

**SUBSCRIPTION CUM ADDENDUM AGREEMENT**

**BY AND AMONGST**

**CONCORD ENVIRO SYSTEMS PRIVATE LIMITED**

**AND**

**MR. PRERAK GOEL**

**AND**

**MR. PRAYAS GOEL**

**AND**

**AFHOLDINGS**

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SUBSCRIPTION CUM ADDENDUM AGREEMENT

THIS SUBSCRIPTION CUM ADDENDUM AGREEMENT ("Agreement") IS EXECUTED ON THIS THE 21<sup>st</sup> DAY OF MARCH, 2016 (the "Execution Date").

By and Amongst

- (i) **Concord Enviro Systems Private Limited**, a company incorporated under the Companies Act, 1956, as a private limited company and having its registered office at 101, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai – 400051, Maharashtra, India (hereinafter referred to as the "Company");

And

- (ii) **Mr. Prerak Goel**, an adult Indian national, aged about 37 years, and presently residing at 1001 Eben Ezer, Tagore Road, Santacruz West, Mumbai – 400054, Maharashtra, India, (hereinafter referred to as "Promoter 1");

And

- (iii) **Mr. Prayas Goel**, an adult Indian national, aged about 39 years, and presently residing at 1101 Eben Ezer, Tagore Road, Santacruz West, Mumbai – 400054, Maharashtra, India, (hereinafter referred to as "Promoter 2");

And

- (iv) **AFHoldings**, a company organized under the laws of Mauritius, and having its principal place of business at c/o Trident Trust Company (Mauritius) Limited, 5<sup>th</sup> Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius (hereinafter referred to as the "Investor").

Promoter 1 and Promoter 2 are hereinafter, where the context so permits, referred to individually as a "Promoter" and together as the "Promoters".

The Company, the Promoters and the Investor are hereinafter, where the context so permits, referred to individually as "Party" and collectively as "Parties".

**WHEREAS:**

1. The Company is a private limited company incorporated under the Act (as defined hereinafter) and is engaged in the business of providing environmental engineering solutions and services with focus on wastewater treatment & recycling, desalination and solid waste management ("Business"), either directly or through its Subsidiaries.
2. The issued and paid up capital of the Company on a Fully Diluted Basis as of the Execution Date is as set out in Part A of **SCHEDULE 1**.
3. The issued and paid up capital of the Company on a Fully Diluted Basis as of the Tranche II Closing Date is as set out in Part B of **SCHEDULE 1**.



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4. The Parties have entered into a share subscription agreement dated August 6, 2015 ("SSA") pursuant to which the Investor had subscribed to, and the Company had issued and allotted to the Investor, the Subscription Shares. Concurrently with the SSA, the Parties entered into a shareholders' agreement ("SHA") to record, *inter alia*, the rights and obligations of the Parties in relation to their respective shareholding in the Company as well as the management and affairs of the Company. Pursuant to the provisions of Clause 5 of the SHA, the Parties had agreed that in the event that the Company requires additional funding, the Investor and/or its nominee(s) shall have the right to invest an amount of up to INR 40,00,00,000/- (Rupees Forty Crores) in the Company, as per the terms and conditions laid down in the SHA.
5. The Parties have also entered into an amendment agreement dated October 3, 2015, for amending certain terms of the SSA and an amendment agreement dated October 3, 2015, for amending certain terms of the SHA.
6. The Company is now, desirous of raising funds and the Investor is, subject to the terms and conditions laid down in this Agreement, interested in investing in the company by subscribing to the Series A1 CCPS (*as defined hereinafter*) aggregating to INR 9,99,99,996.50 (Rupees Nine Crore Ninety Nine Thousand Nine Hundred and Ninety Six and Fifty Paise). Such investment would form part of the Tranche II Investment (*as defined in the SHA*)
7. The Parties hereto desire to enter into this Agreement to record their respective representations, warranties, covenants, rights and obligations as under and for other matters set out herein.

**NOW, THEREFORE**, in consideration of the representations, promises and mutual covenants and agreements set forth herein and in the SHA, the Parties agree as follows:

## 1. DEFINITIONS AND INTERPRETATION

- 1.1 **Definitions.** Capitalized terms as used in this Agreement, but not defined hereunder shall have the meanings (a) as indicated in this Clause 1.1, (b) if not defined in this Clause 1.1, as assigned to such terms in the other parts of this Agreement where indicated, or (c) if not defined in this Agreement, as assigned to such terms in the SSA and if not defined thereunder, under the SHA.
  - 1.1.1. "**A1 Conversion Notice**" shall have the meaning ascribed to such term in paragraph 5.3 of Schedule 3;
  - 1.1.2. "**A1 Conversion Ratio**" shall have the meaning ascribed to such term in paragraph 5.1 of Schedule 3;
  - 1.1.3. "**A1 Conversion Right**" shall have the meaning ascribed to such term in paragraph 5.1 of Schedule 3;
  - 1.1.4. "**A1 Conversion Shares**" means the Equity Shares issued upon conversion of Series A1 CCPS in the manner described in paragraph 5 of Schedule 3;
  - 1.1.5. "**A1 Dilutive Issuance**" shall have the meaning ascribed to such term in paragraph 5.8(a) of Schedule 3;



- 1.1.6. "A1 Equity Share Equivalents" shall have the meaning ascribed to such term in paragraph 5.8(b) of Schedule 3;
- 1.1.7. "A1 Exit Value" shall have the meaning ascribed to such term in paragraph 5.8(d) of Schedule 3;
- 1.1.8. "A1 Indemnity Conversion Ratio" shall have the meaning ascribed to such term in paragraph 5.8(d) of Schedule 3;
- 1.1.9. "A1 Preference Holder" shall have the meaning ascribed to such term in paragraph 4.1 of Schedule 3;
- 1.1.10. "First Closing Date" shall mean the "Closing Date" as defined in the SSA;
- 1.1.11. "Relevant A1 CCPS" shall have the meaning ascribed to such term in paragraph 5.3 of Schedule 3;
- 1.1.12. "Restated Articles" means the restated and amended Articles, which shall be to the satisfaction of the Investor and substantially in conformity with this Agreement, the Act and the SHA;
- 1.1.13. "Series A1 CCPS" means the Series A1 fully and compulsorily convertible, non-cumulative, preference shares of the Company, each having a face value of INR 1000 (Rupees One Thousand only), and carrying such terms and conditions as set out in Schedule 3 hereunder and in the Articles;
- 1.1.11. "Series A1 Conversion Price" shall have the meaning ascribed to such term in paragraph 5.7 of Schedule 3;
- 1.1.12. "Series A1 Original Issue Price" means INR 77,279.75 (Rupees Seventy Seven Thousand Two Hundred and Seventy Nine and Seventy Five Paise) per Series A1 CCPS;
- 1.1.13. "Tranche II Closing" shall have the meaning ascribed to such term in Clause 4;
- 1.1.14. "Tranche II Closing Date" shall have the meaning ascribed to such term in Clause 5.6;
- 1.1.15. "Tranche II Long Stop Date" shall have the meaning ascribed to such term in Clause 5.7;
- 1.1.16. "Tranche II Subscription Amount" means the aggregate amount of INR 9,99,99,996.50 (Rupees Nine Crore Ninety Nine Thousand Nine Hundred and Ninety Six and Fifty Paise) to be paid by the Investor towards subscription of the Tranche II Subscription Shares;
- 1.1.17. "Tranche II Subscription Shares" means 1,294 (One Thousand Two Hundred and Ninety Four) Series A1 CCPS;
- 1.1.18. "Tranche II Investment" shall have meaning ascribed to such term in Clause 3.1.1;
- 1.1.19. "Tranche II Warranties" means the representations and warranties made by the Company and the Promoters jointly and severally, as set out in Schedule 2.



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1.2 Interpretation. The principles of interpretation set forth in Clause 1.2 of the SSA, shall apply *mutatis mutandis* to this Agreement, as if expressly set out in full herein with each reference to 'this Agreement' therein being deemed to be a reference to this Agreement. This Agreement shall be read in conjunction with the SSA and SHA for the purposes of interpretation and shall be deemed to be a Transaction Document.

## 2. EXECUTION DATE

The Agreement shall come into and be in full force and effect on and from the Execution Date.

## 3. SUBSCRIPTION

### 3.1 Tranche II Investment

3.1.1 In consideration of the Company and the Promoters providing the Investor with the Tranche II Warranties and the rights contained in the Transaction Documents and subject to the terms and conditions contained in this Agreement (including the fulfillment of the Conditions Precedent to the satisfaction of the Investor), the Investor agrees to subscribe to, and the Company shall issue and allot to the Investor, the number of Tranche II Subscription Shares for the Tranche II Subscription Amount ("**Tranche II Investment**").

3.1.2 The Tranche II Subscription Shares shall be free and clear of all Encumbrances and fully paid.

### 3.2 Further Funding

3.2.1. The Parties agree that Clause 5 of the SHA shall continue to remain in full force and effect, subject only to the following amendment:

With effect from the Tranche II Closing Date, Clause 5.1 of the SHA shall be deleted in its entirety and replaced by the following clause:

*"5.1 The Parties agree that, if within 18 (eighteen) months from the Closing Date, the Company requires additional funding in the reasonable opinion of the management, then notwithstanding the provisions of Clause 6 hereunder, the Investor and/ or its nominee(s) shall have the right to invest an amount of up to INR 30,00,00,000/- (Rupees Thirty Crores) into the Company ("**Tranche III Investment**")."*

3.2.2. The Parties hereby agree that on and from the Tranche II Closing Date, all references to 'Tranche II Investment' in the SHA, shall be deemed to be references to 'Tranche III Investment'.

3.2.3. It is hereby clarified between the Parties that the subscription contemplated in this Agreement is a part of the 'Tranche II Investment' as was originally envisaged in the SHA and accordingly, the amount which the Investor shall continue to have a right to invest pursuant to Clause 5 of the SHA, is now reduced to INR 30,00,00,000/- (Rupees Thirty Crores).



4. PAYMENT OF TRANCHE II SUBSCRIPTION AMOUNT

Subject to the fulfillment of the Conditions Precedent set out in Clause 5, in consideration of the issuance and allotment of the Tranche II Subscription Shares, the Investor shall pay the aggregate Tranche II Subscription Amount to the Company by wire transfer to the Designated Account. Upon the payment of the Tranche II Subscription Amount described in this Clause 4, the Investor shall not be required or obligated to make any further payment towards the allotment and issuance of the Tranche II Subscription Shares. Upon receipt of the Tranche II Subscription Amount, the Company shall issue and allot the Tranche II Subscription Shares to the Investor ("**Tranche II Closing**").

5. CONDITIONS PRECEDENT

5.1 The obligation of the Investor to subscribe to the Tranche II Subscription Shares is subject to and conditional upon the fulfillment, prior to or simultaneously at Tranche II Closing, of all the conditions set forth in this Clause 5 ("**Conditions Precedent**"), unless such satisfaction of any of the Conditions Precedent have been waived or deferred in writing by the concerned Parties (being the Party not responsible for completing the relevant Condition Precedent).

5.2 Conditions to be fulfilled by the Company and the Promoters. The Company and the Promoters shall fulfill the following conditions:

5.2.1 Corporate Actions. The Company shall have undertaken the following corporate actions in the manner required under the Act:

- (a) Board resolutions for:
  - (i) recording the name of the Investor as the subscriber to whom the Tranche II Subscription Shares are to be offered;
  - (ii) approving the private placement offer letter ("**Offer Letter**") to be issued to the Investor in respect of the Tranche II Subscription Shares;
  - (iii) approving the Valuation Report and suggested price for allotting the Tranche II Subscription Shares; and
  - (iv) according approval for convening a Shareholders' meeting, to take each of the action(s) described in (b) below.
- (b) Shareholders' resolutions at shorter notice, approving the issue of Tranche II Subscription Shares on preferential allotment basis by way of a special resolution and for the issue of the Offer Letter.
- (c) Issue of Offer Letter. The Company shall have issued the Offer Letter (in writing or in electronic mode) to the Investor in respect of the Tranche II Subscription Shares.
- (d) The Company shall have recorded the name of the Investor as the person to whom the Tranche II Subscription Shares are to be offered, in Form PAS-5.



- (e) The Company shall have provided the consolidated financial statements of the Company, as on December 31, 2015 to the Investor.
- 5.2.2 Accuracy of Tranche II Warranties. The Tranche II Warranties shall be true, correct and complete as of the Execution Date and as of the Tranche II Closing Date, as if made on such date.
- 5.2.3 No Proceedings. No disputes, proceedings, petitions or claims, or any investigations, inquiries or assessment proceedings by a Governmental Authority shall have been instituted or, to the extent Company or the Promoters are aware, threatened, prior to or on the Tranche II Closing Date before any Governmental Authority pertaining to the transactions contemplated by this Agreement, the result of which, if adversely determined, would prevent or make illegal the consummation of the transactions contemplated by this Agreement. No Governmental Authority has enacted, issued, promulgated, enforced any statute, rule, regulation, injunction or other order (whether temporary, preliminary or permanent) that is in effect and has the effect of prohibiting the consummation of the transactions or prohibiting any Party from carrying on its business and/ or exercising its rights or fulfilling its material obligations under this Agreement.
- 5.2.4 Restated Articles. The form of the Restated Articles to be adopted by the Company on the Tranche II Closing Date shall have been finalized in form and substance acceptable to the Investor.
- 5.2.5 Valuation Certificate. The Company shall have obtained a Valuation Certificate.
- 5.2.6 Valuation Report. The Company shall have obtained a Valuation Report.
- 5.3 Conditions to be satisfied by the Investor. The Investor shall fulfill the following conditions:
- 5.3.1 Investor shall have provided a copy certified by a duly authorized Director of the Investor, of the resolutions duly passed by the Board of the Investor, approving the execution and performance by the Investor of this Agreement.
- 5.3.2 All Consents required under the Act to render the Investor's obligations under this Agreement enforceable, legal, valid and binding, whether from any Governmental Authority, Shareholders or any other Person shall have been obtained by the Investor and shall continue to be in force.
- 5.4 The Investor shall, upon fulfillment of the conditions precedent under Clause 5.3, deliver to the Promoters and the Company, a certificate confirming that the requirements under Clause 5.3 have been satisfied and shall attach thereto, certified true copies of all documents, information and Consents executed, filed or obtained pursuant to the provisions of Clause 5.3 and all documents evidencing satisfaction of such conditions precedent.
- 5.5 Completion of Conditions Precedent
- 5.5.1 The Company and the Promoters shall attempt to ensure satisfaction of all their respective Conditions Precedent on or before the Tranche II Long Stop Date. On the date on which the last of the Conditions Precedent is fulfilled in accordance with this Clause 5, the Company shall, and the Promoters shall cause the Company to, furnish to the Investor a certificate confirming that the requirements under Clause 5.2 have been satisfied and shall attach thereto, certified true copies of all documents, information and Consents executed, filed or obtained pursuant to the provisions





of this Clause 5 and all documents evidencing satisfaction of the Conditions Precedent ("**CP Confirmation Certificate**"), substantially in the form set out in **SCHEDULE 4**.

- 5.5.2 The Investor shall, upon receiving the CP Confirmation Certificate, notify the Company and the Promoters, within 5 (five) days from the date of its receipt, of its dissatisfaction (if any) with the same by way of a letter ("**CP Dissatisfaction Letter**"). Thereafter, the Company and the Promoters shall remove the cause of the dissatisfaction, if any, within a period of 5 (five) days from date of receipt of CP Dissatisfaction Letter and thereafter furnish a certificate to the Investor confirming the removal of cause of dissatisfaction ("**Revised CP Confirmation Certificate**"). In the event the Investor fails to issue the CP Dissatisfaction Letter within the period mentioned in this Clause 5.5.2, it shall be construed as deemed satisfaction of the Conditions Precedent on the part of the Investor.
- 5.6 The Parties shall agree upon a date, being not later than 14 (fourteen) days from the delivery of the CP Confirmation Certificate or the Revised CP Confirmation Certificate, as the case may be, (to which no further CP Dissatisfaction Letter has been issued by the Buyer), on which the Closing shall take place or such other date as mutually agreed ("**Tranche II Closing Date**") and the actions set out in Clause 6 shall occur simultaneously on the Tranche II Closing Date.
- 5.7 Tranche II Long Stop Date. The Company and the Promoters shall endeavor to satisfy the Conditions Precedent in Clause 5.2 as soon as possible, but in any event before the expiry of 30 (thirty) days from the Execution Date unless such date has been extended by the mutual agreement of the Investor and the Promoters (the "**Tranche II Long Stop Date**").
- 5.8 Co-operation. The Parties shall co-operate with each other in good faith and provide all requisite assistance for the satisfaction of any of the Conditions Precedent upon being reasonably requested to do so by the other Party. If any Party becomes aware of anything which will or may prevent any of the Conditions Precedent from being satisfied before the Tranche II Long Stop Date, the relevant Party shall notify the other Party in writing as soon as practicable.

## 6. **TRANCHE II CLOSING AND ALLOTMENT OF TRANCHE II SUBSCRIPTION SHARES**

- 6.1 On the Tranche II Closing Date, the Company shall, and the Promoters shall cause the Company to:
- 6.1.1 Convene a meeting of the Board of the Company to:
- (a) take on record the details of the bank account from which the Tranche II Subscription Amount has been received;
  - (b) approve the issuance and allotment of the Tranche II Subscription Shares in accordance with the terms of this Agreement;
  - (c) approve the issue of the duly stamped and executed share certificates representing the Tranche II Subscription Shares to the Investor in a manner prescribed under applicable Law.
  - (d) recommend to the Shareholders the adoption of the Restated Articles and circulate a notice to each of the Shareholders, in the manner required under the Articles for convening a meeting of Shareholders at a shorter notice;
- 6.1.2 Convene a meeting of the shareholders of the Company in the manner required under the Act to



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approve the adoption of the Restated Articles in the form approved by the Investor,

- 6.1.3 Enter the name of the Investor in the Company's relevant registers of members as the legal and beneficial owner of the Tranche II Subscription Shares.

7. **POST-CLOSING OBLIGATIONS**

- 7.1 As soon as practicable, and in any event within a period of 3 (three) Business Days after the Tranche II Closing Date, the Company and the Promoters shall deliver to the Investor the following:
- 7.1.1 Duly executed and stamped original share certificates evidencing the Tranche II Subscription Shares subscribed to by the Investor;
- 7.1.2 Certified true copy of the extract of the relevant register of members of the Company, evidencing the ownership of the Tranche II Subscription Shares by the Investor;
- 7.1.3 Certified true copies of the Board and Shareholder resolutions passed by the Company in connection with the execution, delivery and performance of the transactions contemplated under this Agreement; and
- 7.1.4 Filing of Form MGT 14, Form PAS 3, and providing duly filed copies of the same (and proof payment for filing of) along-with the certified true copy of the Board resolution of the Company allotting the Tranche II Subscription Shares to the Investor, the list of allottees, certified true copy of the notice for holding of a Shareholders' meeting under which the offer letters for allotment of shares, the offer records, the Valuation Report and the suggested price were approved.
- 7.2 If the Tranche II Closing does not occur within ten (10) calendar days after receipt of the Tranche II Subscription Amount by the Company (or by any date extended by mutual agreement), the Company shall, as promptly as practicable but in any event prior to sixty (60) calendar days after receipt of the Tranche II Subscription Amount, refund to the Investor the full portion of the Tranche II Subscription Amount paid by the Investor under this Agreement to a bank account designated by the Investor in writing, and thereafter, this Agreement shall terminate automatically.
- 7.3 The Company and the Promoters shall ensure that the following conditions ("**Conditions Subsequent**") are duly fulfilled to the satisfaction of the Investor (unless such satisfaction of any Condition Subsequent has been waived or deferred in writing by the Investor), unless otherwise specified herein, within 15 (fifteen) calendar days following the Tranche II Closing Date. The Company shall issue a written notice to the Investor immediately (not later than 2 (two) Business Days from the date of satisfaction) upon fulfillment of the following Conditions Subsequent:
- 7.3.1 The Company shall provide the certified true copy of the foreign inward remittance certificate in respect of the Tranche II Subscription Amount to the Investor.
- 7.3.2 The Company shall within thirty (30) calendar days from the Tranche II Closing Date, make all requisite filings (including Advance Remittance Form and Form FC-GPR) with the Reserve Bank of India ("RBI") in connection with the issuance and allotment of Tranche II Subscription Shares in agreed form, and provide a copy of the same to the Investor and procure the RBI registration number and the acknowledgement in connection with the filings so made.



8. USE OF TRANCHE II SUBSCRIPTION AMOUNT

8.1 The Tranche II Subscription Amount shall be used by the Company for mutually agreed purposes such as capital expenditure, overseas expansion and balance sheet enhancement to support additional working capital, subject to the Reserved Matters.

9. AMENDMENT TO TERMS OF SERIES A CCPS

9.1 Clause 3.5.8 (f) of the SHA shall be deleted and replaced in its entirety by the following:

"The Parties agree that an amount of INR 19,20,00,000/- (Rupees Nineteen Crores and Twenty Lakhs only) is receivable by CES-FZE from RGE within a period of 4 (four) years from the Closing Date or exit of the Investor in accordance with the terms of this Agreement, whichever is earlier. If the Investor exercises its voluntary Conversion Right in terms of Clause 3.5.1 hereinabove before the end of 4 (four) years from the Closing Date, the Conversion Ratio shall not be adjusted in accordance with this Clause 3.5.8(f). To the extent any amounts are received by CES-FZE from RGE, the Conversion Ratio shall be adjusted in accordance with the formula and an illustration thereof as stated below:

Amount to be returned = INR 19,20,00,000

Amount that is returned = F

Amount that is not returned (G) = (INR 19,20,00,000 - F)

Adjusted pre-money equity valuation of the Company prior to Tranche I Investment ("Adjusted Pre-Money Equity Valuation of Tranche I") = INR 3,66,86,20,689.82 (i.e. the Pre-money equity valuation of the Company prior to Tranche I Investment) + (F - G)

Conversion Ratio for Series A CCPS =

Round off of [(Total no. of Equity Shares of the Company) \* Investor's Proposed Shareholding - Equity Shares held by the Investor at the time of conversion]/(1 - Investor's Proposed Shareholding)]

No. of Series A CCPS held by the Investor

Where,

Investor's Proposed Shareholding = D + (25.97989% + 0.27023%) \* (1 - D); and

D = (INR 39,95,21,478.12)/(Adjusted Pre-Money Equity Valuation of Tranche I + INR 39,95,21,478.12)

**Illustration**

F = INR 18,20,00,000

G = INR 19,20,00,000 - 18,20,00,000 = 1,00,00,000



Adjusted Pre-Money Equity Valuation of Tranche I = INR 3,66,86,20,689.82 + INR 18,20,00,000 - INR 1,00,00,000 = INR 3,84,06,20,689.82

$D = \text{INR } 39,95,21,478.12 / (\text{INR } 3,84,06,20,689.82 + \text{INR } 39,95,21,478.12)$   
= 9.42236%

Hence, Investor's Proposed Shareholding =  $9.42236\% + (25.97989\% + 0.27023\%) * (1 - 9.42236\%)$   
= 33.1991%

Conversion Ratio for Series A CCPS = Round off of  $\{ [(42,566 * 33.1991\%) - 11,751] / (1 - 33.1991\%) \} / 3762$   
= 3559 / 3762  
= 0.94604

Please note: The illustration results have been arrived at using excel sheet as that captures all decimal places of the formula.

9.2 Corresponding amendments to the terms of the Series A CCPS shall be made to paragraph 5.8 of Schedule 4 of the SSA, with references to Clauses being construed as references to corresponding paragraphs of Schedule 4 of the SSA.

## 10. REPRESENTATIONS AND WARRANTIES

10.1 The Company and the Promoters hereby, jointly and severally, represent and warrant to the Investor with respect to the Company and the Subsidiaries that as of the date hereof and the Tranche II Closing Date, the statements, as set forth in **SCHEDULE 2** hereto are true and correct and not misleading in any manner.

10.2 The Company and the Promoters hereby jointly and severally acknowledge that the Investor has entered into this Agreement in reliance of the Tranche II Warranties set forth in **SCHEDULE 2** hereto.

10.3 The Company and the Promoters hereby jointly and severally agree that all statements made as Tranche II Warranties in **SCHEDULE 2** hereto, are true, complete and accurate and the information contained or referred to in the foregoing does not omit or fail to explain anything that renders any of that information incomplete or misleading.

10.4 The Investor hereby represents and warrants to the Promoters and the Company that:

10.4.1 it has the full power and authority to enter into, execute and deliver this Agreement and to perform all actions/steps as contemplated herein and it is a company, duly incorporated or organized and existing under the applicable Laws of the jurisdiction of its incorporation or organization;

10.4.2 it has obtained all corporate approvals as well as all Consents or waivers as may be required for the execution, effectiveness and performance of this Agreement and the transactions contemplated thereby;



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10.4.3 assuming the due authorization, execution and delivery hereof by the other Parties, this Agreement constitutes a legal, valid and binding obligation of the Investor, enforceable against it in accordance with its terms;

10.4.4 the execution, delivery and performance of this Agreement by the Investor, and the consummation of the transactions contemplated thereby, will not: (a) violate any provision of the charter documents of the Investor; or (b) violate any court order, writ, injunction or decree of any court or governmental instrumentality against, or binding upon, the Investor or upon its respective securities, properties or businesses or (c) contravene any provision of any applicable Law.

## 11. RIGHTS UNDER THE SHA

It is clarified by the Parties that the Series A1 CCPS shall form a part of the Investor Shares (as defined in the SHA) and all rights and obligations under the SHA as applicable to Investor Shares and / or the Series A CCPS shall apply in relation to the Series A1 CCPS as well. Further, it is agreed between the Parties that the provisions of **SCHEDULE 3** of this Agreement shall with effect from the Tranche II Closing Date, be deemed to be included in the SHA as Clause 3A of the SHA.

## 12. INDEMNIFICATION

The provisions of Clause 12 of the SSA shall apply *mutatis mutandis* in case of any and all Losses suffered by the Indemnified Party or Loss resulting from Proceedings resulting from or arising out of or incidental to (a) the breach of any of the Tranche II Warranties made by the Company and/or the Promoter(s) or (b) any breach of any covenant, undertaking or agreement on the part of the Company and/or the Promoter(s) or any of them, under or pursuant to this Agreement.

## 13. TERMINATION

13.1 Notwithstanding anything to the contrary contained herein, this Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Tranche II Closing:

13.1.1 by mutual written consent of all the Parties hereto; or

13.1.2 at the option of the Investor, if there has been a Material Adverse Effect prior to the Tranche II Closing Date; or

13.1.3 automatically, if Tranche II Closing has not occurred to the satisfaction of Parties prior to the Tranche II Long Stop Date; or

13.1.4 at the option of the Investor, if any Tranche II Warranty is, or becomes, untrue, incorrect, incomplete or misleading prior to the Tranche II Long Stop Date;

13.2 In the event of termination pursuant to this Clause 13, the terminating Party or Parties shall forthwith give written notice thereof to the other Parties and the transactions contemplated by this Agreement shall be terminated, without further action by any Party.

13.3 Subject to Clause 13, all rights and obligations of the Parties under this Agreement shall cease immediately upon termination, but termination shall not affect a Party's accrued rights and



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obligations as on the date of termination.

14. **SURVIVAL**

If this Agreement is terminated and the transactions contemplated hereby are abandoned as described in this Clause, this Agreement shall come to an end and shall be of no further force or effect, except for the provisions of this Clause 14 (Survival), Clauses 15 (Governing Law and Arbitration), Clause 17 (Confidentiality) and Clause 18 (Notices) which shall survive the termination of this Agreement. Nothing in this Clause 14 shall be deemed to release either Party from any liability for any breach by such Party of the terms and provisions of this Agreement or to impair the right of either Party to compel specific performance by the other Party of its obligations under this Agreement.

15. **GOVERNING LAW AND ARBITRATION**

15.1 This Agreement and its performance shall be governed by and construed in all respects in accordance with the Laws of the Republic of India, and, subject to Clause 15.2 below, the courts at Mumbai, India shall have exclusive jurisdiction on the matters arising from this Agreement, without regard to the principles of conflicts of laws.

15.2 In the event of a dispute or difference relating to any of the matters set out in this Agreement, including, but not limited to, the validity, implementation, interpretation, termination, alleged breach of this Agreement, existence or enforceability hereof ("**Disputes**"), the Party raising the Dispute shall serve a written notice ("**Notice of Dispute**"/ "**NOD**") to the other Parties concerned with the Dispute. Upon service of the NOD, the Parties to the Dispute shall discuss in good faith to resolve the Dispute. In case the Dispute is not settled within 60 (sixty) calendar days of receipt of NOD ("**Initial Period**") it shall be referred to arbitration in accordance with Clause 15.3 below.

15.3 All Disputes that have not been satisfactorily and amicably resolved under Clause 15.2 above shall be referred to arbitration before a sole arbitrator to be jointly appointed by the Parties to the Dispute. The arbitration shall be carried out in accordance with the procedural law prescribed by the Singapore International Arbitration Centre. The seat of the arbitration shall be Singapore and the venue of the arbitration shall be Mumbai, India or such other place as may be agreed mutually by the parties to the dispute.

15.4 In the event that the Parties to the Dispute are unable to agree on a sole arbitrator within 10 (ten) days following the Initial Period, then the Dispute shall be referred to a panel of 3 (three) arbitrators ("**Panel**") to be appointed within 10 (ten) days from the expiry of the Initial Period. Both Parties to the Dispute (that is the party instituting the arbitration proceeding and the respondent party) shall appoint 1 (one) arbitrator each to the Panel and the 2 (two) arbitrators so appointed shall jointly appoint 1 (one) more arbitrator to the Panel, who will preside as chairman, provided that if the third arbitrator is not appointed within 30 (thirty) days of the referral of a Dispute to arbitration following the Initial Period, the Chairman of the Singapore International Arbitration Centre shall appoint the third arbitrator. No officer, director, shareholder, employee, representative or Relative of any Party may be nominated or appointed as an arbitrator. For avoidance of doubt, it is hereby clarified that the Promoters and the Company shall collectively be considered as one Party for the purpose of this Clause 15, where both the Company and the Promoters are claimants/plaintiffs and/or respondents in such Dispute.



- 15.5 The arbitration proceedings shall be conducted in the English language and the sole arbitrator/ Panel shall render a written and reasoned award in writing at the earliest, but in any event, within 120 (one hundred and twenty) days from the appointment of the sole arbitrator/ Panel. The sole arbitrator/ Panel shall have the power to grant any legal or equitable remedy or relief available under Law, including, but not limited to, injunctive relief (whether interim and/ or final) and specific performance and any measures ordered by the sole arbitrator/ Panel may be specifically enforced by any court of competent jurisdiction. Any award (interim or final) rendered by the sole arbitrator/ Panel shall be final and conclusive and binding upon the Parties and non-appealable to the extent permitted by Law. The sole arbitrator/ Panel shall decide on the costs.
- 15.6 Each Party shall participate in good faith to reasonably expedite (to the extent practicable) the conduct of any arbitral proceedings commenced under this Agreement.
- 15.7 During the course of any arbitration under this Clause 15 except for the matters under dispute, the Parties shall continue to exercise their remaining respective rights and fulfill their remaining respective obligations under this Agreement.
- 15.8 Any dispute regarding the validity of the present Clause 15 would be decided exclusively by the arbitrator aforementioned.

16. **SUCCESSORS**

Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon the successors, permitted assigns, heirs, executors and administrators of the Parties.

17. **CONFIDENTIALITY**

The provisions of Clause 18 of the SSA (Confidentiality) shall apply *mutatis mutandis* to this Agreement.

18. **NOTICES**

All notices or other communications to be given under this Agreement shall be made in writing, and shall be duly given or made in accordance with the provisions of Clause 19 of the SSA.

19. **ASSIGNMENT**

No Party shall assign any of their respective rights or obligations under this Agreement without the prior written consent of the other Parties.

20. **SEVERABILITY**

Any provision in this Agreement, which is or may become prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in the same or any other jurisdiction. Without prejudice



to the foregoing, the Parties will immediately negotiate in good faith to replace such provision with a proviso, which is not prohibited or unenforceable and has, as far as possible, the same legal and commercial effect as that which it replaces.

**21. ENTIRE AGREEMENT**

This Agreement represents the entire agreement between the Parties in relation to the terms of the matters contained in this Agreement and shall supersede and extinguish any previous drafts, agreements or understandings between all or any of the Parties (whether oral or in written) relating to the subject matter herein, and shall include all schedules and amendments executed by the Parties mutually in writing. All Parties acknowledge the terms of the SHA, which terms would continue to apply between the Parties thereto.

**22. COUNTERPARTS**

This Agreement has been signed in multiple counterparts, each of which shall be deemed to be an original. Counterparts may be delivered via electronic mail (including .pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

**23. AMENDMENTS AND WAIVERS**

Any provision of this Agreement may be amended or waived if, and only if such amendment or waiver is in writing and signed, in the case of an amendment by each of the Parties, or in the case of a waiver, by the Party against whom the waiver is to be effective. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by Law or otherwise afforded, will be cumulative and not alternative.

**24. FURTHER ASSURANCES**

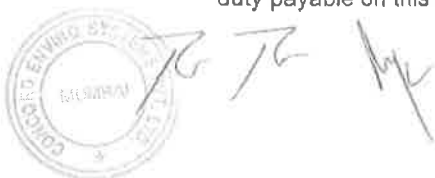
Each Party shall from time to time and at all times hereafter make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents, documents and assurances without further consideration, which may be required to effect the transactions contemplated under this Agreement.

**25. INDEPENDENT CONTRACTING PARTIES**

The Parties are independent contracting parties and will have no power or authority to assume or create any obligation or responsibility on behalf of each other. This Agreement will not be construed to create or imply any partnership, agency or joint venture, or employer-employee relationship.

**26. COSTS AND EXPENSES**

The Company and the Investor shall bear their respective expenses in relation to the transactions contemplated under this Agreement. The Company shall bear all expenses in relation to the stamp duty payable on this Agreement and on the issuance of the Tranche II Subscription Shares.





27. **SPECIFIC PERFORMANCE**

This Agreement shall be specifically enforceable at the instance of any Party. The Parties agree that a non-defaulting Party will suffer immediate, material, immeasurable, continuing and irreparable damage and harm in the event of any material breach of this Agreement and the remedies at Applicable Law in respect of such breach will be inadequate (each Party hereby waives the claim or defense that an adequate remedy under the applicable Law is available) and that such non-defaulting Party shall be entitled to seek specific performance against the defaulting Party for performance of its obligations under this Agreement in addition to any and all other legal or equitable remedies available to it. Termination shall be without prejudice to all its rights and remedies under applicable Law or equity available to the non-defaulting Party including but not limited to the right to seek indemnities for the breach from the defaulting Party.

28. **CONFLICT**

In the event of any conflict between the terms of this Agreement and the terms of the SHA, the terms of this Agreement shall prevail.




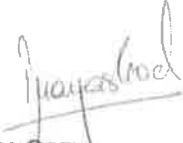
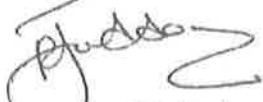



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IN WITNESS WHEREOF, each of the aforementioned Parties has signed and executed this Agreement, and all the original copies hereto, on the date first above written.

<p>FOR THE COMPANY</p> <p></p> <p>NAME : MR. PRERAK GOEL DESIGNATION : DIRECTOR PLACE : MUMBAI</p> <p></p>
<p>FOR PROMOTER 1</p> <p></p> <p>NAME: MR. PRERAK GOEL PLACE : MUMBAI</p>
<p>FOR PROMOTER 2</p> <p></p> <p>NAME: MR. PRAYAS GOEL PLACE : MUMBAI</p>
<p>FOR THE INVESTOR</p> <p></p> <p>NAME: Randhirsingh Juddoo DESIGNATION: Director PLACE : PORT LOUIS, MAURITIUS</p> <p></p>

SCHEDULE 1

Part A  
CAPITALIZATION OF THE COMPANY AS OF THE EXECUTION DATE

S. No.	Shareholder's name	No of Equity Shares	No. of CCPS	Percentage
1.	Namrata Prayas Goel	1,575		3.4004%
2.	Nidhi Prerak Goel	1,575		3.4004%
3.	Pushpa Kamlesh Kumar Goel	12,600		27.2032%
4.	Prayas Goel	7,530		16.2572%
5.	Prerak Goel	7,525		16.2464%
6.	AFHoldings	11,751	3,762	33.4924%
	<b>Total</b>	<b>42,556</b>	<b>3,762</b>	<b>100.0000%</b>

Note: The Conversion Ratio of CCPS is assumed as 1:1.

Part B  
CAPITALIZATION OF THE COMPANY AS OF THE TRANCHE II CLOSING DATE

S. No.	Shareholder's name	No of Equity Shares	No. of CCPS	Percentage
1.	Namrata Prayas Goel	1,575		3.30799
2.	Nidhi Prerak Goel	1,575		3.30799
3.	Pushpa Kamlesh Kumar Goel	12,600		26.46392
4.	Prayas Goel	7,530		15.81534
5.	Prerak Goel	7,525		15.80484
6.	AFHoldings	11,751	5,056	35.29992
	<b>Total</b>	<b>42,556</b>	<b>5,056</b>	<b>100</b>

Note: The Conversion Ratio of CCPS is assumed as 1:1.



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SCHEDULE 2  
REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE PROMOTERS

1. Authority, Capacity and Corporate Status

- 1.1. The Company is validly existing in good standing under the Law of the country of incorporation.
- 1.2. The Company has the legal right, power and authority to enter into, deliver and perform this Agreement, and this Agreement constitutes valid and binding obligations and be enforceable against the Company in accordance with its terms.
- 1.3. This Agreement, having been duly executed by each of the Promoters, constitutes a legal, valid and binding obligation of each of them and are enforceable against each of them in accordance with its terms. Each Promoter has the power and authority to execute and deliver this Agreement and to perform their respective obligations hereunder and to consummate the transactions contemplated hereby. Except for the Conditions Precedent no approval, consent, exemption, authorization or other action by, or filing with, any Governmental Authority, and no waiting period under any requirement of Law, is necessary or required by the Promoters and the Company in connection with the execution, delivery or performance by, or enforcement against, the Promoters of this Agreement or the transactions contemplated thereunder.
- 1.4. The execution, delivery and performance by the Promoters and the Company of this Agreement and their compliance with the terms and provisions thereof: (a) does not violate the Articles or Memorandum and; (b) shall not contravene any provision of any applicable laws, or any order, writ, injunction or decree of any court or tribunal or Governmental Authority to which they are subject; or (c) conflict with, result in any breach of, or constitute a default under, or give rise to a right to terminate, amend, modify, abandon or accelerate, any contract or permit which is applicable to the Company or any of the Promoters, or by which any of the Assets of the Company may be bound; (d) result in the creation of any Encumbrance (or any obligation to create any Encumbrance) upon any of the Assets or properties of the Company.

2. Issuance of the Tranche II Subscription Shares

- 2.1. The Tranche II Subscription Shares to be issued under this Agreement to the Investor shall have been on or prior to the Tranche II Closing, duly authorized by all necessary corporate and legal actions and all necessary Consents required to be obtained by the Company for such issue shall have been prior to the Tranche II Closing, obtained. All such necessary Consents shall be as of the Tranche II Closing Date, in full force and effect.
- 2.2. As of the Tranche II Closing Date, the Company shall have good right, full power and absolute authority to issue the Tranche II Subscription Shares, in each case, free from any Encumbrances, claim or demand of any nature, and each of the Company and the Promoters have not and nor has anyone on their behalf done, committed or omitted any act, deed, matter or thing whereby the issuance of the Tranche II Subscription Shares can be forfeited, extinguished or rendered void or voidable subject to consummation of the transactions contemplated in the Agreement as occurring on the Tranche II Closing Date.
- 2.3. The Tranche II Subscription Shares to be issued to the Investor at Tranche II Closing shall be fully paid-up and validly issued to the Investor. Upon issuance of the Tranche II Subscription Shares to the Investor, the Investor shall be the sole legal and beneficial owner of, and registered as the sole

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owner of, the Tranche II Subscription Shares subscribed by it, free from any Encumbrances, claim or demand of any nature.

**3. No Material Adverse Effect**

Since the First Closing Date, there has been no material adverse change in the financial or trading position of the Company, nor are there any events or occurrences anticipated to occur, whether from the consummation of the Tranche II Investment or otherwise, which could reasonably be expected to result in such material adverse change.

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SCHEDULE 3  
TERMS OF THE SERIES A1 CCPS

1. Status of CCPS

Unless specifically agreed to by the A1 Preference Holder in writing, the Series A1 CCPS shall rank senior to the Equity Shares and other preference shares at all times and in all events. It is hereby clarified that Series A1 CCPS shall rank *pari passu* with Series A CCPS at all times and in all events.

2. Voting Rights

The voting rights in respect of the Series A1 CCPS shall be governed by Clause 16.4 of the SHA as if each time the term "**Series A CCPS**" has been used in such Clause 16.4 is replaced by the terms "**Series A1 CCPS**".

3. Term

In the event that, for any reason whatsoever, the conversion of the Series A1 CCPS does not occur in the manner set forth herein, each Series A1 CCPS shall have a term of twenty (20) years.

4. Dividends

4.1. Subject to applicable Law, each holder of Series A1 CCPS (a "**A1 Preference Holder**") shall be entitled to receive a dividend at the rate of 0.001% of the face value per annum on each Series A1 CCPS held by such holder, payable when, as and if declared by the Board of the Company. Except to any other Equity Security issued in future and which ranks higher in priority than the Series A1 CCPS, no dividend or distribution may be paid to, or set aside for any other Shareholder unless dividend hereunder is paid to the holders of Series A1 CCPS.

4.2. Further, subject to applicable Law, after the payment of the dividend specified above, any additional dividends shall be distributed to all Shareholders in proportion to the number of Equity Shares held by each Shareholder on a Fully Diluted Basis (which for the avoidance of doubt, includes the Investor assuming conversion of the Series A1 CCPS).

4.3. No dividend or distribution shall be paid on any share of any class or series of the Company if and to the extent that as a consequence of such dividend or distribution holders of Series A1 CCPS would be entitled to a dividend hereunder greater than the maximum amount permitted to be paid in respect of preference shares of an Indian company held by a non-resident under applicable Laws (including without limitation, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India), Regulations, 2000).

5. Conversion of the Series A1 CCPS.

5.1. Conversion Right. Each A1 Preference Holder shall have the right to require the Company to convert all or a part of such Series A1 CCPS held by them into such number of fully paid Equity Shares equal to the Series A1 Original Issue Price divided by the Series A1 Conversion Price (as defined below) then in effect (the conversion ratio for the Series A1 CCPS is referred to herein as



the "A1 Conversion Ratio"), in accordance with the terms of this Agreement (the "A1 Conversion Right") at any time before the conversion of the Series A1 CCPS is carried out under paragraph 5.2 below. The A1 Conversion Ratio shall initially be 1:1, until adjusted in accordance with paragraph 5.8 below and Schedule 3 of the SHA.

- 5.2. Mandatory Conversion. The Company shall mandatorily convert each Series A1 CCPS into Equity Shares at the A1 Conversion Ratio then in effect upon the earlier of (i) immediately prior to the filing of a red herring prospectus in relation to any IPO (approved by the Investor) or any proposed QIPO, or (ii) the issuance of an A1 Conversion Notice in terms of paragraph 5.3 below or (iii) transfer of Offered Securities by the Investor to a Competitor in terms of Clause 4.2.5 of the SHA. Notwithstanding the foregoing, each Series A1 CCPS shall mandatorily convert into Equity Shares at the A1 Conversion Ratio then in effect one day prior to the expiry of the twentieth anniversary of the date on which the Series A1 CCPS were first issued by the Company.
- 5.3. Exercise of A1 Conversion Right and procedure for conversion. An A1 Preference Holder may exercise the A1 Conversion Right by (a) delivering a written notice (a "A1 Conversion Notice") to the Company of its intention to so convert Series A1 CCPS held by such A1 Preference Holder into Equity Shares and (b) surrendering the relevant share certificates representing such Series A1 CCPS at the office of the Company together with the A1 Conversion Notice. If the Equity Shares are to be issued in dematerialized form, the A1 Preference Holder shall also provide standard information required to allow the Company to issue such shares in dematerialized form. The A1 Conversion Notice shall specify the number of Series A1 CCPS that such A1 Preference Holder elects to convert (such Series A1 CCPS referred to as the "Relevant A1 CCPS") and state therein the name or names of any nominee for such A1 Preference Holder in which the certificate or certificates for Equity Shares are to be issued and whether or not such Equity Shares are to be issued in physical form or dematerialized form.
- 5.4. As soon as reasonably practicable, but in no event later than 7 (seven) Business Days from the date of the A1 Conversion Notice, the Company shall take all necessary corporate actions and obtain all necessary Consents and issue the appropriate number of Equity Shares into which the Relevant A1 CCPS are convertible at the A1 Conversion Ratio then in effect. Not later than the 7<sup>th</sup> (seventh) Business Day from the date of the A1 Conversion Notice, the Company shall deliver to such A1 Preference Holder:
- (a) duly stamped and executed share certificates with respect to the A1 Conversion Shares issued on conversion of the Relevant A1 CCPS;
  - (b) certified true copies of all filings necessary to effect and validate the issue of the A1 Conversion Shares, including Form PAS-3;
  - (c) certified true copy of the register of members of the Company showing the A1 Preference Holder as the registered owner of the A1 Conversion Shares;
  - (d) duly acknowledged copies of all intimations and filings made by the Company with the RBI in respect of the conversion of the Series A1 CCPS and issue of Equity Shares in lieu thereof; and
  - (e) in the event that the A1 Preference Holder has requested in the A1 Conversion Notice or otherwise in writing to the Company and has provided all required information to the Company to hold the converted Equity Shares in a dematerialized form, evidence that such Equity Shares have been deposited in the account of such A1 Preference Holder or to the nominee or nominees of such A1 Preference Holder previously identified to the Company



in writing accompanied with a beneficiary position statement issued by the concerned depository.

- 5.5. Procedure for Mandatory Conversion. In the case of a mandatory conversion of Series A1 CCPS pursuant to paragraph 5.2 hereinabove, the Company shall take all necessary corporate and other actions and obtain all Consents on or prior to the date of conversion, and shall provide the documents/ information listed in sub-paragraphs (a), (b), (c), (d) and (e) of paragraph 5.4 to the A1 Preference Holder on the date of conversion of the Series A1 CCPS.
- 5.6. No Fractional Shares. No fractional A1 Conversion Shares shall be issued upon conversion of Series A1 CCPS. If the computation of the number of A1 Conversion Shares to be issued, results in a fraction, then the number of A1 Conversion Shares shall be rounded down to the nearest whole number.
- 5.7. Conversion Price. The "**Series A1 Conversion Price**" for the Series A1 CCPS shall initially be equal to the Series A1 Original Issue Price and, subject to applicable Law, shall be adjusted in accordance with paragraph 5.8 below and Schedule 3 of the SHA. It is clarified that any adjustment of the Series A1 Conversion Price and A1 Conversion Ratio shall not automatically result in conversion of the Series A1 CCPS. In the event of any adjustment to the Series A1 Conversion Price and the A1 Conversion Ratio of the Series A1 CCPS, the Company, at its expense, shall promptly compute such adjustment and inform the holders of Series A1 CCPS of the details of such adjustment in writing. The Company shall upon the written request at any time of any A1 Preference Holder furnish or cause to be furnished to such holder a certificate setting forth (A) such adjustment, (B) the Series A1 Conversion Price and A1 Conversion Ratio at the time in effect, and (C) the number of Equity Shares and the amount, if any, of other property that at the time would be received upon the conversion of Series A1 CCPS.
- 5.8. Conversion Price and Conversion Ratio Adjustments for Certain Dilutive Issuances, Splits and Combinations. The Series A1 Conversion Price and A1 Conversion Ratio shall be subject to adjustment from time to time as follows:
- (a) Adjustments for Dilutive Issuances. If at any time after the Tranche II Closing Date, the Company issues to any Person any Equity Securities (other than pursuant to an Exempted Issuance), at a price per security that is lower than the Series A1 Conversion Price in effect immediately prior to such issuance (a "**A1 Dilutive Issuance**"), then the holders of Series A1 CCPS shall be entitled to a broad-based weighted average anti-dilution protection in accordance with Schedule 3 of the SHA. In such an event, the Company and the other Shareholders shall be bound to cooperate with the holders of Series A1 CCPS and the Company such that, the Company forthwith takes all necessary steps to adjust the Series A1 Conversion Price and A1 Conversion Ratio in accordance with Schedule 3 of the SHA. Notwithstanding the foregoing, if the adjustment set forth in this paragraph 5.8(a) is not permitted to be made, in whole or in part, under applicable Law, the Parties agree to take all necessary acts to put the A1 Preference Holder in the position that they would have been if such adjustment to the Series A1 Conversion Price had been made, including potentially the issuance of new Equity Shares to the A1 Preference Holder, or an Affiliate or designated nominee of a A1 Preference Holder, whereby the A1 Preference Holder, or such Affiliate or designated nominee thereof, are not required to pay any additional amounts for the issuance of such new Equity Shares, if permitted by applicable Law.





- (b) In the event the Company should at any time or from time to time after the Tranche II Closing Date fix a record date for the effectuation of a split or subdivision of the outstanding Equity Shares or the determination of holders of Equity Shares entitled to receive a dividend or other distribution payable in additional Equity Shares or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional Equity Shares (hereinafter referred to as "**A1 Equity Share Equivalents**") without payment of any consideration by such holder for the additional Equity Shares or the A1 Equity Share Equivalents (including the additional Equity Shares issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Series A1 Conversion Price and A1 Conversion Ratio shall be appropriately decreased so that the number of Equity Shares issuable on conversion of each Series A1 CCPS shall be increased in proportion to such increase of the aggregate of Equity Shares outstanding and those issuable with respect to such A1 Equity Share Equivalents.
- (c) If the number of Equity Shares outstanding at any time after the Tranche II Closing Date is decreased by a combination or consolidation (reverse stock split) of the outstanding Equity Shares, then, following the record date of such combination or consolidation (reverse stock split), the Series A1 Conversion Price and A1 Conversion Ratio shall be appropriately increased so that the number of Equity Shares issuable on conversion of each Series A1 CCPS shall be decreased in proportion to such decrease in outstanding Equity Shares.
- (d) Subject to the provisions of Clause 12.3 of the SSA, the A1 Conversion Ratio of the Series A1 CCPS may be adjusted at the option of the Indemnified Party, on the basis of the Fair Market Value, such that the number of A1 Conversion Shares increases to make good the Indemnity Amount (as defined in Clause 12.2 of the SSA) payable to the Indemnified Party ("**A1 Indemnity Conversion Ratio**"). Provided however that, in the event the Indemnifying Party pays the Indemnity Amount or part thereof, to the Indemnified Party, the A1 Indemnity Conversion Ratio shall be readjusted such that the number of A1 Conversion Shares is reduced to the extent of the Indemnity Amount (or part thereof), paid to the Indemnified Party. Provided further that, at the time of exit of the Investor in accordance with the terms of Clause 8 of the SHA, if the value received by the Investor as a consequence of the exit ("**A1 Exit Value**") and in respect of the A1 Conversion Shares (reckoned as a result of the adjustment of the A1 Conversion Ratio) is greater than the Indemnity Amount, the Investor shall transfer to the Promoters, such number of Investor Shares representing the difference between the A1 Exit Value of the A1 Conversion Shares and the Indemnity Amount. Any Tax liability associated with any such adjustment shall be borne by the Investor.
- (e) The A1 Conversion Ratio of the Series A1 CCPS shall also be adjusted at the time of allocation / issuance of any Equity Shares pursuant to the Agreed ESOP by the Company, the intention being that upon allocation / issuance of Equity Securities under the Agreed ESOP, the Investor shall not be diluted and the A1 Conversion Shares to be issued at the time of conversion are increased to the extent of Equity Securities allocated / issued under the Agreed ESOP.
- (f) The Parties agree that an amount of INR 19,20,00,000/- (Rupees Nineteen Crores and Twenty Lakhs only) is receivable by CES-FZE from RGE within a period of 4 (four) years



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from the First Closing Date or exit of the Investor in accordance with the terms of the SHA, whichever is earlier. If the Investor exercises its voluntary Conversion Right in terms of paragraph 5.1 hereinabove before the end of 4 (four) years from the First Closing Date, the Conversion Ratio shall not be adjusted in accordance with this paragraph 5.8 (f). To the extent any amounts are received by CES-FZE from RGE, the Conversion Ratio shall be adjusted in accordance with the formula and an illustration thereof as stated below:

Amount to be returned = INR 19,20,00,000  
 Amount that is returned = F  
 Amount that is not returned (G) = (INR 19,20,00,000 - F)

Adjusted pre-money equity valuation of the Company prior to Tranche II Investment ("Adjusted Pre-Money Equity Valuation of Tranche II") = INR 3,58,08,10,000.00 (i.e. the Pre-money equity valuation of the Company prior to Tranche II Investment) + (F - G)

Conversion Ratio for Series A1 CCPS =

Round off of [Tranche II Investment amount / (Adjusted Pre-Money Equity Valuation of Tranche II / Total No. of Equity Shares of the Company post conversion of Series A CCPS into Equity Shares)]

\_\_\_\_\_  
 No. of Series A1 CCPS held by the Investor

**Illustration**

F = INR 18,20,00,000  
 G = INR 19,20,00,000 - 18,20,00,000 = 1,00,00,000

Adjusted Pre-Money Equity Valuation of Tranche II = INR 3,58,08,10,000.00 + INR 18,20,00,000 - INR 1,00,00,000 = INR 3,75,28,10,000.00

Conversion Ratio for Series A1 CCPS = Round off of [INR 10,00,00,000.00 / (INR 3,75,28,10,000.00 / 46,318)] / 1294  
 = 1229 / 1294  
 = 0.94977

Please note: The illustration results have been arrived at using excel sheet as that captures all decimal places of the formula.

- (g) The A1 Conversion Ratio of the Series A1 CCPS may be adjusted at the option of the holder of the Series A1 CCPS upon the occurrence of a Liquidity Event in accordance with the formula and illustration thereof as stated below:

A1 Conversion Ratio =

\_\_\_\_\_  
 [(Total no. of Equity Shares of the Company) \* Investor's Proposed Shareholding - Existing Equity Shares held by the Investor] / (1 - Investor's Proposed Shareholding)

\_\_\_\_\_  
 No. of Series A1 CCPS held by the Investor



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Where,

Investor's Proposed Shareholding = (Investment Amount \* 2) / Fair Market Value of the Company as on the date of conversion

- (h) The A1 Conversion Ratio of the Series A1 CCPS may be adjusted at the option of the holder of the Series A1 CCPS upon the occurrence of a Liquidation Event in accordance with the formula and illustration thereof as stated below:

A1 Conversion Ratio =

$$\frac{\text{[(Total no. of Equity Shares of the Company) * Investor's Proposed Shareholding - Existing Equity Shares held by the Investor]} / \{1 - \text{Investor's Proposed Shareholding}\}}{\text{No. of Series A1 CCPS held by the Investor}}$$

Where,

Investor's Proposed Shareholding = (Investment Amount) / Total liquidation equity valuation of the Company as on the date of conversion

- (i) The adjustments under this paragraph 5.8 shall not be mutually exclusive.

- 5.9. Conversion Cost. The Company shall bear all expenses arising from the conversion of the Series A1 CCPS as set out in this paragraph 5, including *inter alia*, any stamp duty applicable on the issuance of share certificates subsequent to conversion of the Series A1 CCPS.
- 5.10. Other Distributions. In the event the Company declares a distribution payable in securities of other Persons, evidences of indebtedness issued by the Company or other Persons, assets (excluding cash dividends) or options or rights not referred to in paragraph 5.8(a) above, then, in each such case for the purpose of this paragraph 5.10, the A1 Preference Holders shall be entitled to a proportionate share of any such distribution as though they were the holders of the number Equity Shares into which their Series A1 CCPS are convertible as of the record date fixed for the determination of the holders of Equity Shares entitled to receive such distribution.
- 5.11. Reservation of Equity Shares Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued Equity Shares, solely for the purpose of effecting the conversion of the Series A1 CCPS, such number of its Equity Shares as shall from time to time be sufficient to effect the conversion of all outstanding Series A1 CCPS; and if at any time the number of authorized but unissued Equity Shares shall not be sufficient to effect the conversion of all then outstanding Series A1 CCPS, in addition to such other remedies as shall be available to the A1 Preference Holder, the Company shall take such corporate action as may be necessary to increase its authorized but unissued Equity Shares to such number of shares as shall be sufficient for such purposes, including, without limitation, to obtain the requisite shareholder approval of any necessary amendment to the Articles.
- 5.12. Waiver of Adjustment to Conversion Price. Notwithstanding anything herein to the contrary, any downward adjustment of the Series A1 Conversion Price may be waived, either prospectively or



retroactively and either generally or in a particular instance, by the written consent or vote of the Investor. Any such waiver shall bind all future holders of Series A1 CCPS.

A handwritten signature in dark ink is written over a circular stamp. The stamp contains some illegible text, possibly a name or title, and a date. The signature is written in a cursive style.

SCHEDULE 4  
CP CONFIRMATION CERTIFICATE

Date: *[insert date]*

To,  
**AFHoldings,**  
c/o Trident Trust Company (Mauritius) Limited,  
5<sup>th</sup> Floor, Barkly Wharf,  
Le Caudan Waterfront,  
Port Louis, Mauritius

**Re: Fulfillment of Conditions Precedent**

Dear Sir(s):

We refer to the subscription cum addendum agreement dated *[insert date]* executed between Prerak Goel, Prayas Goel ("**Promoters**"), Concord Enviro Systems Private Limited (the "**Company**") and AFHoldings ("**Investor**") (the "**Agreement**").

We hereby confirm and declare that as of the date hereof we have complied with the Conditions Precedent to Tranche II Closing specified in Clause 5 of the Agreement.

Enclosed please find documents evidencing such compliance.

Capitalized words and expressions used in this letter but not defined herein shall have the same meaning as assigned to them in the Agreement.

Yours sincerely,


Signed for and on behalf of

**Concord Enviro Systems Private Limited,**

By: *[Name]*  
Title: Director



