

#### 15.5 **Corporate Existence**

The Company shall at all times preserve and keep in full force and effect its and each of its Group Company's corporate existence, and all of its and each of its Group Company's rights it deems to be material to its or its Group Company's respective businesses.

#### 15.6 **Maintenance of Properties; Insurance**

- (a) The Company shall maintain or cause to be maintained in compliance with good industry practice all properties used or useful in the business of the Company or any Group Company and from time to time shall make or cause to be made all appropriate repairs, renewals and replacements thereof.
- (b) The Company shall ensure that the Company, each of its Group Companies, and their respective directors and officers, are adequately insured at all times in such amounts and against such risks normally insured in compliance with good industry practice. The Company shall maintain adequate directors' and officers' liability insurance for all the members of its Board for any liability, cost or expense (including legal expenses) accruing, incurred, suffered, or borne by a director of the Board in connection with the Business or his/her directorship, consistent with market practice, in a form and of an amount acceptable to the Board.

#### 15.7 **Investor not to be classified as promoters**

The Company and the Promoter will ensure that the Investor shall be not be considered or classified to be a 'promoter' of the Company under applicable Laws for any reason whatsoever. Investor shall not be required to call itself, and the Company shall not refer to the Investor as "founder" or "promoter" in the offer documents or filings with the relevant Governmental Authorities. In the event that a restructuring of the Investor's investment in the Company is required so as to ensure that the Investor is not categorized as a 'promoter', the Company shall provide all necessary assistance, and support to any such restructuring, including by procuring approvals that may be required for such restructuring. This clause shall no longer be applicable in the event that the Investor undergoes an IPO.

## 15.8 Strategic Sale / Drag Along Right

- (a) Without prejudice to the Investor's right to sell the Equity Securities held by it at any time and in any manner it deems fit, the Investor may, on or before 31<sup>st</sup> December 2023, at any time endeavour to sell the Company, its Subsidiaries and Affiliates, together or as separate entities, by way of sale of the business of the Company as a whole or in part, or by way of sale of substantial asset, or way by of Transfer of up to all the shares of the Company, (*Strategic Sale*) in whole or in part, to any party/ies including financial and strategic investors (*Purchaser*), provided the Investor has completed the Closing. The Investor shall be entitled to determine the Purchaser and the terms of the Strategic Sale. The Company, the Promoter and the Existing Shareholders shall take all such steps as the Investor may request in this regard, including appointment of any investment banker to identify potential purchasers, providing information and access to any potential purchasers, which decisions shall be binding on the Company, the Promoter and the Existing Shareholders.
- (b) The Parties agree that the Purchaser shall first purchase all of the Equity Securities held by the Investor prior to purchasing the Equity Securities of any other shareholders of the Company. All reasonable and customary representations and warranties as required by the Purchaser shall be provided by the Company, the Promoter and the Existing Shareholders. In the event the Purchaser requires a larger stake in the Company than the Investor's holding at the time of such sale, then at the request of the Investor, the Promoter and the Existing Shareholders and all other shareholders of the Company, be obligated to irrevocably join the Investor in offering such portion of their respective shares in the Company, as the Investor may specify, to consummate such Strategic Sale. At the request of the Investor, the Promoter and the Existing Shareholders and all other security holders of the Company shall deposit all securities held by them in the Company, in an escrow with a mutually agreed escrow agent, so as to enable the Investor to give effect to this Clause 15.8.
- (c) The Company, the Promoter and the Existing Shareholders shall provide such reasonable transition assistance for such period as may be reasonably required by the Purchaser and the Investor to facilitate such sale.
- (d) The provisions of this Clause 15.8 shall not be applicable in case the Purchaser is an Affiliate of the Investor and not on an arm's length basis. In case the Purchaser is not an Affiliate of the Investor and the Transfer of Equity Securities is not on an arm's length basis, then the value at which such Strategic Sale as contemplated under this Agreement will be as determined by the Board.

## 16. Confidentiality

### 16.1 General Obligation

Each Party agrees and undertakes that it shall not disclose, and shall ensure that its Representatives, Affiliates and potential funding sources to whom Confidential Information is made available do not disclose, to any third party any Confidential Information. The term *Confidential Information* as used in this Agreement means: (i) any information concerning the Business including but not limited to its customers, clients, or terms of arrangements with the customers and vendors, pricing, the reports, Intellectual Property Rights, trade secrets, know-

how and financial transactions of the Company and its Subsidiaries; (ii) any information whatsoever concerning or relating to (A) any dispute or claim arising out of or in connection with this Agreement or the Ancillary Agreement; or (B) the resolution of such claim or dispute; (iii) any information or materials prepared by or for the Promoter or the Company or their Representatives that contain or otherwise reflect, or are generated from any Confidential Information; and (iv) the terms and conditions of this Agreement and the Ancillary Agreements; (v) information which the Company or its members, directors and officers are required to treat as confidential pursuant to any arrangements or agreements with its customers or clients or vendors or any third-party, (vi) any information in relation to the terms of the Agreement and /or the Ancillary Agreements.

## 16.2 Exceptions

- (a) The provisions of Clause 16.1 above shall not apply to:
- (i) disclosure with the Consent of the Parties (as applicable) (it is hereby clarified that disclosure to Investor's Affiliates, whether being one of the Investors or not, shall be permitted at all times; provided that such Investor's Affiliate is bound by confidentiality obligations no less onerous than those imposed by this Clause 16);
  - (ii) disclosure of information that is or comes into the public domain or becomes generally available to the public otherwise than through the act or omission of or as a result of disclosure by or at the direction of the Investor;
  - (iii) disclosure by a Party to its Representatives and/or Affiliates on a need-to-know basis for the purpose of evaluating, implementing, reviewing or analysing this Agreement or the Ancillary Agreements or the transactions contemplated hereby or thereby, provided, however, that such Representatives and/or Affiliates are bound by confidentiality obligations no less onerous than those imposed by this Clause 16;
  - (iv) disclosures necessary under the circumstances, to the extent required by Law, any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body or under judicial process, provided the relevant Party is informed of such disclosure, simultaneously or prior to such disclosure and the receiving Party shall provide all reasonable support to the relevant Party to obtain a protective order and if no such order can be obtained or such requirement is waived in writing, then, shall disclose only such portion of the information as is reasonably required to be disclosed;
  - (v) information disclosed by the Company in the Ordinary Course of Business; or
  - (vi) disclosures (i) for the purpose of performing obligations or exercising rights (including remedies) under this Agreement or the Ancillary Agreements; (ii) to investment bankers and in road shows and offering documents in connection with a Strategic Sale, strictly on a need-to-know basis; or (iii) to a proposed transferee/purchaser of Investor Securities and their professional advisors in connection with permitted Transfer of Equity Securities, subject to securing customary confidentiality obligations from such Persons.

- (b) The Company authorises the Investor to consult fully regarding the Company and the Group and to disclose Confidential Information (or permit the disclosure of Confidential Information):
  - (i) to the Investor's lenders, bankers and auditors, general partners and limited partners;
  - (ii) to any other investors or proposed investors in the Company, subject to such other investors or proposed investors being bound by similar confidentiality obligations as applicable to the Investor hereunder;
  - (iii) to any proposed syndicatee or transferee or proposed transferee of the Investor Securities in the Company;
  - (iv) to any Investor's Affiliates;
  - (v) to the professional advisers of each of the Persons listed in (i) to (iii) above;
  - (vi) as required by Law, subject to the condition stipulated in the foregoing provision; and
  - (vii) as required by any stock exchange or any regulatory authority to which the relevant Investor is subject.
- (c) Any Investor Director may, subject to his or her fiduciary obligations under applicable Law:
  - (i) report to the Investor Group on the affairs of the Company and the Group; and
  - (ii) disclose Confidential Information as shall reasonably be required to the Investor or the Group.
- (d) Notwithstanding anything to the contrary, the Investor undertakes to subject any Person to whom it discloses any Confidential Information, as it is permitted to do so in terms of this Clause 16, to the same standards of confidentiality obligations as applicable to the Investor under this Agreement and shall also cause such Person to comply with these obligations.

## **17. Term and Termination**

17.1 This Agreement shall come into effect upon the execution of this Agreement by the Parties.

17.2 This Agreement shall terminate:

- (a) pursuant to Clause 3.2 above;
- (b) on the mutual agreement of the Parties in writing; or;
- (c) upon the Investor and /or the Promoter ceasing to hold any Equity Securities.

17.3 Any termination of this Agreement shall not affect the accrued rights and obligations of the Parties under this Agreement.

17.4 In the event of termination of this Agreement under Clause 17.2(a) above, the provisions of the memorandum of understanding dated 19 March 2021 shall continue to survive and the status of the rights and obligations of the Parties as stated in the memorandum of understanding will become applicable on the Parties.

#### 17.5 **Survival after Termination**

In the event of termination after Closing, the provisions of Clauses 6(*Warranties*), 7 (*Indemnity*) 9.11 (*Directors' Indemnity*), 15.1 (*Announcements*), 16 (*Confidentiality*), 18.12 (*Notices*), 19 (*Dispute Resolution*) and 20 (*Governing Law and Jurisdiction*) shall survive the termination of this Agreement. Any such termination of this Agreement shall not affect the accrued rights and obligations of the Parties under this Agreement.

### 18. **Miscellaneous**

#### 18.1 **Costs**

- (a) The costs incurred by the Investor relating to legal, commercial and financial due diligence, documentation charges and charges towards the drafting and finalization of this Agreement, will be borne by the Company.
- (b) The Company shall bear the costs of all stamp paper on this Agreement and shall be solely responsible for costs incurred at the time of issuance of the Subscription Securities in accordance with the terms of this Agreement.

#### 18.2 **No partnership or agency**

Nothing in this Agreement (or any of the arrangements contemplated herein) shall be deemed to constitute a partnership between the Parties or between the Investor, nor, except as may be expressly provided herein, constitute any Party as the agent of another Party for any purpose, or entitle any Party to commit or bind another Party in any manner, except as authorised by the Board in accordance with the terms and conditions of this Agreement.

#### 18.3 **Entire agreement**

Subject to Clause 17.4 above, this Agreement, the Restated Articles and the Ancillary Agreements, set out the entire agreement and understanding between the Parties with respect to the subject matter hereof. Subject to Clause 17.4 above, this Agreement supersedes all previous letters of intent, confidentiality agreements, heads of terms, prior discussions and correspondence exchanged between any of the Parties in connection with the transactions referred to herein, all of which shall not have any further force or effect.

#### 18.4 **Further assurances**

Each of the Parties agree to do all such further acts and things and exercise all voting rights and powers, whether direct or indirect, available to it in relation to any Person and to execute and deliver all such additional documents as are necessary or required to give full effect to the terms

of this Agreement and the agreement ancillary hereto.

#### **18.5 English Language**

All notices or formal communications under or in connection with this Agreement shall be in the English language.

#### **18.6 Assignment and Binding Effect**

- (a) The Company, the Promoter and the Existing Shareholders and any other shareholders (other than a transferee of the Investor Securities) shall not be entitled to, nor shall they purport to assign / Transfer all or any of its/their rights and/or obligations under this Agreement nor grant, declare, create or dispose of any right or interest in it, in whole or in part or create an Encumbrance thereon.
- (b) The Investor shall be entitled to assign its rights and/or Transfer its obligations hereunder to any Person without any restrictions whatsoever. For this purpose, such Person or third-party transferee shall execute a Deed of Adherence.
- (c) In case of Transfer by the Investor of a portion of the Investor Securities held by it in accordance with the provisions of this Agreement, the rights granted to the Investor shall be exercised in a manner that there shall be no duplication of rights i.e., such rights shall be exercised by either: (a) the Investor; or (b) the third party transferee / Affiliate to whom the Investor Transfers the Investor Securities; or (c) both of them jointly and collectively. For the avoidance of doubt, it is clarified that such rights shall not be exercised by the Investor and such third party transferee / Affiliate severally and the Investor shall inform the Company whether such rights will be exercised by (i) itself; or (ii) the third party transferee / Affiliate; or (iii) the Investor and such third party transferee / Affiliate jointly.
- (d) In relation to any rights available under this Agreement on the basis of the number of Equity Securities or the percentage of the Company's share capital held by the Investor, the Investor shall be entitled, at its sole discretion, to aggregate the Equity Securities held by any member(s) of the Investor Group with those held by the Investor.
- (e) This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, successors, permitted assigns, executors and administrators.

#### **18.7 Severability**

- (a) If any provision of this Agreement is or becomes invalid, illegal or unenforceable under the Laws of any jurisdiction, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement but without invalidating any of the remaining provisions of this Agreement which shall not in any way be affected or impaired. The Parties hereto shall then negotiate and replace the invalid or unenforceable provisions with a valid and enforceable and mutually satisfactory substitute provision, achieving as nearly as possible the intended commercial effect of the invalid, illegal or unenforceable provision.



- (b) It is hereby agreed between the Parties that in the event if extraordinary circumstances have occurred which make it unlawful for the Company, the Investor and/or the Promoter and the Existing Shareholders to fulfil their obligations under the Ancillary Agreements (including giving effect to any of the exit rights of the Investor as set out in Clause 15.8 of the Agreement), or renders any Ancillary Agreements ineffectual, Parties hereto shall then negotiate and take best efforts to replace the invalid or unenforceable provisions with a valid and enforceable and mutually satisfactory substitute provision, achieving as nearly as possible the intended commercial effect of the invalid, illegal or unenforceable provision. In this regard, the Investor shall have the right in its sole discretion, to replace the Investor with an alternate entity or structure the investment in the Company in such a way so as to achieve the same commercial effect which the Investor otherwise would have achieved had it not been for the regulatory or other constraints.

#### **18.8 Waivers and remedies**

A breach of any term or provision of this Agreement shall be waived only by written instrument of the Party or Parties entitled to the benefits thereof. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the Party granting such waiver in any other respect or at any other time. Neither the waiver by any of the Parties of a breach of or a default under any of the provisions of this Agreement, nor the failure by any of the Parties, on one or more occasions, to enforce or timely enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder, shall be construed as a waiver of any other breach or default of a similar nature, or as a waiver of any of such provisions, rights or privileges hereunder. The rights and remedies in this Agreement provided are cumulative and none is exclusive of any other, or of any rights or remedies that any Party may otherwise have at Law or in equity. The rights and remedies of any Party based upon, arising out of or otherwise in respect of any inaccuracy or breach of any representation, warranty, covenant or agreement or failure to fulfil any condition, shall in no way be limited by the fact that the act, omission, occurrence or other state of facts upon which any claim of any such inaccuracy or breach is based may also be the subject matter of any other representation, warranty, covenant or agreement as to which there is no inaccuracy or breach.

#### **18.9 Variation / Amendment**

No amendment / modification of this Agreement (or of any of the documents referred to in this Agreement) shall be valid unless it is made by an instrument in writing and signed by duly authorised representatives of each of the Parties hereto or thereto. The expression “amendment / modification” shall include any variation, supplement, deletion or replacement however effected.

#### **18.10 Counterparts**

This Agreement may be executed electronically, in any number of counterparts and by the Parties to it on separate counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

#### **18.11 Group Companies**

Except where this Agreement specifically provides to the contrary, the provisions of this Agreement shall apply *mutatis mutandis* to all the Group Companies of the Company; all the obligations of the Company and the Promoter and the Existing Shareholders under this Agreement and all the rights available to the Investor in the Company shall apply / become available *mutatis mutandis* to / in all the Group Companies and the Company and the Promoter shall procure that the Group Companies act in accordance with this Agreement. It is clarified that the Investor shall not be required to hold any shares of the Group Companies.

## 18.12 Notices

### (a) Service of Notice

Any notice or other communication to be given by one Party to any other Party under, or in connection with, this Agreement shall be made in writing and signed by or on behalf of the Party giving it. It shall be served by registered post or letter by hand delivery or vide email and shall be deemed to be duly given or made when delivered (in the case of personal delivery), at the time of transmission = or 3 days after being dispatched in the post, postage prepaid, by the fastest form of mail available and by registered mail if available (in the case of a letter) to such Party at its address or email specified in Clause 18.12(b) below, or at such other address or email as such Party may hereafter specify for such purpose to the other Parties hereto by notice in writing.

### (b) Details for Notices

The addresses and email address for the purpose of Clause 18.12 are as follows:

#### **The Company**

Address: Devarahosahally, Sompura Hobli Nelamangala, Taluk, Bengaluru, Karnataka 562111

Attn: Dr.S.N.Vinaya Babu

Email: [vinaybabu@bionees.in](mailto:vinaybabu@bionees.in)

#### **Investor**

Attention: Group Chief Financial Officer and Company Secretary (Nirmal Bhatia)

Address: Shivalik Plaza A, 2<sup>nd</sup> floor, Opposite Ahmedabad Management Association, Ambawadi, Ahmedabad - 380015

Email: [nirmal.bhatia@veedacr.com](mailto:nirmal.bhatia@veedacr.com)

#### **Promoter and the Existing Shareholders**

Address: Siddi Siri Veera Sadhana, 6th Cross, Ashoknagar, Tumkur 572103 Karnataka India

Attn: Dr.S.N.Vinaya Babu

Email: [snvinaybabu@gmail.com](mailto:snvinaybabu@gmail.com) and [vinaybabu@bionees.in](mailto:vinaybabu@bionees.in)

## 18.13 Existing Shareholders' Representative

By execution of this Agreement, each of the Existing Shareholders appoints Dr. Vinaya Babu as their sole representative to act as their true and lawful attorney-in-fact and agent for and on their behalf to *inter alia* exercise all rights hereunder on their behalf, to agree to any

modification or waiver of the terms hereof and/or grant any consent hereunder.

#### 18.14 **Investor IPO**

- (a) The Company shall take, and the Promoter shall ensure that the Company carries out, all such actions as required by the Investor, in order to ensure a successful completion of the initial public offering (*IPO*) of the Investor's equity securities.
- (b) The Promoter shall join the board of directors of the Investor, if required by the Investor, at its invitation or on the invitation of its shareholders. If he so joins, the Investor will provide indemnity and director and officers liability insurance coverage to the Promoter, as currently being provided to existing directors of the Investor.

#### 18.15 **Expenses**

The Company shall bear all the expenses of the Company and the Investor in relation to the transactions contemplated herein, including all stamp duties and the costs of all advisors to the Investor.

### **19. Dispute Resolution**

- 19.1 The Parties to this Agreement shall endeavour to resolve all disputes and differences through mutual discussion.
- 19.2 Any controversy, conflict or dispute of any nature arising out of or relating to or in connection with the provisions of this Agreement, shall be settled exclusively and finally by arbitration carried out in Bangalore and conducted in the English language. The Parties to the Agreement have agreed to submit to the exclusive jurisdiction of the courts of Bangalore.
- 19.3 The arbitration shall be conducted and finally settled by three arbitrators in accordance with the Arbitration and Conciliation Act, 1996 (*Arbitration Act*) in effect at the time of such arbitration. 1 (One) arbitrator shall be appointed by the Investor, the second arbitrator shall be appointed by the Promoter and /or the Existing Shareholders and the 2 (Two) arbitrators so appointed shall appoint the third arbitrator. Failing appointment of any Party's arbitrator or failing agreement between the 2 (Two) arbitrators so appointed regarding selection of the third arbitrator within 30 (Thirty) Business Days after the notice of intent to arbitrate is filed under the Arbitration Act, such arbitrator shall be appointed in accordance with the Arbitration Act. Each arbitrator shall be fluent in English. The seat of arbitration shall be Bangalore, India.
- 19.4 Nothing contained hereinabove shall prejudice a Party's right to have recourse to any court having jurisdiction for the purpose of interim or interlocutory orders.
- 19.5 The arbitrators shall give a reasoned decision or award, including as to the costs of the arbitration, which shall be final and binding on the Parties.
- 19.6 The Parties shall co-operate in good faith to expedite (to the maximum extent practicable) the conduct of any arbitral proceedings commenced under this Agreement.

19.7 Each Party shall bear and pay its own costs, expenses, fees, disbursements and other charges of its counsel, in connection with the arbitration proceedings except as may be otherwise determined by the arbitrators.

**20. Governing Law and Jurisdiction**

This Agreement and the relationship between the Parties shall be governed by, and interpreted in accordance with, the laws of India. The courts at Bangalore, India shall have exclusive jurisdiction in relation to the enforcement of any awards provided for under Clause 19 and in relation to any interim orders arising out of this Agreement.

*[Signature Pages to Follow]*

Signed and delivered for and on behalf of:  
**Bioneds India Private Limited**



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Name: Dr.S.N.Vinaya Babu  
Designation: Managing Director

*[Signature Page to the Investment Agreement]*

Signed and delivered for and on behalf of:  
**Veeda Clinical Research Limited**



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Name: Mr. Ajay Tandon  
Designation: Managing Director

*[Signature Page to the Investment Agreement]*

Signed By:

A handwritten signature in blue ink, appearing to read 'S.N. Vinaya Babu', written over a horizontal line.

Name: Dr.S.N.Vinaya Babu

*[Signature Page to the Investment Agreement]*

Signed By:

A handwritten signature in blue ink, appearing to read 'Dr. Raghunatha Reddy', is written over a horizontal line.

Name: Dr.Raghunatha Reddy

*[Signature Page to the Investment Agreement]*



Signed By:

Kiran Kumar P.

Name: Mr.P.Kiran Kumar

*[Signature Page to the Investment Agreement]*

**SCHEDULE 1: Details of the Promoter**

<b>Sl. No.</b>	<b>Name of the Promoter</b>	<b>Percentage of shareholding in the Company</b>
<b>1.</b>	<b>Dr. S. N. Vinaya Babu</b>	<b>64.27</b>

## SCHEDULE 2: Brief Description of the Company and its Subsidiaries

<b>Registration number</b>	: U01409KA2007PTC042282
<b>Date of incorporation</b>	: 28/03/2007
<b>Place of incorporation</b>	: Devarahoshalli Karnataka 562111 India
<b>Address of registered office</b>	: Devarahoshalli Sompura Hobli Nelamangala Bangalore Karnataka 562111 India
<b>Class of company</b>	: PRIVATE LIMITED
<b>Authorised share capital</b>	: 278500000
<b>Issued share capital</b>	: 71428830
<b>Directors</b>	: Shankarappa Nagaraja Vinaya Babu Paramesh Kumar Kiran Nirmal Atmaram Bhatia
<b>Secretary</b>	: Prasanna Subramanya Bhat
<b>Accounting Reference Date</b>	: 31 <sup>st</sup> March 2021
<b>Auditors</b>	: S R B C & CO LLP
<b>Tax residence</b>	: India

### Subsidiary Companies:

1. Amthera life sciences Private Limited (*Amthera*):
  - a. Amthera is a Biopharmaceutical company with a mission to deliver data, knowledge & products that are based on modern day innovations in Biotechnology.
  - b. Amthera is developing Biosimilar products to cater to several therapeutic segments like Cancers, Inflammatory diseases, Diabetes, and Hematological disorders.
2. Activin Chemicals And Pharmaceuticals Private Limited (*Activin*): Activin offers wide range of chemistry services to support discovery research (medicinal chemistry and agrochemical research) synthetic, analytical and process research (*API's*) services.

### SCHEDULE 3:

#### Details of the Existing Shareholders and the Shareholding Pattern of the Company

##### Section 1

##### Existing Shareholders

Name	Address	Residency Status and Passport No.
Paramesh Kumar Kiran	Kyathsandra, B.H. Road, Tumkur 572104	K2116742
Kothapalli Ramanna Raghunatha Reddy	Laxmivenkateshwara Nilaya, 4th Cross, Ashoknagar, Tumkur 572102.	M6633255

##### Section 2

##### Part A: Shareholding pattern as on the date of this Agreement

Equity Shares	No. of Shares held	Percentage of holding
Shankarappa Nagaraja Vinaya Babu	4590909	64.27
Paramesh Kumar Kiran	68182	00.95
Kothapalli Ramanna Raghunatha Reddy.	340909	04.77
Veeda Clinical Research Limited	2142883	30.00

**Part B: Shareholding pattern as on the Closing Date**

<b>Equity Shares (Rs.10 each)</b>	<b>No. of Shares held</b>	<b>Percentage of holding</b>
Shankarappa Nagaraja Vinaya Babu	35,64,300	49.9
Veeda Clinical Research Limited	35,78,583	50.1
<b>Preference Shares (Rs.100 each)</b>	<b>No. of Shares held</b>	<b>Percentage of holding</b>
Veeda Clinical Research Limited	23,33,000	100

**Section 3****Details of Shares being sold by the Promoter and Existing Shareholders**

<b>Shareholder</b>	<b>No. of Shares being Transferred</b>	<b>Balance Shareholding, if any.</b>
Shankarappa Nagaraja Vinaya Babu	10,26,609	34,99,995
Paramesh Kumar Kiran	68182	0
Kothapalli Ramanna Raghunatha Reddy.	340909	0

**Details of amount payable to each Existing Shareholders and Promoter:**

<b>Selling Shareholder</b>	<b>Consideration (INR)</b>
RAGHUNATHA REDDY K R	91,822,463.12
PARAMESH KUMAR KIRAN	18,364,546.49
SHANKARAPPANAGARAJA VINAYA BABU	509,812,990.39
<b>TOTAL</b>	<b>620,000,000.00</b>

## **SCHEDULE 4:**

### **CONDITIONS PRECEDENT TO CLOSING**

- (a) The execution and delivery of each of the Ancillary Agreements by the Parties thereto and the fulfilment of all conditions under the Agreement so that the Ancillary Agreements shall be in full force and effect to the extent set out herein and therein (including but not limited to passing of the relevant resolutions and other corporate authorisations in this regard);
- (b) The shareholders of the Company shall have approved the issuance and allotment of the Subscription Securities by way of a resolution in Agreed Form, and the Investor shall have received and the Company shall have filed with the Registrar of Companies in accordance with the provisions of the Act, a certified copy of such resolution of the shareholders of the Company
- (c) The grant, issuance and continuance in full force and effect of all Consents and all or any other Required Governmental Approvals, corporate, creditors' and shareholders' Consents required under Law or under any Contract or otherwise:
  - (i) for the Investor to subscribe to the Subscription Securities and purchase the Secondary Shares;
  - (ii) to render the Agreement legally valid, binding and enforceable; and
  - (iii) to enable the Parties to exercise their rights and to perform their obligations under the Agreement;including the compliance by the Company and the Promoter with all conditions attaching to each such Consent, and the receipt by the Investor of certified copies thereof;
- (d) The Parties shall have agreed upon the Restated Articles and the amendments required to be made to the articles of association of the Company (which shall include the requisite changes to align the said articles of association with the provisions of the Act and this Agreement) in Agreed Form, and the Investor shall have received copies thereof;
- (e) The Investor shall have received a letter from the Bank acknowledging receipt by the Bank of irrevocable instructions from the Company as specified in Clause 5.1 of the Agreement and the same shall be in Agreed Form;
- (f) The receipt by the Investor of a legal opinion from Juris Arena for the Company and the Promoter, in Agreed Form;
- (g) the Warranties being true and correct in all respects as of the date hereof and as of the Closing Date and no breach of the Agreement having taken place;
- (h) The completion of the accounting, financial, technical, commercial and legal due diligence, to the reasonable satisfaction of the Investor, and resolution of all issues arising therefrom to the Investor's satisfaction;

- (i) No event (or series of events) shall have occurred which has or is reasonably likely to have (or, with the passage of time, giving of notice, satisfaction of a condition or otherwise, may have) a Material Adverse Effect;
- (j) All the documents mentioned in the Agreement which are required to be in Agreed Form shall have been agreed upon, including the Restated Articles;
- (k) The Company shall and the Promoter shall ensure that the Company shall enter into an agreed form lease deed with Mrs. Soumya H.N. for the leased property with adequate protections with respect to title and use of property, rent escalation, lock-in, and unilateral termination to the satisfaction of the Investor;
- (l) The Company shall, and the Promoter shall ensure that the Company enters into a lease deed with Mr. S.N. Vinaya Babu (which will be in a form acceptable to the Investor) for the property with adequate protections with respect to title and use of property, rent escalation, lock-in, rent free period of initial 9 years and unilateral termination for the 21,780 sq feet land which is currently used for parking and laboratories.
- (m) The Company shall, and the Promoter shall require that the Company shall regularize any of its non-compliances under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- (n) The Company shall, and the Promoter shall require that the Company shall regularize any of its non-compliances under the Payment of Gratuity Act, 1972;
- (o) The Company shall, and the Promoter shall require that the Company shall regularize any of its non-compliances under the Disabilities Act 2016, the Payment of Wages Act, 1936 and the Minimum Wages Act, 1948;
- (p) The Company shall, and the Promoter shall require that the Company shall regularize any of its non-compliances under the Maternity Benefits Act, 1961;
- (q) The Company shall terminate its shareholders' agreement in relation to MyBioSciencelab SDN. BHD;
- (r) Updated capex budget for the cost to complete for the ongoing expansion;
- (s) Actuarial valuation of the gratuity and leave encashment liabilities encompassing all employees of the Company (including the impact of New Wage Code on such liabilities);
- (t) Updated statement of SEIS incentives indicating by year breakdown of the incentive receivable along with the status of application;
- (u) Consent and no objection from lenders;
- (v) ESG DD to be conducted by a vendor mutually discussed and as per the scope authorized by the Investor;

- (w) The Promoter shall ensure the release of pledge over the shares by them in the Company in favour of Canara Bank Limited, in a form and manner agreeable with the Investor.
- (x) The Company shall, and the Promoter shall ensure that the Company enters into lease deeds with the Promoters for the land/ property used by the Company, with adequate protections with respect to title and use of property, rent escalation, lock-in and unilateral termination;
- (y) All the documents requested during the accounting, financial, technical, commercial and legal due diligence, having provided by the Company and the Promoter to the reasonable satisfaction of the Investor;
- (z) The Company shall provide a confirmation regarding the amounts or balance in its accounts outstanding or payable with respect to receivables, payables, and amount outstanding vis a vis the lenders;
- (aa) The Company shall provide a balance confirmation for amounts recoverable for deposits;
- (bb) Employment agreement with Key Employees to be in Agreed Form;
- (cc) The Company shall document the procedures for Anti Money Laundering (*AML*) or Fraud Prevention & Detection Policies, Remuneration Policy.
- (dd) The Company shall ensure that the landlord of Devarahosahally Facility should apply to obtain NOC from Central Ground Water Authority/State Ground Water Authority (*CGWA/SGWA*);
- (ee) The Promoter and the Existing Shareholders having delivered to the Investor a tax certificate a certificate from a chartered accountant (acceptable to the Investor) firm on such firm's letter head, in a form satisfactory to the Investor, and which can be relied upon by the Investor, providing a status of pending or ongoing claims, audits, suits, proceedings, disputes, demands or investigations or notices or appeals or litigation against or with respect to the Promoter and /or the Existing Shareholders with respect to any Taxes or Tax return under section 281 of the Income Tax Act, 1961.



## SCHEDULE 5

### REPRESENTATIONS AND WARRANTIES

#### Part A : General Warranties

##### 1. CORPORATE STATUS

- 1.1 The Company is duly incorporated, validly existing and in good standing under the Laws of India and has full corporate power and authority to own, lease and operate the assets and properties it now owns, leases and operates and to carry on its Business as now being conducted.

##### 2. AUTHORISATIONS

###### 2.1 Authorisations; Enforceability; etc.

- (a) The Company has full corporate power and authority, and each of the Promoter and the Existing Shareholders have full legal capacity, to enter into this Agreement and the Ancillary Agreements, to perform its or their respective obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Ancillary Agreements, the performance of the Company's obligations hereunder and thereunder, including effecting the issuance and allotment of the Subscription Securities has been duly authorized by all necessary action on the part of the Company.
- (b) This Agreement has been, and, when executed and delivered by the Company and the Promoter and the Existing Shareholders, the remaining Ancillary Agreements will be, duly executed and delivered by the Company and the Promoter and the Existing Shareholders, and in the case of this Agreement, constitutes, and in the case of the remaining Ancillary Agreements, will constitute, legal, valid and binding obligations of the Company and the Promoter and the Existing Shareholders, enforceable against the Company and the Promoter and the Existing Shareholders in accordance with their respective terms.
- (c) All corporate authorisations and all other Governmental Approvals, statutory, regulatory, creditors', shareholders' or other Consents, licences, authorisations, waivers or exemptions required under Law or under any Contract or otherwise to: (i) empower the Company and the Promoter and the Existing Shareholders to enter into and perform their respective obligations under this Agreement; and (ii) to render this Agreement and the other Ancillary Agreements legally valid, binding and enforceable in accordance with their terms, have in each case been obtained or granted and continue in force, and the Company and the Promoter and the Existing Shareholders have complied with all conditions attaching to each such Consent.
- (d) The Promoter and the Existing Shareholders have not entered into or agreed to enter into any Contract, arrangement, undertaking, commitment or transaction on behalf of the Company or incurred any liabilities (actual or contingent) on behalf of the Company or otherwise bound the Company in any way whatsoever except in the ordinary course of the Company's Business and within the scope of the authority conferred by the Company.

- (e) There are no other Contracts entered into by the Company and / or the Promoter and the Existing Shareholders, which may be in breach of the terms of this Agreement or the obligations of the Promoter or the Company hereunder.
- (f) The Company is not engaged in any retail activity or any activity in which foreign investment is restricted or prohibited.

**3. NO CONFLICTS, ETC.**

- 3.1 The execution, delivery and performance by the Company, the Promoter and the Existing Shareholders of this Agreement and the other Ancillary Agreements and the issuance and allotment of the Subscription Securities and the consummation of the transactions contemplated hereby and thereby, do not and will not (i) conflict with, contravene, result in a violation or breach of or default under (with or without the giving of notice or the lapse of time or both), (ii) create in any other Person a right or claim of termination, amendment, or require modification, acceleration or cancellation of, or (iii) result in the creation of any Encumbrance (or any obligation to create any Encumbrance) upon any of the assets or properties of the Company or any of its Group Companies under (a) any provision of the Organisational Documents of the Company, (b) any Law applicable to the Company, any Group Company or any of their assets or properties, (c) any order, judgment or decree of any court or other Governmental Authority to which the Company or any Group Company is a party or by which any of their assets or properties may be bound or affected, (d) any Contract to which the Company or any Group Company is a party or by which any of its assets or properties may be bound or affected; or (e) any Consent or Governmental Approval obtained by or applicable to the Company or result in any termination, revocation, cancellation, suspension, modification or non-renewal thereof.

**4. INFORMATION**

- 4.1 The information provided to the Investor and its Representatives during the preparation and negotiation of this Agreement was provided by the Company and the Promoter and their respective Representatives in good faith and is as of the date hereof, true, accurate, complete and not misleading.
- 4.2 All information contained in this Agreement (including the recitals) is true, accurate and complete. Neither this Agreement nor each of the other Ancillary Agreements contains any untrue statement of a material fact or omits to state a material fact required to be stated herein or therein, or necessary in order to make the statements contained herein or therein in light of the circumstances under which they were made, not misleading. All information and statements contained in this Agreement and the other Ancillary Agreements are true, correct and complete in all respects. There is no fact known to the Company or any Promoter which could have a Material Adverse Effect (other than a Material Adverse Effect under clause (c) of the definition of Material Adverse Effect in Clause 1.1 of the Agreement) and which has not been set forth in this Agreement.
- 4.3 All the information which is reasonably necessary to enable the Investor and its Representatives to make an informed assessment of the assets, liabilities, financial position, profits, losses, value of the Company and its Group and of the rights attaching to the Equity Securities, has been

disclosed to the Investor.

- 4.4 The Business Plan and projections which have been provided to the Investor by the Company and are annexed at **Schedule 7** hereto have been prepared on the basis of facts which are correct and, to the extent that the same rely on any assumptions, such assumptions are reasonable and achievable.

## 5. CAPITALIZATION; SHAREHOLDING

- 5.1 As on the date of the Agreement, the authorised share capital of the Company is INR 27,85,00,000 (Rupees Twenty Seven Crores Eighty Five Lakhs) consisting of 78,50,000 (seventy eight lakhs fifty thousand) Equity Shares of INR 10 each and 20,00,000 (twenty lakhs) preference shares of INR 100 each. The issued, subscribed and paid-up share capital of the Company is INR 7,14,28,830/- (Rupees Seven Crores Fourteen Lakhs Twenty-Eight Thousand Eight Hundred and Thirty), comprising 71,42,883 (seventy-one lakhs forty-two thousand eight hundred and eighty-three) Equity Shares of INR 10 (Rupees ten) each. **Schedule 3** sets forth a true, correct and complete list of all of the Company's shareholders of record, the number of Equity Securities held of record and beneficially by each shareholder and each shareholder's percentage interest in the Company, on a Fully Diluted Basis. All of the issued and outstanding Equity Securities have been duly authorized, validly issued as per applicable Law, fully paid and non-assessable and are free of pre-emptive rights (other than the pre-emptive rights set out in the articles of association of the Company).
- 5.2 Except as contemplated by this Agreement, there are no outstanding rights, plans, options, warrants, calls, conversion rights, repurchase rights, redemption rights or any Contracts or commitments of any character (either oral or written, firm or conditional) obligating the Company to issue, deliver, sell, purchase, repurchase or otherwise acquire, or cause to be issued, delivered, sold, purchased, repurchased or otherwise acquired, any Equity Securities obligating the Company to grant, extend or enter into any such Contract or commitment, nor are there any rights to receive dividends or other distributions in respect of any such Equity Securities, other than the right of the Company to receive dividends and other distributions from its Group.
- 5.3 Upon Transfer of the Secondary Shares to the Investor, the Investor will acquire good, valid and marketable title to the Secondary Shares, free and clear of all Encumbrances and/or any pre-emptive rights.
- 5.4 Upon allotment of the Subscription Securities hereunder, the Subscription Securities shall be duly issued and authorised and the Investor will acquire good, valid and marketable title to the Secondary Shares, free and clear of all Encumbrances and/or any pre-emptive rights.
- 5.5 No insolvency proceedings of any character, including without limitation bankruptcy, receivership, Reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting any Promoter is pending or, threatened, and no Promoter has made any assignment for the benefit of creditors or taken any action in contemplation of, or which would constitute the basis for, the institution of such insolvency proceedings.
- 5.6 There is no action, suit, proceeding or investigation pending or, to its best knowledge,

threatened against such Promoter, which questions the validity of this Agreement or the other Ancillary Agreements or the right of such Promoter to enter into this Agreement and the other Ancillary Agreements, or to consummate the transactions contemplated hereby and thereby, or which could reasonably result in any change in the current equity ownership of the Company or prejudice the Investor's title to the Subscription Securities.

- 5.7 There are no Contracts entered into by the Company and/or the Promoter or of which they are aware, which may prevent the Investor from receiving and retaining all dividends declared or paid and all accretions (including, without limitation, bonus and rights shares) which may accrue in respect of the Subscription Securities after the Closing Date.
- 5.8 Immediately after Closing, the shareholding structure of the Company as on the Closing Date shall be as set out in **Part B of Section 2 of Schedule 3** of this Agreement.
- 5.9 Other than this Agreement, there are no Contracts among the shareholders of the Company with respect to the holding, voting, transfer or otherwise, with respect to any Equity Securities or other securities of the Company.
- 5.10 The Promoter hold the whole of the right, title and interest to the Secondary Shares, free from all Encumbrances. Upon Closing, the Investor shall hold the Secondary Shares, free from all Encumbrances.
- 5.11 There are no Tax claims pending against the Promoter, other than those disclosed.

## 6. **GROUP COMPANIES; OWNERSHIP INTERESTS**

- 6.1 **Schedule 2** sets forth, with respect to each Person in which the Company holds directly or indirectly shares, partnership interests or other equity interests, or any warrants, options or other rights to acquire the same: (i) such Person's name and jurisdiction of incorporation or organization; (ii) such Person's date of incorporation or organization; (iii) such Person's authorized share capital or other equity interests (including such warrants, options and other rights); (iv) the number and type of such Person's issued and outstanding share capital, partnership interests or other equity interests (including such warrants, options and other rights); and (v) the current ownership of such share capital, partnership interests or other equity interests, and such warrants, options and other rights (including percentage of outstanding capital represented thereby on a fully diluted basis). The Company has no investment in, and holds no, shares, partnership interests or equity interests (or warrants, options or other rights to acquire the same) of any other Person. Further, the Company has not entered into any agreement for investments and does not have any performance obligations / commitments to invest under these agreements.
- 6.2 Each Group Company is a company duly incorporated or organized, validly existing and has full corporate power and authority to own, lease and operate the assets and properties it now owns, leases and operates and to carry on its business as now being conducted.
- 6.3 With respect to each Group Company, the Company, directly or indirectly, owns, beneficially and of record, the interests identified in **Schedule 2**, free and clear of all Encumbrances, and all such interests are duly authorized, validly issued, fully paid and non-assessable and free of pre-

emptive rights (other than the pre-emptive rights specified in the articles of association of such Group Company). Except for this Agreement, there are no Contracts proposed or in effect with respect to the voting or transfer of any interest in the Group Company.

- 6.4 The Company has issued notice for offer for sale of its shares and termination of the shareholders agreement dated 31 October 2014 for being shareholders in MyBiosciences Sdn. Bhd., Malaysia and accordingly the shareholders agreement has been terminated vis-à-vis the Company post completion of notice period of 30 days from 1 June 2021. Further, the Company shall divest its shares in the share capital of MyBiosciences Sdn. Bhd., Malaysia as per the condition subsequent stated in Clause 5.2(a)(xvii).
- 6.5 The warranties contained in Part A of this Schedule and in the whole of Part B of this Schedule shall be deemed to be applicable, *mutatis mutandis*, to each Group Company with the following modifications:
- (a) References to the Company shall be deemed to be references to each of such Group Companies; and
- (b) References to the Accounts shall be deemed to be references to the accounts of each of such Group Companies.
- 6.6 The Promoter has not made any investments, nor do they have any direct or indirect interest in any entity whose business competes with that of the Company.
- 6.7 The Company has no investment commitments / obligations or liabilities under any of its subscription agreements.
- 6.8 All inventories related to Apotex have been written off and the Company does not hold any inventory (physical) in relation to those projects.

7. **ORGANIZATIONAL DOCUMENTS; MINUTES; SHARE REGISTER**

- 7.1 The copies of the Organisational Documents of the Company heretofore provided to the Investor or its Representatives, each as in effect on the date hereof, are true, accurate and complete in all respects, have annexed thereto or incorporated therein copies of all resolutions or Contracts required by the applicable Law to be so annexed or incorporated, and are certified by the appropriate Governmental Authority of the jurisdiction of incorporation of the Company, to the extent such certification is available.
- 7.2 The minute books of the Company heretofore provided to the Investor or its Representatives contain true, accurate and complete records of all meetings and actions in lieu of meeting of its Board and any committees thereof and of its shareholders during the 5 (Five) year period prior to the Closing Date and accurately reflect all transactions referred to in such minutes and actions in lieu of meeting.
- 7.3 The share register of the Company (heretofore provided to the Investor) is true, accurate and complete as to both record ownership and beneficial ownership of the outstanding share capital of the Company.

7.4 All other statutory books and registers of the Company have been properly kept and no notice or allegation that any of them is incorrect or should be rectified has been received.

## 8. **CONSENTS AND APPROVALS**

8.1 The execution, delivery and performance of this Agreement and the other Ancillary Agreements by the Company and the Promoter, the issuance and allotment of the Subscription Securities to the Investor and the consummation of the transactions contemplated hereby and thereby do not and will not require any Consent or Governmental Approval.

8.2 The Company is operating and has always operated its Business in accordance with its Organisational Documents and in accordance with applicable Law including foreign exchange regulations, and have duly maintained all statutory books, records and returns as required under applicable Law.

8.3 The Company has obtained and maintained all applicable Consents required for running the Business, and all such Consents are valid and subsisting. The Business has been carried on in accordance with the terms of such Consents.

## 9. **FINANCIAL MATTERS**

### 9.1 **Accounting and other records**

(a) The books of account and other financial records of the Company are up-to-date and have been maintained in accordance with all applicable Laws and generally accepted accounting practices on a proper and consistent basis and comprise complete and accurate records of all information required to be recorded.

### 9.2 **The Accounts**

(a) The Accounts have been derived from the accounting books and records of the Company, and have been prepared in accordance with the requirements of all relevant Laws then in force and with GAAP applied on a proper and consistent basis throughout the periods presented in the Accounts, and are based on the Company's then existing accounting policies.

(b) The balance sheets included in the Accounts give a true and fair view of the financial position of the Company as at the respective dates thereof, and the profit and loss account and the statement of cash flow included in the Accounts give a true and fair view of the results of operation and cash flows of the Company for the respective periods indicated therein.

(c) The Accounts make full provision for or disclose all liabilities or obligations of any nature (whether accrued, absolute, contingent, disputed or otherwise and including financial lease commitments and pension liabilities), all outstanding capital commitments and all bad or doubtful debts of the Company, in each case in accordance with GAAP.

(d) The results shown in the Accounts for each of the last 5 (Five) Financial Years ended on the Accounts Date were not (except as therein disclosed) affected by any extraordinary or exceptional item or by any other factor rendering such results for all or any of such periods

unusually high or low.

- (e) The Company has appropriately accounted for inward and consumption of inventory and the cost of goods sold / inventory in the financial statements reflect the correct value of these items.
- (f) The Company has accounted for all interest expenses (including penalty, foreclosure charges, concessional interest recoupment etc.) in its Accounts, which is due and payable on loans availed in the historical period.
- (g) The Company has fully accounted for the costs associated to business development payable as commission / consultancy charges to individuals.
- (h) The Company has accounted for all expenses due and payable in the historical period for all heads of expenses while preparing the Financial Statements, both audited and provisional.
- (i) The inventory stated in the Accounts as at balance sheet date is valued at cost / net realisable value whichever is lower and represents physical quantities lying with the Company.
- (j) All the credit notes as on the date of this Agreement for Financial Year 2021 has been accounted and disclosed.
- (k) The Company has accounted for all the commission for sourcing of revenue in the historical period.
- (l) The Company has accounted for all Tax liabilities pertaining to the historical period.

### 9.3 **Accounting Controls**

- (a) The Company and its Group Companies have devised and maintained systems of internal accounting controls with respect to the Business sufficient to provide reasonable assurances that (i) all transactions are executed in accordance with management's general or specific authorization, (ii) all transactions are recorded as necessary to permit the preparation of financial statements in conformity with GAAP and to maintain proper accountability for items, (iii) access to their property and assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for items is compared with the actual levels at reasonable intervals and appropriate action is taken with respect to any differences.

### 9.4 **Taxation**

- (a) All Taxation of any nature whatsoever for which the Company or any of its Group Companies is liable or for which the Company is liable to account and which has fallen due for payment has been duly paid (insofar as such Taxation ought to have been paid). The Company and each of its Group Companies has not asked for any extensions of time for the filing of any Tax Returns or other documents relating to Taxation, or the payment of any amount of Taxation. The Company and each of its Group Companies has not paid or become liable to pay any interest, penalty, surcharge or fine relating to Taxation. The Company and each of its Group Companies has not been subject to or is currently subject to any investigation, audit or search

and/or seizure by any Taxation authority with regard to any Taxation or Tax Returns of the Company or any of its Group Companies, and no deficiencies for Taxation have been proposed, asserted, raised or threatened in writing by any Taxation authority against the Company or any of its Group Companies.

- (b) All Tax Returns and other notices, computations and returns which ought to have been given or made, have been properly and duly submitted by the Company and each of its Group Companies to the relevant Taxation authorities and all such Tax Returns and other information, notices, computations and returns submitted to such authorities are true, accurate and complete and are not the subject of any dispute nor are likely to become the subject of any dispute with such authorities. All records which the Company or any of its Group Companies is required to keep for Taxation purposes or which would be needed to substantiate any claim made or position taken in relation to Taxation by the Company or any of its Group Companies, have been duly kept and are available for inspection at the Company's or such Group Companies' premises.
- (c) All rents, interest and other amounts paid or payable by the Company or any of its Group Companies are wholly allowable as deductions or charges in computing the Company's or such Group Companies' income for Taxation purposes. No claim has been made for the depreciation of any asset of the Company or any of its Group Companies for Taxation purposes and no other claim has been made for a deduction, rebate or exemption of any nature, in circumstances in which the claim is likely to be disallowed.
- (d) The amount of Taxation chargeable on the Company or any of its Group Companies during any accounting period ending on the Accounts Date has not been affected to any extent by any concession, arrangements, Contract or other arrangement with any Taxation authority (not being a concession, Contract or arrangement available to companies generally). Neither the Company nor any of its Group Companies is subject to a special regime in respect of Taxation.
- (e) S The Company and each of its Group Companies has duly and timely made all deductions and withholdings in respect, or on account, of any Taxation from any payments made by it which it is obliged or entitled to make and has accounted in full to the appropriate authority for all amounts so deducted. The Company and each of its Group Companies is entitled to deductions in respect of all expenses claimed in relation to any carried forward losses and none of these losses are required to be, disallowed.
- (f) The Company and each of its Group Companies has not disposed of or acquired any assets in circumstances such that the disposal price or acquisition cost of the asset would be treated for Taxation purposes as being different from the consideration given or received.
- (g) Except as provided in the Accounts, no transactions or arrangements involving the Company or any of its Group Companies have taken place or are in existence and the Company and each of its Group Companies does not have a liability to Taxation except in respect of and to the extent of income and profits actually received and no arrangements exist which might give rise to such a liability, whether as a consequence of any provision relating to transfer pricing or otherwise.
- (h) There are no Encumbrances for Taxes (other than for current Taxes not yet due) on the assets



of the Company or any of its Group Companies. Neither the Company nor any of its Group Companies is a party to any agreement providing for the allocation or sharing of Taxes. No Taxes are or will be due from the Company or any of its Group Companies with respect to the transactions contemplated by this Agreement and the other Ancillary Agreements.

To the best knowledge of the Promoter, there is no GST applicable for export of pre-clinical services as the place of supply for export of such services is outside India.

#### **9.5 Absence of Certain Changes Since Accounts Date**

Since the Accounts Date, there has been no Material Adverse Effect (other than an event under clause (c) of the definition of Material Adverse Effect) in the Company, and:

- (a) the Business of the Company has been carried on in the ordinary and usual course consistent with past practice, and the Company has not made or agreed to make any payment other than routine payments in the ordinary and usual course of business;
- (b) no dividend or other distribution has been declared, paid or made by the Company (except for any dividends provided for in the Accounts), and no purchase or redemption has been made, directly or indirectly, of the Equity Shares or other securities of the Company;
- (c) the Company has not issued or sold any Equity Shares or other securities, or issued, sold, granted or entered into any subscriptions, options, warrants, conversion or other rights, Contracts, commitments, arrangements or understandings of any kind, contingently or otherwise, to purchase or otherwise acquire any such Equity Shares or other securities;
- (d) The borrowing schedule as on 30 June 2021 provided in the Disclosure Schedule is true and accurate;
- (e) no individual Contract (whether in respect of capital expenditure or otherwise) has been entered into by the Company which is of a long term or unusual nature or which involved or could involve an obligation of a nature or magnitude;
- (f) the Company has not, except in the ordinary and usual course of business, acquired or disposed of, or agreed to acquire or dispose of, any individual business or asset;
- (g) no debtor has been released by the Company on terms that it pays less than the book value of its debt and no debt owing to the Company has been deferred, subordinated or written off or has proved to any extent irrecoverable;
- (h) no change has been made in terms of employment, including pension or provident fund commitments, by the Company (other than those required by Law). The Company has not entered into, adopted or amended any employment, consulting, retention, change-in-control, collective bargaining, bonus or other incentive compensation, profit-sharing, health or other welfare, stock option or other equity, pension, retirement, vacation, severance, deferred compensation or other employment, compensation or benefit plan, policy, Contract, trust, fund or arrangement for the benefit of any officer, director, employee, sales representative, agent, consultant or Affiliate (whether or not legally binding);

- (i) the Company has not suffered any damage, destruction or loss (whether or not covered by insurance), or any strike or other employment-related problem, or any change in relations with (other than in compliance with the terms of the Contract with such supplier or customer), or any loss of, a supplier or customer accounting for 1.5% (Two Point Five Percent) or more of the overall value of goods purchased or of revenue generated by the Company in the Financial Year ended on the Accounts Date;
- (j) the Company has not entered into any affiliated or related party transactions which are not in accordance with applicable Law and which are not at arm's length and in the ordinary course of business, Contracts or arrangements between the Company and the Promoter or their Affiliates, and any transaction, Contract or arrangement between the Company and any entity or firm in which any of the Promoter or their Affiliates has a financial interest of more than 1% (one percent) in the aggregate;
- (k) the Company has not repaid any borrowing or indebtedness in advance of its stated maturity;
- (l) there has been no increase or decrease in the levels of debtors or creditors or in the average collection or payment periods for the debtors and creditors respectively;
- (m) The Company has not subjected to any Encumbrance any of its properties or assets, tangible or intangible;
- (n) the Company has not changed in any respect its accounting practices, policies or principles; and
- (o) the Business of the Company has not been affected by any abnormal factor not affecting to a similar extent generally all companies carrying on similar businesses in India.

#### **9.6 Past Transactions in accordance with Applicable Laws**

- (a) All transactions undertaken by the Company and its Group Companies have been carried out in accordance with all applicable Laws.

#### **9.7 Debts owed to the Company**

- (a) There are no debts owing to the Company other than trade debts incurred in the ordinary and usual course of business (none of which exceeds INR 1,00,000 (Rupees One Lakhs) and which do not exceed INR 5,00,000 (Rupees Five Lakhs) in aggregate).
- (b) The book debts shown in the Accounts have or will realise within a period of four months from the Accounts Date their nominal amount less any specific provision for bad or doubtful debts included in such Accounts. The book debts incurred and owed to the Company in relation to its Business since the Accounts Date and which are outstanding as at the date hereof will realise within 3 (Three) months from the date of incurrence their nominal amount.

#### **9.8 Debts owed by the Company**

- (a) The Company and its Group Companies, do not have outstanding any borrowing or indebtedness in the nature of borrowing (including, without limitation, any indebtedness for money borrowed or raised under any acceptance credit, bond, note, bill of exchange or commercial paper, finance lease, hire purchase Contract, trade bills, forward sale or purchase Contract or conditional sale Contract or other transaction having the commercial effect of a borrowing), except money borrowed from third parties which does not exceed INR 77,00,00,000 (Rupees Seventy Seven Crores only) as disclosed in the Accounts, which includes the inter-corporate loan provided by the Investor.
- (b) The Company has not received any written notice to repay under any Contract relating to any borrowing or Indebtedness which is repayable on demand.
- (c) There are no trade debts incurred by the Company other than suppliers of the Company in the Ordinary Course of Business, which as on 30 June, 2021 does not exceed INR 5,00,00,000 (Rupees Five Crores) (excluding capex creditors which amount to INR 2,00,000 (Two Crores))
- (d) There are no defaults or breach of covenants under any of the loan agreements entered into by the Company and the Company has not availed any concessional arrangements on debt.

## 10. REGULATORY MATTERS

### 10.1 Consents and Governmental Approvals

- (a) The Company has obtained all requisite Consents or Governmental Approvals for the conduct of its business as presently conducted and no other Consents or Government Approvals are necessary, advisable or otherwise required.
- (b) Each of the Consents and Governmental Approvals obtained by the Company is in full force and effect and has been complied with in all respects.
- (c) There are no circumstances (including pending or threatened Litigation) which indicate that any such Consents and Governmental Approvals will or are likely to be terminated, revoked, cancelled, suspended, modified or cannot be renewed, in whole or in part, in the ordinary course of business consistent with past practice (whether as a result of this Agreement or otherwise), and there is no reasonable basis for such termination, revocation, cancellation, suspension, modification or non-renewal.

### 10.2 Compliance

- (a) The Company has not been in conflict with, contravened or in violation or breach of or default under (with or without the giving of notice or the lapse of time or both) (w) any Law applicable to it or any of its properties, assets, operations or Businesses, (x) any order, judgment or decree of any court or other Governmental Authority to which the Company or any of its Group Companies is a party or by which any of their respective assets or properties may be bound or affected, (y) any provision of its existing Organisational Documents, or (z) any Contract to which the Company or any of its Group Companies is a party or by which any of their respective assets or properties may be bound or affected.

- (b) The Company has not received any notice in writing and has no knowledge of any written claim alleging any such conflict, contravention, violation, breach or default.

## 11. COMPANY'S ASSETS

For the purposes of this Warranty 10, *assets* shall not include the Properties, to which the provisions of Part B of this Schedule shall apply.

### 11.1 Ownership

- (a) All the assets included in the Accounts or acquired since the Accounts Date (other than assets sold in the ordinary course of business) are the absolute property of the Company, free and clear of any Encumbrance.

### 11.2 Possession and Third Party Facilities

- (a) All of the assets owned by the Company, or in respect of which the Company has a right of use, are in the possession or under the control of the Company.
- (b) Where any assets are used in the Business of the Company but not owned by the Company or any facilities or services are provided to the Company by any third party, there has not occurred any event of default or any other event or circumstance (other than the expiry of any Contract in the normal course) which may entitle any third party to terminate any Contract or licence in respect of the provision of such facilities or services (or any event or circumstance which with the giving of notice and/or the lapse of time and/or a relevant determination would constitute such an event or circumstance).

### 11.3 Adequacy of Assets

- (a) The assets of the Company and the facilities and services to which the Company has a contractual right include all rights, properties, assets, facilities and services necessary for the carrying on of the Company's Business in the manner in which it is presently carried on.

### 11.4 Cash

- (a) Since the Accounts Date, the cash balances of the Company have not been reduced by any payments except for amounts payable in the ordinary and usual course of business.
- (b) All receivables (including unbilled receivables) of the Company are collectible and good and all provisions required to be made for non-recoverable balances have been adequately made in the financial statements.
- (c) The Company has not carried out any project work for Sineria Holland pertaining to receivables write offs of INR 76,40,782 (Rupees Seventy Six Lakhs Forty Thousand Seven Hundred and Eighty Two) in Financial Year 2019.

### 11.5 Insurance

- (a) The Company is insured with reputable insurers. The Company's insurances are in full force and effect, all premiums due thereon have been paid and the Company is not in default thereunder. There are no circumstances which might lead to any liability under such insurance being avoided by the insurers or the premiums being increased.
- (b) The insurance policies held by the Company are on such terms (including without limitation as to deductibles and self-insured retentions), cover such risks, contain such deductibles and retentions and are in such amounts as are (x) customarily held by companies of established reputation engaged in the same or similar business as the Company, and (y) required pursuant to the provisions of any Contract the Company is party to. The insurance coverage provided by such policies is reasonably adequate and suitable for the Company's Business and operations.
- (c) No claim is outstanding by the Company under any policy of insurance held by it and there are no circumstances likely to give rise to such a claim.
- (d) The Company has obtained all insurance policies as relevant and the sum insured is sufficient to cover the book value of the assets.
- (e) The premiums on the insurance policies held by the Company are being regularly paid by itself and such premiums, including all assets are booked in the Accounts in relation to the lease agreements of the Company for an amount not exceeding INR 15,00,000 (Rupees Fifteen Lakhs).

## **12. INTELLECTUAL PROPERTY AND INFORMATION TECHNOLOGY**

### **12.1 Registered Rights**

- (a) s. The Company is the sole legal and beneficial owner of all Intellectual Property Rights used by the Company.
- (b) No act has been done or omitted to be done and no event has occurred or is likely to occur which may render any of such Intellectual Property Rights subject to revocation, compulsory licence, cancellation or amendment or may prevent the grant or registration of a valid Intellectual Property Right pursuant to a pending application.

### **12.2 Charges**

- (a) The Intellectual Property Rights which are owned or otherwise used by the Company are not subject to any Encumbrance.

### **12.3 Infringement**

- (a) No part of the Business of the Company infringes, or, is likely to infringe, any rights held by any third party or involves the unauthorised use of confidential information disclosed to the Company in circumstances which might entitle a third party to make a claim.
- (b) No written claim has been made by any third party which alleges any infringing act or process which would fall within paragraph 12.3(a) or which otherwise disputes the right of the

Company to use any Intellectual Property Rights relating to the Business and the Company is not aware of any circumstances (including any act or omission to act) likely to give rise to such a claim.

- (c) There exists no actual or threatened infringement by any third party of any Intellectual Property Rights held or used by the Company (including misuse of confidential information) or any event likely to constitute such an infringement nor has the Company acquiesced in the unauthorised use by any third party of any such Intellectual Property Rights.

#### 12.4 **Employee Claims**

- (a) No written claims have been made or threatened by present employees or ex-employees of the Company under any statutory inventor compensation provision, or like employee compensation provision, in any jurisdiction.
- (b) The Company does not have any commitment to pay employees for the deferment of salaries or increments in Financial Year 2021 (to the extent of the period deferred).

#### 12.5 **Intellectual Property Licences**

- (a) The Company has not granted any licences in respect of Intellectual Property Rights relating to the Business of the Company to any Person.
- (b) The Company is not in default under any licence, sub-licence or assignment granted to it in respect of any Intellectual Property Rights used in relation to its Business.
- (c) The Company has made all necessary applications for claiming SEIS incentives.

#### 12.6 **Loss of Rights**

- (a) No Intellectual Property Rights owned or used by the Company in relation to its Business and no licence of Intellectual Property Rights of which the Company has the benefit will be lost, or rendered liable to any right of termination or cessation by any third party, by virtue of the performance of the terms of this Agreement and the other Ancillary Agreements.

#### 12.7 **Confidential Information**

- (a) Where information of a confidential nature has been developed or acquired by the Company for the purposes of its Business prior to the date hereof, such information (except insofar as it has fallen into the public domain through no fault of the Company) has been kept strictly confidential and has not been disclosed otherwise than subject to an obligation of confidentiality being imposed on the Person to whom the information was disclosed. The Company is not aware of any breach of such confidentiality obligations by any third party.

#### 12.8 **Records and Software**

- (a) All the records and systems (including but not limited to computer systems) and all data and information relating to the Company are recorded, stored, maintained or operated or otherwise

held by the Company and are not wholly or partly dependent on any facilities which are not under the exclusive ownership or control of the Company.

- (b) The Company is licensed to use all software necessary to enable it to continue to use its computerised records for the foreseeable future in the same manner in which they have been used prior to the date of this Agreement and does not share any user rights in respect of such software with any other Person.
- (c) The Company's information technology systems have not failed and the data which they process has not been corrupted. The Company's information technology systems do not contain viruses, bugs or things which distort their proper functioning, permit unauthorised access or disable them without the Consent of the user.

### 13. **MARKETING INFORMATION**

- 13.1 All marketing information used by the Company is owned by or is the subject of a valid grant of rights to the Company and is not subject to any restriction which could adversely affect the Company's ability to use it for the purposes of its Business.
- 13.2 The Company has not, except in the normal and ordinary course of the Company's Business, disclosed or is obliged to disclose any marketing information of a confidential nature to any Person other than its employees.
- 13.3 The Company is not in breach of any Contract under which any marketing information was or is to be made available to it.

### 14. **CONTRACTUAL MATTERS**

#### 14.1 **Material Contracts**

There is no outstanding Contract to which the Company is a party:

- (a) which relates to Indebtedness (whether incurred, assumed, guaranteed or secured by any asset) subject to disclosure (Bank liabilities);
- (b) which, by virtue of the execution, delivery or performance of the terms of this Agreement and the other Ancillary Agreements, will result in:
  - (i) any other party being relieved of any obligation or becoming entitled to exercise any right (including any right of termination or any right of pre-emption or other option); or
  - (ii) the Company losing any benefit, right or licence which it currently enjoys or in a liability or obligation of the Company being created or increased;
- (c) which was entered into otherwise than in the ordinary course of business by way of bargain at arm's length (including, without limitation, in respect of shared facilities);
- (d) which requires (or confers any right to require) the allotment or issue of any shares, debentures

or other securities of the Company now or at any time in the future;

- (e) which, upon completion by the Company of its work or the performance of its other obligations under it, is likely to result in a loss which is not fully provided for in the Accounts;
- (f) which establishes any joint venture, consortium, partnership or profit (or loss) sharing Contract or arrangement;
- (g) which relates to the acquisition by the Company from any other Person or the disposition by the Company to any other Person of any business, an amount of stock or assets, or any real property (whether by merger, sale of stock, sale of assets or otherwise) exceeding INR 10,00,000 (Rupees Ten Lakhs);
- (h) which (x) limits the freedom of the Company to compete in any line of business or with any Person or in any area or which would so limit the freedom of the Company after the Closing Date; or (y) contains exclusivity obligations or restrictions binding on the Company or that would be binding on the Company after the Closing Date;
- (i) under which (x) any Person has directly or indirectly guaranteed any liabilities or obligations of the Company or (y) the Company has directly or indirectly guaranteed any liabilities or obligations of any other Person (in each case other than endorsements for the purpose of collection in the ordinary course of business);
- (j) which involves or is likely to involve (i) expenditure by the Company in excess of INR 10,00,000 (Rupees Ten Lakhs) or (ii) obligations or restrictions on the Company not in the ordinary and usual course of its business;
- (k) which establishes any distributorship or purchasing Contract (excluding capex purchase contracts) which constitutes 2.5% (Two Point Five Percent) or more of the revenue generated or value of the goods purchased by the Company in the Financial Year ended on the Accounts Date, or any agency, marketing, manufacturing or licensing Contract or arrangement;
- (l) The Company has no outstanding / unaccounted claims / credit notes from any of its customers for the services rendered, which are claimed as on date of this Agreement.
- (m) which is a Contract between the Company and any recognised independent trade union;
- (n) which is likely to have a Material Adverse Effect on the Company; and
- (o) which puts an obligation on the Company to render free services (eg. In lieu of commission, cancelled projects, other scenarios etc.).

#### 14.2 **Defaults**

- (a) Each Contract to which the Company is a party is a legal, valid and binding obligation of the Company, in full force and effect in all respects and enforceable against each party thereto and is being performed by the Company in accordance with its terms.



- (b) The Company is not in default under any Contract to which it is a party and there are no circumstances likely to give rise to such a default.
- (c) No party with whom the Company has entered into any Contract or arrangement is in default under it and there are no circumstances likely to give rise to such a default.
- (d) The enforceability of each Contract to which the Company is a party will not be affected in any manner by the execution, delivery or performance of this Agreement and the other Ancillary Agreements or the issuance and allotment of the Subscription Securities to the Investor in accordance with the terms of this Agreement, and no Contract contains any change in control or other terms or conditions that will become applicable or inapplicable as a result of the consummation of the transactions contemplated hereby and thereby.
- (e) There are no outstanding claims or liabilities for breach or alleged breach of any restrictive covenants or any allegations of defamation, against the Company.

#### 14.3 **Trading Relationships**

- (a) Except in the ordinary course of business, no customer of or supplier to the Company has ceased to deal with the Company or has indicated an intention to cease to deal with it, either in whole or in part and no such Person is likely to cease to deal with it or deal with the Company on a smaller scale (whether as a result of the execution, delivery and performance of the terms of this Agreement and the other Ancillary Agreements or for any other reason).

#### 14.4 **Grants**

- (a) Nothing has been done, agreed to be done or omitted to be done as a result of which either (i) any investment or other grant paid for use by the Company is liable to be refunded in whole or in part or (ii) any such grant for which application has been made will or may not be paid or may be reduced (whether as a result of the transactions contemplated by this Agreement and the other Ancillary Agreements or otherwise.)
- (b) The grant received from BIRAC in Amthera for research and development activity is not expected to be refunded back as the research work is currently ongoing, and the Company intends to complete the research activity

#### 14.5 **Connected Person/Concern**

- (a) Neither the Promoter, nor any Person or entity connected with the Promoter, nor any Connected Person / Concern is or has at any time been a party to or interested in (directly or indirectly including by the provision of any security by or in favour of or for securing obligations of the Company) any Contract, in any way relating to the Company or its activities, including, without limitation, any Contract, for the provision of finance, goods, services or other facilities to or by the Company or ownership of any property or assets used by the Company, nor are any amounts owed to or receivable from (whether contingently or otherwise) the Company by the Promoter, any Person or entity connected with the Promoter or any Connected Person/Concern and no such Contracts, whether entered into during the past three years or otherwise, are currently pending.

## 15. LITIGATION AND INVESTIGATIONS

### 15.1 Litigation

- (a) The Company is not a claimant or defendant in or otherwise a party to any Litigation which is in progress or threatened in writing or pending by or against or concerning the Company, any of its properties, revenues or assets or any of its directors or officers in connection with the Company.
- (b) The Company is not aware of any circumstances which are likely to give rise to any such Litigation referred to in paragraph 15.1(a).
- (c) There is no injunction, writ, preliminary restraining order or any order of any nature issued by an arbitrator, court or other Governmental Authority affecting the Company, any of its properties, revenues or assets, or any of its directors or officers in connection with the Company.
- (d) There are no pending or threatened Litigations against any of the Group Companies or any Litigations which may be made against it's the Group Companies and which relate to or arise out of, the period prior to Closing.

## 16. DIRECTORS AND EMPLOYEES

### 16.1 Agreements

- (a) There is no collective bargaining Contract, profit sharing, pension, retirement, bonus incentive, compensation, option or other benefit plan, or severance Contract and there are no labour unions or other organizations representing, purporting to represent or attempting to represent any employees of the Company.
- (b) There is not in existence any written or unwritten Contract of employment with a director or an employee of the Company (or any contract for services with any Person) which cannot be terminated by three months' notice or less without giving rise to a claim for damages or compensation (other than a statutory redundancy payment or statutory compensation for unfair dismissal).

### 16.2 Compliance

- (a) The Company has not entered into a Contract or is in anyway associated with any recognised trade union, staff association or other body representing its employees or any of them.
- (b) The Company has in relation to each of its employees (and so far as relevant to each of its former employees) complied with all statutes, regulations, collective Contracts, terms and conditions of employment, orders and awards relevant to their terms and conditions of service or to the relations between the Company and its employees (or former employees, as the case may be).

- (c) The Company and each of its Group Companies are in compliance with all applicable labour welfare legislations under applicable Law, including without limitation, Employees Provident Fund and Miscellaneous Provisions Act, 1952, Employees' State Insurance Act, 1948, Payment of Gratuity Act, 1972 and the Payment of Bonus Act, 1955 including in respect of all contributions required to be made by the Company having been fully funded in accordance with the provisions thereof.
- (d) The Company has accounted for all costs related to its employees including any unpaid increments / incentives / ex-gratia payments in its Accounts in the historical period.
- (e) The Company does not have any pending unaccounted Full and Final claims for any of its current / past employees.
- (f) The Company has not committed any transaction specific incentives / bonus to its employees.

### 16.3 **Disputes**

- (a) No dispute has arisen between the Company and a number or category of its employees (or any trade union or other body representing all or any of such employees) and, to the best knowledge, there are no present circumstances which are likely to give rise to any such dispute.

### 16.4 **Stock Option Schemes**

- (a) The Company does not have in existence any employee stock option, stock purchase, stock appreciation right or phantom stock option schemes.

### 16.5 **Benefit Plans**

With respect to each Benefit Plan:

- (a) all employer and employee contributions to each Benefit Plan required by applicable Law or by the terms of such Benefit Plan have been made, or, if applicable, accrued in accordance with GAAP;
- (b) the fair market value of the assets of each funded Benefit Plan, the liability of each insurer for any Benefit Plan funded through insurance or the book reserve established for any Benefit Plan, together with any accrued contributions, is sufficient to procure or provide for the accrued benefit obligations, as of the Closing Date, with respect to all current and former participants in such plan according to the actuarial assumptions and valuations most recently used to determine employer contributions to such Benefit Plan and none of the transactions contemplated hereby or by the other Ancillary Agreements shall cause such assets or insurance obligations to be less than such benefit obligations; and
- (c) each Benefit Plan required to be registered has been registered and has been maintained in good standing with applicable Governmental Authorities.

For this purpose, **Benefit Plan** means the employee pension, benefit and other employee welfare plans of the Company.

## 16.6 **Payments on Termination**

- (a) Except to the extent (if any) to which provision or allowance has been made in the Accounts, no outstanding liability has been incurred by the Company for breach of any Contract of employment or for services or redundancy payments, protective awards, compensation for wrongful dismissal or unfair dismissal or for failure to comply with any order for the reinstatement or re-engagement of any employee or for any other liability accruing from the termination of any contract of employment or for services.
- (b) No gratuitous payment has been made or benefit given (or promised to be made or given) by the Company in connection with the actual or proposed termination or suspension of employment or variation of any contract of employment of any present or former director or employee.

## 16.7 **Effect of Agreement**

- (a) Neither the execution, delivery and performance of this Agreement and the other Ancillary Agreements, the issuance and allotment of the Subscription Securities to the Investor, nor the consummation of the transactions contemplated hereby and thereby, will (either alone or upon the occurrence of any additional or further acts or events) result in any payment (whether of severance pay or otherwise) becoming due from the Company to any director, officer, employee or shareholder thereof.
- (b) So far as the Promoter and the Company are aware, no Key Employee of the Company intends to resign or, subsequent to the Accounts Date, has resigned.

## 17. **INSOLVENCY ETC.**

17.1 No order has been made, petition presented or meeting convened for the purpose of considering a resolution for the winding up of the Company or for the appointment of any provisional liquidator. To its best knowledge, no steps have been taken by any Person with a view to the appointment of an administrator (whether out of court or otherwise) and no administration order has been made in relation to the Company. No receiver (including any administrative receiver) has been appointed in respect of the whole or any part of any of the property, assets and/or undertaking of the Company.

17.2 No distress, distraint, charging order, garnishee order, execution or other process has been levied or applied for in respect of the whole or any part of any of the property, assets and/or undertaking of the Company.

17.3 The Company is not insolvent and has not stopped paying debts as they fall due.

17.4 No guarantee, loan capital, borrowed money or interest for which the Company is liable is overdue for payment and no other obligation or Indebtedness of the Company is outstanding which is substantially overdue for performance or payment.

## 18. **CORRUPT PRACTICES**

18.1 None of the Company, the Promoter, its/their Affiliates and principals and anyone acting on its/their behalf have, whether in connection with the transactions contemplated hereby and by the other Ancillary Agreements or otherwise, made improper payments to public officials in order to secure a business advantage, and the Company, the Promoter and its/their Affiliates and principals and anyone acting on its/their behalf have in place anti-money laundering practices that are compliant with all Laws and (ii) comply with all anti-corruption and bribery Laws applicable to them.

19. **BROKERS**

19.1 No broker, agent, finder, consultant or other person has been retained by, or has acted on behalf of the Company in such a manner as to give rise to any valid claim against the Company for any brokerage or finder's commission, fee or similar compensation, or for any bonus payable to any representative of the Company based upon any Contract made by the Company in connection with any of the transactions contemplated hereby or by the other Ancillary Agreements.

20. **IMMUNITY**

20.1 Neither the Company nor any of its assets or properties has any immunity from the jurisdiction of any court or Governmental Authority or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution or otherwise).

**Part B : Property Warranties**

1. **GENERAL**

1.1 The properties comprise all the land and buildings owned, leased, controlled, occupied or used by the Company or in relation to which the Company has any right, interest or liability (*Properties*).

1.2 The details in respect of the Properties set out in the Disclosure Schedule is true, complete and accurate and not misleading in any respect.

2. **POSSESSION AND OCCUPATION**

2.1 The Company is in possession of the whole of each of the Properties, none of which is vacant and no other Person or entity is in or actually or conditionally entitled to possession, occupation, use or control of any of the Properties.

3. **TITLE**

3.1 The Company has good, valid and marketable title (which title has, where requisite, been perfected by registration or other lodgement at the appropriate public registry with the best quality of title available) to, or otherwise have the right to use pursuant to a valid and enforceable lease, license or similar contractual arrangement, each of the Properties, in each case free from any Encumbrance, and all original sale deeds and/or other documents necessary

to prove such title or right (as the case may be) are in the possession or under the control of the Company.

3.2 No Person has or claims any security interest, charge, Encumbrance, lien, option, right of pre-emption or other similar interest (including any arising by statute) in or over any of the Properties or any relevant deeds or documents.

3.3 No Property is affected by a subsisting contract for sale or other disposition of any interest in it.

3.4 All fixtures, fittings, plant and equipment at the Properties are owned absolutely by the Company.

#### 4. **ADVERSE INTERESTS**

4.1 None of the Properties is subject to any matter which might adversely affect the Company's ability to continue to carry on its existing Business from any Property in the same manner as presently carried on or as contemplated to be carried on and at the same cost.

4.2 The Company and / or the Promoter have not been informed in writing by a lessor or licensor of any Property of an order, resolution or proposal for compulsory acquisition of such Property or an area which is or is (so far as the Company or the Promoter are aware) proposed to be subject to any statutory or other order.

4.3 The Company is not, nor, is it alleged to be, in breach of any covenant, restriction, condition or obligation (whether statutory or otherwise) affecting the Properties or the conduct of the existing Business at or from the Properties, nor is there any reason why such covenants, restrictions, conditions and obligations should not continue to be complied with.

#### 5. **RIGHTS**

5.1 Each Property benefits from all permanent and legally enforceable easements, relating to rights of ingress and egress, necessary or appropriate for the continued use, enjoyment and maintenance of such Property by the Company for the purpose of its existing Business carried on at or from such Property and all such easements and rights of ingress and egress are on reasonable terms which (without limitation) do not entitle any Person or entity to terminate, restrict or curtail them or impose any unusual or onerous conditions.

5.2 The Transfer of assets and liabilities to the Company under the sole proprietor agreement with M/s Bionneeds, a sole proprietary concern with the Promoter as the sole proprietor dated 1 April 2014 was completed in compliance with applicable Laws and there are no outstanding liabilities relating to the same.

#### 6. **OUTGOINGS**

6.1 The Properties are not subject to the payment of any outgoings nor is the Company actually or contingently liable to pay any sums in relation to any Property other than the usual rates and taxes, maintenance expenses and, in the case of leaseholds, rent, insurance rent and service

charge.

- 6.2 There is no outstanding liability beyond 30 (Thirty) days of the payment due date for any rent, service charge, insurance rent, rates, taxes or other outgoings in respect of any of the Properties.
- 6.3 The Company has paid and discharged discharge all central government and municipal taxes dues and levis such as building rent, municipal tax, deposits, assessment charges and other present outgoings whatsoever of every description including, corporation charges or any other local or public body or authority charges and/or levies, which under the stature are primarily leviable on the leased Properties and such amounts are booked in full in the Company's Accounts for an amount not exceeding INR 5,00,000 (Rupees Five Lakhs) in each Financial Year.
- 6.4 The Company has arranged for supply of water in respect of its Properties and the cost incurred by the Company for such water facilities is within INR 1,00,000 (Rupees One Lakh) in each Financial year.

## 7. **DISPUTES**

- 7.1 The Company and / or the Promoter have not been informed in writing by the lessor or licensor of any of the Properties that there are current, contingent or anticipated notices, actions, disputes, complaints, liabilities, claims or demands relating to or in respect of the Properties or their use, nor are there any circumstances rendering any of the foregoing likely.
- 7.2 There are no current, contingent or anticipated actions, disputes, complaints, liabilities, claims or demands between the Company and any Person in respect of the Properties or their use, nor are there any circumstances rendering any of the foregoing likely.

## 8. **PLANNING AND ZONING**

- 8.1 The Properties and all uses of, and developments on, the Properties have been duly approved by the statutory authorities and comply with all Planning and Zoning Legislation.
- 8.2 The Company and / or the Promoter have not been informed in writing by the lessor or licensor of any of the Properties that a Permission in respect of any of the Properties is for a limited period or personal, and a Permission or statutory agreement affecting any of the Properties contains (expressly or impliedly) any unusual or onerous conditions or obligations.
- 8.3 In respect of the Properties, the Company is not subject to any outstanding monetary claim or liability, actual or contingent, arising under any Planning and Zoning Legislation, Permission or statutory agreement.
- 8.4 In respect of the Properties, no legal action is being taken by any Governmental Authority due to (i) any deviation from the sanctioned plan of construction, wrongful use due to violation of zoning or environmental laws (if applicable); and (ii) violation of the building bye-laws governing the Properties or due to any adverse action by the municipal corporation or local authority rendering the Properties or any part thereof unusable in the opinion of the Company;

## 9. **COSTS**

9.1 The Company is not for any reason anticipating liability for or the expenditure of any sum of money in respect of any of the Properties, except in the ordinary course or routine maintenance.

10. **PROPERTY LIABILITIES**

10.1 The Company has no actual or contingent obligation under the lease or licence entered into by the Company or liabilities in relation to any leasehold or licensed property other than under its existing title to the Properties.

10.2 The Company has no actual or contingent liability arising as a result of not obtaining occupation certificates for the Peenya Facility and the Devarahosahally Facility.

11. **STATE OF THE PROPERTIES**

11.1 Subject to normal wear and tear, the buildings and other structures on, under or over the Properties are in good and substantial repair and condition and fit for the purposes for which they are presently used and there is no defect (whether latent, inherent or otherwise) in the construction or condition of any of such buildings or other structures.

12. **LEASEHOLD PROPERTIES**

12.1 In relation to such of the Properties as are leasehold or let to, or occupied by, third parties:

- (a) each Lease is legal, valid, binding and in full force and effect, all covenants, conditions and Contracts contained in the relevant Leases, on the part of the landlord and the tenant, have been complied with;
- (b) there has been no complaint alleging any breach or any refusal to accept rent;
- (c) no tenant or other Person in occupation has commuted any rent or other payment or paid any rent or other payment ahead of the due date for payment or made any improvements for which the landlord may be required to pay compensation;
- (d) no surety has been released, expressly or by implication;
- (e) no tenancy is being continued after the contractual expiry date whether pursuant to statute or otherwise;
- (f) any Lease of a Property which is leasehold is in a form and on terms which would be reasonably acceptable to a prudent purchaser intending to use the property for the purposes of the existing Business; and
- (g) all Leases of Properties are on an arm's length basis and no Lease of any Property has been provided to or taken from any Connected Person/Concern.
- (h) All payments specified under the lease agreement in relation to the Company's properties have been made by the Company and there are no payments outstanding on the account of the



Company. Further, all historic property taxes, insurance was adequately paid by the Company and is not expected to increase materially.

- 12.2 The execution, delivery and performance of this Agreement and the other Ancillary Agreements, the issuance and allotment of the Subscription Securities to the Investor and the consummation of the transactions contemplated hereby and thereby, do not and will not require the Consent of any Person pursuant to any of the Leases or any instrument of record or Contract affecting the Properties. The enforceability of such Leases will not be affected in any manner by the execution, delivery or performance of this Agreement and the other Ancillary Agreements or the issuance and allotment of the Subscription Securities to the Investor, and no Lease contains any change in control provision or other terms or conditions that will become applicable or inapplicable as a result of the consummation of the transactions contemplated hereby and by the other Ancillary Agreements.

### 13. ENVIRONMENTAL

#### 13.1 Environmental Matters

- (a) The Company has complied and is in compliance with all applicable Environmental Laws and has obtained and is in compliance with all applicable Environmental Consents. No written notice of violation, notification of liability or request for information has been received by the Company, and no Litigation is pending or threatened by any Person involving the Company relating to or arising out of any Environmental Law. No order has been issued, no penalty or fine has been assessed involving the Company relating to or arising out of any Environmental Law.
- (b) No Hazardous Substances are located and no releases of Hazardous Substances have occurred at, on, above, under or from any properties owned, leased, operated or used by the Company that has resulted in or would reasonably be expected to result in any cost, liability or obligation of the Company under any Environmental Law.
- (c) The Company has not caused or taken any action that could reasonably be expected to result in any liability or obligation relating to (x) the environmental conditions at, on, above, under, or about any Properties or assets currently or formerly owned, leased, operated or used by the Company or any predecessors in interest, or (y) the past or present use, management, handling, transport, treatment, generation, storage, disposal, release or threatened release of Hazardous Substances.
- (d) No construction or capital expenditure is required in respect of the Properties and assets of the Company in order to comply with any Environmental Law.
- (e) The Company has provided to the Investor all environmental site assessments, audits, investigations, studies, inspection reports, pre-establishment approvals and acceptance opinions in the possession, custody or control of the Company or any of its Group Companies, relating to Properties or assets currently owned, leased, operated or used by the Company or any of its Group Companies.

**SCHEDULE 6**  
**RESERVED MATTERS**  
**PART A | PROMOTER RESERVED MATTERS**

- (i) Passing any resolution or taking any steps to initiate bankruptcy, corporate insolvency resolution, winding-up, liquidation or dissolution of the Company, or to appoint an insolvency resolution professional (including an interim insolvency resolution professional), liquidator (including a provisional liquidator), receiver, or administrator over all or any part of the assets or business of the Company, or otherwise seek any liquidation, administration (whether out of court or otherwise), Reorganization, merger, demerger, or any other relief under any bankruptcy, insolvency or other applicable law.
- (ii) Commencement of any new line of business including starting new divisions;
- (iii) Listing / de-listing of the Company or any Group Company shares on any stock exchanges;
- (iv) Change in legal status of the Company, for example, public to private companies;
- (v) Sale, Transfer, mortgage, or hypothecate any substantial assets of the Company, to any Affiliate of the Investor;
- (vi) Any amendment, supplement, modification or restatement of the Organizational Documents of the Company or any of its subsidiaries as in effect on the date of this Agreement to the extent such amendment relates to the rights of the Promoter under this Agreement;
- (vii) Change in the registered office of the Company;
- (viii) Any changes in class rights for existing shares;
- (ix) assumption of any form of indebtedness or liability by the Company or its subsidiaries in excess of 25% (twenty five percent) of the levels agreed upon in the annual Business Plan. The Promoter shall not be required to encumber his Equity Shares or provide any personal guarantee for any future indebtedness without his prior written consent.
- (x) the prosecution or settlement of legal actions or claims where the aggregate amount of all claims so prosecuted or settled would exceed INR 5,00,00,000 (Rupees five crores only) in any Financial Year.
- (xi) Fresh issue of securities which results in dilution of Promoter's shareholding in the Company

**PART B | INVESTOR RESERVED MATTERS**

- (i) **Acquisition or sale**
  - a) Acquisition of shares, assets, business, business organization or division of any other Person;
  - b) Sale, transfer or other disposition of, the Company, any of its subsidiaries or any other change in the capital structure of the Company and its subsidiaries;
  - c) Sale, transfer, assignment, mortgage, pledge, hypothecation, grant of security interest in, subject to any lien, or otherwise dispose of, any assets or securities of the Company or any of its subsidiaries; and

- d) Any agreement, arrangement, transaction or assignment of any assets of the Company or its subsidiaries.

**(ii) Change of corporate structure of the Company**

- a) Creation of legal entities, joint ventures or partnership firms, mergers, de-mergers, spin-offs and consolidations creation of any new subsidiaries; and
- b) Dissolution, winding-up or liquidation of the Company or any of its subsidiaries, whether or not voluntary, or any restructuring or Reorganization which has a similar effect.

**(iii) Changes to share capital**

- a) Any change in the issued, subscribed or paid-up equity or preference share capital of the Company, or Reorganization of the share capital of the Company, including new issuance of shares or other securities of the Company or redemption, retirement or repurchase of any shares or other securities of the Company or redemption, retirement or repurchase of any shares or other securities, issuance of convertible debentures or warrants, or grant of any options over its shares by the Company; and
- b) Any changes in class rights for shares (directly or indirectly).

**(iv) Operating matters outside ordinary course of business**

- a) Provision of guarantees by the Company or its subsidiaries or giving any loans by the Company or its subsidiaries (other than in the ordinary course of business);
- b) Company entering into or amending any exclusive marketing agreements or arrangements, other than in the normal course of business;
- c) Incurrence, issuance or assumption of any form of indebtedness by the Company or its subsidiaries in excess of 10% (ten percent) of the levels agreed upon in the annual Business Plan;
- d) Any capital expenditure by the Company, including on constructions and leases, in excess of 10% (ten percent) of the approved Business Plan; and
- e) Entering into, amendment or termination of any agreement or commitment that imposes obligations or liabilities on the Company or any of its subsidiaries to pay an amount or provide services or products generating revenues of INR 50,00,000 (Rupees Fifty Lakhs) or more in one calendar year, or imposes or is likely to impose on the Company or any of its subsidiaries any obligation or liability, which is not capable of being quantified in monetary terms.

**(v) Actions related to employees**

- a) the appointment or removal and determination of the terms of employment of key managerial persons including the managing director, whole-time director or executive director, chief executive officer, chief operating officer, chief marketing officer, research and development head and production head including any significant changes in the terms of their employment agreements; and
- b) creation or adoption of any new or additional equity option plan, or change, modification or amendment of any existing equity option plan.

(vi) **Other corporate actions**

- a) Commencement of any new line of business including starting new divisions;
- b) Listing / de-listing of the Company or any Subsidiary shares on any stock exchanges;
- c) Change in legal status, for example, public to private companies;
- d) Taking of steps towards or appointment of any advisors in connection with a potential sale or flotation (on any stock exchanges) of securities of the Company or any Subsidiary;
- e) Declaration or payment of dividends or other distributions on any class of Equity Securities of the Company;
- f) Approval, adoption, amendment or modification of the annual budget, or the taking of any action that would be inconsistent with the budget then in effect;
- g) The prosecution or settlement of legal actions or claims where the aggregate amount of all claims so prosecuted or settled would exceed INR 50,00,000 (Rupees Fifty Lakhs) in any Financial Year;
- h) Affiliated or Related Party transactions, disputes, agreements, or arrangements between the Company and the Promoter and / or its affiliates;
- i) Any amendment, supplement or modification of any lease agreements or agreements entered into by the Company concerning any Property of the Company;
- j) Any amendment, supplement, modification or restatement of the memorandum or articles of association of the Company or any of its subsidiaries as in effect on the date of this Agreement,
- k) Material changes to the accounting or tax policies, procedures or practices or change of internal or statutory auditors;
- l) Delegation of authority or any of the powers relating to any matter contained in this Schedule by the Board of the Company and /or its affiliates to any individual or committee and any commitment or agreement to do any of the foregoing; and
- m) Change in the registered office of the Company.

## SCHEDULE 7: BUSINESS PLAN

<b>BUSINESS PLAN FOR FY 2021-22</b>				
<b>Rs. Million</b>	<b>For the Quarter</b>		<b>CUMULATIVE</b>	
	<b>Revenue</b>	<b>EBITDA</b>	<b>Revenue</b>	<b>EBITDA</b>
Q1	180	55	180	55
Q2	200	70	380	125
Q3	225	95	605	220
Q4	295	140	900	360
Total	900	360		

Reference to EBITDA in the table above, excludes SEIS income

**SCHEDULE 8:  
DEED OF ADHERENCE**

Reference is made to the [transfer document], dated [●] between [transferor] (the *Transferor*) and the undersigned, pursuant to which the Transferor shall sell to the undersigned, and the undersigned shall purchase from the Transferor, [number and type of shares] of [●], par value [●], for consideration equal to [consideration]. It is a condition to the completion of such sale and purchase that the undersigned become a party to Investment Agreement, dated [●], among [●] (*Investment Agreement*).

Accordingly, by execution of this Deed, the undersigned ratifies and shall become a party to the Investment Agreement, and shall be fully bound by, and subject to, all of the covenants, terms and conditions of the Investment Agreement and, to the extent applicable, the Ancillary Agreements (as defined in the Investment Agreement) as though an original party thereto and shall be deemed a shareholder Party and [New Shareholder] / [Investor] for all purposes there under. The undersigned authorizes this signature page to be attached to and made part of the Investment Agreement.

The undersigned acknowledges and agrees that it is aware of the terms of the Investment Agreement and the rights of the Investor as specified therein and its obligations thereunder and agrees to the same. This Deed shall be governed by and construed in accordance with the laws of India.

The address of the undersigned for purposes of all notices under the Investment Agreement is: [●]  
[NAME OF NEW SHAREHOLDER]

By:  
Name:  
Title:

## **SCHEDULE 9: SPECIFIC INDEMNITIES**

In relation to activities prior to the date of closing, The Company and the Promoter shall indemnify the Investor for any and all Losses arising out of or in relation to:

- (i) any non-compliance of foreign exchange regulations by the Company.
- (ii) non-compliances of the foreign exchange regulations in respect of the Company's and/or Promoter's dealings in MyBioSciencelab SDN. BHD., Malaysia.
- (iii) non-filing or delayed filings made with the registrar of companies, or for filings which are not in accordance with applicable laws.
- (iv) the Company's non-compliances of the Companies Act, 2013.
- (v) due to the agreements to which the Company is a party which have not been stamped or have been under-stamped.
- (vi) non-compliances with any of the terms of the consents to operate and other environmental licenses of the Company.
- (vii) non-compliances by the Company with the Prevention of Cruelty to Animals Act, 1960.
- (viii) on account of the Peenya Facility and the Devarahosahally Facility not having fire NOCs and occupation certificates.
- (ix) Company's non-compliance with the any labour laws applicable to the Company including the Employee's Provident Funds and Miscellaneous Provisions Act 1952, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Payment of Gratuity Act, 1972, the Payment of Bonus Act, 1965, the Rights of Persons with Disabilities Act 2016, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, and the Maternity Benefits Act, 1961.
- (x) Any liability or write off of GST balances on account of unresolved difference between input credit balances as per returns and GST Register Form 2A.
- (xi) Any GST / Service Tax liability that may arise on clinical and pre-clinical research revenue inadvertently considered as exports (not in line with the prevalent laws) for the period up to October 2019, provided that a reciprocal protection shall be provided by the Investor upon share swap and further provided that the Promoter shall not be liable for such indemnity obligation of the Investor.
- (xii) Any unpaid tax liability for period prior to closing to the extent such liability is either paid subsequently in cash / results in reduction of MAT credit / brought forward losses / un-absorbed depreciation.
- (xiii) Any other liability that may be identified on account of completion of financial, legal, or ESG

due diligences.

- (xiv) Any liability from prosecution risk for default in remittance of withholding tax in Financial Year 2018.
- (xv) Any liability arising on account of writ petition filed under erstwhile service Tax regime for the period starting April 2016 to June 2017.
- (xvi) Any liability arising on account of (a) Difference in turnover and Input Tax Credit (*ITC*) as per books and GST returns; (b) Non- reversal of ITC where payment is made to service provider beyond 180 days; and (c) Non-payment of GST on recoveries from employees.
- (xvii) Any commission liability pertaining to periods prior to the Closing Date.
- (xviii) Any liability arising on account of grant repayable along with interest and penalty for not completing the obligations under the grant agreements.
- (xix) Any liability arising out of any legal action being taken by any Governmental Authority due to any deviation from the sanctioned plan of construction, wrongful use due to violation of zoning or environmental laws (if applicable), violation of the building bye-laws governing the Properties or due to any adverse action by the municipal corporation or local authority rendering the Properties or any part thereof unusable in the opinion of the Company.
- (xx) Any liability arising out of loss of business/ revenue, any non-usability of fixed assets or furniture of the Company, any additional cost of moving out of the Peenya facility, cost of rehiring key personnel due to the shift.
- (xxi) Any loss and liability arising from repayment of the Canara Bank loans and availing fresh loan facilities from Axis or any other Bank, if not adjusted in the Swap Ratio or the Cash Aggregate Price, as provided in **Schedule 11**.



## SCHEDULE 10

### Terms and Conditions of the Subscription Securities from the Effective Date

#### 1. Dividend Rights

- (a) The Subscription Securities are issued at a minimum preferential dividend rate of 0.001% (Zero point Zero Zero One percent) per annum (the *Subscription Securities Preferential Dividend*). The Subscription Securities Preferential Dividend is cumulative and shall accrue from year to year whether or not paid, and accrued dividends shall be paid in full (together with dividends accrued from prior years), prior and in preference to any dividend or distribution payable upon Equity Shares of any other class or series in the same Financial Year. Notwithstanding the above, the Subscription Securities Preferential Dividend shall be due only when declared by the Board.

#### Conversion of the Subscription Securities

- (a) Conversion
  - (i) Subject to Closing and any adjustment as set out in the Agreement, the Subscription Securities may be converted into such number of Equity Shares (*Conversion Shares*) as represent the Formula Shares. Such conversion shall take place subsequent to the Company becoming a wholly owned subsidiary of the Investor.
  - (ii) The Investor shall have the option any time after Closing Date and subsequent to the Company becoming a wholly owned subsidiary of the Investor, to convert the Subscription Securities into such number of Equity Shares of the Company (*Formula Shares*), at the price per share equal to the fair market value of the Equity Shares at the time of such conversion (*Conversion Price*), complying with the valuation provisions under the Act, the foreign exchange regulations and the Income Tax Act, 1961. Such fair market value shall be determined by a valuer appointed by the Company and the Conversion Price shall not be less than the minimum price prescribed under Law.
  - (iii) It is clarified that post conversion of the Subscription Securities, the shareholding percentage of the Investor shall not be less than the Target Shareholding and the shareholding percentage of the Promoter shall not get diluted solely as a result of conversion of the Subscription Securities into Equity Shares, save and except as a result of conversion of the Subscription Securities in Equity Shares after the Company becomes a wholly owned subsidiary of the Investor.
  - (iv) Subject to compliance with Applicable Laws and the Investor's right to seek conversion of the Subscription Securities in sub paragraph (ii) above, each Subscription Securities shall be redeemed by the Company, upon the earlier of (i) 1 (One) day prior to the expiry of 20 (Twenty) years from the Effective Date at the face value of the Subscription Securities; or (ii) at the option of the Investor, at the redemption price which shall be the fair market value of the Equity Shares of the

Company at the time of such redemption (***Redemption Price***), determined in the same manner as the Conversion Price.

(b) Conversion Procedure

- (i) In order to effect a conversion of the Subscription Securities into Equity Shares, the Investor shall give a written notice to the Company (***Conversion Notice***), of the election to convert all of the Subscription Securities.
- (ii) The Conversion Notice shall include a request (***Conversion Request***) addressed to the Company to (x) apply for any Government Approval for the issue of the Equity Shares to be issued upon conversion of the Subscription Securities as set forth in the Conversion Notice, as may be necessary and/or (y) take any corporate and/or shareholder proceedings or action, as may be reasonably required by the holder, to allot such Equity Shares to the holder, or subject to the terms and conditions hereof to such other persons as the holder may designate. The Company will (i) obtain as soon as practicable after receipt of the Conversion Request, all Government Approvals, if any, specified in the Conversion Request and (ii) subject to the terms and conditions hereof, immediately take any corporate and /or shareholder proceedings or action to allot the Equity Shares as specified in the Conversion Request (***Redemption Date***). The Company will promptly advise the Investor giving the Conversion Notice of the obtaining of such Government Approvals, of the taking of any such corporate and/or shareholders' action and of any development relevant to such obtaining or such proceedings or action.
- (iii) Subject to the receipt of the Government Approval obtained as per (ii) above and as soon as practicable after the conversion date, the Company at its expense will intimate the depository of the intention of the Investor to convert its Subscription Securities to Equity Shares of the Company, and ensure that the depository issues a fresh demat statement reflecting the holder, as the holder of such number of Equity Shares to which the holder is entitled upon conversion, subject to the terms and conditions hereof. The Investor shall be deemed to be the holder of record of the Equity Shares on the conversion date, notwithstanding that the register of members of the Company shall then be closed or that the demat statement representing such converted Equity Shares to be in the name of the holder shall not then be actually delivered to the holder.
- (iv) The Company shall only pay any and all documentary stamp or taxes payable, if any, in respect of the issue of the Equity Shares.
- (v) The Equity Shares of the Company allotted following conversion of the Subscription Securities shall at all times rank *pari passu* with its existing issued Equity Shares with respect to all rights and activities including, voting rights, dividends and rights issuance.

## 2. Voting Rights

The Investor shall be entitled to receive notice of and vote on matters affecting the Subscription Securities that are submitted to the vote of the shareholders of the Company.

### **3. General**

No Impairment. The Company shall not avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company but shall at all times in good faith assist in carrying out all such action as may be reasonably necessary or appropriate in order to protect the conversion rights of the Investor against impairment.

## SCHEDULE 11

### Adjustments to Swap Ratio and/or Cash Acquisition Aggregate Price

- It is agreed between Parties that the following would be applied to all transactions but adjusted either in the swap ratio or the Cash Acquisition Aggregate price, or a combination of both.
- Following is list of adjustments.
  1. **Audit adjustments for revenue recognition:** If based on a statutory audit of the Company for FY 2021, the EBIDTA calculation on account of revenue recognition (***Audited Adjusted EBIDTA***) is different from the Estimated EBIDTA, then the Swap Ratio or Cash Acquisition Aggregate Price would be modified as if the highlighted numbers in Table A, Table B, Table C below were at Audited Adjusted EBIDTA and not Estimated EBIDTA. It is clarified that the Ernst and Young (financial due diligence team of the Investor) will carry out the calculations for the Audited Adjusted EBIDTA, based on the audit for FY 2021.
  2. Additional charges for shift from Canara Bank to Axis Bank or any other bank, including, but not limited to prepayment penalty, recoupment, new bank onboarding charges, processing charges, stamp duty charges, would be added to Net Debt for calculation of values in Table A, Table B and Table C (Part 1 and Part 2) below.

<b>Table A: 50.1% round</b>	INR mn
Equity Value for 100%	2,435
EV/EBITDA	10.25x
EBITDA	286
EV	2,932
Implied debt for 50.1% round	496
Investment for 50.1%	1,220

<b>Table B: 24.95% Swap round</b>	<b>Bionees</b>	<b>Veeda</b>
EBITDA (FY21)	286	630
Multiple	11.00x	14.00x
EV	3,146	8,820
Net Debt (FY21)	550	-650
Equity Val	2,596	9,470

**Table C: 24.95% Cash round****Part 1: 9.9% (i.e. upto 60%) @ 10.25x**

Stake to be purchased	9.9%	
Equity value for 50.1% deal	2435	would be replaced with revised EqV for 50.1% Round
<b>Cash required for 9.9% at same</b>	<b>241</b>	

**Part 2: Residual 15% at 11x**

Balance that can be purchased	15%
EV/EBITDA	11.00x
BN EBITDA (ex seis)	360
EV	3960
Net debt	580
Equity value	3380
<b>Total cash required (b)</b>	<b>509</b>
<b>Total cash payout (a+b)</b>	<b>750</b>

- The cash transaction in Table C, Part 2 above is fixed assuming the EBITDA for FY 2022 (other than SEIS) is INR 36,00,00,000 (Rupees Thirty Six Crores only) (as detailed in the financial plan for FY2022 in Schedule 7).
- For the sake of clarification and an example, if the Audited Adjusted EBITDA for FY 2021 is INR 27,60,00,000 (Rupees Twenty Seven Crores Sixty Lakhs) and the increase in Net Debt for shift from Canara Bank is INR 150,00,000 (Rupees One Crore and Fifty Lakhs) the following would be the adjustment.

<b>Table A: 50.1% round</b>	INR mn
Equity Value for 100%	2,318
EV/EBITDA	10.25x
EBITDA	276
EV	2,829
Implied debt for 50.1% round	511
Actual Investment for 50.1%	1,161
Revised Investment	1,220
Delta to be adjusted (A)	59

**Table B: 24.95% Swap round**

	<b>Bioneds</b>	<b>Veeda</b>
EBITDA (FY21)	276	630
Multiple	11.00x	14.00x
EV	3,036	8,820
Net Debt (FY21)	565	-650
Equity Val	2,471	9,470

**Swap Calculations**

Dr. Vinaya's shareholding	24.95%
Value of Veeda shares issued	617
Dr. Vinaya's holding in Veeda	6.11%
Value of Veeda shares issued	648
Delta to be adjusted (B)	31

**Table C: 24.95% Cash round****Part 1: 9.9% (i.e. upto 60%) @ 10.25x**

Stake to be purchased	9.9%
Equity value for 50.1% deal	2318
<b>Cash required for 9.9% at same value in Table A</b>	<b>229</b>

**Part 2: Residual 15% at 11x**

Balance that can be purchased in cash	15%
EV/EBITDA	11.00x
BN EBITDA (ex seis)	360
EV	3960
Net Debt	595
Equity value	3365
<b>Total cash required (b)</b>	<b>506</b>
<b>Total cash payout (a+b)</b>	<b>736</b>
<b>Cash calculated for 9.9% at same value (a)</b>	<b>750</b>
Delta to be adjusted (C)	14
<b>Total Delta to be adjusted (A+B+C)</b>	<b>104</b>

5. Note: The Total Delta to be adjusted would be adjusted either in the Cash Acquisition Aggregate Price, the Swap Ratio, or a combination of both, upon the Investor's discretion.