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

Bank/Branch: BOM - 0230004/MUMBAI FORT
Pmt Txn Id : ESBTR0000316754
Pmt DtTime : 07-SEP-2020@15:10:23
District : 7101/MUMBAI
ChallanIdNo: 02300042020090718139

Stationery No: 1628744734853[illegible]
Print DtTime : 09-SEP-2020@08:58:12
Office Name : IGR190/BRL1_JT SUB RE
GRAS GRN : MH004076631202021S
GRN DATE : 07-SEP-2020@15:10:41

StDuty Schm: 0030045501/0030045501-75
StDuty Amt : Rs. 1,85,600/- (Rs. One,Eight Five,Six Zero Zero Only)

RgnFee Schm: 0030063301/0030063301-70
RgnFee Amt : Rs. 0/- (Rs. Zero Only)

Article : 5(h)(A)(iv)/5(h)(A)(iv) - Agreement creating right and having mo
Prop Mvblty: N.A.
Consideration : Rs. 9,25,00,000/-
Prop Descr : Share,Subscription,Agreement,Maharashtra,400063

Duty Payer : PAN-AAHCT0895Q,Theremin Ai Solutions Private Limited
Other Party: PAN-AAACF4502D,Fractal Analytics Private Limited

Bank Official1 Name & Signature

बँक ऑफ महाराष्ट्र
गडकरी चौक शाखा, दादर
Gadkari Chowk Branch, Dadar
BANK OF MAHARASHTRA

Bank Official2 Name & Signature

--- --- Space for customer/office use - - - Please write below this line ---

This stamp paper forms an integral part of the share subscription agreement dated 11 September 2020 between Fractal Analytics Private Limited, Theremin.Ai Solutions Private Limited, Mr. Gulu Mirchandani and Mr. Hemant Kothavade

e-SBTR IS VALID UPTO SIX MONTHS FROM THE DATE OF PAYMENT

SHARE SUBSCRIPTION AGREEMENT

11th September 2020

among

THEREMIN AI SOLUTIONS PRIVATE LIMITED

&

FRACTAL ANALYTICS PRIVATE LIMITED

&

MR. HEMANT KOTHAVADE

&

MR. GULU MIRCHANDANI

SHARE SUBSCRIPTION AGREEMENT

This Share Subscription Agreement (this "**Agreement**") is executed on the 11th day of September, 2020 (the "**Execution Date**") by and among:

(1) **Theremin.Ai Solutions Private Limited,** a private limited company incorporated and existing under the laws of India and having its registered office at Level 7, Commerz II, International Business Park, Oberoi Garden City, Goregaon East, Mumbai - 400063, India (hereinafter referred to as the "**Company**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns);

(2) **Fractal Analytics Private Limited,** a private limited company incorporated and existing under the laws of India and having its registered office at Level 7, Commerz II, International Business Park, Goregaon East, Mumbai - 400063 (hereinafter referred to as "**Fractal**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns)

(3) **Mr. Hemant Kothavade**, an adult Indian citizen having permanent account number AWKPK8939Q and currently residing at 3002 30th Floor, Marathon Nextgen Era-4, Off G.K. Marg, Lower Parel, Mumbai - 400013 (hereinafter referred to as the "**Sponsor**", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to include his successors, legal heirs and permitted assigns); and

(4) **Mr. Gulu Mirchandani**, an Indian citizen, residing at 131, Tahnee Heights D Block, 13th Floor, Petit Hall, Napean Sea Road, Mumbai – 400006 (hereinafter referred to as "**OLMO Capital**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his legal heirs, representatives and permitted assigns).

OLMO Capital and Fractal are hereinafter referred to as the "**Investors**".

OLMO Capital, Fractal, the Sponsor and the Company are hereinafter referred to individually as a "**Party**" and collectively as the "**Parties**".

WHEREAS:

A. The Company is engaged *inter alia* in the business of building algorithms for investment opportunities in the financial markets and offering related products and services, using artificial intelligence and machine learning technologies ("**Business**");

B. The authorized share capital of the Company is INR 325,000,000 (Indian Rupees three hundred twenty five million) consisting of 200,000,000 (two hundred million) Equity Shares (*as defined below*) of INR 1 (Indian Rupee One Only) each aggregating to INR 200,000,000 (Indian Rupees two hundred million) and 125,000,000 (one hundred twenty five million) compulsorily convertible cumulative preference shares of INR 1 (Indian Rupee one) each aggregating to INR 125,000,000 (Indian Rupees one hundred twenty five million). The issued and paid-up share capital of the Company is INR 100,000,000 (Indian Rupees one hundred million) divided into 100,000,000 (one hundred million) Equity Shares of par value of INR 1 (Indian Rupee one only) each;

C. The Investors (relying on the Warranties (*as defined below*), covenants and undertakings provided by the Warrantors (*as defined below*) hereunder) and the Sponsor have agreed to

subscribe to, and the Company has agreed to issue and allot to the Investors and the Sponsor, the Subscription Securities and the Sponsor Shares respectively (*as defined below*) for the Subscription Amount as set out in Clause 3; and

D. The Parties are now entering into this Agreement for the purpose of recording the terms and conditions for the subscription to the Subscription Securities and Sponsor Shares.

NOW THEREFORE IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1. **Definitions:** In this Agreement, the following terms, to the extent not inconsistent with the context thereof, shall have the meanings assigned to them herein below:

"**Act**" shall mean the Companies Act, 2013 (to the extent that such enactment is in force and applicable to the context in which such term is used herein), or the Companies Act, 1956 (to the extent that such enactment is in force and applicable to the context in which such term is used herein), 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;

"**Affiliate(s)**" (a) in relation to a natural Person, means Relatives of such Person, and any Person, which is Controlled by such natural Person (including along with other Persons); (b) in relation to an entity, means any Person which, directly or indirectly, Controls, is Controlled by, or is under common Control with, such entity;

"**Agreed Form**" shall mean a document in a form as agreed to by the relevant Parties to the Agreement and initialled or emailed for the purposes of identification;

"**Anti-Corruption Laws**" means the Prevention of Corruption Act, 1988, the Prevention of Money Laundering Act, 2002, and any similar Applicable Law of any jurisdiction in which the Company performs its Business;

"**Applicable Law**" or "**Law**" shall mean and include all applicable statutes, enactments, acts of legislature or the Parliament, laws, ordinances, rules, by-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, tribunal, board, court or a recognised stock exchange of India;

"**Articles**" shall mean the articles of association of the Company, as amended from time to time;

"**Assets**" shall mean any assets or properties of every kind, nature, character, and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed or otherwise) as now operated, hired, rented, owned or leased by a Person, including cash, cash equivalents, receivables, securities, accounts and notes receivable, real estate, plant and machinery, equipment, trademarks, brands, other Intellectual Property (*defined below*), raw materials, inventory, finished goods, furniture, fixtures and insurance;

"**Authorisations**" shall mean consents, registrations, filings, certificates, licenses, approvals, permits, authority or exemption with or from any Person, including, without limitation, a Governmental Authority (*defined below*);

"**Board**" shall mean the collective body of the Directors (*defined below*) of the Company;

"**Business**" shall have the meaning given to the term at Recital A;

"**Business Days**" means a day, other than a Saturday, Sunday or a public holiday, on which banks in Mumbai (India) are open for retail banking business;

"**Business Plan**" means the business plan of the Company;

"**Business Warranties**" shall mean the Warranties set out under **Schedule I** excluding Fundamental Warranties;

"**Charter Documents**" shall mean collectively the Memorandum (*defined below*) and the Articles;

"**Claims**" shall mean any notice, demand, claim, action, or proceeding or the like taken by any Person;

"**Closing**" shall have the meaning given to the term in Clause 5.2;

"**Closing Date**" shall have the meanings given to the respective terms in Clause 5.1;

"**Conditions Precedent**" shall have the meaning given to the term in Clause 4.1;

"**Control**", "**Controlling**" or "**Controlled**" means, with respect to any Person, the ownership of more than 50% (fifty per cent) of the equity shares or other voting securities or partnership interests of such Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, or the power to appoint a majority of the directors, managers, partners or other individuals exercising similar authority with respect to such Person whether by virtue of ownership of voting securities or management or contract or in any other manner, whether (i) formal or informal; (ii) having legal or equitable force or not; (iii) whether based on legal or equitable rights; or (iv) directly or indirectly, including through one or more other entities and the term "**under the Common Control with**" shall be construed accordingly;

"**CP Satisfaction Certificate**" shall have the meaning given to the term in Clause 4.2(b);

"**Designated Bank Account**" shall mean the bank account maintained by the Company to which the Investors and Sponsor shall remit the Subscription Amount (*defined below*) in accordance with the terms of this Agreement which will be notified by the Company to the Investors and Sponsor by the Company in writing not less than 3 (three) Business Days prior to Closing;

"**Director**" shall mean a director appointed on the board of the Company;

"**Disclosed**" means fairly disclosed to enable a reasonable buyer to identify the nature and scope of the matter disclosed (i) in the Disclosure Letters; or (ii) in any document delivered with the Disclosure Letters, where all disclosures shall be deemed to be specifically disclosed against one or more Warranties provided it is reasonably apparent that the disclosure related to one or more Warranties and the term "**Disclosures**" shall be construed accordingly;

"**Disclosure Letters**" shall collectively mean the Execution Date Disclosure Letter and Updated Disclosure Letter;

"**Encumbrance**" means any encumbrance including without limitation (i) any claim, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed

of trust, security interest, or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law, (ii) any voting agreement, interest, option, pre-emptive rights, right to acquire, right of first offer, refusal or transfer restriction in favour of any Person, assignment by way of security or trust arrangement for the purpose of providing security or other security interest of any kind (including any retention arrangement), beneficial ownership (including usufruct and similar entitlements) and (iii) any adverse claim as to title, possession or use; or an agreement to create any of the foregoing and "**Encumber**" shall be construed accordingly

"**Equity Shares**" shall mean the equity shares of the Company, having par value of INR 1 (Rupee one only) per equity share;

"**Execution Date Disclosure Letter**" means the disclosure letter of even date issued by the Company to the Investors setting out exceptions to the Warranties (other than Fundamental Warranties), which should be arranged to the lettered and numbered paragraphs corresponding to the Warranties and each disclosure should be fully and fairly made and shall apply to one or more Warranties to which it relates *provided that* it is reasonably apparent that the disclosure relates to one or more Warranties (the form and substance of such disclosure letter being mutually agreed between the Investors, the Sponsor and Company);

"**Financial Statements**" shall mean the audited financial statements comprising the cash flow statement, balance sheet, bank reconciliation statements, and capitalization table of the Company as of the relevant Financial Year (*defined below*) ending on March 31 and the related statement of income for the Financial Year then ended, together with the auditor's report thereon and notes thereto prepared in accordance with generally accepted accounting principles applied on a consistent basis, mandatory accounting standards notified under the Act and Applicable Law;

"**Financial Year**" shall mean the period commencing from April 1 of each calendar year and ending on March 31 of the immediately succeeding calendar year;

"**Fractal Subscription Amount**" shall mean a sum of INR 37,500,000 (Indian Rupees thirty seven million five hundred thousand) payable by Fractal into the Designated Bank Account, in consideration of the Fractal Subscription Securities;

"**Fractal Subscription Securities**" means 31,249,990 Series B CCCPS and 10 Equity Shares subscribed by Fractal on the Closing Date;

"**Fully Diluted Basis**" shall mean that calculation of share capital or share ownership is to be made assuming that all outstanding 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 converted, exercised or exchanged 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 authorised options under a employee stock option plan shall be included for the aforesaid calculation, irrespective of whether or not they have been issued, granted, vested, or exercised;

"**Fundamental Warranties**" shall mean the warranties set out under Clause 6, Paragraph 1 (*Authority and Capacity*), Paragraphs 2.1, 2.2, 2.3, 2.6, 2.9, 2.10 (*Shareholding and*

Securities) and Paragraphs 3.1, 3.3, 3.4 (*Company*) and Paragraph 10.2 (*Litigation*) of **Schedule I**;

"**Governmental Authority**" means any statutory authority, government department, agency, commission, board, tribunal, court, legislative, executive, administrative, fiscal, judicial or regulatory, tax authority, body, ministry, commission, tribunal, agency, stock exchange, or other Person exercising legislative, executive, administrative, fiscal, judicial or regulatory functions or other entity in India authorised to make Applicable Law;

"**Indemnification Notice**" shall have the meaning given to the term in Clause 10.6(a);

"**Indemnified Parties**" shall have the meaning given to the term in Clause 10.1;

"**Indemnifying Party**" shall have the meaning given to the term in Clause 10.1;

"**Information**" shall have the meaning given to the term in Clause 13.1;

"**INR**" or "**Rupees**" or "**Rs**." shall mean Indian rupees, being the lawful currency of the Republic of India;

"**Intellectual Properties**" shall have the meaning given to the term in Paragraph 13.1 of **Schedule I**;

"**Investors Subscription Amount**" shall mean the aggregate of Fractal Subscription Amount, and OLMO Capital Subscription Amount;

"**Key Employees**" shall mean (a) the Sponsor; and (b) the chief financial officer of the Company;

"**Loan Documents**" shall have the meaning ascribed to it in Paragraph 4.4 of **Schedule I**;

"**Losses**" means all direct and actual losses, fines, penalties, (including interests and penalties with respect thereto), costs and expenses (including reasonable legal costs and experts' and other reasonable out of pocket expenses) and liabilities but excluding any indirect, consequential, special, exemplary or punitive losses or damages;

"**Long Stop Date**" shall mean 30 (thirty) days from Execution Date, or such later date as may be mutually determined by the Parties in writing;

"**Material Adverse Effect**" means any change or effect (including but not limited to change in Applicable Law) that would have (or could reasonably be expected to have) a materially adverse financial impact to (a) the business, operations, Assets, condition (financial or otherwise), operating results of the Company and results in an adverse impact of 10% (ten per cent) or more on the revenues of the Company for the financial year ending on 31 March 2020, or (b) the ability of the Parties to consummate the transactions contemplated herein provided that none of the following will be deemed, either alone or in combination to constitute, and none of the following will be taken into account in determining whether there has been a Material Adverse Effect: any change, effect, event, occurrence, state of facts or development (i) in the financial or securities markets or the economy in general, including fluctuation in the interest rates or currency fluctuations (ii) arising out of, resulting from or attributable to any natural disaster or any acts of terrorism, whether or not occurring or commenced before or after the Execution Date, (iii) resulting from any action taken by the Company as specifically required by this Agreement or with the Investors' consent, and (iv) that arises out of the performance of this Agreement;

"**Memorandum**" shall mean the memorandum of association of the Company, as amended from time to time;

"**OLMO Capital Subscription Amount**" shall mean a sum of INR 52,000,000 (Indian Rupees fifty two million) payable by OLMO Capital into the Designated Bank Account, in consideration of OLMO Capital Subscription Securities;

"**OLMO Capital Subscription Securities**" means 43,333,323 Series B CCCPS and 10 Equity Shares subscribed by OLMO Capital on the Closing Date;

"**Order**" shall have the meaning given to the term in Clause 10.1 of **Schedule I**;

"**Person**" shall mean any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as a person under Applicable Law;

"**Proceedings**" shall have the meaning given to the term in Clause 10.1 of **Schedule I**;

"**Pro Rata Shares**" means the proportion that the number of Securities beneficially owned by an Investor, calculated on a Fully Diluted Basis bears to the aggregate number of Securities of the Company on a Fully Diluted Basis;

"**RBI**" shall mean the Reserve Bank of India;

"**Related Party**" shall mean a related party as defined under Section 2(76) of the Companies Act, 2013 and the rules framed thereunder;

"**Relative**" shall mean a relative as defined under Section 2(77) of the Companies Act, 2013 and the rules framed thereunder;

"**Restated Articles**" means the restated and amended articles of association, which shall be to the satisfaction of the Investors and in conformity with the Transaction Documents (*defined below*);

"**RoC**" shall mean the Registrar of Companies;

"**Securities**" shall mean Equity Shares, preference shares, membership interests, registered capital, joint venture or other ownership interests of the Company or any options, warrants, rights or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for, such equity capital, membership interests, partnership interests, registered capital, joint venture or other ownership interests (whether or not such derivative securities are issued);

"**Series B CCCPS**" shall mean fully and compulsorily convertible cumulative preference shares of par value of INR 1 each, and each carrying a premium of INR 1.2 (Rupees one point two only) issued by the Company on the terms and conditions as set forth **Schedule 5** of this Agreement;

"**Shareholders' Agreement**" shall mean the shareholders' agreement of even date entered into between the Company, the Investors and the Sponsor;

"**Shareholders**" mean the shareholders of the Company;

"**Share Capital**" shall mean the total paid up share capital of the Company determined on a

Fully Diluted Basis;

"**SIAC Rules**" means the arbitration rules of the Singapore International Arbitration Centre, in force as at the date of the issue of a Dispute Notice;

"**Sponsor Round**" means the allotment of the Sponsor Shares by the Company to the Sponsor for the Sponsor Subscription Amount;

"**Sponsor Shares**" shall mean 2,777,778 Equity Shares subscribed by Sponsor in accordance with Clause 4.1(o);

"**Sponsor Subscription Amount**" shall mean a sum of INR 3,000,001 (Indian Rupees three million and one) payable by the Sponsor into the Designated Bank Account, in consideration of the Sponsor Shares;

"**Subscription Amount**" shall mean the aggregate of Fractal Subscription Amount, OLMO Capital Subscription Amount and Sponsor Subscription Amount;

"**Subscription Securities**" shall mean the aggregate of Fractal Subscription Securities and OLMO Capital Subscription Securities;

"**Subsidiary**" with respect to any Person shall have the meaning ascribed to the term under Section 2 (87) of the Companies Act, 2013;

"**Tax**", "**Taxes**" or "**Taxation**" shall mean any and all forms of direct and indirect taxes with reference to income, profits, gains, net wealth, asset values, turnover, gross receipts including but not limited to all duties (including stamp duties), excise, customs, service tax, value added tax, goods and sales tax, charges, fees, levies or other similar assessments by or payable to a Governmental Authority (including its agent and Persons acting under its authority), including without limitation in relation to (a) income, manufacture, import, export, services, gross receipts, premium, immovable property, movable property, assets, profession, entry, capital gains, expenditure, procurement, wealth, gift, sales, use, transfer, licensing, withholding, employment, payroll, fringe benefits and franchise taxes and (b) any interest, fines, penalties, assessments, or additions to Tax resulting from, attributable to or incurred in connection with any proceedings, contest, or dispute in respect thereof;

"**Tax Claim**" means any notice of any claim received by the Company pursuant to any assessment, administrative or appellate or court proceedings or proposed change or adjustment by any taxing authority concerning, for or in respect of any and all Taxes with respect to any taxable period ending on or before the Execution Date or beginning before and ending on or after the Execution Date (but only in relation to the portion thereof applicable to the period prior to the Execution Date);

"**Tax Demand**" means any Tax Claim under which demand for payment of Tax is made on or adjustment of any Tax refunds claimed by a Person and outstanding as on date of such Tax Claim is demanded from, a Person by any taxing authority (or any combination of the foregoing);

"**Taxation Warranties**" shall mean the Warranties set out under Paragraph 5 (*Taxation*) of **Schedule I**;

"**Third Party**" shall mean any Person other than the Parties to this Agreement;

"**Third Party Claim**" shall have the meaning given to the term in Clause 10.7(a);

"**Third Party Claim Notice**" shall have the meaning given to the term in Clause 10.7(a);

"**Transaction Documents**" shall mean the following:

a) this Agreement;

b) the Shareholders' Agreement;

c) any other documents mandated hereunder or under any other Transaction Document and designated by all the Parties as a Transaction Document;

"**Updated Disclosure Letter**" means the updated disclosure letter, setting out exceptions to the Warranties (other than Fundamental Warranties) made by the Warrantors and further specified in **Schedule I** of this Agreement containing Disclosed matters which have occurred or arisen, only after the Execution Date, which should be arranged to the lettered and numbered paragraphs corresponding to the Warranties and each disclosure should be fully and fairly made and shall apply to one or more Warranties to which it relates *provided that* it is reasonably apparent that the disclosure relates to one or more Warranties, in a form mutually agreed between the Company and the Investors, issued by the Company to the Investors;

"**Warrantors**" shall mean the Company and the Sponsor jointly and severally; and

"**Warranty**" or "**Warranties**" shall mean the representations and warranties of the Warrantors as set forth in Clause 6 and **Schedule I**.

1.2. Interpretation:

Unless the context of this Agreement otherwise requires:

(a) Words denoting any gender shall be deemed to include all other genders;

(b) Words importing the singular shall include the plural and vice versa, where the context so requires;

(c) The terms "hereof", "herein", "hereby", "hereto" and other derivatives or similar words, refer to this entire Agreement or specified Clauses of this Agreement, as the case may be;

(d) Reference to the term "Clause" or "Schedule" shall be a reference to the specified Clause or Schedule of this Agreement;

(e) Any reference to "writing" includes printing, typing, lithography and other means of reproducing words in a permanent visible form;

(f) The term "directly or indirectly" means directly or indirectly through one or more intermediary persons or through contractual or other legal arrangements and "direct" and "indirect" shall have correlative meanings;

(g) All headings and sub-headings of Clauses and Schedules, and use of bold typeface are for convenience only and shall not affect the construction or interpretation of any provision of this Agreement;

(h) Reference to any legislation or law or to any provision thereof shall include references to any such law as it may, after the Execution Date, from time to time, be amended, supplemented or re-enacted, and any reference to statutory provision shall include any subordinate

legislation made from time to time under that provision;

(i) Reference to the word "other" "include" or "including" shall be construed without limitation and shall not limit the generality of any preceding words or be construed as being limited to the same class as the preceding words where a wider construction is possible;

(j) The Schedules hereto shall constitute an integral part of this Agreement;

(k) The term "ordinary course of business" shall mean an action taken by or on behalf of a Person that: (a) is taken in the ordinary course of that Person's normal day-to-day business and operations; and (b) is taken in accordance with Applicable Law and sound and prudent business practices, in each case consistent with past practices of such Person;

(l) Terms defined in this Agreement shall include their correlative terms;

(m) Time is of the essence in the performance of the Parties' respective obligations. If any time period specified herein is extended, such extended time shall also be of essence;

(n) References to the knowledge of any Warrantors shall mean actual knowledge, information, belief or awareness or any similar expression after examining all information and making all due diligence and reasonable, due and careful inquiries and investigations which would be expected or required from a person of reasonable and ordinary prudence;

(o) All references to this Agreement or any other Transaction Document shall be deemed to include any amendments or modifications to this Agreement or the relevant Transaction Document, as the case may be, from time to time;

(p) Any word or phrase defined in the recitals or in the body of this Agreement as opposed to being defined in Clause 1.1 shall have the meaning so assigned to it, unless the contrary is expressly stated or the contrary clearly appears from the context; and

(q) If any provision in Clause 1.1 is a substantive provision conferring rights or imposing obligations on any Party, effect shall be given to it as if it were a substantive provision in the body of this Agreement.

2. SHAREHOLDING PATTERN

2.1. The shareholding pattern of the Company as of the Execution Date is as described in **Part A** of **Schedule II**.

2.2. The shareholding pattern of the Company immediately upon the allotment of the Subscription Securities and the Sponsor Shares to the Investors and the Sponsor respectively on the Closing shall be as described in **Part B** of **Schedule II**.

3. SUBSCRIPTION TO THE SUBSCRIPTION SECURITIES AND SPONSOR SHARES

3.1. Subject to the satisfaction or fulfilment of the Conditions Precedent specified in Clause 4.1 below, (i) the Investors relying on the Warranties, covenants and undertakings of the Warrantors, agree to subscribe to the Subscription Securities, and the Company agrees to issue and allot to the Investors the Subscription Securities for the Investors Subscription Amount, free of all Encumbrances and together with all rights, title, interest and benefits appertaining thereto, on the Closing Date and (ii) the Sponsor agrees to subscribe to the Sponsor Shares and the Company agrees to issue and allot the Sponsor Shares for the Sponsor Subscription Amount, free of all Encumbrances and together with all rights, title, interest and benefits

appertaining thereto, as a Condition Precedent.

4. CONDITIONS PRECEDENT

4.1. Conditions Precedent to Closing

The obligation of the Investors to subscribe to the Subscription Securities shall be subject to the fulfilment or satisfaction of the following conditions ("**Conditions Precedent**"), in a manner satisfactory to each of the Investors at their sole discretion (unless any such condition is waived by any of the Investors with respect to itself (to the extent it is entitled to do so) in accordance with the provisions of this Agreement), in each case, on or prior to the Long Stop Date. For avoidance of any doubt, it is clarified that, the waiver of any Conditions Precedent by one Investor shall not be construed as a waiver by the other Investor.

(a) The Board shall have convened a meeting to pass appropriate resolutions:

(i) to approve the increase and re-classification of the authorized share capital of the Company;

(ii) to approve the creation of an employee stock option pool to grant employee stock options to the extent of 20% (twenty per cent) of the Share Capital, such that the aggregate employee stock option pool on the Closing Date does not exceed 12.4% of the Share Capital;

(iii) to approve the issuance of the Sponsor Shares to the Sponsor;

(iv) to approve the private placement offer letter along with the application letter in Form PAS-4 (as provided for under the Act) for the private placement of the Sponsor Shares in accordance with Section 42 of the Act, which shall be duly accompanied by an application form serially numbered and addressed specifically to the Sponsor;

(v) to approve the record of the private placement offer for the Sponsor Shares to the Sponsor required to be maintained by the Company in Form PAS-5 (in accordance with the Act);

(vi) to accord approval for and to convene a general meeting to obtain the approval of the Shareholders for:

(A) the increase and re-classification of the authorized capital of the Company; and

(B) the issuance of the Sponsor Shares to the Sponsor.

and shall deliver to the Sponsor and the Investors certified true copies of the Board resolutions and Shareholders' resolutions set out in this Clause 4.1(a).

(b) The Company shall convene a general meeting of the Shareholders and the Shareholders shall have passed resolutions:

(i) increasing and re-classifying of the authorized capital of the Company; and

(ii) approving the issuance of the Sponsor Shares and approving the private placement offer letter in Form PAS-4 (as provided under the Act) in accordance with Section 42 of the Act which shall be duly accompanied by an application form serially numbered and addressed specifically to the Sponsor;

(c) The Company having filed (i) Form SH.7 within 30 (thirty) days from the date of the ordinary resolution increasing and re-classifying the authorized capital of the Company to provide for the issuance and allotment of the Subscription Securities and Sponsor Shares, and (ii) Form MGT-14 for the resolution set out in Clause 4.1(b)(ii) within 30 (thirty) days from the date of approving the issuance of the Sponsor Shares in accordance with Section 42 of the Act and thereafter issue the private placement offer letter (along with the application form) in Form PAS-4 to the Sponsor;

(d) The Company shall have provided to the Sponsor the private placement offer letter in Form PAS-4 along with the application letter to subscribe to the Sponsor Shares in accordance with the Act;

(e) The draft of the Restated Articles being in Agreed Form;

(f) The Company having obtained a valuation certificate in accordance with the Foreign Exchange Management (Non-debt Instrument) Rules, 2019 and from a registered valuer for the purposes of the Act, certifying the valuation of the Subscription Securities and Sponsor Shares, as per any internationally accepted pricing methodology on arm's length basis;

(g) The Sponsor having provided the Company with the duly filled and completed share application form;

(h) The Business Plan is in a form agreed between OLMO Capital, Fractal and the Sponsor;

(i) The Sponsor and the other Key Employees having entered into a definitive employment agreement with the Company in the form and substance acceptable to the Investors, which shall be effective from the Closing Date;

(j) The Updated Disclosure Letter, if any, is in a form agreed between the Investors, Sponsor and Company in writing;

(k) No event shall have occurred, or be continuing which has a Material Adverse Effect;

(l) The pre-Closing covenants that are set forth in Clause 7 having been complied with as confirmed in writing by the Company and Sponsor;

(m) Each of the Transaction Documents shall have been executed by each of the parties thereto and shall be in full force and effect and no default shall have occurred under any of the Transaction Documents;

(n) Subject to the Disclosure Letter, each of the Warranties of the Company and the Sponsor being true and accurate in all respects and not misleading in each case as of the Execution Date and as of the Closing Date;

(o) The Sponsor shall remit the Sponsor Subscription Amount by wire transfer to the Designated Bank Account. Upon receipt of the Sponsor Subscription Amount in the Designated Bank Account, the Board shall hold a meeting and pass the requisite resolution for issuance and allotment of the Sponsor Shares to the Sponsor and authorising the entry of the Sponsor's name in the register of members of the Company as the registered owner of the Sponsor Shares. The Company shall deliver to the Sponsor (i) the duly stamped share certificates in relation to the Sponsor Shares, and (ii) certified true copy of the register of members reflecting the allotment of the Sponsor Shares to the Sponsor;

(p) On the same day as date of allotment of the Sponsor Shares to the Sponsor pursuant to the Sponsor Round, the Company shall convene a Board meeting to pass the following resolutions:

(i) to approve the issuance of the Subscription Securities to the Investors;

(ii) to approve the private placement offer letter along with the application letter in Form PAS-4 (as provided for under the Act) for the private placement of the Subscription Securities in accordance with Section 42 of the Act, which shall be duly accompanied by an application form serially numbered and addressed specifically to each of the Investors;

(iii) to approve the record of the private placement offer for the Subscription Securities to the Investors required to be maintained by the Company in Form PAS-5 (in accordance with the Act); and

(iv) to accord approval for and to convene a general meeting to obtain the approval of the Shareholders for the issuance of the Subscription Securities to the Investors,

and shall have delivered to each of the Investors a certified true copy of the aforementioned resolutions along with all requisite supporting documents and other proof evidencing compliance, to the satisfaction of the Investors, with the processes prescribed under the Act;

(q) The Company shall convene a general meeting of the Shareholders and the Shareholders shall have passed a resolution approving the issuance of the Subscription Securities and approving the private placement offer letter in Form PAS-4 (as provided under the Act) in accordance with Section 42 of the Act which shall be duly accompanied by an application form serially numbered and addressed specifically to each of the Investors.

and shall have delivered to each of the Investors a certified true copy of the aforementioned resolutions along with all requisite supporting documents and other proof evidencing compliance, to the satisfaction of the Investors, with the processes prescribed under the Act.

(r) The Company shall have filed Form MGT-14 for the resolutions set out in Clause 4.1(q), and thereafter issued to each of the Investors a private placement offer letter (in Form PAS-4) along with the requisite annexure in terms of Section 42 of the Act and other applicable provisions of the Act and Rules thereunder, including Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

4.2. **Satisfaction of Conditions Precedent**

(a) Each of the Company and the Sponsor shall take all steps necessary to promptly and expeditiously fulfil the Conditions Precedent and in any event prior to the Long Stop Date and shall promptly inform the Investors of all actions and steps taken in this behalf, on an on-going basis. Fractal agrees that it shall provide the requisite cooperation and support to the Company and the Sponsor towards satisfaction of the Conditions Precedent in accordance with this Clause 4.2(a).

(b) Upon fulfilment or satisfaction of all the Conditions Precedent, unless any such condition has been waived by such Investor in writing, the Company and the Sponsor shall deliver a certificate to each of the Investors (the "**CP Satisfaction Certificate**"), in the form set out in **Schedule III** along with all supporting documents and certificates evidencing the fulfilment of such Conditions Precedent to the satisfaction of the Investors. For avoidance of doubt, no

CP Satisfaction Certificate under this Clause shall be deemed to be duly or validly issued if any of the Conditions Precedents have not been satisfied in a manner satisfactory to the Investors (at each Investor's sole discretion).

(c) The Investors shall confirm their satisfaction with the fulfilment of the Conditions Precedent by acknowledging the CP Satisfaction Certificate in writing, which acknowledgment, shall be a binding obligation of such Investor to pay their respective portion of the Investors Subscription Amount to the Company to subscribe to their respective Subscription Securities and indicate the Closing Date (which date shall be mutually decided between the Parties, but shall not be more than 10 (ten) Business Days from the date of the CP Satisfaction Certificate).

(d) If at any time the Company or the Sponsor becomes aware of anything which shall or may prevent any of the Conditions Precedent from being satisfied on or prior to the Long Stop Date, they shall immediately and no later than 1 (one) day of receipt of such information notify the Investors in writing of such circumstances and the expected delay in fulfilment of such Condition Precedent, *provided* that no such notice will affect the Investors' rights hereunder.

(e) Simultaneously with the acknowledgment of the CP Satisfaction Certificate by the Investors, the Parties will agree on the Closing Date which date shall be mutually decided between the Parties, but shall not be more than 7 (seven) Business Days from the date of acknowledgment of the CP Satisfaction Certificate and shall in any event be prior to the Long Stop Date.

(f) The Investors hereby agree and acknowledge that the Sponsor is relying on the covenants of the Investors contained in Clause 4.2(c) above to subscribe to the Sponsor Shares.

5. CLOSING

5.1. The Closing shall occur at the registered office of the Company, or at such other place as may be agreed between the Parties which shall not be more than 7 (seven) Business Days from the date of acknowledgment of the CP Satisfaction Certificate by the Investors, or such other date as may be mutually agreed between the Parties in writing ("**Closing Date**").

5.2. On the Closing Date, each of the following transactions shall take place simultaneously ("**Closing**"), one conditional upon the other and no transaction shall be consummated unless all such transactions are consummated:

(a) The Investors shall remit their respective portion of the Investors Subscription Amount by wire transfer to the Designated Bank Account;

(b) Upon receipt of the Investors Subscription Amount in the Designated Bank Account, the Board shall hold a meeting and pass the following resolutions:

(i) issuance and allotment of the Subscription Securities to the Investors and authorising the entering of Investors in the register of members of the Company as the registered owner of their respective Subscription Securities;

(ii) appoint 2 (two) persons nominated by OLMO Capital as nominee Directors on the Board;

(iii) appoint 2 (two) persons nominated by Fractal as nominee Directors on the Board;

(iv) subject to approval of the Shareholders at a general meeting, adopt the Restated Articles;

(v) convene a general meeting of the Shareholders, at shorter notice, for (A) the regularisation of the nominee Directors nominated by Fractal and OLMO Capital as nominee Directors, and (B) the adoption of the Restated Articles.

(c) The Company shall convene an extraordinary general meeting at shorter notice, and the Shareholders shall pass the following resolutions

(i) adopt the Restated Articles; and

(ii) regularise the appointment of the persons nominated by Fractal and OLMO Capital as nominee Directors.

(d) The Company shall deliver to the Investors: (i) certified true copies of the extracts of the resolutions referred to in Clauses 5.2(b) and 5.2(c) above, (ii) duly stamped share certificates in relation to the Subscription Securities, (iii) certified true copy of the register of members reflecting the allotment of Subscription Securities to the Investors and (iv) certified true copy of the register of directors reflecting the appointment of the nominees of Fractal and OLMO Capital.

5.3. **Post-Closing Actions:**

(a) **RoC Filings:**

(i) Within 15 (fifteen) days from the Closing Date, the Company shall deliver to the Investors and the Sponsor a certified true copy of Form MGT-14 duly filed with the RoC in connection with the adoption of the Restated Articles;

(ii) Within 15 (fifteen) days from the date of allotment of Sponsor Shares in accordance with Clause 4.1(o), the Company shall deliver to the Sponsor a certified true copy of Form PAS-3 duly filed with the RoC in connection with such issue and allotment of the Sponsor Shares to the Sponsor and within 15 (fifteen) days from the Closing Date, the Company shall deliver to the Investors a certified true copy of Form PAS-3 duly filed with the RoC in connection with such issue and allotment of the Subscription Securities to the Investors; and

(iii) Within 30 (Thirty) days from the Closing Date, the Company shall deliver to the Investors certified true copies of Form DIR-12 along with the receipt in respect of such form filed with the RoC in connection with the appointment of Investors' nominee Directors on the Board.

(b) **RBI Filings**: Within 30 (thirty) days from the Closing Date, Fractal shall file with the RBI and the relevant authorised dealer bank Form-DI along with all documents required to be filed in accordance with the Foreign Exchange Management (Mode of Payment and Reporting of Non-debt Instruments) Regulations, 2019.

(c) Within 15 (fifteen) days from Closing, the Company shall maintain a record of the private placement offer required to be maintained by the Company in Form PAS-5 (in accordance with the Act).

(d) The Board shall adopt the Business Plan at the first board meeting immediately after the Closing or such time as may be mutually agreed between the Parties.

(e) At the first board meeting immediately after the Closing, the Board shall pass a resolution to

approve the profit sharing plan as set out in Schedule IV. Once approved, the profit sharing plan shall continue to remain in place and shall not be amended by the Company without the affirmative consent of the Sponsor till such time the Sponsor remains employed with the Company. Provided however, (a) the quantification of the sharing pool, to be made available for distribution under the profit sharing plan, in accordance with paragraph A(i) thereof, and (b) the quantum of distribution of the remaining 50% share or such other additional share of the sharing pool (outside the Sponsor's entitlement of 50% share or such other reduced share in terms of paragraph B(i) of the profit sharing plan) to each individual member of the identified team, in terms with paragraph B(ii) of the profit sharing plan, shall be determined and approved by the Board, basis the performance of the Company, on an annual basis within 30 (thirty) days of completion of the annual audit of the Company.

5.4. The Parties agree that notwithstanding anything contained in this Agreement, in the event that the Closing does not occur in the manner and time envisaged in this Agreement after remittance of the respective portions of Subscription Amount by each Investor and the Sponsor Subscription Amount by the Sponsor, then, without prejudice to the other rights that the Investors and the Sponsor may have under this Agreement and under Applicable Law or equity, at the request of any of the Investors and/or the Sponsor, the Company shall, and the Sponsor and Fractal shall cause the Company, within 7 (seven) days of such request, to refund the respective portion of Subscription Amount to the relevant Investor and the Sponsor Subscription Amount to the Sponsor after having obtained all Authorisations.

6. REPRESENTATIONS AND WARRANTIES

6.1. Each Party (who is not a natural person) represents and warrants that:

(a) it has the corporate power and authority to enter into, execute and deliver this Agreement and to perform its obligations hereunder; and

(b) it is duly incorporated and validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and has all corporate powers and all governmental approvals required to carry out its business as now conducted;

(c) the execution, delivery and performance of this Agreement by it will not violate or breach any other agreement, consent, charter document, approval to which it is a party or lead to breach of Applicable Law.

6.2. Each Party (who is a natural person) represents and warrants that:

(a) he has full authority and capacity to enter into, execute and deliver this Agreement and to perform his obligations and the transactions contemplated hereby;

(b) he is of sound mind and is competent to enter into a contract and consummate the transactions contemplated under this Agreement; and

(c) the execution, delivery and performance of this Agreement by him will not violate or breach any other agreement, consent, charter document, approval to which he is a party or lead to breach of Applicable Law.

6.3. Subject to the information Disclosed in the Disclosure Letters, against the respective Warranties as on the Execution Date, the Warrantors hereby, jointly and severally, represent and warrant to each of the Investors that the Warranties contained in **Schedule I** are true, correct, accurate and complete in all respects and are not misleading in any respect as of the

Execution Date and the Closing Date. The Warrantors hereby jointly and severally acknowledge that each Investor entering into this Agreement is relying on such Warranties.

6.4. No information (except as contained in the Disclosure Letters) about the Company of which any of the Investors have knowledge, and no investigation by or on behalf of the Investors will prejudice any Claim made by any Investor under, or in respect of, the Warranties.

6.5. Except as set out in the Disclosure Letters and terms set out in this Agreement, notwithstanding any information or document furnished to or findings made by any of the Investors during any due diligence exercise and no such information, document or finding shall limit the liability of the Warrantors hereunder.

6.6. Each of the Warrantors shall give the Investors prompt notice in writing of any event, condition or circumstance occurring from the Execution Date that would constitute a violation or breach of or be inconsistent with any of the Warranties.

6.7. Each of the Warranties shall be construed as a separate and independent Warranty and shall not be limited, restricted, modified or qualified by the terms of any other Warranty (except as Disclosed in the Disclosure Letters).

7. PRE-CLOSING COVENANTS

7.1. During the period beginning from the Execution Date and continuing until the Closing Date, the Company shall, and the Sponsor shall cause the Company to carry on its Business in the usual, regular and Ordinary Course in the same manner as heretofore conducted and in such manner as conducted by other companies carrying on business which is the same or similar to the Business (and in any event in accordance with Applicable Law), to pay its debts and Taxes and pay or perform other obligations when due. Fractal agrees that it shall provide its cooperation and support to the Company and the Sponsor in relation to the aforesaid.

7.2. From the Execution Date through to the Closing Date and except as otherwise provided in this Agreement, the Company shall not, and the Sponsor shall procure that the Company shall not, without the prior written consent of each Investor:

(a) create, issue, allot, repurchase, redeem, alter, reorganize or retire any Securities, or change or modify any rights attached thereto, or agree to undertake any of the above or otherwise permit any change in its equity structure;

(b) amend, modify, supplement or supersede its Charter Document(s) (other than as contemplated under this Agreement);

(c) make any changes to the Share Capital except as contemplated herein;

(d) undertake any indebtedness in excess of INR 200,000 (Indian Rupees two hundred thousand) other than in the ordinary course of business or incur any long term financing or term loans in excess of INR 200,000 (Indian Rupees two hundred thousand);

(e) enter into any transaction with any Related Party in excess of INR 500,000 (Indian Rupees five hundred thousand), other than on an arms' length basis; or

(f) incur capital expenditure of an amount INR 500,000 (Indian Rupees five hundred thousand) or more, in each case, either in a single transaction or a series of transactions;

(g) enter into any action, commitment or transaction or fail to undertake actions that would

constitute a violation or breach of any terms and conditions contained in any of the Transaction Documents or delay or hinder the performance of any of the obligations, agreements or actions required to be performed on or prior to the Closing Date;

(h) make or change any Tax election, settle or compromise any proceeding with respect to any Tax claim or assessment relating to the Company, surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment relating to the Company;

(i) suffer or permit any change in the management or constitution of the Board which may lead to a change in Control of the Company;

(j) transfer, sell, lease, create, dispose of or allow to subsist any Encumbrance on the Assets of the Company, other than in the Ordinary Course of Business of the Company;

(k) institute, commence, settle or agree to settle any legal proceedings involving amounts above INR 100,000 (Indian Rupees one hundred thousand);

(l) undertake any transaction or commitment exceeding INR 2,000,000 (Indian Rupees two million) individually or INR 5,000,000 (Indian Rupees five million) in the aggregate.

7.3. The Company shall ensure that the Company shall, between the Execution Date and the Closing Date:

(a) conduct its business in the ordinary and normal course, consistent with past practice and existing policies and in accordance with Applicable Law; and

(b) conduct its operations in a manner such that the Warranties continue to remain true, complete and accurate in all respects on and as of the Closing Date.

8. OTHER COVENANTS

The Sponsor and the Company hereby agree and undertake that from the Execution Date to the Closing Date, none of them shall directly or indirectly enter into any agreement or understanding (whether or not such agreement or understanding is absolute, revocable, contingent, conditional, oral, written, binding or otherwise) or solicit with any Third Party, or cause their respective agents, representatives, and other persons acting on their behalf to solicit, negotiate with respect to facilities, or accept any offers or enter into any agreements or arrangements for an investment transaction in relation to the Company, including a potential investment in or acquisition of property, Business, Securities of the Company or any prospective investment in a Person similar to the Company or any company/entity of the Sponsor or any similar business ventures with the business of the Sponsor, except as contemplated hereunder. Fractal hereby agrees and confirms that it shall not undertake any action for or behalf of the Company that causes it to be in breach or default of this Clause 8.

9. USE OF PROCEEDS

The Parties hereby expressly agree that the Subscription Amount will be utilized in a manner as specified under the Business Plan or for such other purposes as approved by the Board.

10. INDEMNIFICATION

10.1. Subject to Closing having occurred, on and from the Closing Date, (i) the Company in case of Clause 10.1(a) below, or (ii) the Sponsor and the Company, jointly and severally, in case

of Clauses 10.1(b) and 10.1(c) below (in each case, the "**Indemnifying Party**") agree(s) to indemnify, defend and hold harmless each Investor, and/or its Affiliates and their respective directors, officers, and employees, agents, authorised representatives (collectively, the "**Indemnified Parties**") from and against any and all Losses incurred or suffered by any Indemnified Party in terms of this Clause 10, insofar as such Losses arise out of, or result from: (a) any misstatement or any breach of any of the Warranties (other than Fundamental Warranties) of the Company and/or the Sponsor, contained in this Agreement or failure to perform (whether in whole or part); and/or (b) any misstatement or any breach of any of the Fundamental Warranties of the Company and/or the Sponsor contained in this Agreement or failure to perform (whether in whole or part); and/or (c) breach of any obligation required to be performed by the Company and/or the Sponsor in Clauses 5, 7 and 8 of this Agreement. The events set out in Clauses 10.1 (a), (b) and (c) above shall be collectively referred to as the "**Indemnity Events**". Provided however that, the Sponsor shall be solely liable to indemnify, defend and hold harmless the Indemnified Parties from and against any and all Losses incurred or suffered by any of them, insofar as such Losses arise out of, or result from fraud, wilful misrepresentation or gross negligence committed by the Indemnifying Parties.

10.2. The indemnification rights of the Indemnified Parties under this Agreement shall be the sole and exclusive financial remedy for any Losses that the Indemnified Parties may at any time suffer or incur or become subject to. Without prejudice to the foregoing, the rights of the Indemnified Parties under this Section 10 are independent of, and in addition to, such other rights and remedies (of a non-financial / non-monetary nature) available to the Indemnified Parties at equity or under Applicable Law or otherwise, including the right to seek specific performance, rescission, restitution or other injunctive relief none of which rights or remedies shall be affected or diminished thereby.

10.3. Notwithstanding anything to the contrary in the Agreement, the total cumulative indemnification entitlement of each of the Indemnified Parties in relation to a Claim shall not in the aggregate exceed an amount equal to 100% (one hundred per cent) of the respective Fractal Subscription Amount or OLMO Capital Subscription Amount, as the case may be, other than for fraud, wilful misconduct and gross negligence by the Indemnifying Parties.

10.4. **Limitations on Liability**

Subject to the Clause 10.3 above, the liability of the Indemnifying Parties in relation to the Claims:

(a) for any Indemnity Events set out in Clauses 10.1 (a), (b) and (c) above shall not exceed an amount equal to 100% (one hundred percent) of the respective Subscription Amount ("**Indemnity Cap**"). Notwithstanding anything to the contrary in this Agreement, any Claims in relation to fraud, wilful misrepresentation or gross negligence by the Indemnifying Parties shall not be subject to any monetary or time limitations including the Indemnity Cap;

(b) shall not arise in respect of breach of any Business Warranty, unless and until the aggregate value of all Claims in respect of such breach exceeds 8% of the respective Subscription Amount ("**Aggregate Liability Threshold**"). For the avoidance of doubt, it is hereby clarified that once the aggregate of all Losses equals or exceeds the Aggregate Liability Threshold, the Indemnified Parties shall be entitled to recover all Losses and not just the amount by which such Aggregate Liability Threshold is exceeded. Provided further that in the calculation of the Aggregate Liability Threshold, any individual claim (together with other claims, if any,

resulting from the same or substantially similar or related facts and circumstances) which give rise to a Loss of less than 2% of the respective Subscription Amount, shall be disregarded ("**De-Minimus**"); and

(c) shall not arise in respect of breach of: (i) any Business Warranties (other than Taxation Warranties) or breach of Clauses 5,7 and 8 unless the event giving rise to the Claim arises on or prior to 24 (twenty four) months from the Closing Date; and (ii) any Taxation Warranties unless the event giving rise to the Claim arises on or prior to 7 (seven) years from the end of Financial Year in which the Closing occurs ("**Claim Period**").

10.5. To the extent that a Loss is incurred by the Company as a result of, arising from, in connection with or relating to any matter set out in Clause 10, the portion of Loss which is equal to each Investor's Pro Rata Share shall be deemed to be incurred by such Investor. For avoidance of any doubt, it is clarified that to the extent any indemnity payment is made by the Company to an Indemnified Party in accordance with this Clause 10, such payment itself shall not be construed to be a Loss to the Company for which any Indemnified Parties has the right to claim indemnity based on the Investor's Pro Rata Share.

10.6. **Indemnification Procedure**

(a) If any of the Indemnified Parties suffers or incurs any Loss, the relevant Indemnified Party shall have the right to issue a written notice along with supporting documents evidencing such Loss ("**Indemnification Notice**") to the Indemnifying Party (with a copy of such notice being delivered to the other Parties), within the Claim Period (only in relation to breach of any Business Warranties, Taxation Warranties or breach of Clauses 5, 7, or 8 of this Agreement), stating that the Indemnified Party has incurred or suffered a Loss relating to or arising out of or in connection with any Claim (including where any claim has been made by any third party, including a Governmental Authority).

(b) The Indemnifying Party shall have the right to cure the Loss incurred by the relevant Indemnified Party, which are capable of being cured, within a period of 30 (thirty) days from the receipt of the Indemnification Notice. In the event, the breach has not been remedied within the above-mentioned period, the Indemnifying Party shall be liable to make payment for such Claim to the Indemnified Party within 45 (forty five) days from the expiry of the abovementioned 30 (thirty) day period, unless such Claim is disputed, wherein such Claim shall be payable upon an order by a Governmental Authority or arbitral award having been passed directing such payment, in the event the Indemnifying Party has not made an appeal against such order before the relevant Governmental Authority within 45 (forty five) days of such order. In the event the Loss incurred by the Indemnified Party is not capable of being cured, the Indemnifying Party shall be liable to make payment for such Claim to the relevant Indemnified Party within 45 (forty five) days from the date of the Indemnification Notice, unless such Claim is disputed, wherein such Claim shall be payable upon an order by a Governmental Authority or arbitral award having been passed directing such payment, in the event the Indemnifying Party has not made an appeal against such order before the relevant Governmental Authority within 45 (forty five) days of such order. The Parties agree that in the event such indemnity payment is made by the Indemnifying Parties in terms of this Clause 10.6(b) and thereafter a final non-appealable order in favour of the Indemnifying Party is passed by a Governmental Authority, the Indemnified Party shall refund such part of the indemnity payment as may be directed by such final non-appealable order.

(c) In relation to a Claim, the Indemnifying Party shall make all payments (interim or otherwise), without admitting any liability or claim, required to be made pursuant to: (a) an order of a judicial authority; or (b) direction, order or decision (in any form) made by a Government Entity, against which no injunction has been obtained, in each case within the period prescribed by such order, direction or decision such that the Indemnified Parties shall at no time be required to make any payment. In the event that the Indemnified Party is finally refunded all or any part of such payments (pursuant to an order, judgment, award or settlement), the Indemnified Party shall immediately return the corresponding amounts to the Indemnifying Party.

(d) The Parties agree and acknowledge that all indemnity payments by the Indemnifying Party shall be made to the Indemnified Parties in a manner compliant with Applicable Law, and if such payments to the Indemnified Parties are permissible only with specific approvals, then the Indemnifying Party shall take all necessary steps required to obtain such approvals and the Indemnified Parties shall provide all reasonable assistance and cooperation that may be required by the Indemnifying Party in this regard. At any time, if so directed by the Indemnified Parties at their own discretion, the indemnity payments shall be made by the Indemnifying Party to a nominee of the Indemnified Parties.

(e) For a Claim to be indemnifiable under this Agreement, the Indemnification Notice should have been received by the Indemnifying Party during the relevant Claim Period in case of breach of Business Warranties, Taxation Warranties or breach of Clause 7 or breach of Clause 8 or breach of Clause 5 of this Agreement. For avoidance of doubt, any Claim made prior to the expiration of the Claim Period shall continue even after the expiration of the Claim Period until the passing of a final, non-appealable order or arbitral award.

10.7. **Third Party Claims**

(a) If any of the Indemnified Parties receives a Claim with respect to which the Indemnifying Party is obligated to provide indemnification pursuant to this Clause 10, ("**Third Party Claim**"), the Indemnified Party shall promptly and in no event later than 5 (five) Business Days of the receipt of such Third Party Claim notify the Indemnifying Party in writing, and provide the Indemnifying Party, all notices and correspondence received in relation thereto, ("**Third Party Claim Notice**").

(b) The Indemnifying Party shall have the right to assume the defense of such Third Party Claim, effective upon delivery of the notice thereof to the Indemnified Party within 10 (ten) days from the date of receipt of the Third Party Claim Notice, and in the event the Indemnifying Party assumes such defense, the Indemnifying Party shall be fully liable towards the Indemnified Party for all Losses thereunder.

(c) After delivery of the notice from the Indemnifying Party to the Indemnified Party of its election to assume the defense of such Third Party Claim, the Indemnifying Party will not, as long as it diligently conducts such defense, be liable to the Indemnified Party under this Clause 10 for any fees or any other expenses with respect to the defense of such Third Party Claim, in each case subsequently incurred by the Indemnified Party in connection with the defense of such Third Party Claim *provided* however, the Indemnifying Party shall be liable for reasonable fees and expenses of counsel employed by the Indemnified Party for any period during which the Indemnifying Party has not assumed the defense thereof.

(d) If for or during the defense of a Third Party Claim, any payment or deposit, interim or

otherwise, is required to continue the defense of a Third Party Claim or otherwise required to be paid or deposited in connection with such Third Party Claim pursuant to an order, proceeding, judgment, award or settlement arrived at (in accordance with this Clause 10), such payment or deposit shall be made by the Indemnifying Party, without admitting any liability or claim, such that the Indemnified Party shall at no time be required to make any payment. In the event that the Indemnified Party is finally refunded all or any part of such payments or deposits (pursuant to an order, judgment, award or settlement), the Indemnified Party shall return the corresponding amounts received from the Indemnifying Party, to the Indemnifying Party.

(e) Notwithstanding anything to the contrary contained in Clause 10.7(b), if the Third Party Claim (i) relates to criminal allegations against any of the Indemnified Parties; (ii) relates to bribery, money laundering or other similar matters alleged solely against any of the Indemnified Parties, and/or (iii) relates to any non-monetary injunctive relief against any of the Indemnified Parties, the Indemnified Party may, by delivery of written notice to the Indemnifying Party, assume the right to defend, compromise, or settle such Third Party Claim, jointly with the Indemnifying Parties, at the expense of the Indemnifying Party. Notwithstanding anything to the contrary contained in Clause 10.7(b) and this Clause 10.7(e), if a Third Party Claim: (i) relates solely to criminal allegations against any of the Indemnified Parties; (ii) relates solely to bribery, money laundering or other similar matters alleged solely against any of the Indemnified Parties, and/ or (iii) relates solely to any non-monetary injunctive relief against any of the Indemnified Parties, the Indemnified Parties, may, by delivery of written notice to the Indemnifying Party, assume the exclusive right to defend, compromise, or settle such Third Party Claim at the expense of the Indemnifying Party and the provisions of Clause 10.7(d) shall apply in such case.

(f) In the event that the Indemnifying Party does not assume the defense of the Third Party Claim within the period stipulated in this Clause 10, and/or the Indemnified Party assumes the exclusive defense and control of such proceedings pursuant to Clause 10.7(e), the Indemnified Party shall have the exclusive right to conduct the defense thereof, and the Indemnifying Party will be liable for all reasonable costs, expenses, incurred in connection therewith. The Indemnifying Party shall provide such authority, including by way of a power of attorney or other corporate authorization to enable the Indemnified Party to conduct the claims pursuant to this Clause 10.7(f).

(g) In the event that the Indemnifying Party assumes the defense of the Third Party Claim in accordance with this Clause 10, the Indemnifying Party shall be entitled to have the control over such defense or settlement of the subject claim and the Indemnified Party shall cooperate with and make available to the Indemnifying Party such assistance and materials as reasonably requested by the Indemnifying Party. The Indemnified Party shall have the right at its expense to participate in the defense assisted by counsel of its own choosing. In the event the Indemnifying Party has the control over the defense of the Third Party Claim, the Indemnifying Party will not settle the Third Party Claim without the prior written consent of the Indemnified Party, unless pursuant to or as a result of such compromise or settlement, (a) the Indemnified Party is released completely and unconditionally in connection with such Third Party Claim in writing, and without any liability to make payments, (b) there is no sanction or restriction upon the future activities or business of the Indemnified Party, and (c) the settlement does not impose any injunctive or other equitable relief against the Indemnified Party.

(h) The Indemnified Party and Indemnifying Party will cooperate with each other and make available to the other Party such assistance and materials as may be reasonably requested by such other Party.

10.8. **Exclusions**

(a) The Indemnifying Party shall in no event be liable for any Claim, which arises after the Investors have completed the sale of all the Securities held by the Investors pursuant to an initial public offering of the Company in terms of the Shareholders Agreement.

(b) The Indemnified Party shall not be entitled to obtain payment, reimbursement, restitution, indemnity or damages more than once on account of the same Claim. Further, the Indemnified Party shall not be entitled to be indemnified in respect of any Claim to the extent that it has received payment under an insurance policy of the Company.

(c) The Indemnifying Party shall not be liable for a Claim with respect to any matter, act, omission or circumstance (or any combination thereof) (including, for the avoidance of doubt, the aggravation of a matter or circumstance) to the extent that the same would not have occurred but for the passing of, or any change in, any Applicable Law (including any change in interpretation of Applicable Law) subsequent to the Execution Date, taking effect retrospectively, from a date prior to the Execution Date.

(d) In the event an Indemnified Party is entitled to recover any sum under an insurance policy available to the Indemnified Party in respect of the Loss which is the subject of a Claim, the Indemnified Party shall take steps to recover the Loss on or about the same time it raises a Claim against the Indemnifying Parties. Provided that any steps taken by an Indemnified Party to recover the Loss under an insurance policy shall not affect the right of the Indemnified Party to make a Claim for such Loss under this Clause 10. Where the Indemnified Party is refunded all or any part of such sum under an insurance policy obtained by the Indemnifying Party or the Company, the Indemnified Party shall return the corresponding amounts received from the Indemnifying Party, to the Indemnifying Party.

10.9. **Obligation to mitigate**

Nothing contained in this Clause 10 in any way restricts or limits the general obligation at Law of the Indemnified Parties to mitigate any Loss which it may incur in consequence of any breach by the Warrantors of the terms of this Agreement including in relation to any of the Warranties under this Agreement.

10.10. **No Restitution**

The Sponsor shall be jointly and severally liable for its indemnification obligations under this Clause 10 and shall not (and hereby waives any right to) seek contribution, indemnification or any other remedy from or against the Company in respect of any amounts that may be paid or may be payable by the Sponsor to the Investors, as the case maybe, under the terms of this Agreement. The Sponsor shall not seek restitution from the Company for any amounts paid by them under the terms of this Agreement and the Sponsor expressly waive all rights in law, equity or otherwise in respect of such restitution.

10.11. **No Qualifications**

The right to indemnification under this Clause 10, shall not be affected or treated as qualified by any investigation or due diligence conducted by or on behalf of the Investors, into the

affairs of the Company or any knowledge acquired or capable of being acquired (whether pursuant to the due diligence or otherwise) by or on behalf of the Investors.

11. TERMINATION AND DEFAULT

This Agreement shall be valid and binding on the Parties on the Execution Date until terminated in the circumstances set forth below:

11.1. by mutual written consent of all Parties prior to Closing;

11.2. Each Investor shall have the right to terminate this Agreement, in writing, with respect to itself, in the circumstances set forth below:

(a) by any of the Investors, in writing, with respect to itself, if any of the Warranties are found to be untrue, inaccurate or misleading in any material respect;

(b) by any of the Investors, in writing, with respect to itself, upon a breach or failure by the Company or Sponsor to comply with any, provision, undertaking or covenant of the Transaction Documents in any material respect; or

(c) by any of the Investors, in writing, with respect to itself, if Closing does not occur on or prior to the Long Stop Date, *provided that* the Investor terminating the Agreement is not in breach or default of its obligations under this Agreement.

In the event this Agreement is terminated by any of the Investors in accordance with this Clause 11.2 above, the other Investor and/or the Sponsor shall have the right, at each of their sole discretion, to either proceed to the Closing and pay its respective portion of the Subscription Amount to the Company to subscribe to the Subscription Securities and/or Sponsor Shares; or terminate this Agreement.

11.3. The Sponsor shall have the right to terminate this Agreement prior to Closing, in writing, with respect to himself, in the event of: (a) breach by the Investors of their covenants under this Agreement, or (b) Closing not being achieved on or before the Long Stop Date, *provided* the Sponsor at the time of such termination is not in breach or default of his obligations under this Agreement.

11.4. In the event of any termination of this Agreement, none of the Parties hereto shall have any rights, obligations or claims against the other Parties, except for a prior willful and intentional breach of this Agreement.

11.5. Notwithstanding the above, Clause 1 (*Definitions and Interpretation*), Clause 10 (*Indemnification*), Clause 11 (*Termination and Default*), Clause 12 (*Notices*), Clause 13 (*Confidentiality*), Clause 14 (*Governing Law*), Clause 15 (*Dispute Resolution*), Clause 16 (*Costs and Expenses*), Clause 17 (*Specific Performance*) and Clause 17 (*Miscellaneous*) shall survive the expiry or earlier termination of this Agreement.

12. NOTICES

12.1. Unless otherwise stated, all notices, approvals, instructions, demand and other communication given or made under this Agreement shall be in writing and may be given by email, by personal delivery or by sending the same by pre-paid registered mail addressed to the relevant Party at its address and email address set out below (or such other address or email address as the addressee has by 3 (three) days' prior written notice specified to the other Party).

If to the **Company**:

(i) Name : **Theremin.Ai Solutions Private Limited**

(ii) Address : Level 7, Commerz II, International Business Park, Oberoi Garden City, Goregaon East, Mumbai 400063

(iii) Attention : Mr. Hemant Kothavade

(iv) Email : Hemant.Kothavade@theremin.ai

If to **Fractal:**

(i) Name : **Fractal Analytics Private Limited**

(ii) Address : Level 7, Commerz II, International Business Park, Oberoi Garden City, Goregaon East, Mumbai 400063

(iii) Attention : Mr. Srikanth Velamakanni

(iv) Email : srikanth@fractal.ai

If to **OLMO Capital**:

(i) Name : **Mr. Gulu Mirchandani**

(ii) Address : 131, Tahnee Heights D Block, 13th Floor, Petit Hall, Napean Sea Road, Mumbai – 400006

(iii) Email : glm@onida.com

With a copy to

(i) Name : **Mr. Sasha Mirchandani**

(ii) Address : 162, Tahnee Heights, 16th Floor, Petit Hall, Napean Sea Road, Mumbai – 400006

(iii) Email : Sasha@kae-capital.com

If to the **Sponsor**:

(i) Name : **Mr. Hemant Kothavade**

(ii) Address : 3002 30th Floor, Marathon Nextgen Era-4, Off G.K. Marg, Lower Parel Mumbai 400013

(iii) Email : Hemant.Kothavade@theremin.ai

12.2. Any notice, approval, instruction, demand or other communication so addressed to the relevant Party shall be deemed to have been delivered (i) if given or made by registered mail, upon receipt by the addressee; (ii) if given by personal delivery at the time of delivery to the addressee; and (iii) if given or made by electronic mail, upon a confirmation of transmission being recorded on the server of the Party sending the communication, unless the Party receives a message indicating failed delivery.

13. CONFIDENTIALITY

13.1. Each Party shall keep all information relating to each other Party, information relating to the transactions herein and this Agreement (collectively referred to as the "**Information**") confidential. None of the Parties shall issue any public release or public announcement or otherwise make any disclosure concerning the Information without the prior approval of the other Parties; provided however, that nothing in this Agreement shall restrict any of the Parties from disclosing any information as may be required under Applicable Law subject to providing a prior written notice of 10 (ten) days to the other Parties. Subject to Applicable Law, such prior notice shall also include (a) details of the Information intended to be disclosed along with the text of the disclosure language, if applicable; and (b) the disclosing Party shall also cooperate with the other Parties to the extent that such other Party may seek to limit such disclosure including taking all reasonable steps to resist or avoid the applicable requirement, at the request of the other Parties.

13.2. Nothing contained in Clause 13.1 shall however apply to Information which:

(a) is required to be disclosed by any Party in the ordinary course of performing its obligations under this Agreement or the other Transaction Documents;

(b) is required to be disclosed under Applicable Law (including, complying with any questions, interrogatories, requests for information or documents, subpoenas, civil investigative demands or similar processes to which such Party is subject);

(c) is or becomes publicly available without fault of any Party;

(d) is disclosed by any Party to their Affiliates, advisors, partners, directors, officers, consultants, employees, professional advisors or investors, or potential investors on a need to know basis, provided all such persons are bound by similar confidentiality provisions;

(e) is disclosed by any Party in the ordinary course of investment reporting or in connection with any ordinary course fund raising activities to any Person providing credit or financing to such Party (including, in case of the Investor, its Affiliates);

(f) to the extent that any such Information is later acquired by a Party from a source not obligated to any other Party, or its Affiliates, to keep such Information confidential;

(g) to the extent that any such Information was previously known or already in the lawful possession of a Party, prior to disclosure by any other Party; and

(h) to the extent that any information, similar to the Information, shall have been independently developed by a Party without reference to any Information furnished by any other Party.

13.3. Subject to compliance with Applicable Law, neither Party may make or send any public release or public announcement (including any press release, conference, advertisement, announcement, professional or trade publication, mass marketing materials or otherwise to the general public) containing references to this Agreement unless it has first obtained the written consent of the other Parties.

14. GOVERNING LAW

This Agreement and the relationship between the Parties shall be governed by, and interpreted in accordance with, the laws of India. Subject to Clause 15, the courts in Mumbai shall have exclusive jurisdiction over all matters arising pursuant to this Agreement.

15. DISPUTE RESOLUTION

15.1. If any disputes, controversies or claims arise between the parties out of, or in connection with, this Agreement and the other Transaction Documents, including in connection with the validity, interpretation, implementation or alleged breach of any provision of this Agreement and the other Transaction Documents ("**Dispute**"), a Party shall provide written notice ("**Dispute Notice**") to the other Party that such Dispute has arisen, and thereafter the Parties shall endeavour to settle such Dispute(s) amicably within 30 (thirty) days of the service of the Dispute Notice.

15.2. If the Parties are unable to resolve a Dispute within the period specified in Section 14.1 above, either Party shall have the right to refer such Dispute to arbitration by issuing a written notice ("**Arbitration Notice**") for final resolution in accordance with the provisions of this Section 14.

15.3. Upon the issuance of an Arbitration Notice, the Dispute shall be referred to a panel of 3 (three) arbitrators, one of whom shall be nominated collectively by the Investor and its Affiliates (other than the Company) that are a party to the Dispute, and one of whom shall be nominated by all other Parties to the Dispute. The third and presiding arbitrator shall be nominated by the 2 (two) arbitrators so nominated. The arbitral proceedings shall be administered by the Singapore International Arbitration Centre and shall be governed by the SIAC Rules. The seat of arbitration shall be Mumbai, India. The venue of arbitration shall be Mumbai, India and the arbitration shall be conducted in English.

15.4. The award of arbitral tribunal in respect of a Dispute shall be final and binding on the Parties and shall be enforceable in accordance with its terms and shall be substantiated in writing. The Parties hereto shall submit to the award of the arbitral tribunal and such award shall be enforceable in any competent court of law. The arbitral tribunal shall also decide on the costs of the arbitration proceedings.

16. COSTS AND EXPENSES

The Company shall bear all the costs and expenses (including the fees and cost of any financial or technical advisors or lawyers) in relation to the negotiations, preparation and execution of the Transaction Documents and ancillary documents referred thereunder and the consummation of the transactions contemplated under the Transaction Documents (including any stamp duty costs) subject to a maximum cap of INR 1,500,000 (Indian Rupees one million five hundred thousand only).

17. SPECIFIC PERFORMANCE

The Parties agree that damages may not be an adequate remedy for a breach of any of the provisions of this Agreement and that each Party shall be entitled to an injunction, restraining order, right for recovery, suit for specific performance or such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to restrain the other Party from committing any violation or enforcing the performance of the covenants, representations and obligations contained in this Agreement. These injunctive remedies are cumulative and are in addition to any other rights and remedies the Parties may have at law or in equity, including without limitation a right for damages.

18. MISCELLANEOUS

18.1. The Parties are independent entities engaged in the conduct of their own business. This Agreement (or any of the arrangements contemplated by it) shall not constitute any of them as the agent or partner of each other for any purpose whatsoever, and neither of the Parties shall have the right or authority to assume, create or incur any liability or obligation of any kind, express or implied, in the name of or on behalf of the other and neither of the Parties shall have any authority to act for or on behalf of the other.

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

18.3. This Agreement may be executed in any number of originals or counterparts, each in the like form and all of which when taken together shall constitute one and the same document, and any Party may execute this Agreement by signing any one or more of such originals or counterparts.

18.4. This Agreement shall not be amended, altered or modified except by an instrument in writing signed by or on behalf of the Parties.

18.5. Except as provided in this Agreement, neither the Sponsor nor the Company shall be entitled to assign their rights and obligations under this Agreement to a Third Party without the prior written consent of the other Parties. The Parties hereby agree that notwithstanding anything to the contrary in this Agreement, each Investor may, at its sole discretion, assign any of its rights under this Agreement to any Person in accordance with the terms of the Shareholders Agreement.

18.6. If any provision of this Agreement is invalid or unenforceable or prohibited by Applicable Law, it shall be treated for all purposes as severed from this Agreement and ineffective to the extent of such invalidity or unenforceability, without affecting in any way the remaining provisions hereof, which shall continue to be valid and binding. The Parties shall then use all reasonable endeavours to replace the invalid or unenforceable or prohibited provision by a valid provision the effect of which is as close as possible to the intended commercial effect of the invalid, unenforceable or prohibited provision.

18.7. No failure to exercise and no delay in exercising on the part of either of the Parties, any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No waiver by a Party of a failure by the other Party to perform any provision of this Agreement operates or is to be construed as a waiver in respect of any other failure whether of a like or different character.

18.8. This Agreement may be executed by the Parties in counterparts, each executed counterpart shall be deemed an original and all of which together shall constitute one and the same instrument. The delivery of signed counterparts by electronic mail in "portable document format" (".pdf") shall be as effective as signing and delivering the counterpart in person.

18.9. Each Party shall execute and deliver or cause to be executed and delivered both before and after the date hereof such further certificates, agreements and other documents and take such other actions, or as may be reasonably necessary or appropriate (including using its voting rights) to consummate or implement the transactions contemplated hereby.

18.10. This Agreement (together with the Transaction Documents and any other documents referred to herein or therein) contains the entire agreement and understanding between the Parties hereto with respect to the subject matter hereof and supersedes all prior negotiations, agreements, correspondence, and understandings relating to such subject matter.

Schedule I

Representations and Warranties of the Warrantor

The Company and the Sponsor, jointly and severally make the following representations and warranties to the Investors and confirm that each representation, warranty and the statements set forth below in this Schedule, are true, complete, correct, accurate and not misleading as on the Execution Date and the Closing Date (as the case may be).

1. Authority and Capacity

1.1. The Warrantors have the power, authority and capacity to enter into and perform the Transaction Documents on the Execution Date, and to perform all actions required to be performed under this Agreement. Other than as contemplated under this Agreement, all corporate actions required on the part of the Company (including, board resolutions and shareholder resolutions) for the authorisation, execution, delivery of and the performance of all obligations of the Company under this Agreement have been obtained.

1.2. Other than as contemplated under this Agreement, the execution, delivery and performance of the Transaction Documents by the Warrantors (as applicable) shall not:

(a) constitute a breach of Applicable Law or of any statute, judgment or decree by which it or any of its securities, properties or assets is bound, or any of its organizational documents (including, the Charter Documents, if applicable);

(b) conflict with or result in any material breach or violation of any of the terms and conditions of, or constitute (with notice or lapse of time or both) a default under, any instrument, contract or other agreement or arrangement (oral or written) to which such Party is a party or by which such Party is bound;

(c) give any Third Party a right to terminate or modify, or result in the creation of any Encumbrance under, any agreement, licence or other instrument (oral or written) to which such Party is a party or by which such Party is bound;

(d) cause the Company to lose the benefit of any right, credit or privilege it presently enjoys, or, to the best knowledge of the Warrantors, cause any Person who normally does business with the Company not to continue to do so on the same basis;

(e) result in a violation or breach of or default under any Applicable Law;

(f) constitute an act of bankruptcy, preference, insolvency or fraudulent conveyance under any bankruptcy act or other Applicable Law for the protection of debtors or creditors;

(g) require such Party to obtain any consent or approval from any Governmental Authority, any other authority in a relevant jurisdiction or a third party;

(h) violate any order, decree or judgement against, or binding upon, such Party or upon its respective securities, properties or businesses.

1.3. No Authorisations, qualification, designation, declaration or filing with, any Person is required in connection with the execution, delivery and performance by the Company and the Sponsor of the Transaction Documents, other than as specifically stated in this Agreement. The issue and

allotment of the Subscription Securities and Sponsor Shares are each in accordance with Applicable Law.

1.4. There are no Claims or proceedings before any court in progress or pending against or relating to the Sponsor which could be expected to enjoin, restrict or prohibit the transactions as contemplated by the Agreement, and to the knowledge of the Sponsor, there are no existing grounds on which any such Claim, investigation or proceeding might be commenced with any likelihood of success.

1.5. The Company has the right, full power and absolute authority to issue and allot the Subscription Securities and Sponsor Shares free from any Encumbrance, claim or demand of any nature. The Subscription Securities and Sponsor Shares shall when issued, allotted and delivered to the Investors and Sponsor in accordance with this Agreement: (a) have been properly and validly issued and allotted and shall be fully paid-up; (b) be free of any Encumbrance; and (c) will not be subject to any pre-emptive rights, rights of first refusal or other rights pursuant to any existing agreement or commitment of the Company other than as contemplated in the Shareholders' Agreement. Upon such issuance, each of the Investors and the Sponsor shall have good, valid and marketable title to, and shall be the legal and beneficial owner of the Subscription Securities and Sponsor Shares respectively.

1.6. The Warrantors have not, nor has anyone on their behalf, done, committed or omitted any act, deed, matter or thing whereby the Subscription Securities and Sponsor Shares can be forfeited, extinguished or rendered void or voidable or have entered into or arrived at any agreement and/or arrangement, written or oral, with any Person in respect of the Subscription Securities and/or Sponsor Shares, which will render the issue of the Subscription Securities and/or Sponsor Shares in violation of such agreements.

1.7. The issued and paid-up share capital of the Company as well as the current shareholding pattern of the Company as on the Execution Date is as specified in **Part A** of **Schedule II**; upon the Closing, the shareholding pattern will be as specified in **Part B** of **Schedule II**. Upon conversion of the Series B CCCPS to Equity Shares in accordance with the terms of this Agreement and the Shareholders' Agreement, save and except for the rights in liquidation, as set out in the Shareholders' Agreement, such Equity Shares will at all times rank on a, *pari passu*, basis with the outstanding and issued Equity Shares of the Company with respect to all rights and activities, including but not limited to voting rights, bonus or rights issue and dividends.

2. Shareholding and Securities

2.1. All the Securities of the Company are fully paid-up and duly and validly issued in accordance with Applicable Law.

2.2. The Company has not issued, executed and/or provided any options, stock options, warrants, Securities, instruments or entered into agreements, understandings which enable the holder thereof or any of the party thereof (or their nominees) to subscribe to, acquire and/or convert any of their claims/rights/privileges into any shares or other Security.

2.3. Other than as contemplated under this Agreement, the Company is under no obligation to issue and/or allot any Securities. The Company and/or the Sponsor have not received any notice or any claim by any Person to be entitled to any of the foregoing.

2.4. The Company does not have any funds which represent share application monies, or advance towards subscription of any shares or other Security.

2.5. The Sponsor does not, directly or indirectly, have any obligation, to hold or acquire or subscribe to any Securities or transfer any Securities. The Company does not, directly or indirectly, have

any obligation to refuse and/or regulate the transfer of any Securities, as the case may be or buyback or repurchase any Securities.

2.6. Upon consummation of the transactions contemplated by this Agreement, the Investors shall acquire valid and marketable title to the Subscription Securities, free and clear of all Encumbrances.

2.7. The Company has not agreed to become a member of any partnership or other unincorporated association, joint venture or consortium. The Company has not made any investments, does not hold securities or interest in any other entity and does not have any Subsidiaries.

2.8. The Company does not have any obligation (contingent or otherwise) to purchase, redeem or otherwise acquire any of the Securities or any interest therein or to declare or pay any dividends or make any other distribution in respect to the Securities issued by them.

2.9. Other than the Shareholders Agreement, there are no voting trusts or agreements, arrangements, options, warrants, calls or other rights shareholders' agreements, pledge agreements, buy-sell agreements, rights of first refusal, rights of first offer, pre-emptive rights or proxies or other similar rights relating to the Securities of the Company or relating to the issuance, sale, purchase or redemption of the Securities of the Company.

2.10. There are no outstanding convertible instruments and/or warrants and/or preference shares or agreements for the subscription or purchase from the Company of any Equity Shares in the Share Capital or any securities convertible into or ultimately exchangeable or exercisable for any capital stock of the Company, including voting agreements which have been issued by the Company to any Person which can be converted into Equity Shares other than as contemplated in this Agreement.

2.11. The Company has not bought back, repaid or redeemed or agreed to buy back, repay or redeem any of the Securities or otherwise reduce or agree to reduce its authorised or issued share capital or purchased any of its own Securities or carried out any transaction having the effect of a share buy-back or reduction of Share Capital.

3. Company

3.1. The Company is a private limited company duly organized and validly existing under the laws of India, is duly registered and authorized to do business in the jurisdictions in which it operates and has the power to own its Assets and to carry on its business as it is now being conducted and as it has been conducted since their incorporation.

3.2. The Company has all requisite corporate power and all governmental licenses, authorisations, consents and approvals required to own, lease and operate their respective properties and Assets as now owned, leased and operated and to carry on its Business as now being conducted.

3.3. The Company is not engaged in any business other than the Business. The Company is not engaged in any business in which, foreign direct investment is not permitted or restricted under Applicable Law, under the automatic route, for the percentage shareholding that the Investors shall have in the Company on the Closing Date, and for the rights available with the Investors under the Agreement.

3.4. The affairs of the Company have been conducted in accordance with its Charter Documents. In relation to its Charter Documents, the Company has not entered into any *ultra vires* transaction. The business of the Company as is being conducted and is proposed to be conducted, is in compliance with Applicable Laws and is not in violation in any central, state or local statute, law or regulation.

3.5. The copies of the Charter Documents of the Company delivered to the Investors and filed with the relevant Governmental Authority are true, accurate and complete copies and are up to date.

3.6. The Sponsor does not have any interest, directly or indirectly in any business which is similar to or competes with the Business.

3.7. All statutory books, statutory registers and minutes books of the Company required to be maintained under Applicable Law are complete and have been kept properly and in material compliance with Applicable Law, and contain full and accurate records of all resolutions passed by the directors and the shareholders of the Company. All such statutory books, statutory registers and minutes' books are in the possession or under the control of the Company. All accounts, documents and returns required to be delivered or filed with the relevant registrar or companies ("**RoC**"), or other Governmental Authorities have been duly and correctly delivered or filed. The Company has not committed any default in filing the necessary returns, statements of accounts, reports, statements of charges, and all such other statutory requirements have been complied with in accordance with Applicable Law.

3.8. All provisions of the Act relating to Board meetings and annual general meetings have been fully complied with by the Company. The Board and general meetings, of the Company have been validly held in accordance with the provisions of all Applicable Law, including the Act and all actions and resolutions relating to each such meeting were taken and passed respectively in accordance with the provisions of the all Applicable Law, including the Act. All the Directors of the Company have been duly appointed and are holding office in accordance with the provisions of the Act.

3.9. The Company has not at any time: (i) redeemed or repaid any share capital; (ii) reduced its share capital or passed any resolution for the reduction of its share capital; or (iii) given any financial assistance in relation to, acquired (directly or indirectly) or lent money on the security of shares or units of shares in itself. The Company has not entered into any merger, or de-merger transaction or participated in any type of corporate reconstruction or amalgamation.

3.10. There are no outstanding powers of attorney given by the Company and/or the Sponsor to any Person, in relation to the Company.

4. Financial Matters

4.1. The books of accounts of the Company have been truly and properly prepared and maintained in all material respects and are in accordance with Applicable Law and, with respect to any audited and unaudited accounts, in accordance with generally accepted accounting principles applied on a consistent basis, and in each case, reflect the true and fair view of the business and the financial position (including, with respect to the audited and unaudited accounts, the assets, liabilities, profits and losses) of the Company.

4.2. The business and the financial condition (including the Assets, liabilities and state of affairs) of the Company is truly and fairly provided in the last Financial Statements, and there has been no change thereto, other than in the ordinary course of business, and there has been no material change thereto, in any event.

4.3. Except as set out in the Disclosure Letters, the Company does not have liabilities of any kind, whether accrued, absolute, contingent or otherwise (including liabilities as guarantor or otherwise with respect to obligations of others, or liabilities for Taxes due or then accrued or to become due), or outstanding borrowing or indebtedness in the nature of borrowing, in any form whatsoever, or any Claims outstanding against it. The accounts make: (i) full provision for all actual liabilities; (ii) proper provision (or note in accordance with good accountancy practice) for all contingent liabilities; (iii) provision reasonably regarded as adequate for all bad and doubtful

debts; and (iv) due provision for depreciation and amortisation and for any obsolescence of Assets.

4.4. No event(s) of default has occurred under any of the documents related to any of the indebtedness of the Company or any related security documents ("**Loan Documents**"), nor has the Company received notice of:

(a) occurrence of any event of default under any Loan Documents, or

(b) demand of payment of indebtedness before the originally stated period, or

(c) termination, suspension, cancellation of any entitlement to draw money or exercise other rights under any Loan Documents, or

(d) any event or circumstance, which could lead to any of the foregoing.

4.5. The Company does not have any outstanding borrowing or indebtedness in the nature of borrowing, any Encumbrance, or, any transaction in which a Director or a relative of such Director has material interest, or any other material transactions in relation to which such directors are considered to be interested directors within the meaning of the Act nor has factored any of its debts, or engaged in financing of a type, which would not require to be shown or reflected in the accounts or borrowed any money which it has not been repaid. There are no outstanding loans made by the Company or the Sponsor or to the Company or the Sponsor by, any director or officer of the Company or any Person connected with any of them. There is no set off arrangement between the Company and any other Person. None of the book debts which are included in the accounts or which have subsequently arisen have been outstanding for more than three months from their due dates for payment.

4.6. There are no outstanding liabilities including contingent liabilities (other than those liabilities disclosed in the accounts which have arisen since the date to which such accounts were prepared), guarantees, indemnities, sureties or comfort letters (whether or not legally binding) given by or for the benefit of the Company. The Company has not granted or issued or agreed to grant or issue any mortgages, charges, debentures or other securities for money or redeemed or agreed to redeem any such securities or given or agreed to give any guarantees or indemnities.

4.7. There are no Encumbrances or other security interests or any other agreements or arrangements having a similar effect, created over any present or future properties, Securities, Assets or revenues of the Company whether tangible, intangible or real, or whether created voluntarily or otherwise.

4.8. The accounts are not affected by any abnormal or extraordinary item, including but not limited to any old/obsolete inventories in hand, doubtful debtors with debts in excess, un-recoverable expenses incurred on abandoned projects, *etc.*

4.9. The statutory auditors of the Company have been appointed/reappointed in accordance with the provisions of the Act. The Company does not avail of any overdraft facilities with any bank.

5. Taxation Matters

5.1. The Company has complied with all the requirements as specified under the respective Tax Laws as applicable to it in relation to returns, computations, notices, deductions, withholdings, and information which are or are required to be made or given by the Company to any Tax authority for Taxation and for any other Tax purposes which have been made on a proper and timely basis and are correct and none of them is the subject of any dispute with the Indian taxation authorities and all Taxes have been deducted, collected, withheld, deposited and paid and filings with respect

to the same have been done and completed in accordance with Law and no Tax Demand has been received or threatened in respect thereof.

5.2. The Company has discharged all due and payable sums towards payment of Taxes of any other Persons that they are required to discharge under any applicable contracts.

5.3. The Company is not subject to Tax in any jurisdiction other than India.

5.4. The Company has no Tax liability arising out of any matter up to Closing except as adequately reserved for on its balance sheet.

5.5. With respect to any period for which Tax returns are not yet due and thus have not been filed, or for which Taxes are not yet due or owing, the Company has made due and sufficient accruals for such Taxes in its books and records and in accordance with generally accepted accounting principles applied on a consistent basis and Applicable Laws, including the Financial Statements.

5.6. The Company has not paid or become liable to pay any material interest, penalty, surcharge or fine relating to any applicable Taxes. The Company has not been subject to and the Company, it is not currently subject to, any investigation, audit or search and/or seizure by any Tax authority.

5.7. No relief (whether by way of deduction, reduction, set-off, exemption, postponement, roll-over, hold-over, repayment or allowance or otherwise) from, against or in respect of any Taxation has been claimed and/or given to the Company which could or might be effectively withdrawn, postponed, restricted, clawed back or otherwise lost as a result of the transaction contemplated under this Agreement and/or as a result of any act, omission, event or circumstance arising or occurring at or at any time before completion of the transaction contemplated under this Agreement.

5.8. No audit, investigation or other proceeding by a Governmental Authority is pending or being conducted with respect to (i) any Taxes due from or with respect to the Company or in relation to the filing of any Tax returns or failure to do so or (ii) any of the Company in respect of any pending proceedings under any Tax Laws that have any adverse impact on the Company's ability to consummate the transactions contemplated herein or that has the effect of creating any charge or lien on any Securities or any Assets of the Company in favour of a Governmental Authority.

6. Contracts

6.1. Each of the contracts entered into by the Company is in writing, valid and in full force and effect and is enforceable in accordance with its terms. The Company has not violated or breached, or committed any default under, any contract. To the best of the knowledge of the Warrantors, no other Person has violated or breached, or committed any default under any contract. All contracts have been duly authorized, adequately stamped, executed and delivered and constitutes a valid and binding obligation of the party thereto, enforceable against each party thereto in accordance with its terms and in accordance with Applicable Law.

6.2. There are no contracts to which the Warrantors, is a party to or is bound by, which (i) grant any management, operational or voting rights in the Company to any Person; (ii) restricts, in any way, including by way of non-compete, non-solicit or exclusivity undertakings in relation to, the business of the Company or any acquisition of property (tangible or intangible) by the Company or the conduct of business by the Company as of the date of this Agreement or as may be carried on in future; (iii) were entered into outside of the ordinary course of business; (iv) provide for commitments to make capital expenditures; (v) requires the Company to waive or abandon any rights; and (vi) is onerous or which is not terminable except with more than 3 (three) months' written notice.

6.3. The Company is not a party to any contract, arrangement or practice which in whole or in part materially contravenes or is invalidated by any restrictive trade practices, fair trade, consumer protection or similar Applicable Law or regulations in any jurisdiction or in respect of which any filing, registration or notification is required pursuant to such Applicable Law or regulations (whether or not the same has in fact been made).

6.4. Except as set out in the Disclosure Letters, the Company warrants that there are no agreements, understandings between the Company and any of its Key Employees or Directors.

6.5. There are no year-end commissions, incentives, discounts payable by the Company.

6.6. There are no other agreements or contractual obligations to which the Company or the Sponsor is a party, which are inconsistent with the provisions of this Agreement.

7. **Related Party Arrangements**

7.1. All transactions with Related Parties (i) are properly documented; (ii) have been entered into after obtaining all approvals required under Applicable Law; (iii) are on an arms' length basis; and (iv) have been entered into in the Ordinary Course of Business.

7.2. The Company does not own, nor has agreed to acquire or dispose, any Asset, nor is receiving or has agreed to receive or provide any services or facilities (including, without limitation, the benefit of any license or agreements), otherwise than on an arm's length basis.

7.3. No corporate guarantees have been issued by the Company for the benefit of any of its Related Party and there are no reimbursement arrangements/agreements between the Company and any of the Related Party in relation to corporate guarantees issued by such Related Party for the benefit of the Company or otherwise.

7.4. No loans have been given by the Company to any of its Shareholders and/or any director of the Company. There are no debts owed by the Company to any of the shareholders.

7.5. There are no existing contracts or engagements to which the Company is a party in which any Shareholder and/or any director of Company is interested.

8. Employees

8.1. Except as provided in the Disclosure Letters there are no other benefits that are being provided to the employees and/or the workers including deferred compensation agreement, incentive plan, profit sharing plan, retirement agreement or other employee compensation agreement. Other than as contemplated under this Agreement, the Company does not have any employee stock option plans or schemes for its employees.

8.2. No loans and advances have been made by the Company to its respective employees or to the employees of its related parties.

8.3. The Company has no collective bargaining agreements, arrangements and other similar understanding with any trade union, staff association or other body representing the employees or workmen of the Company and no labour union has requested or sought to represent any employees, workmen, representatives or agents of the Company. There have neither been any strikes or other labour disputes involving the Company nor are such strikes or similar actions pending or threatened by or against the Company. There are no pending, threatened, or claims or actions against the Company by any of the employees in respect of compliance with applicable labour laws.

8.4. Neither the Company nor the Sponsor is aware of any of the Key Employees of the Company intending to terminate her/his employment with the Company nor does the Company have an intention at present to terminate the employment of any Key Employee.

8.5. To the best knowledge of the Company or the Sponsor, none of the Company's employees or workers are obligated under any contract, or subject to any Applicable Law, judgment, decree or order of any Governmental Authority, that would interfere with the use of his or her best efforts to promote the interests of the Company or that would conflict with the Business.

8.6. The Company has, in relation to each of its employees/workers and (so far as relevant) to each of its former employees/workers:

(a) complied in all material respects with its obligations under Applicable Laws including Payment of Gratuity Act 1972, Employees Provident Fund and Miscellaneous Provisions Act, 1952, Child Labour (Prohibition and Regulation) Act, 1986, the Payment of Bonus Act, 1965, Contract Labour (Regulation and Abolition) Act, 1970, Maternity Benefit Act, 1961 and the Minimum Wages Act, 1948 and all other relevant statutes, regulations relevant to the relations between it and its employees and has maintained current adequate and suitable records regarding the service of each of its employees;

(b) discharged or adequately provided for in all respects its obligations to pay all salaries, wages, commissions, gratuity payments, provident fund payments, bonuses, overtime pay, holiday pay, sick pay, leave encashment and other statutory payments/ liabilities, benefits of or connected with employment up to the date of this Agreement;

(c) complied in all respects with all its obligations concerning the health and safety at work of each of the employees/worker and has not incurred any liability to any employee/worker in respect of any accident or injury, which is not fully covered by insurance; and

(d) has withheld and reported all amounts required under Applicable Law or by agreement to be withheld and reported with respect to wages, salaries and other payments to the employees of the Company; and

(e) is not liable for any arrears of wages or any taxes or any penalty for failure to comply with any of the foregoing.

8.7. The execution of the Transaction Documents and consummation of the transactions contemplated thereunder will not (either alone or upon the occurrence of any additional or subsequent events) result in any payment (whether of severance pay or otherwise), acceleration, forgiveness of indebtedness, vesting, distribution, increase in benefits or obligation to fund benefits with respect to any employees of the Company.

8.8. No employee of the Company has any share in the profit or revenue of the Company or is under notice of dismissal.

8.9. There are not in existence any contracts of service with directors or employees of any of the Company, nor any consultancy agreements with the Company, which cannot be terminated by 3 (three) months' notice or less or (where not reduced to writing) by reasonable notice without giving rise to any claim for damages or compensation.

9. Legal Matters

9.1. The business and operations of the Company have been carried on in accordance with the Charter Documents and requirements of all Applicable Law.

9.2. The Company has all the permits, approvals, Authorisations, licenses, registrations, and consents including Tax registrations necessary for the conduct of its Business as currently conducted and the licenses and approvals are valid and existing as of date of this Agreement and shall continue to be valid upon the consummation of the transactions pursuant to or under this Agreement.

9.3. The Company is not in breach of or in default under any permits, approvals, Authorisations, licenses or registrations, nor is the Company or the Sponsor aware of any event or circumstance or any intention or proposal under which any of those licences, permits, approvals are likely to be revoked, terminated or cancelled or (where applicable) not renewed in the ordinary course. The Company has not received any written notice of cancellation, default or any dispute concerning any permit, approval, Authorisation, license or registration.

9.4. None of the Warrantors has notice of, nor is a party to, nor affected by, any investigation enquiries, litigation, or any other proceedings, whether of a civil, criminal, administrative or any other nature.

9.5. Neither the Company nor the Sponsor have, committed:

(a) any criminal or unlawful act involving dishonesty;

(b) any material breach of trust;

(c) any material breach of contract or statutory duty;

(d) any act which could have a Material Adverse Effect on the Business or Company or could entitle any Third Party to terminate any contract with the Company.

9.6. No Claim for damages or compensation has been made by any Person against the Company or the Sponsor, which will adversely affect the transactions contemplated by the Agreement.

9.7. Neither the Company nor any of its Key Employees, directors have violated Applicable Law and regulations relating to export and import controls including Anti-Corruption Laws, nor has the Company or its Key Employees offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, to any government official or to any Person under circumstances where such Company or, to the best of the Company's knowledge, its Key Employees knew or ought reasonably to have known (after due and proper inquiry) that all or a portion of such money or thing of value would be offered, given, or promised, directly or indirectly, to a Person:

(a) for the purpose of: (i) influencing any act or decision of a government official in their official capacity; (ii) inducing a government official to do or omit to do any act in violation of Anti-Corruption Laws; (iii) securing any benefit or advantage; (iv) inducing a government official to influence or affect any act or decision of any government entity; or (v) obtaining or retaining business for or with, or directing business to, any company representative; or

(b) in a manner which would constitute or have the purpose or effect of public or commercial bribery, payoff, influence payment, acceptance of, or acquiescence in extortion, kickbacks, or other unlawful or improper means of payment of funds to any person or received or retained any funds in violation of any law, rule or regulation or obtaining business or any improper advantage.

9.8. The operations of the Company are and have been conducted, and shall continue to be conducted at all times in compliance with the applicable money laundering statutes of all relevant jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency, and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator

involving the Company with respect to the money laundering statutes is pending or threatened in writing;

9.9. To the best of the knowledge of the Company, there has been no actual or threatened inquiry or investigation by a Governmental Authority or dispute or proceedings with any Person, or any internal investigation, relating to any possible violation of Anti-Corruption Laws by the Company or any Persons acting on their behalf.

9.10. No director of the Company has made or caused to be made false or misleading statements to, or has attempted to coerce or fraudulently influence, an accountant in connection with any audit, review or examination of the accounts of the Company. No Person acting on behalf of the Company has obtained any of the Company's key licenses, permits, or land use rights in violation of the Anti-Corruption Laws.

10. Litigation

10.1. There are no actions, suits, Claims, proceedings or investigations, temporary restraining order, preliminary or permanent injunction, attachment issued by any court of competent jurisdiction ("**Proceedings**") pending or threatened against or by the Warrantors or, any of its directors or officers (in their capacities as such), or any basis therefor at Applicable Law, in equity or otherwise, and whether civil or criminal in nature in, before, or by, any court, commission, arbitrator or Governmental Authority, and there are no outstanding judgments, decrees or orders ("**Orders**") of any such court, commission, arbitrator or Governmental Authority, including Proceedings or Orders which (i) involve a challenge to, or seek to, or prohibit, prevent, restrain, restrict, delay, impair, prejudice, make illegal or otherwise interfere with the due and proper consummation of any of the transactions contemplated under the Transaction Documents, (ii) seek to impose conditions upon the ownership or operations of the Company or (iii) prejudice the Business of any of the Company in any manner whatsoever.

10.2. No application has been filed or order has been made, petition presented, resolution passed or meeting convened for the winding up (or other process whereby the Business is terminated or the Assets of the Company are distributed amongst their creditors and/or shareholders or other contributories) of the Company, and/or for an administration order against the Company and there are no cases or proceedings under any applicable insolvency, reorganisation, scheme of arrangement, composition, reconstruction or assignment for the benefit of or other arrangement with all or a class of creditors concerning the Company and no events have occurred which, under Applicable Law, would justify and result in any such cases or proceedings. The Company is not insolvent or bankrupt, or unable to pay its debts as they fall due. No application has been made or order has been passed for appointment of any receiver, liquidator, trustee, administrator, custodian or similar official has been appointed in respect of the whole or any part of the Business or Assets of the Company. No notice in writing has been served in relation to the taking of any action to seize, take possession of or appoint a receiver and/or manager in respect of the Securities of the Company. There exists no circumstances which, to the knowledge of the Warrantors, could give rise to any of the foregoing.

11. Insurance

11.1. The Company has adequately insured its material Assets and the Business in accordance with prudent business practices against comprehensive liability, fire, earthquake and other appropriate and adequate insurance coverage.

11.2. In respect of all insurances relating to the Company or its Assets (i) all premiums have been duly paid to date; (ii) all the policies are in full force and effect and no act, omission, misrepresentation or non-disclosure by or on behalf of the Company has occurred which makes any of these policies voidable, nor has there been any breach of the terms, conditions and warranties of any of the

insurance policies that would entitle insurers to decline to pay all or any part of any Claim made under the policies; and (iii) no Claim is outstanding and no circumstances exist which are likely to give rise to any Claim.

11.3. No Claims made by the Company with any insurer have been disallowed or avoided.

11.4. The Company has no knowledge of any threatened termination of, or premium increase with respect to, any of such policies.

12. Properties

12.1. The Company does not own, or hold on a freehold basis, any immovable Assets. The equipment and other tangible property of the Company is in all respects in good and serviceable condition (except for normal wear and tear).

12.2. In relation to the Immovable properties used and/or occupied by the Company for its Business:

(a) all covenants, conditions and agreements contained in the relevant usage document for the Immovable properties, on the part of the Company, have been complied with in all respects;

(b) no usage of the property is being continued after the contractual expiry date whether pursuant to statute or otherwise;

(c) there are no matters that may adversely affect the ability of the Company to carry on its business upon any usage of immoveable Assets;

(d) none of the rights of the Company in any usage of immoveable Assets shall be affected in any manner by the consummation of the transactions contemplated under the Transaction Documents;

(e) all the agreements, deeds and documents are valid, in force, duly stamped and registered in accordance with the Applicable Laws

12.3. In relation to each of the Assets no notices, orders, proposals, applications or requests affecting or relating to any of such Assets have been served or made by any authority on (i) the Company or (ii) to the best knowledge of the Warrantors, the actual owners of the Assets, and there are no circumstances which are likely to result in, any being served or made. The Company is entitled, during the tenure of the licence(s) in respect of the immovable and movable Assets, to peacefully and quietly hold, occupy, possess and enjoy all the immovable Assets for its own use and benefit without any suit, lawful eviction, interruption, claim and demand, whatsoever from any person.

12.4. All Assets of the Company including all debts due to the Company which are included in the audited financial accounts of the Company or have otherwise been represented as being the property of or due to the Company and/or being used by the Company for the purposes of their business are the absolute property of the Company, and/or is being leased to the Company.

13. Intellectual Property

13.1. The Company is the absolute owner, valid licensee, or authorized user (as the case may be) of its trademarks, trade names, logos, trade secrets, proprietary information and knowledge, technology, databases, copyrights (if any), licenses and, franchisees and formulas, formulations or rights with respect thereto necessary for its Business as is now being operated ("**Intellectual Properties**").

13.2. The Intellectual Properties used by the Company does not and will not infringe and/or breach or affect the intellectual property rights of any Person. The Company has not granted, nor is it

obliged to grant, any license, sub-license or assignment in respect of any of the Intellectual Property owned or otherwise required for the operation of the Business by the Company. There are no contracts, licenses or agreements between the Company and any other Person, whether written or oral, with respect to any technology or Intellectual Property.

13.3. All rights in all Intellectual Properties, confidential business information and trademarks owned or otherwise required for the Business as currently conducted are vested in or validly granted to the Company and are not subject to any Encumbrances or limit as to time or restriction or termination and all renewal fees and steps required for their maintenance or protection have been paid and taken. The Sponsor or any Related Party does not own, directly or indirectly, in whole or in part, any Intellectual Property that the Company uses in the conduct of its business.

13.4. There are no legal proceedings including any litigation, arbitration, infringement and/or passing off actions filed against the Company and to the best of the knowledge of the Warrantors, no litigation, arbitration, infringement and/or passing off actions is proposed and/or threatened to be filed against the Company by any Person and the Company has not received any cease and desist notice so far and is not aware of any circumstance under which such a notice may be issued

13.5. The Company has taken adequate steps to protect their rights in and preserve the secrecy of their Intellectual Property (in particular trade secrets) in all jurisdictions in which they carry on Business. The Company has taken all steps necessary to apply for registration and where registered, prosecute and maintain registrations of all registered Intellectual Property, including payment of all filing, registration, examination, renewal, maintenance and other fees and annuities and the timely filing of all necessary renewals, statements and certifications to avoid lapse or abandonment. The Company does not use the Intellectual Property, confidential information and / or trade secrets of any other Person for its Business as it is currently conducted.

13.6. The use of the Intellectual Properties for the operation of the Business as it is currently conducted, or is contemplated to be conducted, does not infringe, misappropriate or contravene the intellectual property rights of any other Person. There is no notice in writing or proceeding, asserted or threatened in writing against the Company concerning any of the foregoing, nor has the Company received any notification that a license under any other Person's intellectual property is or may be required.

13.7. The Company have not filed any legal proceedings against any Person with respect to any infringement or alleged infringement by any such Person of the Intellectual Properties of the Company.

13.8. Where information of a confidential nature has been developed or acquired by the Company, such information has been kept strictly confidential and has not been disclosed otherwise than subject to a reasonable obligation of confidentiality being imposed on the Person to whom the information was disclosed The Warrantors are not aware of any breach of such confidentiality obligations by any Third Party.

13.9. The Company legally and beneficially owns adequate computer and other information technology systems and have adequate data protection and security mechanisms in place, to conduct its Business without any interruption or restriction. All the records and systems (including but not limited to servers, computer and other information technology systems) and all data and information relating to the Company are locally 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.

14. Information

14.1. All the information, provided by the Company about the Business and its Assets to the Investors and/or its representatives and advisors during the process of entering into the transaction is true, complete, correct, accurate and not misleading in any manner.

14.2. All the information which is necessary to enable the Investor its representatives and advisors to make an investment decision with respect to the Company including an informed assessment of the Assets, liabilities, financial position, profits, losses and prospects of the Company has been adequately and fully disclosed to the Investor and there is no such other fact or information which has not been provided to the Investor.

SCHEDULE II

Part A

Shareholding as on the Execution Date (on a Fully Diluted Basis)

#	Name of shareholder	Equity shares	Dilutive shares	Total shares	Shareholding percentage
1.	Fractal	99,999,999	-	99,999,999	80%
2.	Srikanth Velamakanni (nominee shareholder of Fractal)	1	-	1	0.00%
3.	ESOP	-	25,000,000	25,000,000	20%
	Total	**100,000,000**	**25,000,000**	**125,000,000**	**100%**

Part B

Shareholding upon completion of Closing (on a Fully Diluted Basis)

#	Name of shareholder	Equity shares	Preference shares	Dilutive shares	Total shares	Shareholding percentage
1.	Fractal	100,000,009	31,249,990	-	131,249,999	64.859%
2.	Srikanth Velamakanni (nominee shareholder of Fractal)	1		-	1	0.00%
3.	Sponsor	2,777,778	-	-	2,777,778	1.373%
4.	OLMO Capital	10	43,333,323	-	43,333,333	21.414%
5.	ESOP	-	-	25,000,000	25,000,000	12.354%
	Total	**102,777,798**	**74,583,313**	**25,000,000**	**202,361,111**	**100%**

SCHEDULE III

Format of the CP Satisfaction Certificate

(On the Letterhead of the Company)

[●]

To,

[●]

Dear Sirs and Madams,

We write with reference to the Share Subscription Agreement dated 11th September 2020 entered into between the Company, Fractal, OLMO Capital and the Sponsor (the "**Agreement**").

Capitalized terms and expressions used in this letter but not defined shall have the same meaning as the Agreement.

This certificate is issued pursuant to Clause 4.2(b) of the Agreement.

Accordingly, we certify as follows on the Closing Date:

1. The executed versions of the Transaction Documents are in full force and effect and no default has occurred under any of the Transaction Documents.
2. No event has occurred or be continues to occur which has a Material Adverse Effect.
3. Subject to the Disclosure Letter, each of the Warranties of the Company and the Sponsor is true and accurate in all material respects and not misleading in each case as of the Execution Date and as of the Closing Date.
4. We have complied with the pre-closing covenants that are set forth in Clause 7 of the Agreement.
5. In accordance with the Agreement, the Company certifies that all the Conditions Precedent have been fulfilled as set out below along with copies of the relevant supporting documents:

Sr. No.	Conditions Precedent	Supporting Document	Appendix No.
1.	[●]		

SCHEDULE IV

Form of the Profit Sharing Plan

A) Sharing Pool

(i) The Sharing Pool ("**SP**") shall mean an amount equivalent to 30–50% of the Net Revenue – Operating expenses of Theremin.Ai Solutions Private Limited ("**Company**").

a. Net Revenue of the Company shall comprise of the aggregate of the following:

- P&L share of the fee earned from client investment returns (viz. net profits for client, ex trading costs, cost of any debt used for trading, etc.);
- Services fee from clients;
- Fee from strategic partnerships;
- Management/administration fees from clients; and
- Interest income and income from Treasury Operations.

b. Operating cost shall comprise of the aggregate of the following:

- Team fixed and variable compensation;
- Data purchases and subscriptions, technology infrastructure and licenses, Business development, Sales & Marketing, Office rentals and maintenance, Travel, HR, Finance services, other operating expenses, etc;
- Cost of capital:
  - Cost of capital shall be applied to the portion of shareholder funds utilized as capital for proprietary trading in the Company's investment strategies. For avoidance of doubt, shareholders' capital used for operating or other expenses shall not incur any cost of capital.
  - Cost of capital shall be at the rate of the India 10-Year G-Sec bond Yield, averaged over the period the cost of capital is being applied.

(ii) Any reduction of the SP below 30% would require the affirmative consent of the Sponsor.

(iii) Shareholders' funds used as capital for proprietary trading in the Company's investment strategies shall be capital protected before their investment gains are included in the computation of the SP.

(iv) The threshold for bonus payouts from the SP would be INR. 10 Crores of aggregated net income of the Company, commencing from FY 2020-21.

B) Distribution of SP

(i) The Sponsor would be entitled to 50% share of the SP, provided that he would have the sole discretion to reduce his own share of the SP (i.e., from the Sponsor's entitlement of the SP) and redistributing such amounts amongst the team members in order to reward them;

(ii) The rest of the identified team's share would be 50% of the SP. The team members entitled to a share in SP will be identified prior to the Closing of this transaction to begin with and thereafter new members will be identified from time to time;

(iii) New team members will be eligible to participate in the SP after completing 1 year at the Company. The quantum of such team member's entitlement will be decided by the Sponsor at the time of his/ her recruitment and/ or during the course of annual appraisals;

(iv) For avoidance of doubt, team members shall include employees of the Company and any identified external parties (e.g. consultants, advisors);

(v) The Sponsor and the team will have the option to invest all or part of their respective share in the SP back into the Company's investment strategies. Appropriate policies in this regard will be put in place at the relevant time.

C) <u>Governance</u>

(i) The inter-se allocation of 50% of the SP amongst the individual team members (excluding the Sponsor) will be decided by the Sponsor and recommended to the Board of Directors of the Company for its approval as a part of the annual appraisal process.

SCHEDULE 5

TERMS OF SERIES B CCCPS

These terms and conditions of the Series B CCCPS shall be effective from the Closing Date. Subject to Applicable Laws, the terms under this Schedule 5 can be amended in writing as per the mutual consent between the Investors and the Company. The rights stated herein are in addition to, and without prejudice to the other rights of the holders of the Series B CCCPS set out in the Shareholders' Agreement.

1. FACE VALUE

The Series B CCCPS shall have a face value of INR 1 (Indian Rupees one only).

2. DIVIDEND RIGHTS

2.1 The Series B CCCPS are issued at a minimum preferential dividend rate of 0.0001% (zero point zero zero zero one percent) per annum (the "**Series B Preferential Dividend**"). The Series B 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 shares of any other class or series in the same fiscal year. Notwithstanding the above, the Series B Preferential Dividend shall be due only when declared by the Board.

2.2 In addition to and after payment of the Series B Preferential Dividend, each Series B CCCPS would be entitled to participate *pari passu* in any cash or non-cash dividends paid to the holders of shares of all other classes (including Equity Shares) or series on a *pro rata*, as-if-converted basis.

2.3 No dividend or distribution shall be paid on any Security of any class or series of the Company if and to the extent that as a consequence of such dividend or distribution, any Series B CCCPS would be entitled to a dividend, greater than the maximum amount permitted to be paid in respect of Series B CCCPS under Applicable Law.

3. LIQUIDATION PREFERENCE

In case of a Liquidation Event (as defined under the Shareholders' Agreement), the liquidation proceeds shall be paid or distributed in accordance with Clause 7 of the Shareholders' Agreement.

4. CONVERSION OF THE SERIES B CCCPS

4.1 Conversion

4.1.1 Each Series B CCCPS may be converted into Equity Shares at any time at the option of the holder of the Series B CCCPS.

4.1.2 Subject to compliance with Applicable Laws, each Series B CCCPS shall automatically be converted into Equity Shares, at the conversion price then in effect, upon the earlier of (i) 1 (one) day prior to the expiry of 20 (twenty) years from their respective date of issuance, as applicable; or (ii) in connection with an IPO, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under Applicable Laws.

4.1.3 The Series B conversion price for the Series B CCCPS shall be the Subscription Price (as defined under the Shareholders' Agreement) and shall be subject to adjustment and readjustment from time to time as provided in this Schedule.

4.1.4 The Company hereby confirms and undertakes that the Equity Shares so allotted shall be allotted free and clear of all Encumbrances; and shall rank *pari passu* with all existing Equity Shares.

4.2 Conversion Procedure

4.2.1 Each holder of a Series B CCCPS who elects to convert the same into Equity Shares shall surrender the relevant share certificate or certificates therefore at the registered office of the Company, and shall, at the time of such surrender, give written notice to the Company that such holder has elected to convert the same and shall state in such notice the number of Series B CCCPS being converted.

4.2.2 Within 10 (ten) days after receipt of such notice and the accompanying share certificates, the Company shall issue and deliver to the holder of the converted Series B CCCPS, a duly stamped share certificate or certificates for the aggregate number of Equity Shares issuable upon such conversion or issue irrevocable instructions to its depository participant to credit the number of Equity Shares issued upon conversion of Series B CCCPS to the demat account of the relevant holder of Series B CCCPS, if applicable.

4.2.3 Where such aggregate number of Equity Shares includes any fractional share, such fractional share shall be disregarded. Subject to the requirements of Applicable Laws, such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the certificate or certificates representing the Series B CCCPS, and the Person entitled to receive the Equity Shares issuable upon such conversion shall be treated for all purposes as the record holder of such Equity Shares on such date.

5. ANTI-DILUTION

The anti-dilution adjustments shall be made or distributed in accordance with Clause 5.2 of the Shareholders' Agreement.

6. VOTING RIGHTS

The holders of the Series B CCCPS shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the Shareholders of the Company (including the holders of Equity Shares). The Company and the Sponsor hereby acknowledge that the subscribers of the Series B CCCPS have agreed to subscribe to the Series B CCCPS on the basis that they will be able to exercise voting rights on the Series B CCCPS as if the same were converted into Equity Shares. Each Series B CCCPS shall entitle the holder to the number of votes equal to the number of whole or fractional Equity Shares into which such Series B CCCPS could then be converted. To this effect, so long as Applicable Laws do not permit the holders of Series B CCCPS to exercise voting rights on all Shareholder matters submitted to the vote of the Shareholders of the Company (including the holders of Equity Shares), then until the conversion of all the Series B CCCPS into Equity Shares, the Sponsor shall vote in accordance with the instructions of the Investors at a general meeting or provide proxies without instructions to the Investors for the purposes of a general meeting, in respect of such number of Equity Shares held by each of them. The Sponsor will exercise its votes in favour of each of the Investors, in proportion to each Investor's *inter se* shareholding in the Company.

7. GENERAL

Certificate of Adjustment: In each case of an anti-dilution adjustment, the Board shall cause the computation of such adjustment or readjustment and prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first class mail, postage prepaid or e-mail, to the holder of the Series B CCCPS at its respective address as shown in the notice details set out in the Shareholders' Agreement. Section 47 of the Act shall be excluded in the Charter Documents.

[*signature pages to follow*]

SIGNED AND DELIVERED FOR AND ON BEHALF OF

FRACTAL ANALYTICS PRIVATE LIMITED

Name: Srikanth Velamakanni

Designation: Whole Time Director

SIGNED AND DELIVERED FOR AND ON BEHALF OF

THEREMIN.AI SOLUTIONS PRIVATE LIMITED

Theremin AI Solutions Private Limited MUMBAI

Name: Srikanth Velamakanni

Designation: Director

BY **MR. HEMANT KOTHAVADE**

Signature page to the share subscription agreement between Fractal Analytics Private Limited, Theremin.Ai Solutions Private Limited, Mr. Gulu Mirchandani and Mr. Hemant Kothavade

BY **MR. GULU MIRCHANDANI**

RAJ PRADIP SHROFF
RV Registration No. IBBI/RV/05/2019/11263

Security Cover

Valuation Report

For **Theremin AI Solutions Pvt. Ltd.**

Valuation Date: July 31, 2020
Report Date: August 17, 2020

Corp Off: Cama Bldg, 1st flr, 24/26 Dalal Street, Fort, Mumbai-400 001, India T : +91 22 4077 0777 E : info@rajshroff.com

TABLE OF CONTENTS

VALUATION ANALYSIS

We refer to our Engagement Letter dated August 05, 2020 confirming our appointment as independent valuers of Theremin AI Solutions Private Limited (the "Company"). In the following paragraphs, we have summarized our valuation analysis (the "Analysis") of the equity shares and compulsorily convertible preference shares ("CCPS") (herein together referred to as "Shares") of the Company as informed by the Management and detailed herein, together with the description of the methodologies used and limitations on our scope of work.

1. CONTEXT AND PURPOSE:

We understand that the Company is proposing to raise funds through issue of Shares to certain investors. The valuation herein is being done for ascertaining the fair value of the Shares proposed to be issued by the Company as required under the provisions of the Companies Act, 2013.

The valuation is purely for a indicative purpose and it is the prerogative of parties to the transaction to decide about the transaction price. The actual transaction price may vary from our indicative analysis of value depending upon the circumstances of the transaction. The final transaction value is something that the parties would have to decide upon.

2. BASIS OF VALUE

We are a Registered Valuer for Securities & Financial Asset with Institute of Cost Accountants of India Registered Valuers Organization ("ICMAI RVO"). ICMAI RVO has not yet notified its own valuation standards and hence we have followed International Valuation Standards. This report has been prepared in accordance with the International Valuation Standards ("IVS"). Valuation herein has been carried out following the Fair Market Value ("FMV") principles laid down under IVS.

FMV is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.

3. CONDITIONS AND MAJOR ASSUMPTIONS

Conditions

The historical financial information about the Company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report, and it should not be used by anyone to obtain credit or for any other unintended purpose. Because of the limited purpose as mentioned in the report, it may be

incomplete and may contain departures from generally accepted accounting principles prevailing in the country. We have not audited, reviewed, or compiled the financial statements and express no assurance on them. The financial information about the company presented in this report may include normalization adjustments made solely for the purpose to arrive at value conclusions presented in this report. Normalization adjustments as reported are hypothetical in nature and are not intended to present restated historical financial results or forecasts of the future.

Readers of this report should be aware that business valuation is based on future earnings potential that may or may not be materialized. Any financial projections e.g. projected balance sheet, projected profit and loss account, Projected Cash flow Statement as presented in this report are included solely to assist in the development of the value conclusion. The actual results may vary from the projections given, and the variations may be material, which may change the overall value. We have no responsibility to modify this report for events and circumstances occurring subsequent to the valuation date.

This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without our prior written consent.

We acknowledge that we have no present or contemplated financial interest in the Company. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner.

We have, however, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not to be required to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.

Assumptions

The opinion of value given in this report is based on information provided in part by the management of the Company and other sources as listed in the report. This information is assumed to be accurate and complete.

We have relied upon the representations contained in the public and other documents in our possession concerning the value and useful condition of all investments in securities or partnership interests, and any other assets or liabilities except as specifically stated to the contrary in this report.

We have not attempted to confirm whether or not all assets of the business are free

and clear of liens and encumbrances, or that the owner has good title to all the assets. We have also assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic conditions affecting the business, the market, or the industry. This report presumes that the management of the Company will maintain the character and integrity of the Company through any sale, reorganization or reduction of any owner's/manager's participation in the existing activities of the Company.

We have been informed by management that there are no environmental or toxic contamination problems, any significant lawsuits, or any other undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.

4. BACKGROUND OF THE COMPANY

Theremin AI Solutions Private Limited is engaged in the business of developing an artificial intelligence driven product to identify unique investment opportunities in the financial markets. The Company is a subsidiary of Fractal Analytics Pvt. Ltd. It was incorporated in December 2018 and is based in Mumbai, India.

5. SOURCES OF INFORMATION

The Analysis is based on a review of the business plan of the Company provided by the Management and information relating to the sector as available in the public domain. Specifically, the sources of information includes:

- Discussions with the Management
- Company presentation
- Financial projections of the Company for 4 years from April 1, 2020 and ending March 31, 2024 as provided by the Management
- Audited financial statements for FY 2019
- Provisional financial statements as on March 31, 2020 and July 31, 2020

In addition to the above, we have also obtained such other oral or written information and explanations which were considered relevant for the purpose of the Analysis.

6. VALUATION DATE

The Analysis of the FMV of the Shares of the Company has been carried out as on July 31, 2020.

7. VALUATION METHODOLOGY AND APPROACH

- The fair market value is the price exchanged between a willing and not anxious buyer and a willing, but not anxious seller, taking into account the knowledge that the buyer and the seller have, as a consequence of their respective positions, as at the date of transaction.

- Valuation is a relative concept and not a precise science. This is because, value can be perceived differently by different people, depending upon their circumstances and their understanding of the other party's circumstances.

- There is no mathematically accurate formula of valuation. Different valuation techniques give different range of values. In other words, there is no indisputable single value.

- The management of the Company has informed that the CCPS proposed to be issued will be converted at a ratio of 1:1 and has to be treated at par with equity shares. Hence, we have arrived at the FMV of equity shares on fully diluted basis to determine the FMV of equity shares and CCPS. The dividend payable of 0.0001% on CCPS is immaterial and hence has been ignored.

- There are several methods of valuation, which are recognized as sound methods for arriving at the FMV of the equity shares of companies. The application of any particular method of valuation depends on the purpose for which the valuation is done. Several factors will have to be factored in before one arrives at the decision of using one or more methods of valuation. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of similar nature.

- Brief background on each of the methods / approaches and its relevance to the given case is provided in the following table:

Methods / Approaches	**Relevance**
Net Asset Value ("NAV") - Cost Approach	▪ It computes book/replacement/ realizable value of net assets. ▪ Relevant in the case of liquidation of a company or in the case of a company where the earning potential of a company is not getting captured appropriately under the income/ market approach. ▪ It is also relevant for evaluating surplus / non-operational assets and contingent / off balance sheet liabilities ▪ ***Not relevant in the present case as this method will not capture the earning potential of the business operating on a going concern basis. Accordingly, we have not considered this for the purpose of our valuation.***

Market Price ("MP") - Market Approach	▪ It is based on the market quotes of shares of the subject company over an appropriate period. ▪ ***The equity shares of the Company are not listed on any exchange. Hence not applicable in the present case.***
Comparable Companies Multiple ("CCM") - Market Approach	▪ Value is arrived by applying the derived revenue / earnings / other appropriate parameter multiples based on the market quotations of comparable public / listed companies possessing attributes similar to the business of such company, after making adjustments as appropriate, to the subject company's maintainable revenues / profits / other appropriate parameter. ▪ ***We have performed a search for suitable comparable companies for valuing the equity of the Company under this method. However, we did not find any company listed in India which is in same business line as the Company. Hence, we have not considered this method in the present case.***
Comparable Transaction Multiple ("CTM") - Market Approach	▪ Value is arrived by applying derived transaction multiples of comparable transactions to the maintainable earnings / revenues or any other appropriate parameters of the company/ business. ▪ We have performed a search for suitable comparable transactions for valuing the equity shares of the Company under this method. ▪ ***We have reviewed the domestic deals involving companies in same business and their underlying multiples within the industry. However, there are no third-party transactions involving comparable companies or businesses which could be considered comparable and for which complete and reliable information is available in public domain. Accordingly, we have not considered this for the purpose of our valuation.***
Discounted Cash Flow ("DCF) - Income Approach	▪ Discounts forecasted cash flows to the present using a relevant discount rate. The discount rate, weighted average cost of capital or cost of equity (depending upon the cash flow being used), reflect the return expectations from the asset depending on the inherent risks in the cash flows ▪ Most scientific – considers the time value of money and the cash outflows including working capital and capital expenditure required for increased levels of business forecasted. ▪ ***Considered relevant and appropriate in case of companies / businesses which are in the growth stage of their life cycle, as in the present case. Hence applied and considered in the present case.***

- Detailed explanation for the methodology used has been given in the following paragraphs:

DISCOUNTED CASH FLOWS METHOD

The Discounted Free Cash Flow technique is one of the most rigorous approaches and an internationally accepted valuation methodology for valuation of a business. Under the Discounted Free Cash Flow technique either:

- the projected free cash flows from business operations available to all stake holders are discounted at the weighted average cost of capital and the sum of such discounted free cash flows is the value of the business from which value of debt and other capital is deducted to arrive at the value of the equity – Free Cash Flows to Firm ("FCFF"); or

- the projected free cash flows from business operations available to equity shareholders (after deducting cash flows attributable to the debt providers and any other stake holders) are discounted at the cost of equity and the sum of such discounted free cash flows is the value of the equity - Free Cash Flows to Equity ("FCFE").

In the present case, we have considered it appropriate to use the FCFE methodology to arrive at the total equity value of the Company. The projected free cash flows from business operations available to equity shareholders are discounted at the cost of equity and the sum of such discounted free cash flows is the value of equity.

Under the DCF-FCFE methodology, the projected free cash flows from business operations attributable to equity shareholders are discounted at the cost of equity and the sum of such discounted free cash flows is the value of the entire equity share capital of the capital.

In the present case, we have considered the projections for 4 years ending March 31, 2024, as provided by the management of the Company, as the projections for the explicit period.

Based on the representation received from the management, we understand that the management has considered the impact of Covid-19 on the projected cash flows.

Terminal value of free cash flows beyond March 31, 2024 (post explicit period) are based on the perpetuity formula based on the maintainable free cash flows to equity shareholders.

Based on the review and analysis of above-mentioned basis of information, we have estimated the fair value of equity shares of the Company as on July 31, 2020 as per the table below:

Valuation Date	**31-Jul-20**
Cost of Equity	**29.5%**
Growth rate	**5%**

Amt in INR

Particulars	**FY21 (P) Aug-Mar**	**FY22 (P) Apr-Mar**	**FY23 (P) Apr-Mar**	**FY24 (P) Apr-Mar**
Revenue	**75,00,000**	**5,17,50,000**	**12,93,75,000**	**25,87,50,000**
less : Direct and Indirect Cost	(73,47,152)	(4,14,00,000)	(9,05,62,500)	(16,81,87,500)
EBITDA	**1,52,848**	**1,03,50,000**	**3,88,12,500**	**9,05,62,500**
less : Depreciation	(1,69,24,787)	(1,75,39,830)	(1,80,31,864)	(1,84,25,491)
EBIT	**(1,67,71,939)**	**(71,89,830)**	**2,07,80,636**	**7,21,37,009**
Less : Tax	-	-	-	(1,59,18,263.50)
PAT	**(1,67,71,939)**	**(71,89,830)**	**2,07,80,636**	**5,62,18,746**
Add : Depreciation	1,69,24,787	1,75,39,830	1,80,31,864	1,84,25,491
Less : Incremental working capital	(57,56,242)	(59,70,000)	(1,34,55,000)	(1,81,12,500)
Less : Capital expenditure	(1,30,00,000)	(2,00,00,000)	(2,00,00,000)	(2,00,00,000)
Add : Net Borrowings	-	-	-	-
Free Cash Flow to the Equity (FCFE)	**(1,86,03,393)**	**(1,56,20,000)**	**53,57,500**	**3,65,31,736**
Discounting Period	0.33	1.17	2.17	3.17
Discounting factor	0.92	0.74	0.57	0.44
Present Value of FCFE	**(1,70,69,476)**	**(1,15,55,857)**	**30,60,649**	**1,61,15,802**

Calculation for Perpetuity	**Amt in INR**
EBIT for Perpetuity	**7,57,43,859**
Less: Taxes	(1,90,64,729)
NOPAT for Perpertuity	**5,66,79,130**
Less: Net Capex	-
Less: Incremental Working Capital	(19,40,625)
FCFE for Perpetuity	**5,47,38,505**
Capitalised value for perpetuity	**22,34,22,470**
Discount Factor	0.44
Present Value of Perpetuity	**9,85,61,759**

Calculation of equity value	**Amt in INR**
Net present value of explicit period	(94,48,882)
Present value of perpetuity	9,85,61,759
Net present value of FCFE	**8,91,12,877**
Add: Cash and cash equivalents	44,61,573
Add: Fair Value of Investments	1,41,49,855
Equity Value	**10,77,24,304**
Number of equity shares on a fully diluted basis	10,00,00,000
Equity Value per Share	**1.08**

Therefore, considering the facts and circumstances of the case and according to our wisdom, judgment and experience, we have valued the equity shares at a value of INR 1.08/- (Rupees One and eight paise only) per equity share. Further, the management of the Company has informed that the CCPS proposed to be issued will be converted at a ratio of 1:1 and has to be treated at par with equity shares. Hence, the FMV of CCPS is also INR 1.08/- (Rupees One and eight paise only) per CCPS.

8. CAVEATS

Provision of valuation recommendations and considerations of the issues described herein are areas of our regular valuation practice. The services do not represent financial advisory, investment advisory, corporate advisory, etc. related services that may otherwise be provided by us.

Our review of the affairs of the Company and their books and account does not constitute an audit in accordance with Auditing Standards or validation of financial statements or due diligence of any sort. Our work did not constitute independent valuation of any assets or liabilities of the Company. We have relied on explanations and information provided by the Management of the Company and accepted the

information provided to us as accurate and complete in all respects. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.

In the opinion of management, Current Assets, Loans & Advances as appearing in balance sheet of the Company are fully realizable in the ordinary course of business. We have relied on the judgment of the management that contingent liabilities as appearing in balance sheet is not likely to crystallize. Our conclusion of fair value assumes that the title to assets and liabilities of the Company as reflected in balance sheet is intact. We have not conducted visit to locations of operations and/or point of sales of the Company.

The report is based on the financial projections provided to us by the management of the company and thus the responsibility for forecasts and the assumptions on which they are based is solely that of the Management of the Company and we do not provide any confirmation or assurance on the achievability of these projections. We have not independently verified the underlying data, projections and assumptions in preparation of this financial information. We have used and relied solely on the data, material and other information furnished and made available by the Company. Our conclusions are dependent on such information being accurate and complete in all material aspects. It must be emphasized that profit forecasts necessarily depend upon subjective judgement. The robustness of the analysis is highly dependent on reasonableness, commercial viability and achievability of assumptions underlying the forecast. We have however not validated the commercial viability underlying the forecasts and assumptions. The realization of the projections is dependent on the continuing validity of assumptions. Our review cannot be directed to providing any assurance about the achievability of the final projections. Since projections relate to future, the actual results are likely to be different from projected results and differences may be material. For the purpose of this report, we have assumed that the projections as envisaged by the Company will materialize as projected. Further, we have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences.

We have relied on data from external sources. These sources are considered to be reliable and therefore, we assume no liability for the accuracy of the data.

The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them.

Our report does not express any opinion regarding compliance with statutory requirements under Companies Act, Income Tax Act, FEMA, SEBI regulations or any other regulations. Compliance with statutory requirements is the exclusive responsibility of management.

Our valuation analysis should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any

transaction with the Company.

It is to be noted that valuation is not a precise science and the responsibility for any decision would remain with the decision maker. This valuation report at best is only an 'opinion'. It is neither a recommendation nor advice to the parties to the transaction to conclude transaction as contemplated in this report. No responsibility is accepted towards any shareholder, employees, tax authorities or other third parties in respect of, or arising out of or in connection with our valuation.

Prior to issuance of this valuation report, the contents and factual accuracies of this Report was reviewed and approved by the management of the Company.

The valuation worksheets prepared for the exercise are proprietary to us and cannot be shared. Any clarifications on the workings will be provided on request, prior to finalizing the Report, as per the terms of our engagement.

Our liability if any shall be restricted to fees received by us for this assignment.

9. DISTRIBUTION OF REPORT

The Analysis is confidential and has been prepared exclusively for the Company. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of us. Such consent will only be given after full consideration of the circumstances at the time.

The report does not form part of any offer or invitation to any section of public to subscribe for or purchase equity shares or assets or liabilities of the Company or lend money to the Company with or without security or lend money against the security of equity shares of the Company.

10. CONCLUSION

In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined above in this report, in our opinion and to the best of our information and according to the explanations given to us by management, we have valued the equity shares at a value of INR 1.08/- (Rupees One and eight paise only) per equity share. Further, the management of the Company has informed that the CCPS proposed to be issued will be converted at a ratio of 1:1 and has to be treated at par with equity shares. Hence, the FMV of CCPS is also INR 1.08/- (Rupees One and eight paise only) per CCPS.

Thank You,

Raj Pradip Shroff
Reg. no. IBBI/RV/05/2019/11263