

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

Bank/Branch: IBKL - 6910626/Borivali [West]

16166904649777



Pmt Txn id : 190130886

Stationery No: 16166904649777

Pmt DtTime : 12-NOV-2018@18:27:58

Print DtTime : 12-NOV-2018 19:17:00

ChallanIdNo: 69103332018111250834

GRAS GRN : MH008172980201819S

District : 7101-MUMBAI

Office Name : IGR182-BOM1_MUMBAI CITY

GRN Date : 12-Nov-2018@18:27:58

StDuty Schm: 0030045501-75/STAMP DUTY

StDuty Amt : R 20,954/- (Rs Two Zero, Nine Five Four only)

RgnFee Schm: 0030063301-70/Registration Fees

RgnFee Amt : R 0/- (Rs Zero only)

Article : 5(h) (A) (iv)-Agreement creating right and having monetary value

Prop Mvblty: N.A.

Consideration: R 1,03,26,960/-

Prop Descr : SHARE PURCHASE AGREEMENT

Duty Payer: PAN-AALPI5255L,PRAVIN ILANGO

Other Party: PAN-AABCN7126Q,SULA VINEYARDS PRIVATE LIMITED

Bank official1 Name & Signature

[Signature]
12-7897

[Signature]
125945



Bank official2 Name & Signature

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THIS STAMP DUTY RECEIPT FORMS AN
INTEGRAL PART OF THE SHARE PURCHASE
AGREEMENT BETWEEN SULA VINEYARDS PRIVATE
LIMITED, MR. RAKSHIT ARORA & MR. PRAVIN
ILANGO.

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

Bank/Branch: IBKL - 6910626/Borivali [West] Stationery No: 16166904312286
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ChallanIdNo: 69103332018111250856 Office Name : IGR182-BOM1 MUMBAI CITY
District : 7101-MUMBAI GRN Date : 12-Nov-2018@18:34:34

StDuty Schm: 0030045501-75/STAMP DUTY
StDuty Amt : R 20,954/- (Rs Two Zero, Nine Five Four only)

RgnFee Schm: 0030063301-70/Registration Fees
RgnFee Amt : R 0/- (Rs Zero only)

Article : 5(h) (A) (iv) -Agreement creating right and having monetary value
Prop Mvblty: N.A. Consideration: R 1,03,26,960/-
Prop Descr : SHARE PURCHASE AGREEMENT

Duty Payer: PAN-AJVPA6375L, RAKSHIT ARORA

Other Party: PAN-AABCN7126Q, SULA VINEYARDS PRIVATE LIMITED

Bank official1 Name & Signature

Bank official2 Name & Signature

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THIS STAMP DUTY RECEIPT FORMS AN
INTEGRAL PART OF THE SHARE PURCHASE
AGREEMENT BETWEEN SULA VINEYARDS PRIVATE
LIMITED, MR. RAKSHIT ARORA & MR. PRAVIN
ILANGO.

THIS SHARE PURCHASE AGREEMENT ("AGREEMENT") IS ENTERED INTO ON
14th NOVEMBER, 2018 AT MUMBAI,

BY AND BETWEEN

Sula Vineyards Private Limited, incorporated a private company incorporated under Companies Act, 2013 and having its registered office at 901, Hubtown Solaris, N.S Phadke Marg, Andheri (East), Mumbai – 400 069, Maharashtra, India (hereinafter referred to as the "**Purchaser**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns) of the **FIRST PART**,

AND

Mr. Rakshit Arora, son of Mr. Rakesh Arora, aged about 30 years, and currently residing at A-31 Ganga Bhavan, J.P road Versova Andheri (West) Mumbai - 400 061(hereinafter referred to as the "**Seller 1**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his legal heirs, executors, administrators, permitted nominees, and permitted assigns) of the **FIRST PART**.

Mr. Pravin Ilango, son of Mr. K. Ilango, aged about 33 years, and currently residing at 101, Marathon Galaxy 1, L.B.S Marg, Mulund (West) Mumbai - 400 080 (hereinafter referred to as the "**Seller 2**" which expression shall, unless repugnant to the context or meaning thereof, be deemed to include his legal heirs, executors, administrators, permitted nominees, and permitted assigns) of the **SECOND PART**.

The Seller 1 and Seller 2 are hereinafter collectively referred to as the "**Sellers**".

The Purchaser and the Sellers shall hereinafter be individually referred to as a "**Party**", and collectively referred to as "**Parties**".

WHEREAS

- A. The Company (as defined hereinafter) is engaged in the business of manufacture, distribution, trading, ownership and marketing of a variety of branded and unbranded spirits and alcoholic beverages, including but not limited to wines within and outside India that is presently carried on by the Company within the territory of India and activities incidental and related thereto.
- B. The Sellers are the holder of 2,29,488 (two lakhs twenty nine thousand and four hundred and eighty eight only) fully paid-up Equity Shares of the Company having face value of INR 10 (Indian Rupees Ten only) each as per the details set out in schedule II.



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- C. The Sellers has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares (as hereinafter defined) on the terms and conditions set out in this Agreement.
- D. The shareholding pattern of the Company on the Effective Date is as provided in Part A of Schedule I to this Agreement. The shareholding pattern of the Company immediately upon the Company approving the transfer of the Sale Shares and proposed transfer of shares by Sellers to the Purchaser shall be as provided in Part B of Schedule I hereto.
- E. The Parties hereto desire to enter into this Agreement to record (i) their respective rights and obligations in relation to the sale and purchase of the Sale Shares, and (ii) their respective representations, warranties, covenants and agreements as hereunder.

NOW THEREFORE IT IS HEREBY AGREED BY AND AMONGST THE PARTIES AS FOLLOWS:

1. DEFINITIONS & INTERPRETATION




1.1. Definitions

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

Affiliate in relation to any Party shall mean (i) any partnership in which such Person is a partner, (ii) any trust in respect of which such Party is a settlor, beneficiary or trustee, or (iii) any entity which Controls such Party, is Controlled by such Party, or is under the common Control of any other Affiliate of such Party. The term '**Control**', shall mean the beneficial ownership, by a Person or Persons acting in concert, either directly or indirectly, of more than 50% (Fifty percent) of the voting securities of another Person, or control of the majority of the composition of the board or governing body of another Person, or the power to direct the management or policies of such Person, by contract or otherwise, and its derivative terms '**Controls**' and '**Controlled**' shall be construed accordingly.

Agreement means this agreement entered into hereto and as amended from time to time.

Applicable Law means any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, clearance, directive, guideline, policy, requirement, or any governmental, legislative or judicial restriction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the Effective Date or thereafter.

Arbitration Notice shall have the meaning ascribed to the term in Clause 9.3(i) of this Agreement.

Arbitration Response shall have the meaning ascribed to the term in Clause 9.3(ii) of this Agreement.

Articles mean the Articles of Association of the Company in effect as of the date of this Agreement and the Closing Date.

Business Day means a day, not being a Saturday or a Sunday or a public holiday, on which Parties are/or banking institutions located in the jurisdiction where such Party's registered office is located are open for regular business.

Claim shall have the meaning ascribed to the term in Clause 7.7 of this Agreement.

Claim Control Notice shall have the meaning ascribed to the term in Clause 7.11 of this Agreement.

Claim Period shall have the meaning ascribed to the term in Clause 7.7 of this Agreement.

Closing shall have the meaning ascribed to the term in Clause 5.1 of this Agreement

Closing Date shall have the meaning ascribed to the term in Clause 3.2 of this Agreement.

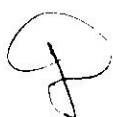
Company means Progressive Alcobev Distributors Private Limited, a company incorporated and validly existing under the laws of India, and having its registered office at Flat no.101, Plot no. 4A & 4B Sec-26, Progressive Viva, Vashi Navi Mumbai Thane 400705 Maharashtra, India.

Conditions Precedent shall have the meaning ascribed to the term in Clause 4.1 of this Agreement.

Consents means any permit, permission, license, approval, authorization, consent, clearance, waiver, no objection certificate or other authorization of whatever nature and by whatever name called which is required to be granted by any Governmental Authority, the board of directors, shareholders, partners, trustees, creditors or any other authority under any Applicable Law or contract to which a Party is subject, for consummation of this transaction.

Dispute shall have the meaning ascribed to the term in Clause 9.2 of this Agreement.

Effective Date shall mean the date that this Agreement is entered into, as first mentioned in the beginning of this Agreement.



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Encumbrance means any encumbrance, including, without limitation, any security interest, equitable interest, claim, mortgage, pledge, charge (whether fixed or floating, whether registered or unregistered), hypothecation, lien (including tax lien), easement, title defect, title retention agreement, right of set-off, covenant, condition, voting trust or shareholders' agreement, call or put option, right of first offer or right of first refusal, tag along right, proxy, preferential arrangement, restrictive covenant, any condition or restriction of any kind (including any restrictions on the use, voting, transfer or receipt of income, or other exercise of any attributes of ownership), assignment or deposit by way of security, beneficial ownership or any other interest or adverse claim held by a third person (including usufruct and similar entitlements), power of attorney, or other restrictions, arrangements or limitations of any nature whatsoever which have the economic or commercial effect of creating an encumbrance, and any agreement to create any of the above encumbrances.

Equity Shares means fully paid up equity shares in the issued, subscribed, and paid up equity share capital of the Company having a face value of INR 10 (Indian Rupees Ten only) each, as adjusted towards any stock split, consolidation, bonus shares or similar adjustment event.

FY means the financial year in India (period from 1 April to 31 March).

Full Amount shall have the meaning ascribed to the term in Clause 7.6(ii) of this Agreement.




Governmental Authority means any government or political subdivision thereof, or any ministry, department, board, authority, instrumentality, agency, corporation or commission owned by or under the direct or indirect control of any such government or political subdivision, or any court, tribunal, administrative agency, judicial, quasi-judicial or regulatory body of such government or political subdivision, or any arbitrator.

IT Act means the Indian Income-Tax Act, 1961, as may be amended or supplemented from time to time (and any successor provisions) including any statutory modifications or re-enactment thereof together with all applicable by-laws, rules, regulations, orders, ordinances, policies, directions or supplements issued thereunder.

Indemnifying Party shall have the meaning ascribed to the term in Clause 7.1 of this Agreement.

Indemnified Party shall have the meaning ascribed to the term in Clause 7.1 of this Agreement.

INR means Indian Rupees.

Losses shall have the meaning ascribed to the term in Clause 7.1 of this Agreement.

Party means individually, the Purchaser and the Sellers.

Person means and includes an individual, Hindu undivided family, partnership, body corporate, company, unincorporated organization or association, trust, Governmental Authority or other entity, whether incorporated or not.

Primary Documents shall mean collectively, the Shareholders' Agreement entered into by and between the Company and its shareholders and the Articles of the Company.

Purchaser means Sula Vineyards Private Limited, incorporated a private company incorporated under Companies Act, 2013 and having its registered office at 901, Hubtown Solaris, N.S Phadke Marg, Andheri (East), Mumbai – 400 069, Maharashtra, India

Purchase Consideration means INR 2,06,53,920 (Indian Rupees two crores six lakhs fifty three thousand nine hundred twenty only) in the aggregate, payable on the Closing Date by the Purchaser to Sellers for purchase of the Sale Shares, which amount shall be the full, final, and adequate consideration for the Sale Shares.

Purchaser Deliverables means copies of the requisite documents with respect to the Purchaser, under Applicable Law, including the duly stamped and endorsed Share Certificates of the relevant Sale Shares and duly executed share transfer forms and the applicable pricing guidelines have been complied with.

Recovered Amount shall have the meaning ascribed to the term in Clause 7.6(ii) of this Agreement.

Referring Party shall have the meaning ascribed to the term in Clause 9.3(i) of this Agreement.

Responding Party shall have the meaning ascribed to the term in Clause 9.3(i) of this Agreement.

Sale Shares means 2,29,488 (two lakhs twenty nine thousand and four hundred and eighty eight only) fully paid-up Equity Shares of the Company having a face value of INR 10 (Indian Rupees Ten only) each.

Tax(es) means any tax, duty, contribution, impost, withholding, levy or charge in the nature of tax in any jurisdiction, together with any interest, penalty, or addition thereto.



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Tax Claims shall have the meaning ascribed to the term in Clause 7.2 of this Agreement.

Third Party Claim shall have the meaning ascribed to the term in Clause 7.10 of this Agreement.

1.2. Interpretation

In this Agreement, unless the context otherwise requires:

- (i) terms that are capitalized but not defined herein shall have the meaning ascribed to them in the Primary Documents, as amended from time to time;
- (ii) all references in this Agreement to any legislation, law, policy, or statutory provisions shall be construed as meaning and including references to such legislation, law, policy, or statutory provisions (a) as amended from time to time, and (b) all subordinate legislation, notifications, regulations, or orders made thereunder;
- (iii) a reference to an agreement, deed, instrument or other document includes the same as amended, novated, supplemented, varied or replaced from time to time in accordance with the terms of such document; and if applicable, of this Agreement with respect to amendments;
- (iv) words denoting the singular shall include the plural and *vice versa*;
- (v) references to recitals, clauses, or annexures are, unless the context otherwise requires, to recitals or clauses of, or annexures to, this Agreement, and the same form an integral part of this Agreement;
- (vi) 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 the essence;
- (vii) if any provision in this Clause 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;
- (viii) headings to clauses, sub-clauses and paragraphs are for convenience only and shall not form part of the operative provisions of this Agreement or the annexures and shall be ignored in construing the same;
- (ix) the terms "hereto", "hereof", "herein", "hereby", and derivative or similar words refer to this entire Agreement and not to any particular clause, article or section of this Agreement;



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- (x) the words "include" and "including" are to be construed without limitation;
- (xi) when any number of days is prescribed in any document, the same shall be reckoned exclusively of the first and inclusively of the last day unless the last day does not fall on a Business Day, in which case the last day shall be the next succeeding day which is a Business Day;
- (xii) terms "writing", "written" and derivative or similar terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form.

2. **EFFECTIVE DATE**

- 2.1. This Agreement shall come into, and be in full force and effect, on and from the Effective Date.

3. **AGREEMENT TO SELL AND PURCHASE SALE SHARES**

- 3.1 Subject to the terms and conditions of this Agreement, on the Closing Date, the Sellers shall, in consideration of the receipt of the Purchase Consideration, sell, transfer, assign, convey and deliver to the Purchaser, and the Purchaser, relying on the representations and warranties of the Sellers set out in Clauses 6.1 and 6.2 of this Agreement, shall purchase, acquire, and accept from the Sellers, the Sale Shares (having marketable title and free of all Encumbrances), including all rights, title and interest of the Sellers in and to the Sale Shares, together with all benefits and rights attaching thereto, including, without limitation, all rights held by the Sellers in respect of the Sale Shares under the Primary Documents and all rights of the Sellers in respect of dividends.
- 3.2. Upon completion of the Conditions Precedent, the Parties shall consummate the sale and purchase of the Sale Shares on a mutually agreed date (the "**Closing Date**") which shall be not later than 5 (Five) Business Days from the completion of the Conditions Precedent. Immediately upon the Company approving such sale and purchase in its board meeting, the Parties agree that the Purchaser shall be the sole legal and beneficial owner of the Sale Shares.
- 3.3. Any Taxes payable on gains or income earned or loss incurred by the Sellers on the sale of the Sale Shares shall be the sole liability of, and shall be borne only by the Sellers, without any recourse or liability to the Purchaser and the Sellers shall undertake all compliances as required under the IT Act in relation to the proposed sale of Sale Shares.



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4. CONDITIONS PRECEDENT

- 4.1. The Purchaser shall not be obliged or liable to purchase any of the Sale Shares, unless and until (i) all the conditions precedent as provided in Clause 4.2 below ("**Conditions Precedent**") have been completed to the satisfaction of the Purchaser, prior to Closing, or (ii) the satisfaction of any of the Conditions Precedent have been waived in writing by the Purchaser.
- 4.2. The Conditions Precedent for the formation of any legal and/or binding obligation or liability on the Parties (other than under Clause 5.5 (*Return of Purchase Consideration*), Clause 7 (*Indemnification*), Clause 8 (*Termination Prior to Closing*), Clause 9 (*Governing Law and Arbitration*), Clause 10 (*Notices*), and Clause 11.10 (*Confidentiality*), in terms of this Agreement shall be the following:
- (i) This Agreement shall have been duly stamped and executed by the Parties;
 - (ii) The Parties shall execute share transfer form SH 1 as per the provisions of Companies Act, 2013
 - (iii) The stamp duty payable for transfer of such Shares as per Applicable laws shall be borne by the Sellers.
 - (iv) The Sellers shall have delivered to the Purchaser a fair valuation certificate from a chartered accountant firm as to the value of the Sale Shares determined in accordance with the Applicable Laws;
 - (v) The representations and warranties made by the Sellers in Clause 6 of this Agreement shall be true, correct, and complete as of the Effective Date and the Closing Date.
- 4.3. All of the aforesaid Conditions Precedent shall be duly fulfilled to the satisfaction of the Purchaser within 7 (Seven) Business Days from the Effective Date, failing which this Agreement may be terminated by the Purchaser, at its sole discretion. However, for the avoidance of doubt, it is hereby clarified that the Sellers may not seek to avoid its obligations under this Agreement on the grounds of non-fulfilment of a Condition Precedent which forms part of its obligations as per this Clause 4. Further, Clause 5.5 (*Return of Purchase Consideration*), Clause 7 (*Indemnification*), Clause 8 (*Termination Prior to Closing*), Clause 9 (*Governing Law and Arbitration*), Clause 10 (*Notices*), and Clause 11.10 (*Confidentiality*) of this Agreement shall survive such termination.

5. CLOSING AND CONDITION SUBSEQUENT

- 5.1. Upon completion of the Conditions Precedent, the Parties undertake and agree to perform all actions contemplated under Clause 5.2 below on the Closing Date

("Closing"). All transactions contemplated by this Agreement to be consummated on the Closing Date shall be deemed to occur simultaneously.

5.2. The following actions shall take place simultaneously on the Closing Date:

- (i) The Purchaser shall remit the Purchase Consideration to the bank account of the Sellers, the details of which are provided in Schedule II hereto in full and free and clear of, and without deductions or withholdings for or on account of any Tax, or other deductions of any nature, and deliver the instructions from its bank ("**Proof of Remittance**"). It is hereby clarified that notwithstanding anything contained in Clause 4 above, the Purchaser may, at its sole discretion, pay the Purchase Consideration to the Sellers prior to the completion of the Conditions Precedent and any such payment shall not be construed as a waiver of any of the Conditions Precedent and/or the Seller's obligations under this Agreement; and
- (ii) Simultaneously with the Purchaser providing Proof of Remittance, the Sellers shall have delivered duly stamped and endorsed share certificates in the name of the Purchaser.
- (iii) Upon receipt of the Purchase Consideration, the Sellers shall notify the Company in writing, within 1 (One) Business Day that (a) it has sold the Sale Shares to the Purchaser for the Purchase Consideration and deliver to the Company a copy of the share transfer forms, and (b) it has no objection to the Company approving the transfer of Sale Shares from the Sellers to the Purchaser, and amending the Company's statutory registers to reflect such share transfer and mentioning of the name of the Purchaser as the legal and beneficial owner of the Sale Shares.

5.3. The Parties agree to use their best efforts to complete the transfer of the Sale Shares to the Purchaser in the manner and within the timelines contemplated in this Agreement. The Sellers hereby acknowledges and accepts that after the receipt of the Purchase Consideration it shall cease to have any rights in relation to the Sale Shares upon issuance of the instructions to its depository participant for the transfer of the Sale Shares to the Purchaser as provided under Clause 5.2 and all such rights associated with the Sale Shares shall stand transferred to the Purchaser. It is hereby clarified that upon issuance of such transfer by the Sellers, the Purchaser (and not the Sellers) shall have the right to receive any dividends on the Sale Shares that are declared thereafter by the Company; and the Sellers shall procure that the Company pays all such dividends on the Sale Shares that are paid or distributed after the Closing, directly to the Purchaser.

5.4. Notwithstanding anything contained in this Agreement, within 3 (Three) Business days of receipt of money, the Sellers shall provide to the Purchaser the duly stamped and endorsed share certificates. In the event that the share certificates are not



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received by the Purchaser after the said timelines, then, without prejudice to the other rights that the Purchaser may have under this Agreement, and under Applicable Law or equity, if the Purchaser so demands (at its sole discretion) and that such demand be provided in writing to the Sellers, then the Sellers shall forthwith refund the entire Purchase Consideration to the Purchaser within a period of (7 (Seven) Business Days from the date of receipt of such demand. Prior to making a demand for refund, the Purchaser at its option shall discuss in good faith with the Sellers on the steps to be undertaken. It is clarified for the avoidance of doubt that (i) the Sellers may not seek to construe anything in this Clause 5.5 as providing it a right to terminate this Agreement or to avoid its obligations under this Agreement.

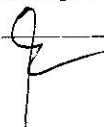
6. REPRESENTATIONS AND WARRANTIES

6.1. Each Party represents and warrants to the other Party that (to the extent applicable):

- (i) it is duly organized and validly existing under the laws of the jurisdiction of its incorporation, it is legally entitled under the laws of its jurisdiction to execute and perform its obligations under this Agreement, and it has duly and validly authorized its authorized signatory to execute and deliver this Agreement;
- (ii) this Agreement once executed by it shall constitute legal, valid, binding and enforceable obligations of such Party; and
- (iii) the execution and delivery of this Agreement by such Party does not violate any Applicable Law, or violate or contravene the provisions of, or constitute a default under, any documents, contracts, agreements, or any other instruments to which such Party is a party or which are applicable to such Party.

6.2. The Sellers represents and warrants to the Purchaser that:

- (i) the Sellers is the exclusive legal and beneficial owner of the Sale Shares;
- (ii) the Sale Shares were all validly issued in substantive and procedural compliance with Applicable law, are fully paid-up, and enjoy all rights *pari passu* with holders of other Equity Shares of the Company;
- (iii) except as provided in the Primary Documents, there are no Encumbrances on any of the Sale Shares; and (a) the Sellers shall convey clear and marketable title to, and full ownership of, the Sale Shares, free of all Encumbrances, to the Purchaser, (b) no Person has made any claim in any manner whatsoever of being entitled to any Encumbrance over, or affecting, any of the Sale Shares, and (c) from the Effective Date and during the term of this Agreement, the Sellers shall, directly or indirectly, create any Encumbrance on the Sale Shares;
- (iv) the Sellers has obtained all Consents (including for the avoidance of doubt any



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waivers from the Company and its existing shareholders) necessary to (a) sell the Sale Shares to the Purchaser, and (b) validly consummating the transactions contemplated in this Agreement;

- (v) there is no pending, or to the knowledge of the Sellers, threatened, (a) investigation or enquiry by, nor any notice or communication of any order, decree, decision or judgment of, any court, tribunal, arbitrator, Governmental Authority, outstanding or received by and against the Sellers or (b) suit, action or proceeding brought by any Governmental Authority or other third party, each in relation to or affecting the Sale Shares or the consummation of transactions contemplated under this Agreement;
- (vi) the Sellers has full voting power over the Sale Shares, and the Sale Shares are not subject to any proxy, voting trust or other contract relating to the ownership, voting, dividend rights or disposition thereof other than as provided for in the Primary Documents and has full right, power, and authority to sell such Sale Shares to the Purchaser and to deliver such Sale Shares to the Purchaser in the manner provided for in this Agreement;
- (vii) the Sellers has not entered into any agreements or understandings in its capacity as a shareholder of the Company other than the Primary Documents, and there are no agreements or understandings with any third persons, in relation to the disposition, transfer, voting rights, or any other economic and control rights with respect to any of the Sale Shares;
- (viii) the Sellers shall undertake all such further action, execute and deliver such further instruments and documents, and generally do all such other things as may be reasonably necessary to accomplish the transactions contemplated under this Agreement;
- (ix) the Sellers shall duly pay capital gains and other applicable Taxes payable by the Sellers as per Applicable Laws in relation to the transactions contemplated in this Agreement and that the Purchaser is not required to withhold any Tax under Applicable Laws while making payment of the Purchase Consideration to the Sellers;
- (x) the Sellers is and will continue to remain a tax resident of India under provisions of Section 6 of the IT Act for the FY in which Sale Shares are sold;
- (xi) the Sellers has not received any notice of proceedings within the meaning of Section 281 of the IT Act;
- (xii) The Purchase Consideration is above the fair market value of the Sale Shares for the purposes of the IT Act.



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(xiii) The Sellers have: (a) duly and validly acquired, and continue to hold, valid, clear and marketable title to Sale Shares in compliance with Applicable Law; and (b) fulfilled all the contractual obligations with the Company, including under Primary Documents (if any), in respect to acquisition and subsequent sale in respect of Sale Shares.

(xiv) The information contained in this Agreement is true and accurate in all respects and not misleading.

6.3. Each of the representations and warranties made under this Clause 6 shall be construed as a separate and independent representation and warranty. The representations and warranties made herein shall be deemed to have been made on the Effective Date and repeated as of the Closing Date.

6.4. Each of the Parties hereby acknowledges that the Parties have entered into this Agreement in reliance of the representations and warranties and covenants of such other Party in accordance with this Agreement.

6.5. Each Party agrees and acknowledges that it is a sophisticated party, and has reached a decision to enter into the transactions contemplated in this Agreement based on independent commercial judgment, and each Party has the information it considers necessary to reach such a decision. Each Party further confirms that it has read and understood the terms of this Agreement, has obtained adequate legal or other professional advice on the terms hereof, and the transactions contemplated herein.

7. INDEMNIFICATION

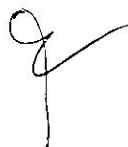
7.1. The Sellers (an "**Indemnifying Party**") shall indemnify, defend, protect from any liability, and hold harmless the Purchaser, its partners, and the Purchaser's directors, officers, and employees (as applicable) (each, an "**Indemnified Party**") from and against any and all losses, liabilities, claims, demands, damages, proceedings, penalties, judgments, and expenses (including reasonable fees, disbursements and other charges of counsel) (collectively, "**Losses**") suffered, incurred, or paid by an Indemnified Party (or which the Indemnified Party is threatened with suffering, paying or needing to pay) in any action between the Indemnifying Party and the Indemnified Party or between the Indemnified Party and any Governmental Authority or between the Indemnified Party and a third party, or in any other manner whatsoever which have arisen from claims resulting directly from or arising out of or on account of or relating to (i) any misrepresentation in, or breach of any representation or warranty, or covenant as contained in this Agreement by the Indemnifying Party, or (ii) any breach by the Indemnifying Party of any provisions of this Agreement unless such breach has been cured by the Indemnifying Party (for the avoidance of doubt, without any Losses whatsoever having arisen or sustained by any Indemnified Party) within 15 (Fifteen) days of such breach having occurred, including Losses suffered or



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incurred by the Indemnified Party, arising out of or on account of any third party Claim against any Indemnified Party, arising as a result of such breach..

- 7.2. Tax Indemnity: Any claim or liability and any interest or penalty thereto that may be brought up or levied by Indian Tax authorities on an Indemnified Party or the Company on account of or in relation to non-payment of capital gains (including the Purchaser not withholding Tax while making payment of the Purchase Consideration) in connection with the transactions contemplated under this Agreement ("**Tax Claims**") shall be indemnified by the Indemnifying Party. The indemnification obligation of the Indemnifying Party for Tax Claims shall be for a period of 8 (Eight) years from the Closing Date. Notwithstanding anything contained herein, with respect to Tax Claims, if the Applicable Law mandates the Indemnified Party to make any payment prior to the adjudication of such claim by any dispute resolution forum, the Indemnifying Party shall indemnify the Indemnified Party on or prior to the date on which such payment is mandated to be made, under Applicable Law, by the Indemnified Party. In the event any payment is made by the Indemnifying Party to the Indemnified Party under this Clause 7.2 prior to the adjudication of such claim by the dispute resolution forum, and thereafter the dispute resolution forum rules on such claim in favour of the Indemnifying Party, in part or in whole, then the Indemnified Party shall reimburse the Indemnifying Party such part of the payment made as effectively received by the Indemnified Party following the ruling by the dispute resolution forum in favour of the Indemnifying Party, no later than 7 (Seven) Business Days from the date of receipt.
- 7.3. Limitations on indemnification: (i) The indemnification obligations of the Indemnifying Party shall terminate on the expiry of 3 (Three) Years from the Closing Date, provided however, in respect of any Losses in relation to Clause 3.3 or any representation and warranties covered under Clause 6.2 (ix) to (xii), the indemnification obligation of the Indemnifying Party shall extend for 8 (Eight) years from the Closing Date; (ii) An Indemnified Party shall not be entitled to claim and recover, or otherwise obtain reimbursement or restitution from the Indemnifying Party, more than once in respect of the same Losses; (iii) Indemnifying Party shall not be liable for any remote, special or consequential damages or losses of any kind (including but not limited to loss of profits, loss of revenue, loss of use, loss of production, costs of capital or costs connected with the interruption of operation that are remote, special, indirect or consequential); and (iv) the Indemnifying Party shall not be obliged to make any indemnity payment under this Clause 7 to an Indemnified Party (including any gross up under Clause 7.5), in excess of an amount equivalent to the Purchase Consideration.
- 7.4. Notwithstanding anything contained herein, Clause 7.3 shall not be applicable in case of Losses caused due to the Indemnifying Party's fraudulent, criminal or wilful misconduct.
- 7.5. Notwithstanding anything to the contrary contained under this Agreement, any payments made by an Indemnifying Party(ies) to the Indemnified Party(ies) pursuant



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to this Clause 7 shall be grossed up for applicable Taxes, if any, to which the Indemnified Party(ies) may be liable, such that the Indemnified Party receives, after deducting any amounts towards Taxes, no less than the full compensation amount payable by the Indemnifying Party on account of any Losses envisaged under this Clause 7.

7.6. Part Payment and Recovery:

- (i) If an Indemnified Party recovers from a third party, any sum that partially makes good a Loss suffered by the Indemnified Party, the amount payable by the Indemnifying Party to such Indemnified Party shall be reduced by such part payment received by the Indemnified Party (but shall be increased by any taxes payable by the Indemnified Party on such part payment). The adjustment contemplated in this Clause 7.6(i) shall not apply in relation to any amount recovered by an Indemnified Party under proceedings which are unrelated to the Claim or Third Party Claim under this Agreement.
- (ii) If the Indemnifying Party makes full indemnity payment to an Indemnified Party for a Loss (the "**Full Amount**"), then, (a) all rights for redressal or recovery in respect of such Loss held by such Indemnified Party shall automatically vest with the Indemnifying Party, and (b) if any amount is subsequently recovered by the Indemnified Party from a third party (the "**Recovered Amount**") in respect of the same Loss, the Indemnified Party shall pay to the Indemnifying Party (aa) the entire Recovered Amount if the Recovered Amount is equal to or less than the Full Amount, (bb) an amount equal to Full Amount if the Recovered Amount is more than the Full Amount after considering any taxes and expenses or costs that the Indemnified Party may have incurred in this regard.

7.7. Upon the receipt of notice of any Loss, the Indemnified Party shall, as soon as reasonably practicable, notify the Indemnifying Party of the Loss and call upon the Indemnifying Party to promptly make good the Loss to the Indemnified Party, providing in writing details of the Loss, together with any supporting documents, if applicable (a "**Claim**"). Upon receipt of the Claim from the Indemnified Party, the Indemnifying Party shall have a period of 15 (Fifteen) Business Days (the "**Claim Period**") within which the Indemnifying Party shall be entitled to dispute all or a part of the Claim.

7.8. In the event that the Indemnifying Party does not dispute the Claim in writing within the Claim Period, then the Indemnifying Party shall be deemed to have acknowledged and accepted its liability to the Indemnified Party as stated in the Claim. In such an event, the Indemnifying Party shall, within a period of 15 (Fifteen) Business Days from expiry of the Claim Period, make payment of the Loss amount stated in the Claim to the Indemnified Party.



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- 7.9. In the event that the Indemnifying Party disputes the Claim by serving on the Indemnified Party a notice in writing within the time period specified in Clause 7.7 (including in case of a Third Party Claim), the Indemnifying Party and the Indemnified Party shall meet and discuss the dispute with a view to settle the dispute amicably. In the event that within a period of 15 (Fifteen) calendar days from the date of the notice disputing the Claim sent by the Indemnifying Party, the Indemnifying Party and the Indemnified Party are unable to reach an amicable resolution of the dispute, then the dispute shall be referred for arbitration in accordance with the provisions of Clause 9.3 hereto. In the event that the final determination of the arbitration proceedings is in favour of the Indemnified Party, then, without prejudice to any other rights or remedies that the Indemnified Party may be entitled to under law, equity or the arbitration award, the Indemnifying Party shall, within a period of 15 (Fifteen) Business Days of the date of the arbitration award, make the relevant payment to the Indemnified Party of the amount that is adjudicated by the arbitrator(s) as payable by the Indemnifying Party, along with any other payments required to be paid in accordance with the arbitration award.
- 7.10. With respect to any claim or proceeding made by a third party (a "**Third Party Claim**") against the Indemnified Party which is covered by the indemnity set forth in this Clause 7, the Indemnified Party shall notify the Indemnifying Party in writing as soon as reasonably practicable after being informed that facts exist which may result in a claim originating from a third party which may entitle the Indemnified Party to indemnity hereunder. Such notice must set out the facts giving rise to the Third Party Claim and the amount involved in such Third Party Claim, to the extent possible.
- 7.11. The Indemnifying Party shall, subject to Clause 7.12 below, have the right, to be exercised at its sole discretion, to participate in the defence against the Third Party Claim in respect of which the notice has been issued by the Indemnified Party and also have the right to control the defence, negotiation including the right to appoint a counsel of its choice in connection with the defence and negotiation of such claim, if it gives notice of its intention to do so to the Indemnified Party within 15 (Fifteen) Business Days from the date of the receipt of communication of the Third Party Claim from the Indemnified Party ("**Claim Control Notice**"). It is hereby clarified that the costs associated with any such defence undertaken by the Indemnifying Party against the Third Party Claim shall be solely borne by the Indemnifying Party. If the Indemnifying Party elects to assume such control, the Indemnified Party shall co-operate with the Indemnifying Party in connection with the defence, negotiation or settlement of the Third Party Claim including providing all necessary documents and information to the Indemnifying Party and its legal advisors, provided that the costs incurred by the Indemnified Party shall be borne by the Indemnifying Party. The Indemnifying Party shall keep the Indemnified Party appropriately informed of matters pertaining to such actions and consult with Indemnified Party in good faith with respect to the conduct of such defense.

- 7.12. If the Indemnifying Party has assumed the defence of any Third Party Claim as provided herein, it shall not without prior written consent of the Indemnified Party (not to be unreasonably withheld, conditioned or delayed), consent to any settlement or understanding unless the third party that has initiated a Third Party Claim fully and unconditionally releases the Indemnified Parties from all liability arising out of such Third Party Claim.
- 7.13. Notwithstanding anything contained herein, (i) upon issuance of a Claim Control Notice, all of the actual liabilities of the Indemnified Party in respect of such Third Party Claim shall be deemed to have been assumed by the Indemnifying Party, provided, however, that the Indemnified Party may, at its own expense, retain separate counsel to participate in such defense, and (ii) in any Third Party Claim in which both the Indemnifying Party and the Indemnified Party are, or are reasonably likely to become, a party to, such Indemnified Party shall have the right to employ separate counsel and to control its own defense of such claim if, in the reasonable opinion of counsel to such Indemnified Party, (a) one or more defenses are available to the Indemnified Party that are not available to the Indemnifying Party, and/or (b) a conflict or potential conflict exists between the Indemnifying Party and such Indemnified Party that would make such separate representation advisable; provided, however, that the Indemnifying Party shall not be liable for the fees and expenses of the such separate counsel to the Indemnified Party.
- 7.14. The Indemnified Party and the Indemnifying Party shall procure that reasonable steps are taken to mitigate any Losses and an Indemnified Party shall not settle or compromise any claim, action, suit or proceeding in respect of which it is entitled to be indemnified by the Indemnifying Party, without the prior written consent of the Indemnifying Party, which shall not be unreasonably withheld.
- 7.15. Notwithstanding anything contained in Clause 7, other than under Clause 7.12 above, if (i) the Indemnifying Party does not assume defence in any Third Party Claim in accordance with Clause 7.10; or (ii) the Indemnifying Party abandons the defence of such Third Party Claim, the Indemnified Party shall have the right, but not the obligation to assume defence of the Third Party Claim at the reasonable cost and expense of the Indemnifying Party. The Indemnified Party shall be entitled to abandon (including the non-filing of any appeals or application for stay or injunction) or settle the defence of any Third Party Claim without the prior consent of the Indemnifying Party. Any abandonment / settlement by the Indemnified Party as provided above shall not relieve the Indemnifying Party of its liability to indemnify the Indemnified Party in respect of the Losses.

8. TERMINATION PRIOR TO CLOSING

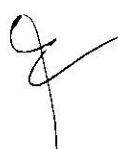
- 8.1. Without prejudice to the above, if all actions contemplated under Clause 4 are not consummated on or prior to the date referred to in Clause 4.3 or if all actions contemplated under Clause 5 are not consummated on or prior to the timelines

envisaged thereunder, then the Purchaser may by written notice to the Sellers terminate this Agreement and the Sellers shall refund any and all amounts paid by the Purchaser to the Sellers within a period of 7 (Seven) Business Days thereof. However, for the avoidance of doubt, it is hereby clarified that the Sellers may not seek to avoid its obligations under this Agreement on the grounds of non-fulfilment of Clause 4 or Clause 5 which forms part of its obligations as per Clause 4 or Clause 5, as the case may be.

- 8.2. The Parties hereto may mutually agree in writing to terminate this Agreement at any time prior to Closing.
- 8.3. If this Agreement is validly terminated pursuant to the provisions of this Clause 8, this Agreement shall forthwith become null and void and there shall be no liability or obligation on the part of the Purchaser or the Sellers; provided, however, that this shall not affect the survival of rights or obligations that accrued before termination, including (but not limited to) the situation where such termination results from breach by any Party of any representation or warranty or agreement contained herein such Party shall be liable to indemnify the other Party for any Losses incurred or suffered by the other Party as a result of such failure or breach

9. GOVERNING LAW AND ARBITRATION

- 9.1. This Agreement shall be governed by the laws of India.
- 9.2. In the event of a dispute or difference relating to any of the matters set out in this Agreement ("**Dispute**"), the Parties shall discuss in good faith to resolve the Dispute. In case the Dispute is not settled within 30 (Thirty) calendar days (or any other specific term stipulated in this Agreement), it shall be referred to arbitration in accordance with the Clause 9.3 below.
- 9.3. All such Disputes that have not been satisfactorily resolved under the preceding sub-clause within the 30 (Thirty) day period provided for therein shall be referred to arbitration in the following manner.
- (i) The Party referring the Dispute to arbitration ("**Referring Party**") shall serve a notice, in writing ("**Arbitration Notice**"), on the other Party ("**Responding Party**") indicating its intention to refer the Dispute to arbitration and identifying the arbitrator to be appointed to resolve the Dispute.
 - (ii) Within 15 (Fifteen) calendar days of receipt of the Arbitration Notice, the Responding Party shall respond, in writing ("**Arbitration Response**"), if the arbitrator identified by the Referring Party is acceptable to it.
 - (iii) In case the Responding Party accepts such arbitrator or if it fails to provide the Arbitration Response as provided in Clause 9.3(ii) above, the arbitrator



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identified by the Referring Party shall be the arbitrator appointed for resolving the Dispute.

- (iv) In case the Responding Party does not accept the arbitrator identified by the Referring Party in its Arbitration Response, the Dispute shall be referred to an arbitral tribunal of 3 (Three) arbitrators wherein the first arbitrator shall be appointed by the Referring Party, the second arbitrator will be appointed by the Responding Party, and the third arbitrator will be appointed by the other 2 (Two) arbitrators so appointed.

9.4. The arbitration proceedings shall be carried out in accordance with the rules laid down by the Indian Arbitration Centre as in effect at the time of the Dispute, and the place of arbitration shall be Mumbai, India. The arbitration proceedings shall be conducted in the English language.

9.5. The award of the arbitrator/arbitral tribunal shall be final and conclusive and binding upon the Parties and non-appealable to the extent permitted by Applicable Law. No Party shall seek to resist the enforcement of any award in India or elsewhere on the basis that the award is not subject to such provisions. The award rendered shall apportion the costs of the arbitration.

9.6. The Parties agree that the arbitrator/arbitral tribunal shall also have the power to decide on the costs and reasonable expenses (including reasonable fees of its counsel) incurred in the arbitration and award interest up to the date of the payment of the award.



9.7. The Parties further agree that the relevant courts of competent jurisdiction, as well as the arbitrator/arbitral tribunal, shall have the jurisdiction to entertain any proceedings for interim relief related to this Agreement whether during pendency, or after expiry or termination, and award such reliefs.

9.8. Other than as stated in Clause 9.7 above, no Party shall be entitled to commence or maintain any action in a court of law upon any matter in dispute until such matter shall have been submitted and determined as hereinabove provided.

9.9. When any Dispute is referred to arbitration, except for the matters under Dispute, the Parties shall continue to exercise their remaining respective rights and fulfil their remaining respective obligations under this Agreement.

10. NOTICES

10.1. Any notice and other communications provided for in this Agreement shall be in writing and shall be transmitted either by facsimile/e-mail/electronic transmission, prepaid registered post or by internationally recognised courier service, in the manner as elected by the Party giving such notice to the following addresses:

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(i) In the case of notices to Purchaser:

Address: 901, Hubtown Solaris, N.S Phadke Marg. Andheri (East), Mumbai – 400 069

For attention of: Mr. Deepak Bhatnagar

Email: deepakb@sulawines.com

(ii) In the case of notices to the Sellers:

Address: A-31 Ganga Bhavan, J.P road Versova Andheri (West) Mumbai – 400061

For attention of: Mr. Rakshit Arora

Email: rakhtarora@gmail.com

Address: 101, Marathon Galaxy 1, L.B.S Marg, Mulund (West) Mumbai – 400080

For attention of: Mr. Pravin Ilango

Email: pravinilango@gmail.com

(iii) In the case of notices to the Company:

Address: Flat no.101, Plot no. 4A & 4B Sec-26, Progressive Viva, Vashi Navi Mumbai Thane 400705 India

For attention of: Mr. Pravin Ilango / Mr. Rakshit Arora

Email: progressivealcobev@gmail.com / pravinilango@gmail.com

10.2. All notices shall be deemed to have been validly given on (i) the Business Day immediately after the date of transmission, if transmitted by facsimile/e-mail/electronic transmission, or (ii) the Business Day of receipt, if transmitted by courier or registered post.

11. MISCELLANEOUS

11.1. Waiver

No forbearance, indulgence or relaxation or inaction by any Party at any time, to require performance of any of the provisions of this Agreement shall, in any way, affect, diminish or prejudice the right of such Party to require performance of that provision and any waiver or acquiescence by any Party of any breach of any of the provisions of this Agreement shall not be construed as a waiver or acquiescence of any continuing or succeeding breach of such provisions or a waiver of any right under or arising out of this Agreement, or acquiescence to or recognition of rights and/or position other than as expressly stipulated in this Agreement.

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11.2. Cumulative Rights

All remedies of the Parties under this Agreement, whether provided herein or conferred by statute, civil law, common law, custom, trade, or usage, are cumulative and not alternative and may be enforced successively or concurrently.

11.3. Survival

Notwithstanding anything contained in this Agreement, the provisions of Clause 5.5 (*Return of Purchase Consideration*), Clause 7 (*Indemnification*), Clause 8 (*Termination prior to Closing*), Clause 9 (*Governing Law and Arbitration*), Clause 10 (*Notices*), Clause 11.10 (*Confidentiality*), and this Clause 11.3 of this Agreement shall survive termination of this Agreement.

11.4. Relationship

None of the provisions of this Agreement shall be deemed to constitute a partnership between the Parties hereto and no Party shall have any authority to bind the other Parties otherwise than under this Agreement, or shall be deemed to be the agent of the other in any way.

11.5. Severability

If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by Applicable Law. Any invalid or unenforceable provision of this Agreement shall be replaced with a provision, which is valid and enforceable and most nearly reflects the original intent of the invalid or unenforceable provision.

11.6. Entire Agreement

This Agreement constitutes the entire agreement and understanding between the Parties hereto with respect to the subject matter hereof. Any modifications to this Agreement shall not be effective unless it is in writing and shall be signed by a duly authorised representative of each Party.

11.7. Costs

Each Party shall bear its own expenses incurred in preparing and executing this Agreement. All duties, costs and expenses, including stamp duty on this Agreement and related to the transfer of the Sale Shares shall be borne by the Sellers.



11.8. Counterparts

This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Delivery of executed signature pages by facsimile or electronic transmission will constitute effective and binding execution and delivery of this Agreement.

11.9. Assignment

None of the Parties hereto shall assign or transfer its rights and liabilities hereunder to any other party without the prior written permission of the other Parties. However, the Purchaser may assign any or all of its rights under this Agreement to an Affiliate without any change in the terms and conditions as contained herein without any consent, but with prior intimation to the Sellers.

11.10. Confidentiality

The Parties shall at all times keep confidential and shall procure that its officers, employees, professional advisors and Affiliates shall keep confidential any information pertaining to this Agreement (including but not limited to, the Purchase Consideration and terms of purchase and sale of the Sale Shares) except (a) that Parties may disclose any such information to the Company and its shareholders and (b) as is required by Applicable Law.

SIGNATURE PAGES TO FOLLOW




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SIGNATORIES

IN WITNESS WHEREOF the Parties hereto have set and subscribed their respective hands to these presents on the date first above written:

For Sula Vineyards Private Limited

A handwritten signature in black ink, appearing to read 'Deepak Bhatnagar', is written over a horizontal line.

Signed by

Name: Deepak Bhatnagar

Designation: Director - Sales & Marketing

Signature page of the Share Purchase Agreement executed between Sula Vineyards Private Limited and Sellers

Mr. Rakshit Arora

A handwritten signature in black ink, consisting of a stylized 'R' followed by a series of loops and a long horizontal stroke extending to the right.

Signature page of the Share Purchase Agreement executed between Sula Vineyards Private Limited and Mr. Rakshit Arora.

Mr. Pravin Ilango



Signature page of the Share Purchase Agreement executed between Sula Vineyards Private Limited and Mr. Pravin Ilango.

SCHEDULE I

PART A

SHAREHOLDING PATTERN OF FULLY PAID UP EQUITY SHARES ON THE DATE OF THIS AGREEMENT

Sr. No.	Name of Shareholder	No. of Shares	% of Shareholding
1	Mr. Rakshit Arora	4,00,000	50%
2	Mr. Pravin Ilango	4,00,000	50%
Grand Total		8,00,000	100%

PART B

SHAREHOLDING PATTERN OF FULLY PAID UP EQUITY IMMEDIATELY UPON THE BOARD APPROVING THE TRANSFER OF SALE SHARES

Sr. No.	Name of Shareholder	No. of Shares	% of Shareholding
1	Mr. Rakshit Arora	2,85,256	24.50%
2	Mr. Pravin Ilango	2,85,256	24.50%
3	Sula Vineyards Private Limited	2,29,488	51%
Grand Total		8,00,000	100%



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SCHEDULE III

BANK & SHARE DETAILS OF SELLERS

Sr. No	Beneficiary Name	Bank	Bank address	Account No	Currency	IFSC	No. of shares for sale
1	Mr. Rakshit Arora	Punjab National Bank	Goregaon (East)	1756006900000020	INR	PUNB0175600	114744
2	Mr. Pravin Ilango	Andhra Bank	M.G Road, Mulund (West)	084510027000037	INR	ANDB0000845	114744
TOTAL							2,29,488

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महाराष्ट्र शासन
GOVERNMENT OF MAHARASHTRA

ई-सुरक्षित बैंक व कोषागार पावती

SECURED BANK & TREASURY RECEIPT (e-SBTR)

16166904290335



Bank/Branch: IBKL - 6910626/Borivali [West]
Pmt Id: 190270119 Stationery No: 16166904290335
Pmt DtTime: 13-NOV-2018@18:06:40 Print DtTime: 13-NOV-2018 18:13:41
ChallanIdNo: 69103332018111350862 GRAS GRN: MH008215613201819S
District: 7101-MUMBAI Office Name: IGR182-BOM1_MUMBAI CITY
GRN Date: 13-Nov-2018@18:06:40

StDuty Schm: 0030045501-75/STAMP DUTY
StDuty Amt: R 66,177/- (Rs Six Six, One Seven Seven only)

RgnFee Schm: 0030063301-70/Registration Fees
RgnFee Amt: R 0/- (Rs Zero only)

Article: 5(h)(A)(iv)-Agreement creating right and having monetary value
Prop Vblty: N.A. Consideration: R 3,27,88,080/-
Prop Descr: SHARE SUBSCRIPTION AND SHARE HOLDER AGREEMENT

Duty Payer: PAN-AAFCP8748L, PROGRESSIVE ALCOBEV DISTRIBUTORS PVT LTD

Other Party: PAN-AABCN7126Q, SULA VINEYARDS PRIVATE LIMITED

Bank Official1 Name & Signature

Signature
127877

Signature
125745



Bank official2 Name & Signature

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THIS STAMP DUTY RECEIPT FORMS AN INTEGRAL
PART OF THE SHARE SUBSCRIPTION AND
SHAREHOLDERS' AGREEMENT BETWEEN SULA VINEYARDS
PRIVATE LIMITED, RAKSHIT ARORA, PRAVIN ILANGO &
PROGRESSIVE ALCOBEV DISTRIBUTORS PRIVATE LIMITED.

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

16166904907269

Bank/Branch: IBKL - 6910626/Borivali [West]

Pmt Tran id : 190270235

Pmt DtTime : 13-NOV-2018@18:07:25

ChallanIdNo: 69103332018111350865

District : 7101-MUMBAI

Stationery No: 16166904907269

Print DtTime : 13-NOV-2018 18:16:16

GRAS GRN : MH008215651201819S

Office Name : IGR182-BOM1_MUMBAI CITY

GRN Date : 13-Nov-2018@18:07:26

StDuty Schm: 0030045501-75/STAMP DUTY

StDuty Amt : R 700/- (Rs Seven Zero Zero only)

RgnFee Schm: 0030063301-70/Registration Fees

RgnFee Amt : R 0/- (Rs Zero only)

Article : 27-Connterpart or Duplicate

Prop Mvblty: N.A.

Consideration: R 3,27,88,080/-

Prop Descr : COUNTER PART SSSHA

Duty Payer: PAN-AAFCP8748L, PROGRESSIVE ALCOBEV DISTRIBUTORS PVT LTD

Other Party: PAN-AABCN7126Q, SULA VINEYARDS PVT LTD

Bank official1 Name & Signature

Bank official2 Name & Signature

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THIS STAMP DUTY RECEIPT FORMS AN INTEGRAL
PART OF THE SHARE SUBSCRIPTION AND
SHAREHOLDERS' AGREEMENT BETWEEN SULA
VINEYARDS PRIVATE LIMITED, MR. RAKSHIT ARORA,
MR. PRAVIN ILANGO & PROGRESSIVE ALCOBEV
DISTRIBUTORS PRIVATE LIMITED.

SHARE SUBSCRIPTION AND SHAREHOLDERS' AGREEMENT

BETWEEN

SULA VINEYARDS PRIVATE LIMITED

AND

RAKSHIT ARORA

AND

PRAVIN ILANGO

AND

PROGRESSIVE ALCOBEV DISTRIBUTORS PRIVATE LIMITED

SHARE SUBSCRIPTION AND SHAREHOLDERS' AGREEMENT

THIS SHARE SUBSCRIPTION AND SHAREHOLDERS' AGREEMENT is made as on this 14th day of November, 2018, AMONG

Sula Vineyards Private Limited a private limited company incorporated under the Companies Act, 1956, and having its registered office at 901 Hubtown Solaris, N.S. Phadke Marg, Andheri (E), Mumbai – 4000 69 (hereinafter referred to as the "**Sula**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors, administrators, permitted nominees, and permitted assigns) of the **FIRST PART**

AND

Mr. Rakshit Arora, son of Mr. Rakesh Arora, aged about 30 years, and currently residing at A-31 Ganga Bhavan, J.P. road Versova Andheri (West) Mumbai - 400 061 (hereinafter referred to as the "**Promoter 1**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his legal heirs, executors, administrators, permitted nominees, and permitted assigns) of the **SECOND PART**

AND

Mr. Pravin Ilango, son of Mr. K. Ilango, aged about 33 years, and currently residing at 101, Marathon Galaxy 1, L.B.S Marg, Mulund (West) Mumbai - 400 080 (hereinafter referred to as the "**Promoter 2**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his legal heirs, executors, administrators, permitted nominees, and permitted assigns) of the **THIRD PART**

AND

Progressive Alcobev Distributors Private Limited, a private limited company incorporated under the Companies Act, 1956, having its registered office at Flat no.101, Plot no. 4A & 4B Sec-26, Progressive Viva, Vashi Navi Mumbai Thane 400705 India (hereinafter referred to as the "Company", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors) of the **FOURTH PART**

The Promoter 1 and Promoter 2 are hereinafter collectively referred to as the "**Promoters**".

The Promoters, the Company and the Sula are hereinafter collectively referred to as the "**Parties**".

WHEREAS the Company is engaged in the Business (defined below);

AND WHEREAS the Promoters are the direct, legal and beneficial owners of 100% of the total, issued and paid up equity share capital of the Company on a Fully Diluted Basis prior to issuance of new Equity Shares. Promoters fully control the day to day management and affairs of the Company;

AND WHEREAS the Company is desirous of issuing to the Sula and the Sula are desirous of subscribing to 3,64,312 Equity Shares of the Company of a face value of Rs. 10 each at a price of Rs. 90/- per Equity Share ("**Issue Shares**") on the terms and conditions set forth herein. The

Issue Shares and the Purchase Shares (defined below) shall collectively represent 51.00% of the fully diluted equity share capital of the Company upon the issuance of the new Equity Shares:

AND WHEREAS the Parties are desirous of entering into an agreement to govern the Sula subscription to the Issue Shares and to govern the Parties relationship in respect of the management and governance of the Company on the terms and conditions mentioned herein.

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS UNDER:

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 following meanings assigned to them hereinbelow:

"**Act**" shall mean the Companies Act, 1956 and any amendment thereto or any other succeeding enactment for the time being in force.

"**Affiliate**", in relation to any Party,

- (i) being a corporate entity, shall mean any entity, which Controls, is Controlled by, or is under the common Control of that Party.
- (ii) being an individual, means a Relative or any entity which is Controlled by such Party.

Provided that a Competitor shall not, for the purposes of this Agreement, be considered to be an 'Affiliate' of a Party.

"**Agreement**" or "**the Agreement**" or "**this Agreement**" shall mean this Share Subscription, and Shareholders' Agreement together with the recitals and the Annexures attached hereto.

"**Anti Dilution Event**" shall mean the occurrence of any event apart from issuances of up to the Option Threshold subsequent to Closing such as an issue of shares, stock split, bonus issue, share dividends, consolidation of shares, combinations, recapitalisation which has the potential to dilute the percentage of shareholding of the Sula as it stood on the Closing Date.

"**Applicable Law**" shall include the Act and all other applicable laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, notifications, circulars, guidelines, policies, notices, directions and judgments or other requirements of any Authority.

"**Articles**" shall mean the Articles of Association of the Company.

"**Authority**" means any governmental, quasi-governmental, statutory, departmental, regulatory or public body constituted by any statute or ordinance or a court of competent jurisdiction or other authority, including but not limited to the Foreign Investment Promotion Board, Ministry of Commerce and Industry, Ministry of Small

Scale Industries and Reserve Bank of India.

"**Board**" shall mean the board of Directors of the Company.

"**Business**" shall mean the business of manufacture, distribution, trading, ownership and marketing of a variety of branded and unbranded spirits and alcoholic beverages, including but not limited to wines within and outside India that is presently carried on by the Company within the territory of India and activities incidental and related thereto.

"**Business Plan**" shall mean the annual business plan of the Company in respect of each Fiscal Year, which shall include the budget, operating performance budget, capital expenditure and borrowing details, amongst other key performance indicators, projected cash flows and a statement of business objectives.

"**Business Plan**" shall mean the Business Plan of the Company.

"**Chairman**" shall mean such Director as is nominated by Sula from time to time to be the chairman of the Board.

"**Closing**" shall mean the completion of the events specified in Clause 4 below.

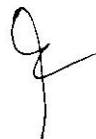
"**Closing Date**" shall mean the date mentioned in Clause 4.2 below.

"**Competitor**" shall mean:

- (a) any Person who is directly or indirectly engaged in or carries on the business of alcoholic beverages and/or any business which is the same as the Business;
- (b) any Affiliate of such Person;
- (c) any promoter of such Person;
- (d) any Relative of a promoter of such Person; and or
- (e) any Person in which such Person, directly or indirectly, either (i) beneficially owns directly or indirectly more than 51% of the voting securities of such Person, (ii) controls the majority of the composition of the Board, (iii) has the power to direct the management or policies of such Person by contract or otherwise, and/or (iv) has a director on the board of such Person.

"**Conditions Precedent**" shall mean the conditions precedent set out in Clause 2 of this Agreement.

"**Control**" shall mean the beneficial ownership directly or indirectly of more than 50% of the voting securities of such entity or control of the majority of the composition of the Board or power to direct the management or policies of such entity by contract or otherwise.



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"Designated Account" shall mean the account of the Company as indicated by the Company as its designated account for the purpose of the transactions as contemplated under this Agreement with following details:

Name of Beneficiary	:	Progressive Alcobex Distributors Private Limited
Account Name	:	Progressive Alcobex Distributors Private Limited
Account No.	:	1756008700000840
Bank Name	:	Punjab National Bank
RTGS Code	:	PUNB0175600

"Director" shall mean a director of the Company and any alternate of such director appointed in accordance with the Act and the Articles.

"Disclosure Schedule" means the disclosures provided by the Company and Promoters and set out in *Annexure C* containing the exceptions to the Representations and Warranties made by the Company, Promoter 1 and Promoter 2.

"Encumbrances" or **"Encumber"** shall include any mortgage, pledge, equitable interest, prior assignment, conditional sales contract, hypothecation, right of other Persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

"Equity Share" shall mean one equity share of face value Rs. 10 each, of the Company as adjusted towards any stock, split, consolidation, bonus shares or similar adjustment.

"Fiscal Year" of the Company shall mean the period from April 1 of a particular calendar year up to March 31 of the following calendar year, inclusive of both days.

"Fully Diluted Basis" shall mean the total of all classes and series of shares outstanding combined with all options (including both issued and unissued) and convertible securities (including the warrants) of all kinds and the effect of any anti-dilution protection regarding previous and future financings, all on an "as if exercised" or "as if converted" basis.

"Investment" shall mean the investment of Rs. 534.42,000 proposed to be made by the Sula by subscribing to the Issue Shares and purchase of Purchase Shares.

"Issue Shares" shall mean the Equity Shares of the Company as defined in the recitals of the Agreement.

"Issue Price" shall mean Rs. 327.88.080 being the aggregate consideration payable by the Sula to the Company for the issue and allotment by the Company of 3.64.312 Issue Shares to the Sula in the manner specified in Clause 3.2 herein.

"Losses" shall have the meaning ascribed to it under Clause 11.1 below.

"Promoter Shareholders" shall mean those persons mentioned in Part 1 of *Annexure B* hereto.

"**Material Adverse Change**" shall mean any event or change that has occurred that in the reasonable opinion of the Sula materially and adversely affects or could reasonably be expected to materially and adversely affect the assets, business, properties, liabilities, financial condition, results or operations of the Company.

"**Memorandum**" shall mean Memorandum of Association of the Company.

"**Sula Director**" shall have the meaning ascribed to it under Clause 8.1 below.

"**Sula Shares**" shall mean the Issue Shares and the Purchase Shares collectively.

"**Option Threshold**" shall mean issuances by the Company of employee stock options to employees, officers or Directors of the Company pursuant to incentive arrangements approved by the Board, and the Shares issued pursuant to the exercise of these options, subject to a maximum limit of 3% (three percent) of the equity share capital of the Company on a Fully Diluted Basis as on the Closing Date. However, none of the Promoter Shareholders shall be eligible for issue of employee stock options.

"**Original Director**" shall have the meaning ascribed to it under Clause 8.4 below.

"**Person**" shall include an individual, an association, a corporation, a partnership, a joint venture, a trust, an unincorporated organisation, a joint stock company or other entity or organisation, including a government or political subdivision, or an agency or instrumentality thereof and or any other legal entity.

"**Purchase Shares**" shall mean such Equity Shares of the Company as defined in the recitals of the Agreement.

"**Qualified IPO/Trade Sale**" shall mean closing of an offering of Equity Shares of the Company at an issue price per Equity Share of at least Rs.90.00.

"**Representations and Warranties**" shall mean the representations and warranties made by any Party under this Agreement and in particular in Clause 10 and *Annexure A* hereto.

"**Relative**", in relation to any natural person, shall mean such natural person's parents, spouse and children (including adoptive relationships).

"**Sale Terms**" shall have the meaning ascribed to it under Clause 6.4 (i) below.

"**Shareholder**" or "**Shareholders**" shall mean any Person who holds Shares.

"**Share Purchase Agreement**" shall mean the agreement entered into by the Sula, Promoter 1, Promoter 2 and the Company for the purchase of the Purchase Shares.

"**Shares**" shall include the Equity Shares of the Company.

"**Subsidiary**" shall have the meaning ascribed to it in Section 4 of the Act.

"**Super-Majority Resolution**" means a resolution passed at a duly convened and quorate meeting of the Board approved by the requisite majority of the Directors

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present at such meeting, provided that such requisite majority shall include the affirmative vote of (i) the Sula Director, provided the Sula continue to hold the Threshold Limit; (ii) Either one of the Promoter Director provided each respective Promoter continues to hold the Threshold Limit.

"**Tag-Along Right**" shall have the meaning ascribed to it under Clause 6.5 below.

"**Transaction Documents**" shall mean this Agreement and the Share Purchase Agreement or any other documents and agreements executed to give effect to Closing as contemplated herein.

"**Threshold Limit**" shall mean 5 % of the Equity Share capital of the Company on a Fully Diluted Basis. In the event that there is an Anti Dilution Event the limit of 5% shall be computed taking into account the Equity Share capital of the Company as at the Closing Date.

"**Transfer**" shall mean the sale, gift, exchange, assignment, transfer, transfer in trust, alienation, Encumbrance or disposition of any Shares, or any rights therein or afforded thereby, in any manner whatsoever, or entering into any contract or agreement to do any of the foregoing, voluntarily or involuntarily, including, without limitation, any transfer by operation of law or otherwise.

1.2 Interpretation

- (a) All references in this Agreement to statutory provisions shall be construed as meaning and including references to:
 - (i) Any statutory modification, consolidation or re-enactment (whether before or after the date of this Agreement) for the time being in force;
 - (ii) All statutory instruments or orders made pursuant to a statutory provision; and
 - (iii) Any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.
- (b) Words denoting the singular shall include the plural and words denoting any gender shall include all genders.
- (c) Headings to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Agreement or the Annexures and shall be ignored in construing the same.
- (d) References to recitals, clauses or schedules are, unless the context otherwise requires, to recitals, to clauses of or schedules to this Agreement.
- (e) Reference to days, months and years are to Gregorian days, months and calendar years respectively.
- (f) The words "include" and "including" are to be construed without limitation.

2 CONDITIONS PRECEDENT

- 2.1 The Parties agree that the obligation of the Sula to subscribe to the Issue Shares in the manner provided herein and purchase of the Purchase Shares under the Share Purchase Agreement, is conditional upon the receipt of all internal approvals and clearances of the Promoters in respect of the subscription to the Issue Shares and purchase of the Shares, as well as the fulfilment of all the following conditions to the satisfaction of the Sula, unless specifically waived in writing by the Sula:
- (a) The Board, convening and passing valid resolutions (in terms satisfactory to the Sula) in its meeting, (i) approving, subject to the required approval of the Company in general meeting, the issue and allotment of the Issue Shares to the Sula, (ii) agreeing to approve the transfer of the Purchase Shares in accordance with the terms of the Share Purchase Agreement.
 - (b) The Company passing valid resolutions (in terms satisfactory to the Sula) in its general meeting, approving the issue and allotment of the Issue Shares to the Sula.
 - (c) Finalising and initialling by the Sula and the Promoters of the draft of the amendments to the Articles and Memorandum, to reflect, to the extent permitted by law, the provisions of this Agreement. If the draft of the amendments to the Articles and Memorandum are not provided as of the Closing, the Company and Promoters undertake and declare to the Sula that such amendments shall be undertaken to incorporate all provisions of this Agreement to the satisfaction of the Sula and filing with the relevant Authorities within the prescribed timelines as per any applicable law.
 - (d) Receipt by the Sula and/or the Company of all required approvals, clearances, consents and permissions including from any lenders and third parties authorizing the transactions contemplated by the Transaction Documents including the Investment by the Sula under the terms of the Transaction Documents.
 - (e) Obtaining an undertaking from Promoters and the Company to the effect that:
 - (i) any potential risks and liabilities arising out of the operations of the Business prior to Closing shall be the sole responsibility of the Promoters and the Company and
 - (ii) all licenses and registrations statutorily required by the Company to operate its Business have been obtained by the Company and are valid and subsisting.
 - (f) There shall not be any Applicable Law, which (i) involves a challenge to or seeks to or which prohibits, prevents, restrains, restricts, delays, makes illegal the consummation of any of the transactions contemplated under this Agreement or (ii) seeks to impose conditions upon the ownership or operations of the Company or which materially affect the ability of the Company to perform the obligations contained herein.

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- (g) There having been no Material Adverse Change.
- (h) The Company having provided the Sula with a list of the existing Directors.
- (i) Delivery by the Company and Promoters to the Sula a certificate in the form and content acceptable to the Sula, signed by the authorised representative of the Company to the effect that:
- (i) all the Conditions Precedent which are required to be complied with by the Company have been fully satisfied; and
 - (ii) there have been no defaults under any of the material agreements entered into by the Company and no existing or imminent material adverse change has taken place or is expected in the Business of the Company, till the Closing Date.
- (j) Fulfilment of all conditions precedent set out in the Share Purchase Agreement.
- 2.2 If any of the Conditions Precedent mentioned in Clause 2.1 above are not fulfilled or satisfied on or before 45 (forty-five) days from execution of the Agreement. The Parties may mutually agree to extend the timelines.
- 2.3 The Parties undertake to use all reasonable endeavours to ensure that the Conditions Precedent are satisfied as soon as possible and no later than the date mentioned in Clause 2.2 above.

3 SHARE CAPITAL, SUBSCRIPTION TO ISSUE SHARES

- 3.1 The present authorised share capital of the Company is Rs. 1,50,00,000/- divided into 15,00,000 Equity Shares of Rs. 10 each. The present issued, subscribed and fully paid up share capital of the Company is Rs. 80,00,000 consisting of 8,00,000 Equity Shares of Rs. 10 each.

The Shares of the Company, represented on a Fully Diluted Basis, are held as under:

Sr No.	Name of Shareholder	No. of Shares	% of Shareholding
1	Rakshit Arora	4,00,000	50%
2	Pravin Ilango	4,00,000	50%
	Total	8,00,000	100.00

- 3.2 Subsequent to Promoters transferring the Purchase Shares to Sula on the terms and conditions set forth in the Share Purchase Agreement, the Shares of the Company, represented on a Fully Diluted Basis, shall be held as under:

Sr No.	Name of Shareholder	No. of Shares	% of Shareholding
1	Rakshit Arora	2,85,256	35.66%
2	Pravin Ilango	2,85,256	35.66%

Sr No.	Name of Shareholder	No. of Shares	% of Shareholding
3	Sula Vineyards Private Limited	2,29,488	28.68%
	Total	8,00,000	100.00

- 3.3 On the Closing Date subject to the terms and conditions of this Agreement and fulfilment of the Conditions Precedent mentioned in Clause 2.1 above, (i) the Sula hereby agree to subscribe to, and the Company hereby agrees to issue and allot to the Sula, the Issue Shares at the Issue Price, relying upon the Representations and Warranties and indemnities made by the Company, Promoters under Clauses 10 of this Agreement.

Upon Closing, the shareholding of the Company, calculated on a Fully Diluted Basis, shall be as follows:

Sr No.	Name of Shareholder	No. of Shares	% of Shareholding
1	Rakshit Arora	2,85,256	24.50%
2	Pravin Ilango	2,85,256	24.50%
3	Sula Vineyards Private Limited	5,93,800	51.00%
	Total	11,64,312	100.00

4 CLOSING

- 4.1 Promoters and the Company shall notify the Sula of the fulfilment of the Conditions Precedent referred to in Clause 2 and provide to the Sula, all requisite documents evidencing fulfilment of the Conditions Precedent. The Sula, through their advisors counsel, shall then satisfy themselves as to the fulfilment of the Conditions Precedent, and shall review all the documents, received from the Promoters and the Company in connection with the consummation of the transactions contemplated hereby and related matters. The Sula shall notify the Promoters and the Company within 7 days from the date of receipt of all the documents information from Promoters and the Company, of its satisfaction or dissatisfaction with the same. In the event the Sula notify the Company and Promoters of its dissatisfaction with the fulfilment of the Conditions Precedent, the Company and Promoters shall remove the cause of the dissatisfaction, and the provisions of this Clause shall reapply.
- 4.2 Upon the Sula notifying the Company, Promoters of its satisfaction with the fulfilment of the Conditions Precedent or waiving the fulfilment of the said Conditions Precedent in writing, as the case may be, the Sula, the Company and Promoters shall proceed to complete the subscription, issue and allotment of the Issue Shares to the Sula, in the manner provided in this Clause 4 and transfer of the Purchase Shares to the Sula in accordance with the terms of the Share and Warrant Purchase Agreement. The Sula and Promoters shall mutually agree upon a date on which the Closing shall take place. The date so agreed between the Sula and Promoters shall hereinafter be referred to as the 'Closing Date'.

[Handwritten signatures and initials]

4.3 (a) On the Closing Date, the Company shall deliver to the Sula the following documents:

- (i) A certificate signed by Promoters and the Company to the effect that the Representations and Warranties contained in Clause 10 and *Annexure A* to this Agreement, continue to be true and correct as on the Closing Date with the same effect as though such Representations and Warranties had been made as of such date; and
- (ii) A certificate signed by Promoters and the Company to the effect that there has been no Material Adverse Change since the date of execution of this Agreement until the Closing Date.
- (iii) Duly stamped and signed share certificates issued and transferred in the name of Sula

(b) Certified true copies of all resolutions passed by the Board and the Shareholders of the Company since the date of execution of this Agreement until the Closing Date.

(c) On the Closing Date, the Sula shall deliver to Promoters and the Company a certificate signed by the Sula to the effect that the Representations and Warranties contained in Clause 10 of this Agreement, continue to be true and correct as on the Closing Date with the same effect as though such Representations and Warranties had been made as of such date.

4.4 On the Closing Date, the following events shall take place in the order indicated below and shall be deemed to have taken place simultaneously:

(a) Sula shall, as per the terms of the Share Purchase Agreement, make a payment of Rs 2,06,53,920 towards the Purchase 2,29,488 Equity Shares.

(b) Sula shall make a payment of the Issue Price of Rs 3,27,88,080 to the Designated Account towards the Subscription of 3,64,312 Equity Shares.

(c) A meeting of the Board is held, at which the Board passes valid and effective resolutions in respect of the following matters:

(i) approval of the issue of the Issue Shares to the Sula, being 3,64,312 Equity Shares to Sula, and transfer of the Purchase Shares of 2,29,488 Equity Shares in accordance with the Share Purchase Agreement with specific reference to the distinctive number of Purchase Shares and the respective share certificate;

(ii) appointing 2 Directors nominated by Sula on the Board of the Company;


(iii) to convene an extra-ordinary general meeting of the Company, to amend the Articles and Memorandum in accordance with the draft amendments initialled by the Sula and Promoters;

- (iv) resolve to have the name of the Sula entered in the register of members of the Company in respect of the Purchase Shares;
- (d) Immediately after the Board meeting mentioned in Clause 4.4 (b) above, the Company shall forward the duly endorsed original share certificates representing the Purchase Shares and the Issue Shares to Sula.
- 4.5 On the Closing Date, the Company shall make the necessary entries in the registers of the Company to carry out the actions resolved by the Board under Clause 4.4 (b)(iv).
- 4.6 All proceedings to be taken and all documents to be executed and delivered by the Parties at the Closing shall be deemed to have been taken and executed simultaneously and no proceedings shall be deemed to have been taken nor documents executed or delivered unless and until all documents and proceedings have been taken, executed and delivered.
- 4.7 The Parties to this Agreement agree to take all measures that may be required to ensure that all the events contemplated herein above on the Closing Date are completed on the same day.
- 4.8 The Company shall, on the Closing Date, convene an extra-ordinary general meeting of the Company, to pass the necessary resolutions for amending the Articles and Memorandum of the Company in accordance with the draft amendments initialled by the Sula and Promoters, to reflect the provisions of this Agreement to the extent permitted by law.

4.9 Post Closing

The Company and the Promoters shall complete the following post Closing to the satisfaction of the Sula:

- (i) furnish all such documents and or relevant forms duly filed in with the registrar of companies and any other Governmental Authority, as may be required under applicable Law in connection with the actions at the Closing Date within the time lines as prescribed under applicable law;
- (ii) Sula will appoint its team for integration of processes and policies of the Company with that of Sula;
- (iii) Promoters agree to move to IND-AS system of accounting w.e.f. 1st April, 2019, and for this, Sula will appoint its team of professionals for integration of the existing accounting system to IND-AS and the Promoters agree to fully cooperate, support and not to cause any delay in implementation of this accounting integration process. All expenses relating thereto shall be borne by the Company;
- (iv) Promoters shall be liable for the bad debts and stock write-off accrued before the Closing date

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- (v) appoint a reputable firm of chartered accountants as the Shareholders may mutually agree in writing, as statutory auditors of the Company within three months from the Closing Date;
 - (vi) Formulate policies and procedures to ensure that best corporate governance practices are followed by the Company including transacting on an arms-length basis with all related parties including investments & loans to related parties, formation of subsidiaries & affiliates, etc;
- 4.10 Post Closing, the Company, within the statutory time prescribed under Law, hereby undertake to take all actions, including but not limited to amending the Memorandum and Articles, making appropriate applications to the Registrar of Companies, paying all requisite filing fees and expeditiously taking such other actions as may be specified by the Registrar of Companies and the Act with respect to and in connection with issue of the Issue Shares.
- 4.11 Forthwith upon Closing, the Company may obtain a customary 'Directors & Officers Liability Insurance Policy', as may be acceptable to the Board in respect of Directors and Officers of the Company's Subsidiaries.
- 4.12 Upon Closing, the Company shall within reasonable period take steps to complete the following:
- (i) Formulate an inventory valuation policy and debtor provisioning policy for the Company;
 - (ii) Formulate a policy for depreciation on assets of the Company; and
 - (iii) Formulate a revenue recognition policy and cut off procedures.

5. PURPOSE AND OBJECTIVES

5.1 Purpose of the Company and Scope of the Agreement

- (i) The Company, directly or through any subsidiaries and or joint ventures, shall be the sole, exclusive and only vehicle of the Promoters for the purposes of conducting the Business. The purpose of the Company has been and shall remain to undertake and engage in the Business, or as may be determined by the Board of Directors from time to time, and such other activities, incidental thereto or otherwise, as may be desirable and proper in furtherance thereof, subject to the applicable law.
- (ii) The Business shall be conducted in the best interests of the Company, its subsidiaries and joint ventures, in accordance with sound commercial principles with the aim of generating the maximum achievable maintainable profit available for distribution. The Parties agree and acknowledge that any business relationship or agreements or arrangements or contracts (including investment or loan arrangements with related parties or formation of subsidiaries or group company or affiliates, etc.) to be entered into between the Company and its

Shareholders or their respective Affiliates, shall be entered into in good faith on an arms length basis and shall require the approval of the Board of Directors. If the Board is of the view that any such business relationship or agreements or arrangements or contracts are not on prevailing market rates, the Company will take such steps as may be required in terms of applicable law.

- (iii) The scope of this Agreement is to set forth between the Parties the terms and conditions to govern the relationship between the relevant Parties in their mutual capacity as the Sula and the Shareholders, and the operations and activities to be carried out by the Company, for the mutual benefit of the Company and the relevant Parties hereto in their capacity as Shareholders and Sula.

5.2 Business Plan

- (i) The Parties shall mutually discuss and agree in writing to a periodic Business Plan prior to the expiry of the preceding financial year of the Company.

5.3 Use of Proceeds

- (i) The Parties understand, acknowledge and agree that the investment made by Sula is based upon an assurance of the Promoters that they shall cause the Issue Price Amount to be utilised by the Company in such a manner specifically for expansion of its Business with prior written approval of Sula.
- (ii) The Promoters hereby understand and agree that a breach of this obligation shall amount to a material breach of this Agreement.

6 SHARE TRANSFER RESTRICTIONS

- 6.1 So long as the Sula maintain their shareholding above Threshold Limit, the Promoters shall subject to Clause 6.11 maintain their entire direct or indirect shareholding and voting interests in the Company in the same pattern as of the Closing Date.
- 6.2 Sula and the Promoters shall not create any Encumbrance, either directly or indirectly, in any manner, on all or any of the Shares or interest in the Company, without obtaining the prior written consent of the other Shareholders. Notwithstanding the foregoing it is hereby clarified that the Promoters shall be permitted to create Encumbrances over their Shares and interest in the Company for the purposes of raising finance for the Business of the Company.
- 6.3 Notwithstanding anything contained in Clause 6.1 but subject to Clause 6.4, the Promoters are permitted to their shareholding after prior written consent of Sula.
- 6.4 Subject to the provisions of Clauses 6.10 and 6.11 below or unless otherwise agreed to by and between the Shareholders in writing, none of the Shareholders shall directly or indirectly, in any manner, Transfer any or all of the Shares held by them to any Person, otherwise than as specifically permitted under this Agreement. In the event that any of the Promoters, desire to sell their shares or interest in the Company, ("**Permitted Shareholders**") such Permitted Shareholders shall be required to first offer such Shares ("**Sale Shares**") to Sula thereof ("**Right of First Refusal**"). Sula shall be required to

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notify either (i) his acceptance along with the price (the "**Sale Price**") and the terms (the "**Sale Terms**") or (ii) refusal to purchase the Sale Shares, within 21 (twenty one) days of being intimated by the Permitted Shareholders. In the event, Sula are unable or unwilling to purchase the Sale Share, the Sale Shares will then be offered in accordance with Clause 6.4A below to all the continuing Shareholders ("**Continuing Shareholders**") of the Company, including Promoters. If Sula exercises his Right of First Refusal, the Permitted Shareholder shall be entitled to sell the Sale Shares to Sula at the Sale Price or to offer the Sale Shares to the Continuing Shareholders at a price higher than the Sale Price and on terms at least as favourable as the Sale Terms in accordance with Clause 6.4A. Notwithstanding the foregoing, it is hereby clarified that in the event any Shareholder other than a Permitted Shareholder desires to Transfer its Shares or interest in the Company, such Shares will be required to be offered *mutatis mutandis* in accordance with Clause 6.4A below to all the Continuing Shareholders on a pro rata basis, and the terms "Permitted Shareholders", "Sale Shares", and "Continuing Shareholders" shall be construed accordingly.

6.4A Any sale or transfer of the Sale Shares shall be made in the following manner:

- (i) An offer for the transfer of any right or interest in the Sale Shares by the Permitted Shareholder shall be made in writing (the "**Notice of Offer**") to the Continuing Shareholders setting out the price ("**Offer Price**") and on terms which are no less favourable than the Sale Terms ("**Offer Terms**").
- (ii) Within 21 days from the date of receipt of the Notice of Offer, the Continuing Shareholder(s) shall serve a notice on the Permitted Shareholder(s) or ("**Continuing Shareholder(s) Notice**") indicating its election to either accept or reject the offer.
- (iii) In the event the Continuing Shareholder(s) accept the offer, such Continuing Shareholder(s) shall complete the purchase of the Sale Shares (on their own or through their nominees) from the Permitted Shareholder(s) at the Offer Price and on Offer Terms within 90 days from the date of serving the Continuing Shareholder(s) Notice. In the event that the Continuing Shareholder(s) do not accept such Notice of Offer, the Permitted Shareholder shall have the right for 90 days to sell the Sale Shares for cash at a price equal or greater than the Offer Price and on terms which are equal to or no less favourable than the Offer Terms.

6.5 Upon receipt of a Notice of Offer from the Permitted Shareholder in accordance with Clause 6.4 (i), each of the Continuing Shareholders shall have a tag-along right, exercisable at their sole discretion, to participate in such transfer through a sale of all of the Shares owned by them ("**Tag Along Right**") to a third party purchaser at the Offer Price and on the Offer Terms. The Tag Along Right shall be exercised through written notice to the Permitted Shareholder ("**Tag Notice**") within 10 days of receipt of the Notice of Offer mentioned in Clause 6.4 (i) ("**Notice Period**"). Upon receipt of the Tag Notice, the Permitted Shareholder shall not Transfer any of its Shares to the third party purchaser, unless such third party purchaser also simultaneously acquires the Shares tendered by the Continuing Shareholders pursuant to their Tag Along Rights at the Offer Price. In the event of a failure to issue the Tag Notice within the Notice Period, the Tag Along Rights shall lapse and the Permitted Shareholder shall be entitled to

complete its Transfer to the third party purchaser within a further period of 60 days from the expiry of the first mentioned 30 day period or intimation by the Sula of their refusal to exercise their Tag Along Rights, as the case may be, whichever is earlier. If the Permitted Shareholder does not complete its Transfer of the Shares as aforesaid, the process set out in Clauses 6.4 and Clause 6.5 shall be followed for any future Transfers of the Shares.

- 6.6 So long as the Sula maintain their respective shareholding in the Company at or above the Threshold Limit, the Sula shall be protected against any dilution of their respective shareholding in the Company and/or its Subsidiaries in the event of any Anti Dilution Event. In the case of an Anti-Dilution Event, the Promoters shall be bound to cooperate with other shareholders and the Company and or its Subsidiaries such that, the Company and or its Subsidiaries forthwith take all necessary steps to issue additional Equity Shares as the case may be to the Sula to maintain their shareholding as on the Closing Date. For the purposes of issuance of new shares Clauses 6.7 and 6.8 shall apply.
- 6.7 Each Shareholder shall be entitled to participate in all future issuances by the Company of shares (or rights to acquire such equity shares or securities convertible into, or exchangeable for, such equity shares) ("**Right of Pre Emption**") to the extent necessary to maintain its proportionate fully diluted equity interest in the Company. Such Right of Pre Emption shall not apply to (i) an approved employee stock option plan, stock purchase plan, or similar benefit program or agreement, where the primary purpose is not to raise additional equity capital for the Company or (ii) shares which are issued as direct consideration for an acquisition by the Company of another business entity or the merger of any business entity with or into the Company. If any Shareholder chooses to renounce his Right of Pre Emption the shares which are made available by such renunciation must also be offered to the other existing Shareholders in the ratio of their shareholding in the Company at the time of such issuance.
- 6.8 No new shareholders shall be offered terms better than the terms offered to the Sula under this transaction without the prior written permission of each of the Sula.
- 6.9 Each Shareholder agrees that whether, acting alone, or together with any other Shareholder or Shareholders pursuant to a common plan, will not sell any Equity Shares of the Company to any Person (or group) if, as a result of that sale and any other transactions, such Person (or group) would become the beneficial owner, directly or indirectly, of Equity Shares representing 51% or more of the total voting power of the Company (on either a primary or fully diluted basis), unless such Person (or group) agrees to offer to purchase all outstanding Equity Shares from all Shareholders at such same price and on the same terms; provided, such a proposal is approved by a majority of the Shareholders and that the price shall in no event be less than the highest price previously paid by such Person (or group) for Equity Shares of the Company.
- 6.10 Except as provided under Clause 7 any shareholder shall not be permitted to Transfer the Shares held by them, to any Person who is a Competitor without the prior written consent of Sula.

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6.11 Notwithstanding anything contained in Clause 6.4 the Shareholders shall not sell or otherwise transfer their Shares of the Company other than the following permitted transfers ("**Permitted Transfers**"):

- (i) transfers to or among each member of the Shareholders' immediate respective family (including spouses, children and grandchildren);
- (ii) transfers approved by the Super-Majority Resolution;
- (iii) sale made in exercise of the Tag Along Right as contemplated in Clause 6.5;

It is however clarified that for Permitted Transfers, the prior consent of Sula will be required, provided that such consent shall not be unreasonably withheld. Further, the Shareholders shall procure that any transferees pursuant to Clause 6.11 enters into a deed of adherence reasonably acceptable to the Sula under which the transferee shall agree to be bound by this Agreement as a Shareholder and any other agreements in connection with the business of the Company as a Shareholder.

6.12 **Injunctive Relief**

The Parties acknowledge and agree that the covenants and obligations with respect to the sale of the Shares as set forth above relate to special, unique and extraordinary matters, and that a violation of any of the terms of such covenants and obligations by one Party will cause the other Parties, irreparable injury. Therefore, it is agreed that the Parties shall be entitled to such injunctions, orders or such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to restrain the others, as the case may be, from committing any violation of the covenants and obligations contained in this Clause, or to compel the performance of certain acts. These injunctive remedies are cumulative and are in addition to any other rights and remedies that the Parties may have at law or in equity.

7. **EXIT/ LIQUIDITY RIGHTS**



7.1 The Promoters and the Company shall endeavour to achieve a Trade Sale of the Company as may be mutually agreed upon by the Promoters and the Sula. The terms, timing and final pricing shall be subject to Super Majority Resolution to be passed at the Board Meeting.

8 **BOARD**

8.1 Unless otherwise agreed between the Sula in writing, the total strength of the Board shall be 4 Directors. So long as the Sula and Promoters respective shareholding in the Company is maintained at or above the Threshold Limit the Board shall comprise 2 Directors nominated by the Sula, (the "**Sula Directors**") one of which shall always be the Chairman, 1 Director nominated by Promoter 1 and 1 Director nominated by Promoter 2 (the "**Promoter Directors**") and acceptable to the Sula. The Sula Directors shall be entitled to be a member of any committee of the Board as may now exist or as may be constituted in future and shall be entitled to participate and vote at all meetings of such committees of the Board as a member. The managing director / chief executive

officer of the Company shall be a Director nominated jointly by Sula and Promoters from time to time.



- 8.2 The right of nomination of Director conferred on the Sula and the Promoters shall include the right at any time to remove from office any such individuals nominated or appointed by them and from time to time determine the period for which such individuals shall hold office as Director. If the Sula or the Promoters (as the case may be) desire that any of the Directors nominated by them respectively should cease to be a Director, the Sula and Promoters shall exercise their voting rights in relation to the Shares held by them in the Company in such manner so as to ensure such removal and the appointment of such other individual as may be nominated by the Party entitled to nominate as aforesaid.
- 8.3 Sula Directors and the Promoter Directors shall not be liable to retire by rotation. However, in the event any Director becomes liable to retire by rotation, each Shareholder agrees and undertakes to vote all Equity Shares in such manner as may be necessary to elect (and maintain in office) as a Director of the Board the person nominated by Sula and Promoters.
- 8.4 Sula and the Promoters shall upon mutual discussion jointly appoint the Promoter 2 as the Managing Director ("MD") and Promoter 1 as Joint Managing Director ("JMD") of the Company within one month from Closing date for a period of 2 years and their compensation and remuneration shall be the same as on date of Closing. The Parties further agree that the compensation and remuneration shall remain the same until 31st March, 2020, after which it shall be revised as may be agreed by the Board by a Super Majority Resolution.
- 8.5 Written consents from the Sula as well as the Promoter shall be required for hiring appointing and terminating an employee drawing annual CTC of Rs. 8,00,000 - and above and the Parties shall undertake to do all reasonable acts in support of such action by the Sula or the Promoter.
- 8.6 The Board, the Sula and/or Promoters may appoint an alternate director in accordance with the Act ("Alternate Director") to act for a Director (the "Original Director") during his/her absence for a period of not less than three months from the state in which the meetings of the Board are ordinarily held. The Party which nominated such Original Director, shall have a right to nominate any other person to be the Alternate Director in place of the Original Director. The Parties shall ensure that the Board appoints only such persons to be Alternate Directors as are recommended by the Party, which nominated such Original Director.
- 8.7 The Sula and the Promoters Shareholders shall each have a right to fill in any casual vacancy caused in the office of the Directors nominated by them, by reason of his/her resignation, death, removal or otherwise. All nominations made by the respective Shareholders, as the case may be, shall be in writing and shall take effect on its receipt at the office of the Company.
- 8.8 The Chairman shall be entitled to chair all meetings of the Board or any committee thereof. The Chairman will have a casting vote. The Sula Director shall be the Chairman of the Board and General Meetings.

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- 8.9 A quorum for a meeting of the Board shall be 2 Directors, and must comprise of one Sula Director whether present in person or through an Alternate Director appointed in accordance with this Agreement, at the beginning and throughout the Board meeting. In the event adequate quorum is not achieved at such Board meeting, the meeting shall be adjourned by a week at the same place and same time as the original meeting. If adequate quorum is not achieved at the adjourned Board meeting, then, notwithstanding anything contained herein, the Directors then present shall constitute the quorum other than for the purposes of considering and voting on matters enumerated in Clause 8.13 hereof provided no matters other than those stated in the circulated agenda will be discussed. It is however clarified that, in the event that any of the Sula Directors cannot attend such adjourned meeting, such Sula Director as the case may be, may communicate their consent in writing to the Company on any of the matters enumerated in Clause 8.13 and which form part of the agenda, in which event quorum will be adequate even for such Clause 8.13 matter alone.
- 8.10 The Parties shall ensure that no meeting of the Board is held unless at least 7 days written notice, or a shorter written notice if the majority of Directors including Sula Directors accord their consent thereto, and a quorum is present. Subject to a meeting of the Board being quorate in compliance with Clause 8.9 above, it shall be permissible for the Board to take up any other business for consideration, other than such business as is specified in the agenda.
- 8.11 No resolution shall be deemed to have been duly passed by the Board by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors and Alternate Directors, if any, and has been approved in writing by them or by a majority (including the Sula Directors) of such of them as are entitled to vote on the resolution.
- 8.12 The Parties hereby agree that the Company shall decide from time to time if any payment needs to be made to the Directors of the Board in the performance of their functions responsibilities in respect of the Company.
- 8.13 The Parties hereby agree that a Super Majority Resolution shall be required in a meeting of the Board (or any committee thereof) in respect of any of the following matters:
- (i) Allot, issue, redeem, vary or repurchase or agree to allot, issue, redeem, vary or repurchase its Share Capital or Derivative Securities (or option or right to subscribe for the same) including without limitation the terms, timing and final pricing of any Initial Public Offering, or follow on offering or any OFS;
 - (ii) Any alteration of, amendment to, or waiver of any provision in the Memorandum and Articles or memorandum and articles of its Subsidiaries;
 - (iii) Change of Business or the diversification of the Business of the Company or its Subsidiaries
 - (iv) Any reduction in the authorised capital of the Company or its Subsidiaries either by lowering the par value of shares or by decreasing the number of shares issued, any subdivision or amalgamation of the authorized or issued

share capital of the Company or its Subsidiaries or of any rights or privileges attached to any shares or class of shares of the Company or its Subsidiaries:

- (v) Any increase or decrease in the number of directors on the Board of the Company or its Subsidiaries:
- (vi) Any proposal for
 - (a) creation of any Subsidiary or the reconstruction, consolidation or reorganization of the Company or its Subsidiaries; or
 - (b) the amalgamation or merger of the Company or its Subsidiaries with any other company or concern; or
 - (c) the winding up or dissolution of the Company or its Subsidiaries.
- (vii) Any payment of dividends or other distribution by the Company or its Subsidiaries:
- (viii) Any change in the name of the Company or its Subsidiaries:
- (ix) Create or adopt any new or additional equity option plan by the Company including the plan contemplated within the Option Threshold or its Subsidiaries:
- (x) The acquisition by the Company or its Subsidiaries of any share capital or other securities of any body corporate or the incorporation or setting up of a subsidiary or associated company:
- (xi) The Company or its Subsidiaries making any advance or loan or providing any credit to any person, except in the ordinary course of business:
- (xii) The Company or its Subsidiaries giving any guarantee, indemnity or security in respect of the obligations of any Person:
- (xiii) Formation of or entry by the Company or its Subsidiaries into joint venture, consortium, partnership or similar arrangements with any other Person or business:
- (xiv) The making by the Company or its Subsidiaries of any arrangement with its creditors and the moving for insolvency, receivership or bankruptcy.
- (xv) Change appointment of auditors of the Company or its Subsidiaries:
- (xvi) Any change in the Fiscal Year for preparation of audited accounts of the Company or its subsidiaries:
- (xvii) Affiliated or related party transactions, agreements or arrangements between the Company or its Subsidiaries and Promoter Shareholders or their Affiliates:

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- (xviii) Business Plan and budgets of the Company or its Subsidiaries;
 - (xix) Revise the salaries/ compensation paid to the directors of the Company or any of its subsidiaries;
 - (xx) Appointment or removal the chief executive officer/ the chief financial officer, chief operating officer of the Company;
 - (xxi) Capital expenditure, including constructions and leases, and indebtedness in excess of the levels agreed upon in the Business plan/ budgets of the Company or its Subsidiaries;
 - (xxii) Any substantial deviation in operations and strategies compared to Business Plan of the Company or its Subsidiaries;
 - (xxiii) Changes to material accounting or tax policies or practices other than those required by Applicable Law;
 - (xxiv) Any commitment or agreement to do any of the foregoing.

9 INFORMATION RIGHTS

- (a) The Company and its Affiliates shall deliver to each of the Sula the following documents:
 - (i) audited annual financial statements within 120 days after the end of each Fiscal Year;
 - (ii) unaudited quarterly financial statements within 15 days of the end of each fiscal quarter;
 - (iii) annual budget within 30 days prior to the end of each Fiscal Year;
 - (iv) management reports within 7 days of the end of each month;
 - (v) copies of any reports/ statements/ information filed with any Authority;
 - (vi) unaudited monthly sales statements within 3 days of the end of each month;
 - (vii) within 15 days from any request, such other information reasonably requested by the Sula from time to time excluding material requested by the Sula in relation to the past quarter, which material shall be provided within 30 days from the date of request.

It is herein clarified that all financial statements will be prepared under IND-AS w.e.f 1st April 2019. All management reports will include a comparison of financial results with the corresponding quarterly and annual budgets. Sula Director will have access to any information available to any other Directors.

- (b) The Sula and its duly authorised officers, employees, accountants and attorneys shall have the right, at any time, and from time to time during normal business hours and upon reasonable notice, to inspect and take copies of the books, records and other documents of the Company and its Subsidiaries and to consult with the officers, employees, accountants and attorneys of the Company for the purpose of affording the Sula full opportunity to make such investigation as it shall desire. The Sula may conduct an audit of the Business of the Company at its own cost. Such investigations and/or audit, however, shall not affect the Representations and Warranties made by the Company and/or Promoters.

10. REPRESENTATIONS AND WARRANTIES

10.1 Promoters and the Company hereby jointly and severally represent and warrant to the Sula that:

- (i) the Company is duly incorporated under the laws of India;
- (ii) the Company has the power and authority to execute and deliver this Agreement. The execution and delivery of this Agreement has been duly authorised and approved and does not require any further authorisation or consent of any third party;
- (iii) the Company has no valid Shareholders Agreement as on the Closing date;
- (iv) upon execution, this Agreement will be a legal, valid and binding obligation of the Company, enforceable in accordance with its terms;
- (v) the execution and delivery of this Agreement by the Company, and its promises, agreements or undertakings under this Agreement do not or shall not violate any law, rule, regulation or order applicable to it or violate or contravene the provisions of or constitute a default under any documents, contracts, agreements or any other instruments to which it is a party or which are applicable to it; and
- (vi) Except for the issuance of the Issue Shares in accordance with the provisions hereof, the Company shall not issue any Shares or securities or instruments to any Person whatsoever during the period between the date of this Agreement and the Closing Date, without the prior written consent of the Sula.

10.2 The Sula hereby represent and warrant to the Company that:

- (i) They have the power and authority to execute and deliver this Agreement. The execution and delivery of this Agreement has been duly authorised and approved and does not require any further authorisation or consent of any third party;
- (ii) upon execution, this Agreement will be a legal, valid and binding obligation of the Sula, enforceable in accordance with its terms; and



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- (iii) the execution and delivery of this Agreement by it, and its promises, agreements or undertakings under this Agreement do not or shall not violate any law, rule, regulation or order applicable to it or violate or contravene the provisions of or constitute a default under any documents, contracts, agreements or any other instruments to which it is a party or which are applicable to it.

10.3 Each of the Promoters hereby severally represent and warrant to the Sula that:

- (i) he / she / is legally entitled under the laws of India to execute this Agreement, and this Agreement once executed shall be a legal, valid and binding obligation of such Promoters Shareholders; and
- (ii) the execution and delivery of this Agreement by such Promoters, and promises, agreements or undertakings of such Promoters under this Agreement do not or shall not violate any law, rule, regulation or order applicable to them or violate or contravene the provisions of or constitute a default under any documents, contracts, agreements or any other instruments to which such Promoter is a party or which are applicable to such Promoter.

10.4 Promoters and the Company hereby jointly and severally make the Representations and Warranties to the Sula set out in **Annexure A** hereof and acknowledge that the Sula have agreed to subscribe to the Issue Shares and purchase the Purchase Shares, inter alia, relying upon the Representations and Warranties. Each Representation and Warranty is to be construed independently of the others and is not limited by reference to any other Representation and Warranty.

10.5 Any Representation and Warranty herein or in any such certificate or writing shall be deemed to be material and to have been relied upon by the Sula, notwithstanding any investigation, due diligence review or inspection made by or on behalf of the Sula and shall not be affected in any respect by any such investigation, due diligence review or inspection.

10.6 All Representations and Warranties shall, except in cases where a Representation or a Warranty is made as of a particular date specified therein, will be deemed to be made as of the date of execution of this Agreement and as on the Closing Date and the enforcement of an indemnity under Clause 11 in respect of a breach of any such Representation and Warranty shall survive till such time as this Agreement and the indemnity under Clause 11 is in force.

11 BREACH OF REPRESENTATIONS AND WARRANTIES

11.1 Without prejudice to any other right available to any Party in law or under equity, each Party ("**Indemnifying Party**") shall be liable to compensate and indemnify, defend and hold harmless, the other ("**Indemnified Party**"), its directors, officers and employees, or, if so desired by the Indemnified Party, the Indemnifying Party shall indemnify the Company, from and against any and all losses, liabilities, damages, deficiencies, demands, claims, actions, judgements or causes of action, assessments, interest, penalties and other costs or expenses (including, without limitation, reasonable attorneys' fees and expenses) (the "**Losses**") based upon, arising out of, or in relation to

or otherwise in respect of any inaccuracy in or any breach of any Representation and Warranty, covenant or agreement of the Indemnifying Party made to - with the Indemnified Party.

- 11.2 Any compensation or indemnity as referred to in Clause 11.1 above shall be such as to place the Indemnified Party or the Company, as the case may be, in the same position as it would have been in, had there not been any such breach and as if the Representation and Warranty under which the Indemnified Party or the Company, as the case may be, is to be indemnified, had been correct.
- 11.3 The rights and remedies of the Indemnified Party in respect of any breach of any of the Representations and Warranties shall not be affected by any act or happening which otherwise might have affected such rights and remedies, except by a specific written waiver by the Indemnified Party.
- 11.4 The Sula shall not assume in any manner, any responsibility or liability whatsoever relating to the period prior to the Closing Date in respect of the Business of the Company and its operations or activities, to any Person and any authority, central, state, local or municipal or otherwise for anytime prior to the Closing Date nor assume any responsibility or liability for any non-compliance relating to the period, prior to the Closing Date, of any applicable law, rules, regulations, any monetary or other liability and the Company and Promoters shall indemnify and keep indemnified and hold the Sula free and harmless from and against any and all Losses which the Sula may then or at any time thereafter pay, incur, suffer or sustain directly or indirectly in connection therewith.
- 11.5 It is further clarified that the Promoters shall be personally liable and make good to the Company for any penalties the Company incurs due to the business operations carried out prior to Closing Date including but not limited to PF, ESIS, Minimum Wages, Gratuity, Income Tax, Indirect Taxes, State Excise, Company law and any other statutory authority.
- 11.6 The Promoters guarantee that all the prevailing Brand & area wise Volume of Business shall be maintained and all efforts shall be made for increasing their sales from Closing date as per the Business Plan mutually agreed. Until such time as Sula holds threshold limits stake in the Company, the Promoters guarantee and represent that the Brands as on closing date shall at no point move to any of their Affiliate Business including but not limited to Sagar Wines Marketeers Private Limited, in case any of the Brands as on Closing date is moved to any of the Promoter Affiliate entities, is shall be treated as a material breach of this Agreement and Sula will have all rights for indemnity and compensation for loss of business.
- 11.8 The Parties hereby agree that the combined liability of Promoters to indemnify the Sula, and the Company contained in this Clause 11 shall continue to remain in full force thereafter and shall not be subject to any maximum limit.

12 GENERAL MEETINGS

- 12.1 The Parties hereby agree that no valid quorum for a general meeting of the Company shall be deemed to be constituted if an authorised representative of the Sula is not



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present at such general meeting. In the event adequate quorum is not achieved at such general meeting by virtue of non-attendance by the authorised representative of the Sula, the meeting shall be adjourned by a week at the same place and same time as the original meeting. If adequate quorum is not achieved at the adjourned general meeting, then, notwithstanding anything contained herein, the members present shall constitute the quorum other than for the purposes of considering and voting on matters enumerated in Clause 8.11 hereof provided no matters other than those stated in the circulated agenda will be discussed. However, in the event that any of the Sula or Promoters cannot attend such adjourned meeting, the Sula can communicate their consent in writing to the Company on any of the matters enumerated in Clause 8.11 and which form part of the agenda, in which event the quorum will be adequate only for matters in respect of which the written consent has been given.

- 12.2 Each Share shall carry voting rights as prescribed under the Act. There shall be no disproportionate voting rights. Provided however, no decision shall be taken by the Shareholders at a general meeting in respect of any of the matters mentioned in Clause 8.11 above unless the Super Majority Resolution is obtained for it to be validly passed or taken.
- 12.3 The Chairman of the Board shall preside as chairman of all general meetings of the Company.
- 12.4 A general meeting of a company may be called by giving not less than clear 7 (Seven) calendar days' notice either in writing or through electronic mode. Provided that a general meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting.

13 LIABILITY OF NEW SULA DIRECTOR

- 13.1 The Promoters and the Company expressly agree and undertake that the New Sula Director shall not be liable for any default or failure of the Company in complying with the provisions of any laws, including but not limited to, defaults under the Act, taxation and labour laws of India.
- 13.2 The Promoters and the Company expressly agree and undertake that the New Sula Director shall not be identified on their part as officers in default of the Company, or occupiers of any premises used by the Company or employers under applicable laws. Further, the Promoters and the Company undertake to ensure that the other Directors or suitable persons are nominated as officers in default, occupiers and or employers, as the case may be, in order to ensure that the New Sula Director does not incur any liability.
- 13.3 The Company expressly agrees to indemnify, to the extent permitted by law and to the extent not covered by an existing Directors & Officers liability insurance policy purchased by the Company, all Directors for any liability accruing, incurred, suffered, and /or borne due to
- (a) the failure of the Company to comply with the provisions of any Applicable Laws and / or with the provisions of this Clause 13; or

- (b) any act, omission or conduct of or by the Company or its employees or agents (acting in such capacity) as a result of which, in whole or in part, any of the Director/s is/are, in his capacity as a director of the Company, made a party to, or otherwise incurs any loss pursuant to, any action, suit, claim or proceeding arising out of or relating to any such conduct; or
- (c) any action or failure to act by any Director/s at the request of the Company.

14 EXERCISE OF VOTING RIGHTS

- 14.1 The Sula and the Promoters shall ensure that they, their representatives and proxies representing them at general meetings of the Company shall, at all times, exercise their votes and through their respective appointed/nominated Directors (or Alternate Directors) at meetings of the Board and otherwise, act in such manner so as to comply with, and to fully and effectually implement the spirit, intent and specific provisions of this Agreement, including, but not limited to the appointment of the Directors as contemplated in Clause 8.
- 14.2 If a resolution contrary to the terms of this Agreement is proposed at any general meeting of the Company or at any meeting of the Board or any committee thereof, the Sula and the Promoters, their representatives (including proxies) and their respective appointed/nominated Directors (or Alternate Directors), shall vote against the same; provided, however, that if for any reason such a resolution is passed, the Parties shall, as necessary, jointly convene or cause to be convened a meeting of the Board or any committee thereof or a general meeting of the Company for the purpose of implementing the terms and conditions of this Agreement and to give effect thereto, and to supersede such resolution.

15 CO-OPERATION

The Parties shall use their reasonable efforts to cause the transactions contemplated by the Transaction Documents to be consummated, including without limitation, obtaining, making and causing to become effective, all approvals of relevant Authorities and other persons as may be necessary or reasonably requested by any of the Parties in order to consummate the transactions contemplated by the Transaction Documents.

16 NON-COMPETE

- 16.1 So long as the Sula maintain their shareholding at the Threshold Limit the Promoters shall not, and shall cause their Affiliates not to, carry on or engage in, whether through partnership or as a shareholder, joint venture partner, or collaborator, consultant or agent or in any other manner whatsoever, for profit, any business in India, which competes directly with the Business save and except the businesses carried out by Sagar Wines Marketeers Private Limited.
- 16.2 The Promoters hereby agree that so long as any of the Promoters directly or indirectly hold legally and/or beneficially any Shares of the Company:
 - (i) The Promoters shall not, directly or indirectly, attempt in any manner to solicit from any client/customer in India, except on behalf of the Company, business



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of the type carried on by the Company or to persuade any person, firm or entity which is a client/customer of the Company in India to cease doing business or to reduce the amount of business which any such client/customer has customarily done or might propose doing with the Company whether or not the relationship between the Company and such client/customer was originally established in whole or in part through their efforts; or

- (ii) Employ or attempt to employ or assist anyone else to employ, in India, any person who is in the employment of the Company.

16.3 The Promoters for a period of one year after ceasing to directly or indirectly, hold legally and/or beneficially any Shares of the Company, the Promoters shall not, carry on or engage in, whether through partnership or as a shareholder, joint venture partner, for profit, any business in India, which competes directly with the Business, save and except as disclosed in clause 16.1 above.

16.4 The Promoters hereby agree that for a period of one year after ceasing to directly or indirectly, hold legally and/or beneficially any Shares of the Company,

- (i) The Promoters shall not, directly or indirectly, attempt in any manner to solicit from any client/customer in India, except on behalf of the Company, business of the type carried on by the Company or to persuade any person, firm or entity which is a client/customer of the Company in India to cease doing business or to reduce the amount of business which any such client/customer has customarily done or might propose doing with the Company whether or not the relationship between the Company and such client/customer was originally established in whole or in part through their efforts; or

- (ii) Employ or attempt to employ or assist anyone else to employ, in India, any person who is in the employment of the Company.

16.5 The Parties are aware that Promoters control the management and day-to-day affairs and operations of the Company. For so long as Promoters continues to Control the management and day-to-day affairs and operations of the Company, Promoters shall devote and spend all their working time for promoting the operations of the Company. In addition, Promoters will not engage in any other business nor will he create any new entity for any business as long as the Sula continue to hold the Threshold Limit in the Company. Promoter 1 shall however be entitled to devote 50% of his time at Sagar Wines Marketeers Private Limited or more subject to Sula's written approval.

16.6 The Parties acknowledge and agree that the above restrictions are considered reasonable for the legitimate protection of the Business and goodwill of the Company, but in the event that such restriction shall be found to be void, but would be valid if some part thereof was deleted or the scope, period or area of application were reduced, the above restriction shall apply with the deletion of such words or such reduction of scope, period or area of application as may be required to make the restrictions contained in this Clause 16 valid and effective. Notwithstanding the limitation of this provision by any law for the time being in force, the Parties undertake, at all times to observe and be bound by the spirit of this Clause 16. Provided however, that on the revocation, removal or diminution of the law or provisions, as the case may be, by

virtue of which the restrictions contained in this Clause 16 were limited as provided herein above, the original restrictions would stand renewed and be effective to their original extent, as if they had not been limited by the law or provisions revoked.

16.7 The Promoters acknowledge and agree that adequate consideration has been provided for the non-compete covenants contained in this Agreement and that restrictions contained in this Clause 16 are considered reasonable for the legitimate protection of the Business and goodwill of the Sula and the Company.

16.8 The Parties acknowledge and agree that the covenants and obligations with respect to non-compete and non-solicitation as set forth above relate to special, unique and extraordinary matters, and that a violation of any of the terms of such covenants and obligations by one Party will cause the other Parties, irreparable injury. Therefore, it is agreed that the Sula and/or the Company shall be entitled to an interim injunction, restraining order or such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to restrain the Promoters, as the case may be, from committing any violation of the covenants and obligations contained in this Clause. These injunctive remedies are cumulative and are in addition to any other rights and remedies that the Sula and or the Company may have at law or in equity.

17 TERM

This Agreement shall come into effect and force on the date first written above and shall remain in full force unless terminated in accordance with the provisions of this Agreement.

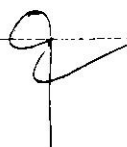
18 TERMINATION

18.1 The Sula shall be entitled to terminate this Agreement forthwith, by giving a notice in writing, upon the happening of any one of the following events:

- (a) The Company or the Promoters committing a material breach of any of the provisions of this Agreement, and failing to remedy such breach within 30 days of being notified of the same;
- (b) Any governmental action is taken, or proposed (in writing) to be taken, debaring the Company from carrying on its Business or rendering it impossible to transact the Business, or if a substantial portion of the assets, property, revenues or Business of the Company is confiscated or expropriated or proposed to be confiscated or expropriated, by the Government (Central or State) of India or any governmental agency in India;
- (c) The Promoters and or their Affiliates and or any person nominated by them in accordance with this Agreement ceasing to hold any Shares of the Company;
- (d) The Company going into liquidation or passing a resolution for voluntary winding up or a receiver or liquidator being appointed in respect of any of the property of the Company or a petition for winding up of the Company being admitted;

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- (c) Any of the Promoters being declared insolvent or bankrupt or filing a petition for being declared as an insolvent or bankrupt or an administrator being appointed in respect of any of the properties of any of the Promoters.
- 18.2 The Company shall be entitled to terminate this Agreement forthwith, by giving a notice in writing, upon the happening of any one of the following events:
- (a) Sula committing material breach of any of the provisions of this Agreement and failing to remedy such breach within 30 days of being notified of the same;
 - (b) Sula going into liquidation or passing a resolution for voluntary winding up or a receiver or liquidator being appointed in respect of any property of Sula or a petition for winding up of Sula being admitted by a competent court;
 - (c) Sula and or its Affiliates and/or any person nominated by it in accordance with this Agreement, ceasing to hold any Shares of the Company;
 - (d) Upon Sula shareholding in the Company falling below the Threshold Limit, provided that the provisions of Clauses 7.4, 19, 20, 21, 22.8 and 22.11 shall survive such termination.
- 18.3 The Parties hereby agree that this Agreement shall terminate automatically upon the earlier of the following: (i) the occurrence of a Trade Sale, and (ii) acquisition of 49% or more of the Shares by a Competitor.
- 18.4 (i) Notwithstanding the provisions of Clause 6 above, in case of termination under Clauses 18.1, the Sula shall be entitled to require Promoters, by giving notice in writing, to purchase all the Shares held by the Sula either himself or through any Person nominated by him, at a price determined in accordance with the provisions of Clause 18.4(ii) below within 30 days from the date of receipt of such notice subject to obtaining of all necessary approvals from the relevant Authorities, if required. In the event, Promoters are unable or unwilling to purchase the Shares either himself through any Person nominated by him, the Sula shall have a right to sell the Shares to any Person subject to such Person not being a Competitor. However the restriction on transfer to a Competitor shall only apply for a period of 48 months from the date of this Agreement.
- (ii) For the purposes of this Clause 18.4, Sula shall appoint a reputed merchant banker to determine the value and sale price of the Shares, within 7 days of the notice given under Clause 18.4(i) above. The costs and expenses incurred for the valuation of the Shares by the merchant banker firm and or the expenses, if any, incurred in connection with the appointment of the merchant banker firm, shall be borne by the Company.
- 18.5 The rights and obligations of the Parties under clause 7.4, 19, 20, 21, 22.8 and 22.11 of this Agreement, shall survive the termination of this Agreement.
- 18.6 Termination of this Agreement for any cause whatsoever shall not relieve either Party hereto of any liability, which at the time of termination has already accrued to the other



Party hereto, or which may, thereafter, accrue in respect of any act or omission prior to such termination.

19 CONFIDENTIALITY

19.1 The Parties recognise that each of them will be given and have access to confidential and proprietary information of the other Parties. The Parties undertake not to use any of such confidential information for their own purposes without the prior written consent of the Party owning such information and shall use their best efforts to keep confidential and not to disclose to any third party any of the other Parties' confidential and proprietary information. The Parties shall also cause their respective directors, employees, officers and any other persons to whom the above mentioned information is disclosed to execute confidentiality agreements to the effect provided in this clause. The obligations of confidentiality shall not apply to any information that:

- (a) was developed independently by the Parties;
- (b) was known to the Party prior to its disclosure by the disclosing Party;
- (c) has become generally available to the public (other than by virtue of its disclosure by the receiving Party);
- (d) may be required in any report, statement or test the Company submitted to any governmental or regulatory body;
- (e) may be required in response to any summons or in connection with any litigation; or
- (f) may be required to comply with any law, order, regulation or ruling applicable to any Party hereto.
- (g) such disclosure has been approved by the Promoters and the Sula

Provided that prior to any disclosure in respect of a request to disclose confidential information under subsections (d), (e) and (f), a Party must first notify the Party owning such confidential information, who shall then have the opportunity to respond to and/or dispute such request. The provisions of this Clause shall survive the termination of this Agreement.

19.2 Upon termination of this Agreement, the Parties shall cause the Company to return to the Sula and the Promoters, as applicable, and the Parties shall return to each other, all documents and information belonging to such Person and all copies thereof in the possession or under the control of a Party which does not own such property, and all confidential information in whatever media.

19.3 The Parties acknowledge and agree that the covenants and obligations with respect to Confidentiality set forth in this Clause 19 relate to special, unique and extraordinary matters, and that a violation of any of the terms of such covenants and obligations will cause the Company and the owner of such property irreparable injury for which adequate remedies are not available at law. Therefore, the Parties agree that the



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concerned Party entitled to enforce the covenants set forth above, shall be entitled to an injunction, restraining order 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 of the covenants and obligations contained in this Clause. These injunctive remedies are cumulative and are in addition to any other rights and remedies the concerned Party may have at law or in equity.

20 ARBITRATION

- 20.1 If any dispute arises between the Parties hereto during the subsistence of this Agreement or thereafter, in connection with or arising out of the validity, interpretation, implementation or alleged breach of any provision of this Agreement or regarding a question, including the question as to whether the termination of this Agreement by one Party hereto has been legitimate, the Parties hereto shall endeavour to settle such dispute amicably. The attempt to bring about an amicable settlement is considered to have failed as soon as one of the Parties hereto, after reasonable attempts, which attempt shall continue for not less than 60 days, gives thirty 30 days' notice thereof to the other Party in writing.
- 20.2 In case of such failure, the dispute shall be referred to a sole arbitrator or in case of disagreement as to the appointment of the sole arbitrator to three arbitrators, the Sula nominating one arbitrator and the Company or the Promoters (depending on which of them is/are parties to the dispute) appointing the second arbitrator. The third arbitrator shall be appointed by the two arbitrators so appointed. The arbitration proceedings shall be governed by the Indian Arbitration and Conciliation Act, 1996.
- 20.3 The place of the arbitration shall be Mumbai, India.
- 20.4 The proceedings of arbitration shall be in the English language.
- 20.5 The arbitrator's award shall be substantiated in writing. The court of arbitration shall also decide on the costs of the arbitration proceedings.
- 20.6 The award shall be binding on the Parties subject to the applicable laws in force and the award shall be enforceable in any competent court of law.

21 NOTICES

- 21.1 Any notice provided for in this Agreement shall be in writing and shall be first transmitted by facsimile transmission, and then confirmed by postage, prepaid registered post with acknowledgement due or by internationally recognised courier service, in the manner, as elected by the Party giving such notice:

- (a) In the case of notices to the Sula:

Address: **SULA VINEYARDS PRIVATE LIMITED**
901 Hubtown Solaris,
N.S. Phadke Marg,
Andheri (E),
Mumbai -- 400069 INDIA

Phone No: +91 22 61280606
For attention of: Mr. Rajeev Samant Mr. Deepak Bhatnagar
Email: rajeevs@sulawines.com, deepakb@sulawines.com

(a) In the case of notices to the Company:

Address: **PROGRESSIVE ALCOBEV PRIVATE LIMITED**
Flat no.101, Plot no. 4A & 4B Sec-26,
Progressive Viva, Vashi Navi Mumbai
Thane 400705 India
Phone No: +91 22 28464745
For attention of: Mr. Pravin Ilango Mr. Rakshit Arora
Email: progressivealcobev@gmail.com pravinilango@gmail.com

(d) In the case of notices to the Promoters, to each of the Promoters at the addresses listed out against each of their names at **Annexure B**.

21.2 All notices shall be deemed to have been validly given on (i) the business date immediately after the date of transmission with confirmed answer back, if transmitted by facsimile transmission, (ii) the business date of receipt, if sent by courier, or (iii) the expiry of seven days after posting, if sent by registered post.

21.3 Any Party may, from time to time, change its address or representative for receipt of notices provided for in this Agreement by giving to all the other Parties not less than 10 (ten) days' prior written notice thereof.

22 MISCELLANEOUS PROVISIONS

22.1 Reservation of Rights

No forbearance, indulgence or relaxation or inaction by any Party at any time to require performance of any of the provisions of this Agreement shall in any way affect, diminish or prejudice the right of such Party to require performance of that provision, and any waiver or acquiescence by any Party of any breach of any of the provisions of this Agreement shall not be construed as a waiver or acquiescence of any continuing or succeeding breach of such provisions, a waiver of any right under or arising out of this Agreement or acquiescence to or recognition of rights other than that expressly stipulated in this Agreement.

22.2 Cumulative Rights

All remedies of either Party under this Agreement whether provided herein or conferred by statute, civil law, common law, custom or trade usage, are cumulative and not alternative and may be enforced successively or concurrently.

22.3 Partial Invalidity

If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this

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Agreement and the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. Any invalid or unenforceable provision of this Agreement shall be replaced with a provision, which is valid and enforceable and most nearly reflects the original intent of the unenforceable provision.

22.4 Amendments

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

22.5 Assignment

This Agreement and the rights and liabilities hereunder shall bind and inure to the benefit of the respective successors of the Parties hereto, but no Party hereto shall assign or transfer its rights and liabilities hereunder to any other Person without the prior written consent of the other Parties, provided that the Sula shall be entitled to assign in full all its rights and obligations hereunder in relation to any transfer to any of their respective Affiliates, Nominee of all the shares held by them (so long as such transferee remains an Affiliate, or Nominee as the case may be), without the consent of the other Parties. Upon such assignment of rights and obligations by the Sula to any nominee of the Sula, the provisions applicable hereunder to the Sula shall become applicable to such transferee of the Sula.

22.6 Entire Agreement

This Agreement constitutes the entire Agreement between the Parties with respect to the subject matter herein and supersedes and cancels any prior oral or written agreement, representation, understanding, arrangement, communication or expression of intent relating to the subject matter of this Agreement. On the Closing Date, this Agreement shall supersede all earlier shareholder agreements or arrangements entered into by the Company and or the Promoters, including the share subscription, share purchase and shareholders' agreement, which shall stand cancelled and have no further effect and all rights arising to shall stand cancelled and the terms of this Agreement shall supersede said shareholders agreement.

22.7 Relationship

None of the provisions of this Agreement shall be deemed to constitute a partnership between the Parties hereto and no Party shall have any authority to bind the other Party otherwise than under this Agreement or shall be deemed to be the agent of the other in any way.

22.8 Governing law

This Agreement shall be governed and construed in accordance with the laws of India.

22.9 Costs

Each Party shall bear its own expenses incurred in preparing this Agreement. The stamp duty payable on transfer of the shares from each of the respective Promoters to the Sula shall be borne by the respective Promoters. The stamp duty payable on this Agreement, the expenses relating to the increase in the authorised share capital of the Company and all other costs and expenses directly related to the transactions contemplated herein shall be borne by the Company.

22.10 Force Majeure

No Party shall be liable to the other if, and to the extent, that the performance or delay in performance of any of its obligations under this Agreement is prevented, restricted, delayed or interfered with due to circumstances beyond the reasonable control of such Party, including but not limited to, Government legislations, fires, floods, explosions, epidemics, accidents, acts of God, wars, riots, strikes, lockouts, or other concerted acts of workmen, acts of Government and or shortages of materials. The Party claiming an event of force majeure shall promptly notify the other Parties in writing, and provide full particulars of the cause or event and the date of first occurrence thereof, as soon as possible after the event and also keep the other Parties informed of any further developments. The Party so affected shall use its best efforts to remove the cause of non-performance, and the Parties shall resume performance hereunder with the utmost dispatch when such cause is removed.

22.11 Public announcements

No Party to this Agreement shall make any disclosure or announcements about the subject matter of this Agreement to any Person without the prior written consent of the other Parties.

22.12 Execution in Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument.

22.13 Authorisation

The persons signing this Agreement on behalf of the Parties represent and covenant that they have the authority to so sign and execute this document on behalf of the Parties for whom they are signing.



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Annexure A

Representations and Warranties

As on date of execution and on the Closing Date, Promoters and the Company hereby jointly and severally represent and warrant to the Sula that save and except as disclosed in the Disclosure Schedule:

1. Information

The information set out in each of the following clauses is complete and accurate in all respects. None of the information is misleading in any manner whatsoever, whether by inclusion of misleading information or omission of any information or both.

2. Reports

Save and except statutory reports furnished by the Company's statutory auditors, there has been no report concerning the Company or the whole or any part of its property or undertaking, by any accountant or financial or management consultant in the period since its incorporation up to the date of this Agreement except as disclosed in the Disclosure Schedule.

3. Approvals

Each material legal or creditor approval required and to the best knowledge of Promoters and the Company for each material regulatory approval required for the purchase and subscription of the Company Shares by the Sula has been duly obtained or shall be obtained prior to the Closing Date. Any condition imposed under any such approval has been duly observed.

4. Incorporation and power

The Company:

- (a) is a body corporate duly incorporated under the laws of India;
- (b) has the power to own its assets and carry on its business; and
- (c) is duly registered and authorized to do business in India.

5. Constituent documents

The business and affairs of the Company are being conducted in accordance with its Memorandum and Articles and other constituent documents and the Company has delivered true and correct copies of such Memorandum and Articles and other constituent documents to Sula.

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6. Corporate Records

- (a) The Company has maintained all corporate records including all the statutory registers, such as registers of members, directors, contracts in which Directors are interested etc.
- (b) The Company has maintained records and minutes of all meetings and resolutions which have been passed by the Board and Shareholders of the Company.
 - (i) All provisions of the Act relating to board meetings and annual general meetings have been fully complied with. The Board meetings and the general meetings, of the Company have been validly held in accordance with the provisions of the Act and all actions and resolutions relating to each such meeting were taken and passed respectively in accordance with the provisions of the Act.
 - (ii) The Company has duly and timely filed all annual returns with the Registrar of Companies.
 - (iii) All the information contained in the various registers, records and minutes book provided under Clause 7 a) and b) is current, true, complete and accurate in all respects.

7. Alteration of Share capital

The Company has not at any time:

- (a) redeemed or repaid any share capital;
- (b) reduced its share capital or passed any resolution for the reduction of its share capital; and
- (c) 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.

8. Dividends

The Company has not declared any dividends since its incorporation.

9. Structure

- (a) The capital structure of the Company is as follows:

The present authorised share capital of the Company is Rs.1,50,00,000 divided into 15,00,000 Equity Shares of Rs. 10 each. The present issued, subscribed and fully paid up share capital of the Company is Rs. 80,00,000 equity shares of Rs. 10 each.

The Shares of the Company, represented on a Fully Diluted Basis, are held as under:

S No.	Name of Shareholder	No. of Shares	% of Shareholding
1	Mr. Rakshit Arora	4,00,000	50 ⁰⁰ ₐ
2	Mr. Pravin Ilango	4,00,000	50 ⁰⁰ ₐ
	Total	8,00,00	100.00%

(b) The Company:

- (i) is not the holder or beneficial owner of any shares or other capital in any body corporate.
- (ii) is not a member of any partnership or other unincorporated association except those associations disclosed in the Disclosure Schedule; and
- (iii) is not the manager, trustee or representative of any trust or scheme.

(c) No other class of shares of the Company is authorized or issued or paid-up.

(d) There are no outstanding options, warrants, rights, calls, commitments, conversion rights, rights of exchange, plans or other agreements of any character providing for the purchase, issuance or sale of any shares of the Company except as disclosed in the Disclosure Schedule.

10. Solvency

None of the following has occurred and is subsisting, nor has a notice been served, in relation to:

- (a) An application to a court for an order, or the making of any order, that it be wound up, that a liquidator or receiver be appointed or that it be placed in bankruptcy.
- (b) A resolution for winding up of the Company.
- (c) The convening of a meeting or passing of a resolution to appoint an official liquidator.
- (d) A scheme of arrangement or composition with, or reconstruction arrangement or assignment for the benefit of or other arrangement with all or a class of creditors.
- (e) The taking of any action to seize, take possession of or appoint a receiver and or manager in respect of the shares of the Company.
- (f) The taking of any action, which would render the Company 'defunct' under Section 560 of the Act.
- (g) there exist no circumstance(s), which could give rise to any of the foregoing.

11. Guarantees or Letters of comfort –

The Company has not provided any guarantee or letter of comfort or made any representation or given any undertaking to any Person in respect of the obligations or solvency of any Person or in support of or as an inducement to or otherwise in connection with the availing of financial assistance from any party.

12. Financials -

- (a) The outstanding debt of the Company, including off-balance sheet contingent liabilities as of 31st October 2018 is Rs. 1705 lakhs.
- (b) Other than those disclosed in the Disclosure Schedule, the Company has not advanced any sum to any Person, firm or company etc
- (c) The Company has not accepted any deposits (as the term is understood under the Act) from any Person;
- (d) The Company has delivered to Sula true and complete copies of the audited financial statements for the year ending 31st March 2018 and interim accounts as of the period ending 31st October, 2018.
- (e) The financial statements have been prepared in accordance with Indian generally accepted accounting principles and truly and fairly present the financial position, assets and Liabilities (whether accrued, absolute, contingent or otherwise) of the Company at the dates indicated. All liabilities of the Company have either been discharged by the Company or have been adequately provided for in the books of accounts by the Company or have been disclosed in the books of accounts.

13. Business

- (a) The Company has commenced Business in 2011
- (b) The Company has not carried on any business other than the Business
- (c) The property of the Company has been and remains in the possession or under the control of the Company. The Company has good title to all the assets declared during the due diligence exercises and other than as disclosed in the Disclosure Schedule has not created any charge or an encumbrance over nor declared itself trustee of any of its properties.
- (d) No contract has been entered into or terminated or has expired which could reasonably be expected to have an adverse effect on the profitability of any business conducted by the Company.

- (e) The Company has not received any notice or threat of termination of a contract that could reasonably be expected to have a materially adverse effect on the Business conducted by the Company.
- (f) No authorization, permit, license or registration from which the Company benefits has been terminated, or has expired and could reasonably be expected to have a materially adverse effect on the Business of the Company.
- (g) Except as disclosed in Clause 9 (e) of the Disclosure Schedule no share, security or other right convertible into shares or loan capital has been issued by the Company.
- (h) The Company has not defaulted in paying any creditor *other than* in accordance with the general business practice.
- (i) There has been no payment or satisfaction by the Company of any debt or liability of any Person other than in the ordinary course of business.
- (j) The Company has not waived debt owed to it.
- (k) there exist no circumstance(s), which could give rise to any of the foregoing.

14. Powers of attorney

- (a) Other than routine authorisations granted in the normal course of conducting the Business no extra-ordinary authorities have been issued in favour of any officer and/or employee to bind the Company.
- (b) No outstanding offer, tender, quotation or the like, given or made by the Company is capable of giving rise to a contract merely by any unilateral act of a third party or on terms calculated to yield a gross profit margin inconsistent with that usually obtained by the Company.
- (c) The Board of Directors of the Company is at present, authorized to borrow up to an amount not exceeding the limit prescribed under the Companies Act and as per the Articles of Association of the Company and to that extent offer as security mortgage or charge over movable and immovable property of the Company.

15. Contracts and commitments

Save and except as disclosed in the Disclosure Schedule.

- (a) The Company has not entered into any contracts or commitments which imposes or is likely to impose an obligation on the Company which requires the Company to share profits, pay any royalties.
- (b) The Company has not terminated, violated or done or agreed to do anything which might result in a breach of any of the terms and conditions of any agreement, arrangement or contract entered into by the Company.



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- (c) The Company has not on or before the date hereof and will not prior to the Closing Date, enter into any negotiations, or enter into any contract or option agreement or other commitments of any kind, whether contingent or not, to issue any shares to any Person other than the Sula.
- (d) The Disclosure Schedule sets forth a list of all contracts copies of which has been furnished to Sula. No contract has been modified or amended. No verbal representations, warranties or assurances binding on the Company have been given with respect to any contract. No contract was entered into outside the ordinary course of Business or contains any provisions that could reasonably be expected to impair or adversely affect the Business. Each of the contracts (other than contracts have expired in accordance with their terms) is in full force and effect and is the valid and legally binding obligation of the Company and the other parties thereto, enforceable in accordance with its terms. Neither the Company nor any other party is in material default under any of the contracts, and no event has occurred which, with the passage of time or the giving of notice or both, would constitute a material default there under. The Promoters have no knowledge of any pending or threatened cancellation, revocation or termination of any of the contracts, nor, to the Promoters' knowledge, are there any facts or circumstances, which could reasonably be expected to lead to any such cancellation, revocation or termination. The best knowledge of a party shall mean and include any fact that ought to have been known by such party upon a due and careful enquiry.
- (e) With respect to each customer contract, the services to be performed there under have been completed in accordance with their terms (including, without limitation, with respect to, time and budget) and without material default. The Company has not provided any services or failed to provide any services under any customer contract, which could lead to any valid and enforceable material claim under any customer contract.
- (f) After the Closing, each of the contracts will continue in full force and effect under the current terms thereof, in each case without breaching the terms thereof or resulting in the forfeiture or impairment of any right there under and without any further consent, approval or act of, or the making of any filing with any Person and without permitting any other party to a contract to accelerate, modify or terminate such contract. To the best of the knowledge of Promoters and the Company neither the Company nor any of its Employees or consultants is a party to any agreement which would restrict or inhibit the Company from engaging in the Business after the Closing, except for covenants in favor of the Company and/or secrecy, confidentiality, non-compete or the subject thereof. The Company is not a party to any joint venture, partnership or similar arrangement. The Company has not provided any services or failed to provide any services under any contracts to which it is a party in any manner, which could lead to any material claim under any contract. The best knowledge of a party shall mean and include any fact that ought to have been known by such party upon a due and careful enquiry.

- (g) The Company has not entered into any contract or any transaction with any related party which is not on arms' length basis.

16. Assets

All significant moveable and immovable properties of the Company are disclosed in the Disclosure Schedule.

- (a) No real estate property of the Company is at present subject matter of any legal proceedings.
- (b) Other than disclosed in the Disclosure Schedule, the Company has not taken any other properties on Lease and/or Leave and License.
- (c) The Company has a valid, good, marketable title to and is in vacant physical possession of and is the legal and beneficial owner of each of the immovable properties of the Company. The said immovable properties are held free from Encumbrances of any nature whatsoever. No third party has any claim of any nature whatsoever on any of the immovable properties of the Company nor has the Company entered into any agreement for sale or disposal of any immovable properties or any part thereof.
- (d) The Disclosure Schedule sets forth a list of all leases, subleases, rights to occupy or use, licenses or other arrangements with respect to the use or occupancy of any real property to which the Company is party (the "Leases"), in each case setting forth: (a) the lessor and lessee thereof and the date and term of each of such Leases, (b) the legal description, if known, including street address, of each property covered thereby (the "Leased Premises"). The Leases are in full force and effect and the Company is not in default or breach under any such Lease, and no other party thereto is in default or breach under any such Lease. With respect to each of the Leased Premises, (i) the Company has valid leasehold interests or other rights of use and occupancy in the Leased Premises, free and clear of any Encumbrances on such leasehold interests or other rights of use and occupancy, or any covenants, easements or title defects known to or created by the Company, except as do not affect the occupancy or uses of such properties; (ii) the portions of the buildings located on the Leased Premises are in good repair and condition, normal wear and tear excepted, and are in the aggregate sufficient to satisfy the normal Business activities as conducted there at by the Company; (iii) each of the Leased Premises is served by all utilities in such quantity as are sufficient to satisfy the current normal Business activities as conducted at such parcel. Promoters does not own or have any interest in any real property used by the Company. The Leased Premises are not the subject of any official complaint or notice of violation of any environmental laws, which is likely to preclude or impair the use and occupancy of the Leased Premises for the purpose of the existing Business of the Company.
- (e) There are no agreements that have been entered into which may be construed as a lease of immovable property and no duties, including any stamp duties as may applicable are pending on such agreements.



17. Intellectual Property Rights

The Company do not hold any Intellectual Property Rights.

18. Insurance

- (a) The Company has furnished to Sula a complete and accurate list, as on the date hereof, of all the insurance policies maintained by the Company as per the Disclosure Schedule.
- (b) The Company has taken out and maintains all insurance policies relating to the assets, properties, business, operations, employees, officers or directors of the Company that are required under law along with all insurance policies that may be reasonably expected to be taken out and maintained by a business of the nature and size of that of the Company.
- (c) The Company has duly paid all premiums, which are required to be paid by it with respect to the aforementioned policies, and there exists no grounds for non-renewal of any of the aforementioned policies.

19. Employees

- (a) The Company has furnished to Sula a complete and accurate list of the names and designations of all persons who are as on 31st October, 2018, under the employment of the Company, as per the Disclosure Schedule.
- (b) No amount is due to or in respect of any employee or former employee of the Company is in arrears and unpaid and all such payments have been made on a timely basis.
- (c) The Company does not have any trade union of its employees.
- (d) The Company is not involved in and there are no present circumstances which are likely to give rise to any labour, industrial or trade dispute or any dispute or negotiation regarding a claim of importance with any employees, worker or association of trade unions or organisation or body of employees.
- (e) No employee of the Company:
 - (i) has been given an unexpired notice terminating his contract of employment as on Closing Date; or
 - (ii) has been offered any employee stock option; or
 - (iii) has any share in the profit or revenue of the Company; or
 - (iv) is under notice of dismissal; or
 - (v) has been terminated in circumstances that may give rise to a claim against the Company in relation to loss of office or termination of employment (including, without limitation, redundancy).

- (f) The Company is not in material breach of any law or authorisation relating to the health or safety of its employees and has made all payments and obtained all permits, licenses and government authorisations required under the applicable laws, including without limitation, Payment of Gratuity Act 1972, Employees Provident Fund and Miscellaneous Provisions Act, 1952, and the Payment of Bonus Act, 1965, Contract Labour (Regulation and Abolition) Act, 1970, the Minimum Wages Act, 1948, Payment of Wages Act, 1936, Employees State Insurance Act 1948, Equal Remuneration Act, 1976, Professional maternity Benefit Act 1961 Shop & establishment Act 1948, Workmen's Minimum House Rent Allowance Act 1983, Labour welfare fund act, 1953, Profession Tax Act 1975, Employment Exchange Act 1959 and Sexual Harassment of women at workplace (Prevention Prohibition & Redressal) Act 2013 etc.

20. Compliance with laws

The Company has complied with all the laws, rules and regulations of India applicable to it, including labour laws and regulations applicable to the Business of the Company. To the best of the Company's, Promoters knowledge, the Company has not, and none of its officers, agents or employees, has/have committed or omitted to do any act or thing the commission or omission of which is in contravention of any legislation. The best knowledge of a party shall mean and include any fact that ought to have been known by such party upon a due and careful enquiry.

21. Litigation

- (a) There are no actions, suits, proceedings, claims, show-causes or investigations pending, or threatened against or affecting the Company, at Law or in equity, before any court, quasi-judicial authority, arbitrator or arbitral tribunal, Governmental Authority, commission, board, agency or instrumentality, and the Company is not in default of any order, writ, injunction or decree of any court or other governmental department, commission, board, bureau, agency or instrumentality.
- (b) The Company is not a party to or subject to any judgment, order or decree in any action or proceeding brought by any governmental agency or any other party enjoining it in respect of, or the effect of which is to limit, restrict, regulate or prohibit any business practice or the conduct of day to day business of the Company.
- (c) There are no actions, suits, proceedings or claims pending or threatened against the Company or Promoters with respect to or in any manner affecting the ownership of the Subscription Shares or assets of the Company, or wherein an unfavourable decision or finding would render unlawful the transactions contemplated by this Agreement.
- (d) Neither the Company nor any Person for whom it may be vicariously liable, is or has been engaged in any prosecution, litigation, arbitration proceedings or



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administrative or governmental investigation or challenge as plaintiff, defendant, or in any other capacity whether in India or outside India.

- (e) The Company has not received any information or show cause notice regarding any impending litigation, arbitration proceedings, and administrative or governmental investigation, except for that disclosed in the Disclosure Schedule.
- (f) No notice has so far been served upon the Company for imposing any charges, fines, levies, and penalties by any government or regulatory authority.
- (g) There exist no circumstance(s), which could give rise to any of the foregoing.

22. Confidentiality

No disclosure has been made to any Person of any confidential information of the Company except in the ordinary and proper course of business of the Company and on receipt of an undertaking to keep the information confidential as entered into with employees and advisors.

23. Taxation

- (a) Other than what is disclosed in the Disclosure Schedule, since the date of incorporation of the Company, the Company has paid all taxes and no liability for tax has accrued to the Company.
- (b) The Company has duly and timely filed all necessary information, notices, computations and returns:
 - (i) with the appropriate governmental authority or any other relevant public authority in respect of taxes including instalments on account of taxes that are due and payable by the Company for the period up to the date of this Agreement; and,
 - (ii) will continue to submit in respect of those later periods after the date of this Agreement until the Closing Date in respect of those later periods.
- (c) Other than what is disclosed in the Disclosure Schedule there is no unresolved pending correspondence or dispute with any public authority. No fiscal authority has at any time carried out, or is at present conducting any investigation into all or any part of the business or affairs of the Company.
- (d) The Company has been assessed in respect of taxes, and notices of assessment have been issued to the Company by the relevant Governmental Authority for all taxation years as disclosed in the Disclosure Schedule.
- (e) To the best of the Company's, Promoters knowledge, there are no actions, suits, proceedings, investigations, audits or claims now pending in respect of any taxes and there are no matters under discussion, audit or appeal with any governmental authority relating to taxes. The best knowledge of a party shall

mean and include any fact that ought to have been known by such party upon a due and careful enquiry.

- (f) The Company has duly and timely withheld applicable withholding taxes on amounts paid or credited by it to or for the account or benefit of any Person, including, without limitation to, any of its employees, officers and directors and any non-resident person and has duly and timely remitted same to the appropriate governmental authority.
- (g) The Company has made provisions for payment of any tax that is payable or which the Company might be liable to pay and represents that there are no liens for taxes on the assets of the Company.

24. Environmental Laws

Since the Company is into trading business the Environmental laws are not applicable.

25. Licences

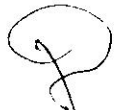
- (a) The terms and conditions of all Permits in relation to the Company have been substantially complied with and will be substantially complied with in the period up to Closing Date.
 - (i) All Permits are in full force and effect and will continue to be in full force and effect on Closing Date.
 - (ii) There are no facts or circumstances existing at the Closing Date indicating that any Permits would or might be revoked or not renewed or varied in any material respects.
- (b) The Company has obtained all necessary Permits which it is aware are required by it to lawfully operate the Business
- (c) The Company has not committed any material breach of any such Permits.
- (d) The Business is conducted in all material respects in accordance with all applicable laws and no allegation of any material contravention of any applicable law has been notified to the Company.

"Permits" means all approvals, registrations, permits, consents, licenses and authorizations issued or granted by supranational, governmental, statutory or local authorities to the Company and which are required as at the Closing Date to operate the Business, including without limitation Excise Licenses. At present the said licence is in the name of Mr. K. Ilango and Promoter I. Post Closing date the said licence shall be changed to the name of Promoters and one of the Director of Sula.

26. Employee Benefit Plans

- (a) The Company has disclosed to Sula all the employee benefit plans granted by the Company to its employees in respect of gratuity and superannuation benefits as contained in the Disclosure Schedule herein.



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- (b) The Company confirms that the financial statements provide for all amounts due and payable by the Company to the employees in respect of such benefit plans and that there has been no change in the terms and conditions of such plans, other than as disclosed. Any plan, contract or understanding providing for bonuses, pensions, with respect to any present or former officer, director or employee of the Company have been properly funded and or there is no outstanding claim or complaint (including, without limitation, any claim resulting from a bonus arrangement).
- (c) The Company is in compliance, in all material respects with all applicable provisions, whether contractual, customary or otherwise, of law relating to the Employees, and their terms and conditions of employment. Except as disclosed in the Disclosure Schedule, the Company has no employee benefit plan and the consummation of the transactions contemplated in this Agreement shall not obligate the Company to pay separation, severance, termination or similar benefits as a result of any transaction contemplated by this Agreement or solely as a result of a "change of control", and no individual shall accrue or receive any additional benefits, service or accelerated rights to payments of benefits.

27. Borrowings

The total outstanding borrowings of the Company as on 31st October, 2018 together with commercial terms in relation thereto are Rs.1705 lakhs. Apart from the above, the Company has not borrowed money from any other Person or entity. The Disclosure Schedule also contains details of the guarantees offered by the Company including guarantees offered for the benefit of third parties.

28. Shareholder and Director Loans

The Company confirms that no amounts are due to the shareholder and or Director of the Company except for those appearing in the audited annual accounts of the Company and all the other amounts due by the Company to them have been paid in full by the Company.

29. Execution and Performance

The execution and performance of this Agreement shall not result in (a) the Company being deprived of any right, claim, advantage, benefit, or privilege that the Company otherwise has or (b) be subject to any liability that the Company is otherwise not subject to or (c) accelerate any liability that the Company is subject to or (d) postpone the right or ability of the Company to enforce any right, claim, advantage, benefit or privilege. In particular, but without prejudice to the generality of the above, the execution and performance of this Agreement shall not result in:

- (i) Employees, consultants, vendors, service providers, customers or other Persons being entitled to make any claim including but not limited to claims for bonus, stock options or otherwise.

- (ii) Any Person being entitled to terminate any contractual arrangement or seek additional compensation for services or seek reduction in compensation for services being rendered by the Company.

31. Income Tax Demand

The Assessment by the Income tax authorities has been completed till A.Y 2015-16. As on closing date there are no demand by any Income tax authority.

32. Absence of Material Effect

For the period from the date of the Financial Statements till the Closing Date, the Company has conducted its Business in the ordinary course of business consistent with past practices. Without limiting the generality of the foregoing, and as otherwise contemplated by this Agreement, from the date of the Financial Statements till the date of execution of this Agreement, the Company has not:

- (a) incurred any liabilities other than liabilities incurred in the ordinary course of business consistent with past practice, or discharged or satisfied any Encumbrance, or paid any liability, other than the payment of any liabilities in the ordinary course of business consistent with past practice or failed to pay or discharge when due any liabilities of which the failure to pay or discharge has caused or will cause any material damage or risk of material loss to it or any of its assets or properties;
- (b) not suffered any damage, destruction or loss of physical property or goods resulting in costs or expenses to the Company whether or not covered by insurance;
- (c) created, incurred, assumed or guaranteed any indebtedness or subjected to any Encumbrance any of its assets or properties, tangible or intangible;
- (d) not sold, assigned or transferred any of its assets or properties or cancelled or compromised any of its liabilities;
- (e) not made any capital expenditures or capital additions or betterments except as disclosed in the Disclosure Schedule;
- (f) revalued any of its assets;
- (g) not made or suffered any amendment or termination of any material contract or waived any substantial debts or claims held by it or waived any rights of value;
- (h) paid any dividends or made any distributions (however characterized and whether payable in cash or additional shares of the Company) in respect of any of the Issue Shares;
- (i) repurchased or redeemed any shares or other Securities issued by it, except as contemplated in the definitive agreements;



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- (j) issued any additional shares or other Securities whether convertible into shares or otherwise, or granted any right, subscription, warrant, call, option or any other Securities convertible into or exchangeable for Shares of the Company; except as contemplated in the definitive agreements;
 - (k) other than in the normal course consistent with past practice increased the salaries or other compensation of, or made any advance or loan to, any officer, director or employee of the Company; provided any employee with any increased security or tenure of employment; increased the amounts payable to any employee upon the termination of any such person's employment;
 - (l) adopted, amended or revised the terms of any benefit plan with respect to the benefit granted to or for the benefit of any of the present or former employees of the Company there under, other than as required by law;
 - (m) received notice or had knowledge of any actual or threatened labor trouble, strike or other occurrence, event or condition of any similar character;
 - (n) made or accepted any amendment, termination, waiver, disposal, or lapse of, or has not failed to preserve, any material license, permit, consent, permission or other form of authorization of the Company;
 - (o) not entered into any transaction or arrangement under which the Company paid, lent, or advanced any amount to or in respect of, or sold, transferred, hired or leased any of its assets or any services to, any business or other Person in which the Company or any of its Affiliates has any material interest as per past practices.;
 - (p) not entered into any transaction which has given rise or shall give rise to a liability to taxation (or would have done so or would or might do so but for the availability of any relief, allowance, deduction or credit) other than taxation arising from transactions entered into in the ordinary course of business;
 - (q) released any debtor on terms that he pays less than the book value of any debt and no debt has been written off or has proved to be irrecoverable to any extent;
 - (r) passed any resolution in a general meeting of the Company other than in the ordinary course of business;
 - (s) changed the accounting reference period of the Company;
 - (t) not released any provision in the audited accounts;
 - (u) not incurred any liability in respect of redundancy or severance payments in respect of any Employee;
 - (v) been refused any insurance claims or settled below the amount claimed; or
 - (w) entered into any agreement to do any of the foregoing.

Annexure B

Part I - List of Promoters

1. Mr. Rakshit Arora

Address : A-31 Ganga Bhavan, J.P. road Versova Andheri (West)
Mumbai - 400 061

Email Id : rakshitarora@gmail.com

2. Mr. Pravin Ilango

Address : 101, Marathon Galaxy 1, L.B.S Marg, Mulund (West)
Mumbai - 400 080

Email Id : pravinilango@gmail.com



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Annexure C

Disclosure Schedule

2. Reports:

1. Sula Vineyards Private Limited has conducted a financial due diligence and legal due diligence in the year 2018.

9. Structure:

Clause 9 (c)(ii)

1. Company is a member of the following associations:
 - (a) Wholesale wine merchant association

Clause 9 (e)

2. No warrants has been issued by the Company.

11. Guarantees or letters of comfort: -

1. The company has not given bank guarantees, nor any letter of comfort except the credit facility availed by the company.

12. Financials:

Clause 12 (a)

1. The outstanding debt of the company as on 31st October, 2018, including off balance sheet contingent liability is given below:

<u>Nature of Debt Liability</u>	<u>Amount (Rs. Lakhs)</u>
<u>On Balance Sheet</u>	
Terms Loans (Unsecured)	13.38
Cash Credit	296.22
Vehicles Loan	14.70
BG to excises State Authorities	0.00
Loan from ABFSL	850.00
Sagar Wines Marketeers	516.44
Pravin Ilango	13.00
Orient securities	2.00
<u>Off Balance Sheet</u>	<u>NIL</u>
TOTAL	1705.74

Clause 12 (b)

2. Loans and advances advanced by the company are given below:

<u>Nature of loans and advances</u>	<u>Amount (Rs. Lakhs)</u>
Decora Lights Pvt. Ltd	493.00
TOTAL	493.00

13. Business:

Clause 13 (c)

1. The company has created charges on its assets for the purposes of term loans and working capital loans. The same is duly reflected in the register of charges.

15. Contracts and commitments:

1. The company, in normal course of business, has entered in to the following main contracts with:

i) Name of the party and contract brief

Assets:

1. Details of Sale Deed

Sr. No.	Property details	Seller	Date of agreement	Purchase Value (Rs.)
1.	Flat No. 101, total admeasuring 536 sq.ft. 1 st Floor, Progressive's Viva, Plot No. 4A & 4B, Sector-26, Vashi (Kopripada), Taluka-Thane, District-Thane, Navi Mumbai, Maharashtra.	Progressive Homes	12-02-2014	55,00,000
2.	Flat No. 502, total admeasuring 924 sq.ft. 5 th Floor, Progressive's Icon, Plot No. B-12 & B-13, Sector-8, Ulwe, Taluka-Panvel, District-Raigad, Navi Mumbai, Maharashtra.	Progressive Homes	29-11-2014	62,15,000
3.	Flat No. 503, total admeasuring 877 sq.ft. 5 th Floor, Progressive's Icon, Plot No. B-12 & B-13, Sector-8, Ulwe, Taluka-Panvel, District-Raigad, Navi Mumbai, Maharashtra.	Progressive Homes	15-03-2016	65,00,000

2. Details of leave and license Agreements

Sr. No.	Address of leased premises	Lessor	Lessee	Term of lease	Date of agreement	Rent per month	Expiry Date
1.	C.T.S No 177, Garden Estate, Opp Khatau Mill Compound, Borivili(East) Mumbai	Garden Securities and Properties LLP	Progressive Alcobex Distributors Pvt. Ltd	5 years	6-5-2015	2,50,000 With 7% increase every year	30-4-2020

3. All movable and immovable properties are hypothecated with working capital lenders such as Punjab National bank and Aditya Birla Finance Ltd as a security for term loans and working capital finance and is duly reflected in the register of charges.

17. Intellectual property rights:

There are no Intellectual property rights in the name of the Company.

18. Insurance

List of Insurance Policies

Mumbai.

S.No	Assets	Policy Type	Policy No.	Sum Insured	Period (From-To)
1	Stocks	Standard Fire	11280011170100001223	10 crores	31-3-2018 30-3-2019
2	Flat at Vashi	Standard Fire	11280011170100001150	50 lacs	26-3-2018 25-3-2019
3	Flat at Ulwe-Flat No 502	Standard Fire	11280011180100000272	30 lacs	29-6-2018 28-6-2019
4	Flat at Ulwe	Standard Fire	11280011180100000273	30 lacs	29-6-2018 28-6-2019

19. Employees:

Clause 19 (a)

1. Total manpower strength as on 31st October 2018 is 27 employees

23. Taxation:

Clause 23 (d)

1. Income tax regular assessment up to the financial year 2014-15 is complete.

Clause 23 (a)

2. Sales tax assessment up to the financial year 2013-2014 is complete.

26. Employee Benefit Plans:

The Company has not adopted any Employee Benefit Plans.

27. Borrowings:

1. Details of outstanding borrowings as on 31st October 2018 are as follows:

Nature of debt/liability Lakhs)	Amount (Rs.
Term Loans(Unsecured business loan)	13.38
Cash credit	296.22
Vehicles loan	14.70
*Loan from Aditya Birla Finance Limited (ABFL)	850.00
Loan from Sagar Wines	516.44
Loan from Pravin Ilango	13.00
Loan from Orient Securities	2.00
TOTAL	1705.74

2. The Company has also borrowed sum of Rs. 4 crores from Punjab National Bank (PNB) in form of working capital against the collateral securities of the properties owned by Sagar Wines Marketeers Private Limited. Corporate Guarantee is also given by Sagar Wines Marketeers Private Limited besides the personal guarantee of the Promoters. The Promoters and the company will make the arrangement so that these collateral securities, corporate guarantee and the personal guarantee shall be released over a period of 12 months from the Closing date by arranging the alternate means for the same.

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3. *The Company has availed credit limit of Rs. 8.50 crores from ABFL which is secured collaterally by 3 flat properties owned by the Company and 2 flats owned by the Promoters in their individual capacity. Personal guarantees of Promoters has also been given. The Promoters and the company will make an arrangement that these collateral securities, corporate guarantee pertains to only the company and the personal guarantee of the directors shall be released over a period of 12 months from the Closing date by arranging the alternate financial arrangement.

32. Absence of Material Effect:

Clause 32 (e)

The Company has not incurred any capital expenditure, after 31st March, 2018.



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