

DIGILOGIC SYSTEMS PRIVATE LIMITED

AND

FOUNDERS

AND

NEGEN UNDISCOVERED VALUE FUND

INVESTMENT AGREEMENT
Dated 20th September 2024

Phone No:
Sold To/Issued To:
J madhusudhan varma
For Whom/ID Proof:
Digilogic systems pv

SMTE LAKSHMI
SVL NO:16 02-05/2011
INDIA NO: 23-04/2011
TIRUMALA RAO
AMRUTAPET-HYDERABAD
500013
TELANGANA
2800712



SEP-20-2024 16:57:28

₹ 0000500/-
ZERO ZERO ZERO ZERO FIVE ZERO ZERO

Agreement
38156481726851448225-00190380
3815648 16/2013

INVESTMENT AGREEMENT

This Investment Agreement (this “**Agreement**”) is executed at Hyderabad on the 20th day of September, 2024

BETWEEN:

Digilogic Systems Private Limited, a company incorporated as a private limited company under the provisions of the Companies Act, 1956 having CIN **U72200TG2011PTC077933** and whose registered office is at # 102, 1st floor, DSL Abacus tech park Uppal Kalsa village, Uppal mandal, Medchal-Malkajgiri, Telangana, India, 500039 (hereinafter referred to as the “**Company**”, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **FIRST PART**;

AND

Mr. Jetty Madhusudhan Varma S/o Late Mr. J.C Varma, an Individual having PAN AAYPJ9250F residing at Flat No. 803, D-Block, Necklace Pride Apartments, Kavadiiguda Main Road, Secunderabad, Hyderabad, Telangana-500080 (hereinafter referred to as the “**FOUNDER 1**”, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **SECOND PART**;

AND

Mrs. Jetty Radhika Varma W/o Mr. Jetty Madhusudhan Varma, an Individual having PAN AKOPJ7396N residing at Flat No. 803, D-Block, Necklace Pride Apartments, Kavadiiguda Main Road, Secunderabad, Hyderabad, Telangana-500080 (hereinafter referred to as the “**FOUNDER 2**”, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **THIRD PART**;

AND

NEGEN UNDISCOVERED VALUE FUND, a SEBI registered Category III AIF, having its registered office at Trade Point Building, 2nd Floor, Above Passport Office, Utopia City, Pandurang Budhkar Marg, Lower Parel (W), Delisle Road, Mumbai, Maharashtra - 400013, India (hereinafter referred to as the “**INVESTOR**” which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **FOURTH PART**;

Founder 1 and Founder 2 are hereinafter collectively referred to as “**Founders**” and, where the context so permits, individually as an “**Founder**”. The **Company**, the **Founders** and the **Investor** are hereinafter, where the context so permits, referred to individually as “**Party**” and collectively as “**Parties**”.

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR

J.M. Radhika Varma

2 | Page



WHEREAS

- A. The Company is a private limited company founded by Mr. Jetty Madhusudhan Varma and is in the business of providing Testing and Automation Systems, Solutions and Products for Defense, Aerospace, Automotive and Manufacturing market segments.
- B. As on the Execution Date, the issued and paid-up share capital of the Company is Rs. 4,00,00,000/- (Rupees Four Crores only) comprising of 40,00,000 (Forty Lakhs) fully paid-up equity shares having a face value of Rs. 10 per equity share (the "**Equity Shares**") each issued and the shareholding pattern of the Company is as more particularly set out in **Schedule 1** hereto. The Founders presently owns 100% (Hundred per cent) of the total equity shareholding in the Company, and is directly in control of the Company and its management.
- C. The Company is currently raising Rs. 6,12,76,560 (Rupees Six Crores Twelve Lakh Seventy Six Thousand Five Hundred and Sixty Only) attributing to 6% share of the company and the Investor is desirous of subscribing to the partial share capital of the Company on the terms and conditions contained herein. Pursuant to the same, the Investor has agreed to invest a sum of Rs. 3,77,87,280 (Rupees Three Crores Seventy Seven lakh Eighty Seven Thousand Two Hundred and Eighty Only) (the "**Investor Contribution**") in one tranche by subscribing to 1,57,447 (One Lakh Fifty Seven Thousand Four Hundred Forty Seven) or 3.70% of fully paid-up Equity Shares each at a value of Rs. 240 (the "**Investor Shares**").
- D. The Parties desire to enter into this Agreement to record their mutual understanding, agreement and intention with regard to investment of the Investor Contribution by the Investors and the Founders Contribution by the Founders, the rights and obligations of each of the Company, the Founders and the Investors and the relationship between each of them, as well as the understanding of the Parties to jointly invest in the Project and other matters in connection therewith.

NOW THEREFORE, IN CONSIDERATION OF THE FOREGOING AND OTHER GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY OF WHICH IS HEREBY EXPRESSLY ACKNOWLEDGED, THE PARTIES, INTENDING TO BE LEGALLY BOUND, HEREBY AGREE AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

In this Deed, the capitalised terms, to the extent not inconsistent with the context thereof, shall have the meaning assigned to them in **Part A of Schedule 2**. The rules of interpretation set out in **Part B of Schedule 2** shall apply to this Deed unless the context requires otherwise or as is expressly specified otherwise.

2. UNDERSTANDING OF THE PARTIES AND INVESTMENT OF THE INVESTMENT AMOUNT

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR

J.M. Radhika Varma



2.1. Subject to the completion of the Conditions Precedent specified in Clause 3 below and in reliance upon the agreements, undertakings, covenants, representations and warranties set forth in this Agreement and the other Transaction Documents, the Investors hereby agree to subscribe to Investor Shares, and the Company hereby agrees, and the Founders hereby agrees to cause the Company, to issue and allot to the Investor Shares to the Investors free and clear of all Encumbrances, for the Investor Contribution.

3. CONDITIONS PRECEDENT

3.1. The obligations of the Parties under this Agreement shall be conditional upon the following Conditions Precedent having been fulfilled, or waived by the Investor in writing on or before the **Long Stop Date** (as defined below):

- a) Receipt by the Company of all board resolutions, Shareholders resolutions and any other necessary approvals and authorizations as may be necessary for the execution of the Transaction Documents;
- b) Increase in the authorised share capital of the Company to allow for the issuance of the Subscription Shares;
- c) Completion of necessary due diligence exercise by the Investor and resolving any adverse findings.

3.2. Upon fulfilment of all the Conditions Precedent, save and except for those Conditions Precedent which have been expressly waived by the Investor, the Company and the Founder shall certify in writing the fulfilment of the same to the Investors, together with documentary evidence (as necessary) of such fulfilment to the satisfaction of the Investor, vide a letter in the form set out in **Schedule 3** hereto (the "**CP Confirmation Letter**").

3.3. On fulfilment of the Conditions Precedent and upon receipt of the CP Confirmation Letter, the Investors shall, within a period of 15 (Fifteen) days from the date of such satisfaction:

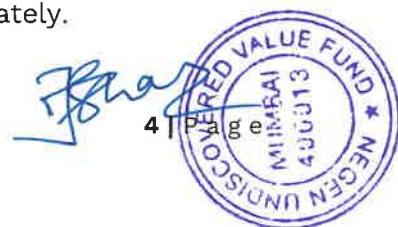
- (a) Pay (by wire transfer to the account designated by the Company) the Investor Contribution to the Company; and
- (b) Deliver to the Company evidence of the wire transfer of the Investor Contribution.

3.4. Notwithstanding anything contained herein or in the Transaction Documents, if any of the Conditions Precedent are not fulfilled by the Company and/ or the Founders (as the case may be), to the extent they are not waived by the Investor in writing, on or before the Closing Date, or any such Conditions Precedent shall cease to be capable of being satisfied (unless they have been waived by the Investor in writing), this Agreement may thereupon be terminated at the option of either Party through a notice in this regard to the other Parties; and upon such termination, the further rights and obligations of the Parties shall cease immediately.

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR

J.M. Radhika Varma



3.5. On termination of this Agreement in accordance with Clause 3.4 above, there shall be no liability or obligation on either Party pursuant to this Agreement.

4. CLOSING AND POST-CLOSING ACTIVITIES

4.1. Closing shall take place on the same Business Day as the receipt of monies by the Company in accordance with the provisions of Clause 3.3(a) above (the "**Closing Date**"), but, in any event, not later than the Long Stop Date. At Closing, the matters set out in this Clause 4 shall take place and, to the extent possible, simultaneously. The obligations of each of the Parties pursuant to this Clause 4 are inter-dependent. The Closing will not occur unless all of the obligations complied within this Clause 4 are fully complied with and are fully effective at Closing unless waived specifically in writing by the Investors.

4.2. The Company shall and the Founder shall ensure that the Company shall hold a meeting of its Board, at which the following resolutions shall be passed:-

(a) Approving the issue and allotment of the Investor Shares to the Investors;

(b) Approving the Restated Charter Documents;

and a certified true copy of each of such resolutions shall be delivered to the Investors.

4.3. The Company shall (i) update the Register of Members of the Company to reflect the Investor as the legal owners of the Investor Shares (ii) provide certified extracts of each register to the Investors for their records.

4.4. The Company shall, and the Founder shall ensure that the Company shall, comply with ROC filing requirements within such period as may be specified under Applicable Law.

4.5. The Company shall make all the other necessary corporate filings required in relation to this Agreement in accordance with Applicable Law, including but not limited to the provisions of the Act and deliver satisfactory evidence of the same to the Investor.

5. CONDUCT BEFORE CLOSING

5.1. During the period from the Execution Date until Closing, the Company shall not, and the Founder shall not, except with the Investors prior written consent:-

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR

J.M. Radhika Varma



- (a) enter into any commitment or transaction or do anything on behalf of the Company which is not contemplated by this Agreement and/or the Transaction Documents, save and except such commitments, transactions and actions as are in the ordinary course of the Company's business, consistent with its past practice and in due accordance with the Applicable Law;
- (b) pass or permit the passing of any resolution of the Company which is not contemplated by this Agreement and/or the Transaction Documents, save and except such resolutions as are in the ordinary course of the Company's business or as are required under the Applicable Law;
- (c) do or permit anything which would constitute a breach of any of the representations and warranties of the Company contained herein, were they to be repeated at any time up to Closing by reference to the facts and circumstances then existing;
- (d) make or permit any changes to the shareholding pattern of the Company which are not contemplated by this Agreement and/or the Transaction Documents;

5.2. If, during the period between the Execution Date and Closing, the Company or the Founder becomes aware that:

- (a) an event or occurrence has occurred, which gives rise to, or with the passage of time, will give rise to, a Material Adverse Change; or
- (b) the Company has become involved in, or has pending or threatened litigation, which may materially impact its Business or the ability to carry on the Business; or
- (c) there has been any breach of any of the warranties given by the Company and/or the Founders under the Transaction Documents, which, being capable of being remedied, has not been so remedied;

then the Company and the Founders shall immediately notify the Investor of all facts in writing in relation to any of the aforesaid events and shall provide all information in their possession in relation to the same.

6. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PARTIES

6.1. Representations and Warranties by all Parties

Each Party represents and warrants to all the other Parties that:-

- (a) It has all requisite power and authority to execute, deliver and perform this Agreement and the terms and conditions contained herein;
- (b) The execution and delivery of this Agreement and other Transaction Documents by each of the Parties, does not, and the performance of this Agreement and the other Transaction Documents will not, conflict with or affect or result in any material violation or breach of or default (with or

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR

J.M. Radhika Varma



without notice or lapse of time, or both) under any provision of Applicable Law, or under any other agreement executed by the Parties which is likely to prevent any of the Parties from fulfilling its obligations under this Agreement and/or any other Transaction Documents.

(c) There are no (i) outstanding Orders of any Governmental Authority or arbitration tribunal, (ii) lawsuits, actions or proceedings pending or threatened or (iii) investigations by any Governmental Authority which are pending or threatened to the knowledge of the Parties, against the Parties, and which, in the case of each of sub-clauses (i), (ii) and (iii), would have an impact on the ability of Parties to consummate the Transaction contemplated hereby or result in a Material Adverse Change other than those disclosed to the Investor during the time of financial due diligence.

(d) This Agreement, the other Transaction Documents, instruments and certificates to be delivered by the Parties shall, when executed, be legal, valid and binding obligations of the Parties enforceable in accordance with their terms.

6.2. Representations, Warranties and Covenants of the Founders and the Company

(a) The Company and the Founders jointly and severally represent and warrant to the Investors that the representations and warranties of the Company and the Founders contained in **Part A of Schedule 4** are true and correct in all respects, save and except to the extent of the disclosures made by the Company and the Founders in a disclosure letter provided to the Investor (the "**Disclosure Letter**"), and the Company and the Founder hereby acknowledge that the Investor have entered into the Transaction by way of execution of this Agreement and the other Transaction Documents in reliance upon such representations, warranties and covenants and their being true and correct in all material respects, and would not have so entered, in the absence of such representations, warranties and covenants.

(b) The Company and the Founders, undertake to promptly notify the Investor in writing if they become aware of any fact, matter or circumstance (whether existing on or before the Execution Date or arising afterwards) which would cause any of the representations or warranties given by them, to become untrue or inaccurate or misleading in any material respect.

(c) Each of the representations and/or warranties is separate and independent of each other and none of the representations and/or warranties shall be treated as qualified by any actual or constructive knowledge on the part of the Investors or any of its agents, representatives, officers, employees or advisers (other than the disclosures made in the Disclosure Letter).

6.3. Representations and Warranties of the Investors

(a) Investor represents and warrants to the Company and the Founders that the representations and warranties given by the Investor in **Part B of**

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR

J.M. Radhika Vasana



Schedule 4 hereto are true and correct in all respects and acknowledge that Company and Founders have entered into this Agreement in reliance upon such representations and warranties given by the Investor being true and correct in all respects.

(b) Investor undertake to notify the Company and the Founders in writing if they become aware of any fact, matter or circumstance (whether existing on or before the Execution Date or arising afterwards) which would cause any of the representations and/or warranties given by the Investors to become untrue or inaccurate or misleading in any material respect.

7. USE OF PROCEEDS

7.1. The investment amount is intended to be utilized as per the Business Plan of the Company shared with the Investor prior to the Closing Date. Any deviation in the Business Plan will have to be discussed and approved by the Investor.

8. SHAREHOLDERS' MEETINGS

8.1. **Procedure.** Procedures relating to meetings of the Shareholders, including, without limitation, voting, shall be regulated by this Agreement, the Restated Charter Documents and the provisions of the Act, unless otherwise agreed upon in writing between the Shareholders. Unless otherwise agreed to by the Shareholders in accordance with the Applicable Law, at least 21 (twenty one) clear days' written notice shall be given to the Shareholders (including to those outside India), of each proposed general meeting. Every notice convening a general meeting shall be accompanied by an agenda for the meeting, and an explanatory statement specifying particulars of the business to be transacted at the meeting. A Shareholders' Meeting may be called as prescribed under Applicable Law from time to time, to enable Shareholders to participate in the Shareholder Meetings through an electronic mode.

8.2. **Quorum.** The quorum for any meetings of Shareholders shall be at least 1 (one) authorised representative of Investor to be present throughout the meeting and such other number of Shareholders as is required to form a quorum under the Act at the meeting and at any adjourned meeting. Save as specifically provided in this Clause 8.2 the said quorum would also be required at adjourned meetings. Provided that if in a meeting of the Shareholders which has been duly convened by providing proper notice to the Investors of the time and venue, the representative of either the Investors or the Founders is not present within 30 (thirty) minutes of the commencement of such meeting, subject to compliance with requirements under Applicable Law in this regard the meeting shall stand adjourned meeting to the same time on a day which will have a gap of 14 (Fourteen) days from the date of the original meeting (the "**Adjourned Shareholders' Meeting**").

8.3. If in a duly convened Adjourned Shareholders' Meeting, any of the representatives of the Investor is not present, the Shareholders present in such meeting shall constitute the quorum.

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR

J.M. Radhika Varma

8 | Page



8.4. **Chairman.** The Chairman of the Board shall preside as Chairman of all general meetings of the Company. If the Chairman is not present at any meeting of the Shareholders, the Shareholders present shall elect such other person present at such meeting to act as Chairman for the purposes of the meeting.

8.5. Subject to Clause 9 below, the decisions of the Shareholders shall be taken, to the extent possible, on a unanimous basis. Provided however that in the event the Shareholders fail to agree on a particular issue after due deliberation and effort, the matter shall, subject to the provisions of the Act, be decided by a simple majority of the Shareholders personally present (or represented by proxy or representative appointed pursuant to Applicable Law) and voting. Where the Act requires a special resolution to be passed in respect of any matter, a special resolution will be passed.

8.6. The Investor and the Founder hereby agree and undertake that where any Reserved Matter has been approved by the Board in accordance with the terms of this Agreement, the same shall not be dissented to by either of them where such Reserved Matter is presented at a Shareholders' Meeting for seeking the approval of the Shareholders in terms of Applicable Law; provided there is no material change in the circumstances from the date of such Board meeting till the date of the Shareholders' meeting for approving such Reserved Matter.

9. RESERVED MATTERS

9.1. Notwithstanding anything contained in this Agreement, so long as the Investor holds shares in the Company, no action or decision relating to any of the Reserved Matters as set out in **Schedule 5** hereto ("**Reserved Matters**") shall be taken (whether by the Board, any committee or the shareholders of the Company), without an affirmative vote being cast in respect of the same, at a meeting of the Board.

9.2. In the event the Authorised Representative of the Investor is unable to attend a meeting of the Board, in which a decision or action is proposed to be taken in relation to a Reserved Matter, the Investor shall be entitled to communicate to the other Directors, their decision in relation to such Reserved Matter by way of written communication addressed to the Board.

10. RAISING OF DEBT BY THE COMPANY

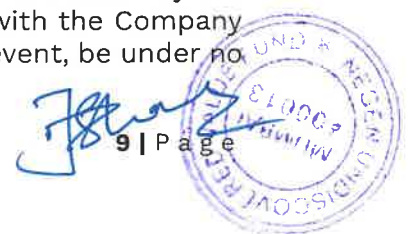
10.1. The Company shall approach banks and other financial institutions for availing of working capital facilities in the event of any funding requirements for meeting expenses in ordinary course of business.

10.2. In the event that the Company avails of any financial facilities pursuant to Clause 10.1 above, it shall ensure that all debt raised by the Company is on a non-recourse basis to the Investor and any bank or other guarantees required to be provided in relation with any financial facility obtained/ proposed to be obtained by the Company or the Founders on behalf of the Company may be facilitated by the Founder; provided however, that the ultimate liability shall rest with the Company alone. The Parties hereby confirm that the Investors shall, in any event, be under no

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR

J.M. Radhika Varma



obligation to provide any guarantee in relation to the working capital facilities availed of by the Company pursuant to Clause 10.1 above.

10.3. Any future issue of securities by the Company shall be made only upon the same being approved as a Reserved Matter in accordance with the provisions of Clause 9.

11. INFORMATION AND ACCESS RIGHTS

11.1. The Company shall provide to the Investor the following information and access rights at the time specified hereunder, and if such time is not specified, at the earliest and in any event within 14 (Fourteen) days from the date of request by any of the Investors:-

- a) unaudited half yearly and annual unaudited financial statements within 120 (one hundred twenty) days of the end of each financial half-year and annual period.
- b) audited annual financial statements for a financial year within 150 (one hundred fifty) days of the end of such financial year.
- c) quarterly management information systems' statements / operational reports in a form satisfactory to Investor (including but not limited to revenue, an estimation of earnings before interest, Taxes, depreciation and amortization ("EBITDA"), an estimation of profit after tax and other operational metrics) within 30 (thirty) days of the end of each quarter.
- d) annual business plan proposed and annual operating budget by the Company at least 30 (thirty) days before the commencement of the financial year.
- e) information relating to the termination of employment/ resignation of key employees within 15 (fifteen) business days of the occurrence of such event.
- f) details of any event of force majeure or any other event which would have a material effect on the Company's profits or Business including details of any litigation material to the Business which is made or threatened by or against the Company or any Founders.
- g) copies of any specific reports/ filings filed by the Company with any governmental authority as may be reasonably requested by Investor.
- h) any other relevant information that may be reasonably required by Investor including business plans, capital expenditure budgets and management reporting information, within 7 (seven) days of such request.
- i) copies of any reports/findings on the Company undertaken by any governmental authority or statutory body.
- j) promptly, notice of any application for winding-up or of any statutory notice of winding-up under the provisions of the Act or any other notice under or in respect of any other legal process filed or intended to be filed or initiated against the Company or if a custodian, liquidator or receiver is appointed or sought to be appointed of any of the properties, business or undertaking of the Company;
- k) promptly, the happening of any material events or any event likely to have a Material Adverse Change with an explanation of the reasons theretofore;

11.2. The Parties further agree that the Investor shall, through their officers, employees and professional consultants, be provided unrestricted access to the offices of the Company during business hours on a Business Day to inspect any of the above and/or any other information as may be reasonably required by the

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR

J.M. Radhika Varma

10 | Page



Investor, and to discuss and consult its business, action plans, budgets and finances with the Founder, directors and executive officers of the Company, upon a reasonable notice.

12. MERCHANT BANKER

12.1. The Investor shall have a right to appoint one of the Merchant Bankers when the Company is planning to go public.

13. LOCK-IN AND DEALINGS IN SHARES

13.1. During the Term of this Agreement the Founders shall not have the right to Transfer any Founder Shares except:

- (i) With the written consent of the Investor; or
- (ii) to the member(s) of the Founder Group; provided however where such Transferee ceases to be a member of the Founder Group or becomes a Competitor, as the case may be, the Founder shall cause the Transferee to forthwith re-Transfer such Equity Shares to the Founders and the Founders shall continue to be bound by the terms of this Agreement in respect of such Equity Shares; or
- (iii) to pledge shares in favour of scheduled banks and financial institutions for availing working capital facility/ project finance in accordance with Clause 10 of this Agreement.

13.2. If, at any time during the Lock-in Period, the Company issues Equity Shares to the Funders in accordance with the terms of this Agreement, then such Equity shall also be subject to the provisions of this Clause 8.1.

13.3. Investor Shares shall be freely Transferable at all times (without the requirement of any prior consent of any Person) along with any or all of the rights attached to such Investor Shares, and shall not be subject to any restrictions whatsoever; provided that the Transferee of the Investor Shares is not a Competitor and shall be required to execute a Deed of Adherence as provided in **Schedule 6** hereto. If, at any time during the subsistence of this Agreement, the Company issues Equity Shares to the Investor in accordance with the terms of this Agreement, then such Equity Shares shall also be subject to the provisions of this Clause.

13.4. Right of First Refusal of the Investor

13.4.1. Subject always to Clause 13.1 above, if the Founders, (the "**ROFR Share Transferor**") reaches an understanding with a third party to Transfer any of the Shares held by them in the Company ("**ROFR Shares**"), then the ROFR Share Transferor shall offer the ROFR Shares to the Investor ("**ROFR Share Transferee**"). However, this Clause shall not apply after public listing of the shares of the Company through IPO.

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR

J.M. Radhika Varma



- a) The ROFR Share Transferor intending to sell ROFR Shares shall issue a Notice to the ROFR Share Transferee of its intention to sell such ROFR Shares ("**ROFR Notice**"). The ROFR Notice shall set out in detail, the price of the ROFR Shares ("**ROFR Price**"), the number of ROFR Shares and other terms and conditions if any that has been negotiated with the third party ("**ROFR Terms**"). The ROFR Share Transferee may exercise the right of first refusal with respect to all of the ROFR Shares by a Notice to the ROFR Share Transferor ("**ROFR Exercise Notice**") within 45 (forty-five) days of receipt of the ROFR Notice ("**ROFR Period**"). Upon the receipt of the ROFR Exercise Notice the ROFR Share Transferor shall notify its acceptance to the ROFR Share Transferee within a period of 15 (fifteen) days from the date of receipt of the ROFR Exercise Notice ("**ROFR Acceptance Notice**"), and the ROFR Share Transferor and the ROFR Share Transferee shall consummate the Transfer of the ROFR Shares on the ROFR Terms within a period of 90 (ninety) days from the date of receipt of the ROFR Acceptance Notice. A ROFR Exercise Notice shall be irrevocable and shall constitute a binding offer by the ROFR Share Transferee to purchase the ROFR Shares in accordance with the ROFR Exercise Notice.
- b) If upon receipt by the ROFR Share Transferee of a ROFR Notice, the ROFR Share Transferee does not deliver a ROFR Exercise Notice within the prescribed timeline, then the ROFR Share Transferor shall be entitled to Transfer such ROFR Shares at a price not less than the ROFR Price and on terms no less favorable than the ROFR Terms. However, if any proposed Transfer is not consummated within a period of 12 (twelve) months from the expiry of the ROFR Period, the ROFR Share Transferor may not sell any of its Equity Shares without complying afresh with the provisions of this Clause.
- c) Notwithstanding anything contained above, it is expressly clarified the requirements under this Clause shall not apply to any Transfer by the Investor.

13.5. Tag-Along Right of the Investor

13.5.1. In the event that the Founder(s) intends to transfer its shares ("**Transfer Shares**") and if the Investor does not exercise its right of first refusal, as provided in Clause 13.4 above, the Investor shall have the right ("**Tag Along Right**") to sell up the Shares held by the Investor in the proposed Transfer by the Founder, at its sole option and discretion, at the ROFR Price and on the same terms on which the Founder proposes to Transfer the ROFR Shares. The Investor shall be entitled to tag all the shares held in case of Founders are transferring more than 50% (fifty percent) of the Founders' shares.

13.5.2. If the Investor desires to exercise its Tag Along Right, it shall exercise the said right by giving the Founder Transferor a written notice ("**Tag Along Exercise Notice**") to that effect within the ROFR Period relevant to such ROFR

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR

J.M Radhika Varma

12 | Page



Notice, specifying the number of Shares held by it with respect to which it has elected to exercise its Tag Along Right, ("**Tag Along Shares**") and upon giving such Tag Along Exercise Notice, the Investor shall be deemed to have effectively exercised its Tag Along Right.

13.5.3. In the event the Investor elects to exercise the Tag Along Right, the Founder shall cause the Third-Party purchasing Founders Shares (the "**Proposed Transferee**") to purchase from the Investor, the Tag Along Shares at the same price per Share at which the Founder's Shares are being purchased from the Founder. The Investor shall not be required to make any representation, provide any covenants or undertakings, grant any indemnifications, or incur any obligations to the Proposed Transferee or any other Person (other than a representation on the clear title of the Tag Along Shares). The Founder shall ensure that all of the terms of the proposed Transfer offered by the Proposed Transferee are also offered to the Investor for the same consideration.

13.5.4. If for any reason, the Proposed Transferee acquiring the Shares hereunder is unable to or refuses to acquire the Tag Along Shares in respect of which the Investor has exercised its Tag Along Right (or any part thereof) within 60 (sixty) days, then, at the sole option of the Investor, the Founder shall not be entitled to Transfer any of the Transfer Shares held by it in the Company to the Proposed Transferee.

13.5.5. If completion of the sale and Transfer to the Proposed Transferee does not take place within the period of 120 (one hundred and twenty) days following the expiry of the ROFR Period subject to receipt of government approvals required, the Founders right to sell the Shares to such Proposed Transferee shall lapse and the provisions of Clause 10 shall once again apply to any Transfer Shares by the Sponsor Transferor.

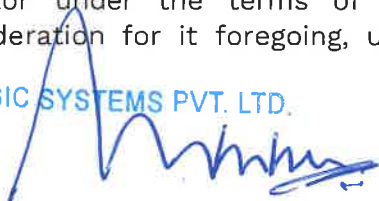
14. NON-COMPETE

14.1. The Founders hereby agrees, undertakes and covenants to devote its 100% time and attention to the operations of the Company at all times during the subsistence of this Agreement.

14.2. The Founders undertakes that it shall not, and shall ensure that any member of the Founder Group shall not, without the prior written consent of the Investors, undertake and acquire any interest in or participate in any manner any other professional activities.

14.3. The Founder and the Company hereby acknowledge that the restrictions on competitive activity set forth in this Agreement form a part of the consideration on the basis of which the Investor have agreed to subscribe to and hold the Investor Shares. The Founder acknowledges that subscription to the Investor Shares by the Investor under the terms of this Agreement is adequate and appropriate consideration for it foregoing, under this Agreement, any right to engage in a

For DIGILOGIC SYSTEMS PVT. LTD.


MANAGING DIRECTOR

J.M. Radhika Varma



business in competition with the Business of the Company. The Founder, having obtained professional advice, further acknowledges and agrees that the covenants contained in this Clause 19 are no more extensive than is reasonable to protect the interests of the Investors as Shareholders of the Company and to protect the Business of the Company.

15. INTELLECTUAL PROPERTY

15.1. All existing / future brands, copyrights, trademarks, patents or other intellectual property related to the activities of the Company/ Business shall be duly registered in the name of the Company.

15.2. Any intellectual property created through research by any / all employees / consultants of the Company would be the exclusive property of the Company, respectively and all copyrights, trademarks, patents or other intellectual property arising out of such work would be filed in the name of the Company, as the case may be.

16. TERM AND TERMINATION

16.1. This Agreement shall commence on the Execution Date and shall continue to be valid and in force until the Company's shares are listed. Provided however that the Agreement may be terminated at any time prior to the completion of the Term in the following manner / circumstances:

- (a) by the mutual consent of the Parties;
- (b) At the option of either of the Parties, in the event Closing has not occurred on the Long Stop Date.

16.2. Effects of Termination

(a) In the event of a termination of this Agreement under this Clause 16, this Agreement will be of no further force or effect, save and except provisions that survive the termination of this Agreement by implication, including but not limited to the provisions of Clauses 6 (Representations & Warranties), 17 (Dispute Resolution), 18 (Governing Law) and 20 (Miscellaneous).

(b) Nothing in this Clause 16 will be deemed to release any Party from any liability for breach by any such Party of the terms and provisions of this Agreement and the other Transaction Documents or to impair the right of any Party to compel specific performance by the other Parties of their obligations under this Agreement or the other Transaction Documents. However, on payment of sums payable or agreed to be paid to the aggrieved Party by the other Party, all claims or Liabilities in respect of representations and warranties of the other Party to the aggrieved Party shall stand honoured.

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR

J.M. Radhika Varma



and satisfied and the outgoing party shall not be left with any right, claim or dues etc. against the other Party.

17. DISPUTE RESOLUTION

17.1. If any dispute, controversy or claim between the Parties arise out of or in connection with this Agreement, including the breach, Term, termination or invalidity thereof (a "**Dispute**"), the parties shall use all reasonable endeavours to negotiate with a view to resolving the Dispute amicably. If a party gives the other party notice that a Dispute has arisen (a "Dispute Notice") and the Parties are unable to resolve the Dispute amicably within 30 (thirty) days of service of the Dispute Notice (or such longer period as the parties may mutually agree), then the Dispute shall be referred to arbitration in accordance with the terms of this Clause 17.

17.2. The Parties agree to submit all Disputes to arbitration by 3 (three) arbitrators: 1 (one) each nominated by the Founders / Company on the one hand and the Investors on the other, and the third chosen by the 2 (two) arbitrators so nominated by the Parties. The arbitration shall be governed by the Arbitration and Conciliation Act, 1996 or any statutory re-enactment thereof, as may be in force then.

17.3. The arbitrators shall be persons of professional repute who are not directly or indirectly connected with any of the Parties to this Agreement. They shall have prior experience as arbitrators.

17.4. The place of arbitration shall be Mumbai. The language to be used in the arbitration proceedings shall be English.

17.5. The fees and expenses of the arbitrators and incidental costs such as venue booking, administrative expenses etc. shall be shared equally by the Parties unless the award provides otherwise. Any other costs and expenses shall be borne by the respective Parties. However, the arbitral tribunal shall be at liberty to award such costs to the successful party in the arbitration proceedings.

17.6. During the period of submission of arbitration and thereafter until the granting of the award, the Parties shall, except in the event of termination, continue to perform all their obligations under this Agreement without prejudice to a final adjustment in accordance with such award.

18. GOVERNING LAW AND JURISDICTION

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

18.2. Each of the Parties hereby:

(a) agree that, subject to the provisions of Clause 17 above, any Action with respect to this Agreement or any Transaction Documents may be brought in the courts of Mumbai;

(b) accepts for itself, generally and unconditionally, the exclusive jurisdiction of such courts of Mumbai;

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR

J.M. Radhika Varma

15



(c) irrevocably waives any objection, including, without limitation, any objection to the venue or based on the grounds of forum non-convenience, which it may now or hereafter have to the bringing of any Action in this jurisdiction; and

(d) irrevocably consents to the service of process of any of the courts referred to above in any action by the mailing of copies of the process to the parties hereto as provided in Clause 20.7 below. Service effected as provided in this manner will become effective 5 (five) calendar days after the mailing of the process.

19. CONFIDENTIALITY

19.1. The Parties shall maintain the confidentiality of the terms of this Agreement, provided, that either of the Parties may deliver or disclose such terms to any Governmental Authority having jurisdiction over such party to the extent required by applicable Law, provided that the disclosing party shall provide the other party with prompt written notice (the Disclosure Notice) thereof so that the latter may seek (with the cooperation and reasonable efforts of the disclosing party) a protective order, confidential treatment or other appropriate remedy, and in any event shall furnish only that portion of the information which is reasonably necessary for the purpose at hand and shall exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such information to the extent reasonably requested by such other party.

19.2. Provided however, that the party to whom the Disclosure Notice has been served shall have provided its consent to the disclosing party for the purposes of any information that may be sought to be disclosed by the disclosing party. Notwithstanding clause 19.1, the Investor shall be entitled to share information with their employees, investors, consultants, third party independent valuer, bankers, auditors etc as may be required from time to time.

20. MISCELLANEOUS

20.1. Material Adverse Change

In the event of Material Adverse Change, the Investors and the Founders would jointly deliberate and decide on the future course of action that is in the best interest of the Shareholders of the Company, including a potential dissolution of the Company

20.2. Exercise of Rights

(a) Where pursuant to exercise of any rights under this Agreement by the Investors, resulting in a requirement of a consent / waiver from any Governmental Authority, the Company and the Founders shall take all steps and will duly co-operate with the Investors and/or their representatives in obtaining appropriate consents / waivers from the concerned Governmental Authority in order to give effect to such rights.

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR

J.M. Radhika Varma

16 | Page



(b) Where any of the rights exercised under this Agreement cannot be effectively exercised by the Investor due to any regulatory reasons or otherwise, the Investor shall be entitled to assign such rights to any other entity including an entity incorporated in India, and the Company and the Founders shall be bound by such assignment.

20.3. Further Assurances

From time to time, as and when requested by either Party hereto, the other Party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions, as such other party may reasonably deem necessary or desirable to consummate the Transaction.

20.4. Assignment

(a) No Party shall be entitled to, nor shall it purport to assign, charge or otherwise deal with all or any of its / their rights and/or obligations under the Transaction Documents nor grant, declare, create or dispose of any right or interest in it, in whole or in part except as provided in the Transaction Documents.

(b) In the event the Investors transfer all their respective rights and/or obligations hereunder (along with all the securities held by them) and under the Restated Charter Documents in accordance with this Clause 20.4, the Transferee shall be entitled to exercise all rights available to the Investors under this Agreement. However, in the event the Investors Transfer only a part of its respective rights and/or obligations hereunder (along with the securities held by them) and under the Restated Charter Documents in accordance with this Clause 20.4, the Transferee shall be entitled to exercise the rights under Clauses 11 above (Information and Access Rights) & 12 (Exit and Return on Investment) above individually in the event such rights are assigned in the definitive agreements executed with such Transferee, but shall not be entitled to exercise the right with respect to the Reserved Matters, which shall be exercised by the Investor along with such Transferee (at the option of the Investors) only as a single block.

20.5. No Third-Party Beneficiaries

Subject to the provision under Clause 20.4(b) above this Agreement is for the sole benefit of the Parties hereto and their permitted assigns and nothing herein expressed or implied shall give or be construed to give to any Person, other than the Parties hereto and such assigns, any legal or equitable rights hereunder.

20.6. Amendments

For DIGILOGIC SYSTEMS PVT. LTD.


MANAGING DIRECTOR

J.M. Radhika Varma



This Agreement may be amended or modified, and any of the terms hereof may be waived, only by a written instrument duly executed by or on behalf of each of the Parties. No waiver by any Party of any term or condition contained in this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion.

20.7. Notices

Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and signed by or on behalf of the Party giving it. Such notice shall be served by sending it by facsimile to the number set forth below or delivering by hand, registered mail or courier to the address set forth below or by sending it by electronic mail to the email address set forth below. In each case it shall be marked for the attention of the relevant Party set forth below. Any notice so served shall be deemed to have been duly given (i) in case of delivery by hand, when hand delivered to the other Party; or (ii) when sent by facsimile, upon transmission; or (iii) when sent by registered mail, where 5 (Five) Business Days have elapsed after deposit in the mail with certified mail receipt requested postage prepaid; or (iv) when delivered by courier on the 2nd (second) Business Day after deposit with an overnight delivery service, postage prepaid, with next Business Day delivery guaranteed, provided that the sending Party receives a confirmation of delivery from the delivery service provider; or (v) for electronic mail notification with return receipt requested, upon obtaining of a valid return receipt from the recipient. Each person making a communication hereunder by facsimile / electronic mail shall promptly confirm by telephone or registered mail to the person to whom such communication by facsimile / electronic mail was addressed, each communication made by it by facsimile / electronic mail pursuant hereto but the absence of such confirmation by telephone or registered mail shall not affect the validity of any such facsimile / electronic communication.

To the Company:

Attention: Mr. Jetty Shashank Varma
Address: # 102, 1st floor, DSL Abacus tech park Uppal Kalsa village, Uppal mandal, Medchal-Malkajgiri, Telangana, India, 500039
Mobile: 9686497472
Email: shashank@digilogicsystems.com

To Investor:

Attention: Mr. Jigar Dinesh Shah
Address: Trade Point Building, 2nd Floor, Above Passport Office, Utopia City, Pandurang Budhkar Marg, Lower Parel (W), Delisle Road, Mumbai, Maharashtra - 400013

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR

J.M. Radhika Varma

18 | Page



Mobile: +91 9820580420
Email: aif3@negenaif.com

A Party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Clause 21.7, by giving the other Parties written notice of the new address in the manner set forth above.

20.8. Entire Agreement

This Agreement and the other Transaction Documents, together with any other documents that may be executed by the Parties from time to time in relation to the Transaction, contain the entire agreement and understanding between the Parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings relating to such subject matter; provided that nothing in this Agreement shall be deemed to terminate or supersede the provisions of any confidentiality and non-disclosure agreements executed by the Parties hereto prior to the execution of this Agreement. No Party shall be liable or bound to any other party in any manner by any representations, warranties or covenants relating to such subject matter except as specifically set forth herein or in the other Transaction Documents.

20.9. Specific Performance

This Agreement shall be specifically enforceable at the instance of any Party. The Parties agree that a non-defaulting Party will suffer immediate, material, immeasurable, continuing and irreparable damage and harm in the event of any material breach of this Agreement and the remedies at law in respect of such breach will be inadequate (each Party hereby waives the claim or defence that an adequate remedy at law is available) and that such non-defaulting Party shall be entitled to seek specific performance against the defaulting Party for performance of its obligations under this Agreement in addition to any and all other legal or equitable remedies available to it. Termination shall be without prejudice to all its rights and remedies under law or equity available to the non-defaulting Party including without limitation, the right to seek indemnities for the breach from the defaulting Party.

20.10. Severability

If any provision of this Agreement (or any portion thereof) or the application of any such provision (or any portion thereof) to any Person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof (or the remaining portion thereof) or the application of such provision to any other persons or circumstances.

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR

J.M. Radhika Varma

19 | Page



20.11. Costs and Expenses

It is agreed between the Parties that each Party shall bear its own costs and out-of-pocket expenses relating to the negotiation, preparation, execution and implementation of this Agreement. Any stamp duty in relation to this Agreement and on issuance of the Equity Shares shall be borne and paid by the Company.

20.12. Counterparts

This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the Parties and delivered to the other Party.

For DIGILOGIC SYSTEMS PVT. LTD.



MANAGING DIRECTOR

J.M. Radhika Varma



IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first written above.

[*please fill in appropriate details*]

SIGNED AND DELIVERED BY

the within named "**Company**",
Jetty Madhusudhan Varma,
pursuant to the resolution passed at the
meeting of its Board of Directors held on,
through its directors,
; and
in the presence of Jetty Radhika Varma

For DIGILOGIC SYSTEMS PVT. LTD.



MANAGING DIRECTOR

J.M. Radhika Varma

SIGNED AND DELIVERED BY

the within named "**FOUNDER 2**",
Jetty Radhika Varma
in the presence of Jetty Shashank Varma

J.M. Radhika Varma

SIGNED AND DELIVERED BY

the within named "**INVESTOR**",
Jigar Dinesh Shah
in the presence of Abhimanyu Olla



SCHEDULE 1 – DETAILS OF THE COMPANY

PART A – DETAILS OF THE COMPANY

A. AUTHORIZED SHARE CAPITAL OF THE COMPANY

| SR. NO. | PARTICULARS | FACE VALUE (INR) | NUMBER OF SHARES | AMOUNT (INR) |
|---------|---------------|------------------|------------------|--------------|
| 1. | Equity Shares | 10 | 60,00,000 | 6,00,00,000 |
| | Total | 10 | 60,00,000 | 6,00,00,000 |

B. ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY

| SR. NO. | SHAREHOLDER | NUMBER OF SHARES | % SHAREHOLDING |
|---------|-------------------------|------------------|----------------|
| 1. | Jetty Madhusudhan Varma | 33,20,000 | 83% |
| 2. | Jetty Radhika Varma | 6,80,000 | 17% |
| | TOTAL | 40,00,000 | 100% |

C. DIRECTORS OF THE COMPANY

| SR. NO. | NAME OF DIRECTOR | DIN |
|---------|-------------------------|----------|
| 1. | Jetty Madhusudhan Varma | 02247769 |
| 2. | Jetty Radhika Varma | 03370284 |
| 3. | Jetty Shashank Varma | 03370303 |

For DIGILOGIC SYSTEMS PVT. LTD.


MANAGING DIRECTOR



SCHEDULE 2 - DEFINITIONS AND INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1. PART A - DEFINITIONS

In this Agreement, unless the subject or context otherwise requires, the following words and expressions shall have the following meanings: -

- 1.1.1. **"Act"** means the Companies Act, 1956 or Companies Act 2013 (as applicable) and shall include any statutory amendments or re-enactments thereof, and rules prescribed by the Central Government thereunder, from time to time.
- 1.1.2. **"Affiliate"** means, in relation to any Person, any entity Controlled, directly or indirectly, by that Person, any entity that Controls, directly or indirectly, that Person, or any entity under common Control with that Person or, in the case of a natural person, any Relative (as such term is defined in the Act) of such person.

For the purpose of this definition:

"Control" means the power to direct the management and policies of an entity whether through the ownership of voting capital, by contract, or otherwise,

A holding or subsidiary company of any entity shall be deemed to be an Affiliate of that entity;

- 1.1.3. **"Agreement"** means this Agreement, together with its Recitals and the Annexures, Schedules and Exhibits attached hereto and as amended from time to time.
- 1.1.4. **"Applicable Law"** means any statute, law, regulation, ordinance, rule, judgment, notification, rule of common law, order, decree, bye-law, government approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy 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 Execution Date or thereafter.
- 1.1.5. **"Board"** means the board of directors of the Company from time to time, or any committee thereof.
- 1.1.6. **"Business"** means the business of acquisition, construction, development, marketing and sale of the units constituting the Project.
- 1.1.7. **"Business Day"** means a day (excluding Saturdays and Sundays) on which commercial banks are generally open in Mumbai and Mauritius for the transaction of normal banking business.

For DIGILOGIC SYSTEMS PVT. LTD.


MANAGING DIRECTOR



1.1.8. **"Charter Documents"** shall, unless the context requires otherwise, mean the Memorandum of Association and the Articles of Association of the Company, as may be amended from time to time.

1.1.9. **"Closing"** shall mean the investment by the Investors of the Investor Contribution in accordance with the provisions of this Agreement, and the issue and allotment of the Investor Shares pursuant thereto and investment by the Promoter of the Promoter Contribution in accordance with the provisions of this Agreement, and the issue and allotment of the Promoter Shares.

1.1.10. **"Closing Date"** shall have the meaning assigned to it in Clause 4.

1.1.11. **"Conditions Precedent"** shall mean and refer to the conditions set out in Clause 3.

1.1.12. **"Confidential Information"** shall mean all non-public information that this Agreement or the Transaction Documents or a Party designates as being confidential, or which, under the circumstances of disclosure ought to be treated as confidential. "Confidential Information" includes, without limitation:-

- (i) the existence of and the economic and other terms and conditions of this Agreement and the Transaction Documents, the fact that discussions or negotiations have taken place between the Parties and/or the terms, conditions or status thereof and information relating to the financial and accounting books and records of any Party;
- (ii) any information concerning the organisation, business, intellectual property, technology, trade secrets, know-how of the Company or any other Party to this Agreement or any of their respective representatives (whether conveyed in written, oral or in any other form and whether such information is furnished before, on or after the Execution Date);
- (iii) any information whatsoever concerning or relating to (a) any dispute or claim arising out of or in connection with this Agreement; or (b) the resolution of such claim or dispute;
- (iv) any information or materials prepared by or for a Party or its representatives that contain or otherwise reflect, or are generated from, Confidential Information.

But shall not include information which:-

- (i) is required by Applicable Law to be disclosed; or
- (ii) is generally and publicly available, other than as a result of breach of confidence by the Party receiving the information.

1.1.13. **"Connected Party / Concern"** of the Company includes:-

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR




- (i) A Related Party;
- (ii) any company under the same management (as defined by Section 370 (1-B) of the Act) as the Company;
- (iii) the Promoter or any Affiliate of the Promoter;
- (iv) any directors of the Company or of any holding company or subsidiary of the Company, excluding independent directors;
- (v) any whole time director of any holding or subsidiary company of the Promoter;
- (vi) any Affiliate of the Company, or of a director referred to above ("**such director**");
- (vii) any firm or unlisted company in which the Company, the Promoter, any such director or any Affiliate or partner of any such director, Promoter or Affiliate is a partner, shareholder or director or has share, control or interest exceeding 10% (ten per cent) of the equity or share of profit;
- (viii) any listed company in which the Company, the Promoter, any such director or any Affiliate or partner of any such director, Promoter or Affiliate is a director or holds shares exceeding 10% (ten per cent) of the paid-up equity share capital of such listed company;
- (ix) any company, the board of directors, managing director or manager whereof acts or is accustomed to act in accordance with the directions or instructions of the Board of the Company, of the Promoter, of any such director or of any Affiliate mentioned above.

1.1.14. "**CP Confirmation Letter**" shall have the meaning ascribed to the term in Clause 3.3.

1.1.15. "**Deed of Adherence**" shall mean the Agreed Form of Deed of Adherence as set out in **Schedule 6**.

1.1.16. "**Director**" shall mean a director on the Board from time to time.

1.1.17. "**Dispute**" shall have the meaning assigned to it in Clause 17;

1.1.18. "**Dispute Notice**" shall have the meaning assigned to it in Clause 17;

1.1.19. "**Encumbrance**" means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, security interest, beneficial interest, right of other Persons, claim, title retention agreement, voting trust agreement, interest, option, restriction or limitation or other encumbrance of any kind securing or conferring any priority of payment in respect of any obligation of any Person and includes without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security whether

by operation of law or contract including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

1.1.20. **"Equity Shares"** shall mean and refer to the common equity shares of the Company with a face value of Rs.10/- (Rupees Ten only) each and shall include any instrument issued by the Company which are convertible / exchangeable into Equity Shares of the Company.

1.1.21. **"Execution Date"** shall mean the date of execution of this Agreement;

1.1.22. **"Financial Year"** means a financial year commencing on 1st April and ending on 31st March in the immediately succeeding year.

1.1.23. **"Governmental Approvals"** means any consent, approval, authorization, waiver, permit, grant, franchise, concession, agreement, license, certificate, exemption, order, registration, declaration, filing, report or acknowledgement of, with or to any Governmental Authority.

1.1.24. **"Governmental Authority"** shall mean the Government of India or any department thereof, the Government of Maharashtra or any other State or any department thereof, any semi-governmental or judicial or quasi-judicial Person or any Person (whether autonomous or not) who is charged with the administration of a law, and shall include any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the Republic of India, including without limitation the Foreign Investment Promotion Board and the RBI, or any territory or any province, state, city or other political subdivision of the Republic of India.

1.1.25. **"Indebtedness"** of any Person shall mean all obligations of such Person (i) for borrowed money, (ii) evidenced by notes, bonds, debentures or similar instruments, (iii) for the deferred purchase price of goods or services (other than trade payables or accruals incurred in the ordinary course of business), (iv) under capital leases and (v) in the nature of guarantees of the obligations described in sub-clauses (i) and (ii) above of any other Person.

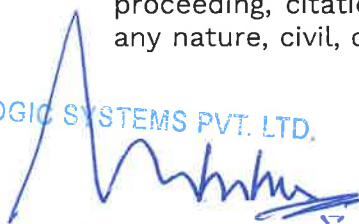
1.1.26. **"Investor Contribution"** shall have the meaning attributed to it in Recital C above

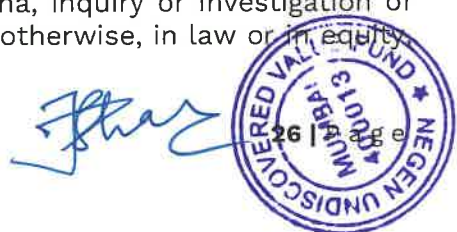
1.1.27. **"Investor Shares"** shall have the meaning attributed to it in Recital C above;

1.1.28. **"Liabilities"** means all Indebtedness, obligations and other liabilities of a Person (whether absolute, accrued, contingent, fixed or otherwise, or whether due or to become due).

1.1.29. **"Litigation"** includes any action, cause of action, claim, demand, suit, proceeding, citation, summons, subpoena, inquiry or investigation of any nature, civil, criminal, regulatory or otherwise, in law or in equity.

For DIGILOGIC SYSTEMS PVT. LTD.


MANAGING DIRECTOR



pending by or before any court, tribunal, arbitrator or other Governmental Authority.

1.1.30. **"Long Stop Date"** shall mean the date falling 60 (Sixty) days after the Execution Date, or such other date as may be mutually agreed to between the Parties in this regard.

1.1.31. **"Material Adverse Change"** means (a) any event or series of events, fact, condition, change, development, effect or item that is or may reasonably have a material adverse effect on (i) the Business, assets (including intangible assets), condition (financial or otherwise), properties (including intangible properties), Liabilities, results of operations of the Company and its Subsidiaries, taken as a whole, or (ii) on the ability of the Company to undertake the Project; or (iii) the ability of the Company and/or the Promoter to consummate the Transaction contemplated hereby in accordance with the terms of this Agreement and the other Transaction Documents; and / or (b) an event or series of events having a severe adverse effect on the business, operating environment (financial, regulatory or other), company affairs, operations, Liabilities, assets or properties of any of the Parties to this Agreement as well as the subsidiaries of the Company; or (c) any lawsuits, actions or proceedings pending or threatened to be initiated against the Company and/or the Promoter which has or is likely to have an adverse effect on the ability of the Company to complete the Project;

1.1.32. **"Order"** shall mean any writ, judgment, decree, injunction or similar order of any Governmental Authority (in each such case whether preliminary or final).

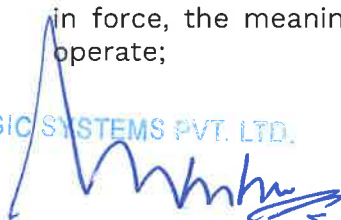
1.1.33. **"Person"** shall mean any individual, joint venture, company, corporation, partnership (whether limited or unlimited), proprietorship, trust or other enterprise (whether incorporated or not), Hindu undivided family, union, association, government (central, state or otherwise), or any agency, department, authority or political subdivision thereof, and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees for the time being.

1.1.34. **"RBI"** shall mean the Reserve Bank of India.

1.1.35. **"Registrar of Companies / ROC"** shall mean the Registrar of Companies, Mumbai, India in relation to the Company and the relevant state in which the registered office of the company is situated, in relation to any other companies.

1.1.36. **"Related Party"** shall have the meaning assigned to the term in the Companies Act, 2013 and the rules prescribed by the Central Government thereunder; and until such time as the said rules are not in force, the meaning assigned to the term in the draft rules shall operate;

For DIGILOGIC SYSTEMS PVT. LTD.



MANAGING DIRECTOR



27



- 1.1.37. **"Reserved Matters"** shall have the meaning assigned to it in Clause 9;
- 1.1.38. **"Restated Charter Documents"** shall mean the amended memorandum of association and the articles of association of the Company, to reflect the terms contained in the Transaction Documents.
- 1.1.39. **"Rupees"** or **"Rs."** or **"INR"** shall mean the lawful currency of India.
- 1.1.40. **"Shareholders"** shall mean the Promoter and the Investors collectively, and shall include such other Persons who may become shareholders of the Company as contemplated in this Agreement, and "Shareholder" shall mean any of the Shareholders individually.
- 1.1.41. **"Tax/ Taxes /Taxation"** means all forms of taxation, duties, levies, including without limitation corporate income tax, provident fund, employee state insurance and gratuity contributions, dividend distribution tax, value added tax, customs and excise duties, capital tax and other legal transaction taxes, stamp duty, real estate taxes, other municipal taxes and duties, environmental taxes and duties and any other type of taxes or duties in any relevant jurisdiction, together with any interest, penalties, surcharges or fines relating thereto, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction.
- 1.1.42. **"Transaction"** shall mean (i) execution of Transaction Documents; (ii) making investment of Investor Contribution by the Investors into the Company; and (iii) the issuance of the Investor Shares by the Company to the Investors in accordance with the provisions of this Agreement; (iv) investment of the Promoter Contribution into the Company by the Promoter; and (iii) the issuance of the Promoters Shares by the Company to the Promoter in accordance with the provisions of this Agreement.
- 1.1.43. **"Transaction Documents"** shall mean (i) this Agreement; (ii) the Restated Charter Documents; (iii) the Project Management Agreement; and (iv) all other deeds and documents as may be executed or required to give effect to the Transaction contemplated by the foregoing and designated as "Transaction Documents" by the Parties.
- 1.1.44. **"Transfer"** shall mean a direct or indirect transfer, sale, assignment, pledge, hypothecation or other disposition of all or any interest.
- 1.1.45. **"Third Party"** shall mean any Person other than the Parties and/or their Affiliates;
- 1.1.46. **"XIRR"** shall mean the Internal Rate of Return compounded annually as calculated under the formula "XIRR" of Microsoft Excel Software Version 2010;

For DIGILOGIC SYSTEMS PVT. LTD.


MANAGING DIRECTOR

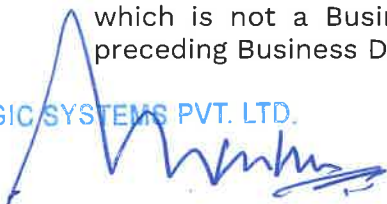


1.2. PART B - INTERPRETATION

Unless the context of this Agreement otherwise requires:

- (a) All recitals stated herein shall form an integral part of this Agreement.
- (b) All capitalised terms used in any Clause or Schedule hereto and not defined in Clause 1.1 above shall have the meaning ascribed to them in such relevant Clause or Schedule, unless the context otherwise requires.
- (c) Any reference herein to any Schedule or Annexure or Clause is to such Schedule or Annexure or Clause to this Agreement, unless the context otherwise requires. The Schedules and Annexures to this Agreement shall be deemed to form part of this Agreement.
- (d) The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words refer to this entire Agreement or specified sections of this Agreement, as the case may be.
- (e) The words "include", "including" and "in particular" shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words.
- (f) Any reference to a document in Agreed Form is to a document in a form agreed between the Company, the Promoter and the Investors and may be initialled for the purpose of identification by or on behalf of each of them (in each case with such amendments as may be agreed by or on behalf of the Parties).
- (g) References to a Party shall, where the context permits, include such Party's respective successors, legal representatives and assigns / permitted assigns.
- (h) The headings are inserted for convenience only and shall not affect the construction of this Agreement.
- (i) Unless the context requires otherwise, words importing the singular include the plural and vice versa, and pronouns importing a gender include each of the masculine, feminine and neutral gender.
- (j) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment, whether before or after the date of execution hereof, for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- (k) Unless the context otherwise requires, if any act is to be done on a day which is not a Business Day, then such act shall be done on the preceding Business Day.

For DIGILOGIC SYSTEMS PVT. LTD.



MANAGING DIRECTOR



- (l) Any reference to this Agreement shall include all amendments, changes and/or modifications made to this Agreement in accordance with the provisions hereof.
- (m) Where any statement in this Agreement is qualified by the expression "so far as the relevant warrantor / any Party is aware" or "to the best of the relevant warrantor's / Party's knowledge, information and belief" or any similar expression, that statement shall, save as expressly provided to the contrary herein, be deemed to include an additional statement that it has been made after due and careful enquiry.
- (n) Where any statement in this Agreement is qualified by the expression "material", such expression shall mean any event, change or effect referred to in such statement is material or materially adverse, as the case may be, to the Business, financial condition or otherwise, profits, operations, properties, assets and/or Liabilities of the Company.
- (o) Where any statement of fact in this Agreement is preceded by the expression "threat" or "threatened", such expression shall be qualified by the term "to the best of knowledge of the Company or the Promoter, as the case may be.
- (p) No provision of this Agreement shall be interpreted in favour of, or against, any Party by reason of the extent to which such Party or its counsel participated in the drafting hereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof.

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR



SCHEDULE 3

FORMAT OF THE CONDITIONS PRECEDENT CERTIFICATE

Date: 20th September 2024

Dear Sirs:

Re: CP Confirmation Certificate

We refer to the Shareholders Agreement dated 20th September 2024 executed between the Company, the Founders, and the Investor (the "**Agreement**").

We hereby confirm, declare and certify pursuant to Clause 3.3 of the Agreement that as of the date hereof:

1. There has been no change in law or circumstances which can reasonably be foreseen, or is reasonably likely to have an adverse effect on the ability of the Company and/or the Founder to enter into and consummate the Transaction;
2. Each of the other Conditions Precedent specified in Clause 3 of the Agreement have been satisfied or waived. Enclosed please find documents evidencing such compliance.

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

Yours faithfully,

For Digilogic Systems Private Limited

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR

Jetty Madhusudhan Varma



SCHEDULE 4

REPRESENTATIONS AND WARRANTIES BY THE COMPANY AND THE FOUNDERS

Part A

Subject to what has been disclosed in the Disclosure Letter, the Founders and the Company hereby jointly and severally represent, warrant and covenant that:-

1. Organisation, Good Standing, Qualification and Business:

- 1.1. The Company is duly incorporated and validly existing under the laws of the jurisdiction of its incorporation.
- 1.2. The Company has the power and all necessary government and other consents, approvals, licences and authorisations, all of which are material in nature, to own its assets and properties, and carry on its Business as it is being conducted and to undertake all its projects and it has materially complied with such consents, approvals, licences and authorisations.

2. Corporate Authority

- 2.1. The Company and the Founders have the power to enter into and perform, and has taken all necessary action to authorise the entry into and performance of the Transaction Documents and is not prohibited from the entry into, delivery and performance of this Agreement and/or Transaction Documents executed or to be executed in pursuance hereof.
- 2.2. The Representatives of the Company executing this Agreement or any other documents (including any Transaction Documents) are duly and properly authorised to execute the same.

3. Consents and approvals:

The Company and the Founders have obtained requisite board approvals required in connection with the execution of Agreement and the Transaction Document, and no other consent (corporate or third party approvals) is required for execution thereof.

4. Valid Issuance of Investor shares:

The Company has full power and authority to issue and allot the Investor shares contemplated in this Agreement to the Investor. The Investor shares, when allotted and issued, and when delivered in accordance with the terms of this Agreement, will be duly authorised and validly issued, fully paid and allotted and free of any Encumbrances in compliance with the requirements of the Act and Laws as applicable.

5. Share Capital:

- 5.1. Pre-Allotment Share Capital

For DIGILOGIC SYSTEMS PVT. LTD.


MANAGING DIRECTOR



- (i) The shareholding pattern of the Company along with percentage of voting rights of such Shareholder are as set out in Part A of Schedule 1 on a fully diluted basis.

5.2. Post-Allotment Share Capital

Immediately after the Closing, the shareholding pattern of the Company along with percentage of voting rights of such Shareholder is as set out in Part B of Schedule 1 on a fully diluted basis.

6. Outstanding Securities:

As at the date of this Agreement, there are no outstanding securities, warrants, options, instruments, rights to subscribe, commitments, agreements, understandings or arrangements, of any nature whatsoever issued or entered into by or binding upon the Founders and the Company that can be converted into or exchanged for Equity Shares and/or Equity Share equivalents or which entitle or may entitle any person to subscribe for or receive any Equity Shares and/or Equity Share equivalents at present or at a later date.

7. Disclosure:

No disclosure made by the Company or the Founders in these Representations and Warranties or any statement or certificate furnished or to be furnished to the Investors, contain or will contain any untrue statement of a material fact necessary in order to make the statements therein, in light of the circumstances in which they are made, not misleading.

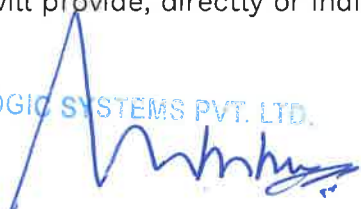
8. Compliance with Law and Compliance with Licenses:

The Company has at all times materially complied with all materially applicable Laws and all directions of any Government Authority including without limitation, the FDI Regulations, 'benami' statutes or land ceiling acts, laws prohibiting the use of any corporate funds for any unlawful contribution, gift, entertainment of unlawful expense relating to any political activity or unlawful payments to government officials. The Company has not done nor omitted to do anything which is a material contravention of any material applicable Law and direction of any Government Authority including RBI which may result in a fine, penalty, fee or other liability or sanction being imposed on such Company and no complaints have been received in respect of such matters which would constitute a Material Adverse Change.

9. Money Laundering and Terrorist Activities:

Neither the Company nor the Founders (i) have taken, directly or indirectly, any action that contravenes or violates any Applicable Law regarding the provision of assistance to terrorist activities and money laundering, or (ii) has provided or will provide, directly or indirectly, finances to any person subject to such laws.

For DIGILOGIC SYSTEMS PVT. LTD.


MANAGING DIRECTOR



Part B

Investor hereby represents and warrants to the Founders and the Company that:

- a. it has full power and authority to enter into, execute and deliver the Transaction Documents and to perform all other actions/steps as contemplated herein and, that it is duly incorporated or organised and existing under Applicable Laws;
- b. the execution and delivery by it of Transaction Documents and the performance of its obligations under Transaction Documents has been duly authorised by all necessary corporate or other actions;
- c. upon execution, Transaction Documents constitute legal, valid and binding obligation of such Investor, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganisation, moratorium or similar laws affecting creditors' rights generally; and
- d. the execution, delivery and performance of Transaction Documents by it, and the consummation of the Transactions contemplated hereby, will not: (A) violate any provision of its organisational or governance documents; (B) require any Consent, Governmental Approval to be obtained or, save as disclosed, require such Investor to make any filing with or give any notice to, any Governmental Authority or any other Person pursuant to any instrument, Contract or other agreement to which it is a part or by which it is bound; (C) conflict with or result in any breach or violation of any of the terms and conditions of, or constitute (or with notice or lapse of time or both) a default under any instrument, Contract or other agreement to which it is a party or by which it is bound; (D) violate any order, judgment or decree against, or binding on, it or on its respective securities, properties or businesses; or (E) violate any Applicable Law.

For DIGILOGIC SYSTEMS PVT. LTD.

MANAGING DIRECTOR

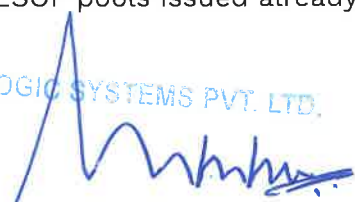


SCHEDULE 5

RESERVED MATTERS

1. Any issue or buyback of shares, instruments convertible into shares or conferring rights to shares, convertible debentures or any other securities including bonus shares, rights shares or any new class of shares with preferential rights.
2. Any proposal to reorganize the capital structure of the Company including proposals for a merger, amalgamation, winding-up of the Company, convertible debentures or other securities convertible into equity issued by the Company, or any other form of capital re-organization.
3. Any further issuance, allotment, redemption and/or modification of the terms of class of Equity Shares, preference shares, any equity-linked instruments of debentures of the Company.
4. Any amendment of the charter documents of the Company or its group companies/subsidiaries such as articles and memorandum of association which affects the right of the Investor other than in the normal course of Company's business.
5. A decision by the Founder to Transfer shares of the Company to any third party, including but not limited to any Affiliates of the Founder, including but not limited to a Transfer by way of a demerger.
6. Any proposal to alter substantially the business or legal structure of the Company or any of its subsidiaries.
7. Any issue of guarantee or indemnity to any third party other than in the normal course of Company's business.
8. Investing in any activity or commencing any new activity and/or acquiring interest in any other firm, organization or other entity whether incorporated or not, engaging in any activity other than the normal course of Company Business.
9. Any increase in the total compensation to key management personnel (including but not limited to CTO, CEO and CFO) of the Company in a 12 (twelve) month period (including all payments made in any form or manner to the relatives of the key management personnel) exceeding 15% (fifteen percent) of such employee's current cost to company;
10. Any action that authorizes, reduces, cancels or creates shares pursuant to the employee stock option pool, approval or amendment of any employee stock options plan, granting any share option or right to subscribe, acquire or convert into shares, issuance of sweat equity shares other than all current ESOP pools issued already;

For DIGILOGIC SYSTEMS PVT. LTD.


MANAGING DIRECTOR



SCHEDULE 6

FORMAT OF DEED OF ADHERENCE

This Deed is made on ____ day of _____, _____ at _____ between:

- (1) _____ (the “**Transferor**”); and
- (2) _____ (the “**Transferee**”). and
- (3) The Company

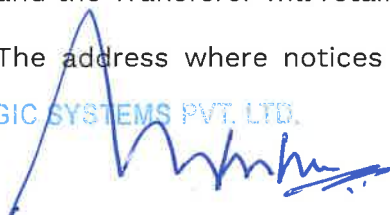
WHEREAS:

- (A) Under the terms of the Investment Agreement dated 20th September 2024 made *inter-alia* between the Company, the Founders and Investor (the “**Investment Agreement**”), the Transferor is a shareholder of the Company and the Investment Agreement provides that in the event the Transferor proposes to Transfer to the Transferee [*insert number and class of shares (“Shares”)*], it shall do so subject to the Transferee entering into this Deed of Adherence (the “**Deed**”).
- (B) The Transferee wishes to accept such shares and accordingly, agrees to enter into this Deed pursuant to the Investment Agreement.

IT IS HEREBY AGREED as follows:

1. Expressions defined in the Investment Agreement shall (unless the context otherwise requires) have the same meaning when used in this Deed.
2. The Transferee confirms having received a copy of the Investment Agreement as it stands amended on this date, and having read the same.
3. The Transferee undertakes to and covenants with all of the parties to the Investment Agreement (including any person who has entered into a Deed of Adherence pursuant to the Investment Agreement) to comply with the provisions of and to perform all the obligations in the Investment Agreement so far as they may remain to be observed and performed as if the Transferee had been a party to the Investment Agreement in place of the Transferor to the end and effect that the Transferee shall, on and from the date of being registered as a shareholder of the Company, be deemed to be a party to the Investment Agreement.
4. The Transferee shall have the rights under and the benefit of the provisions of the Investment Agreement as if the Transferee had been a party thereto in place of the Transferor to the extent of the shares and the Investment Agreement shall be construed and apply accordingly. Where the Transferee has only acquired some of the shares held by the Transferor, the Transferee will only be entitled to the rights as contained in Appendix _____ to the Deed and the Transferor will retain all the remaining rights.

5. The address where notices are to be delivered to the Transferee for the


MANAGING DIRECTOR



purposes of the Investment Agreement is:

6. This Deed is governed by Indian law.

EXECUTED AS A DEED BY TRANSFEROR:

In the presence of:

Name:

Address:

EXECUTED AS A DEED BY TRANSFEREE:

In the presence of:

Name:

Address: