



BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC001283)



JAS-ANZ



ISO 9001:2015
Certified Company
Reg. No.: RQ91/6325



ISO 14001:2015
Certified Company
Reg. No. MAH/E-2170

REGD. OFFICE & WORKS :

UDYAMBAG, BELGAUM - 590 008. KARNATAKA, INDIA

Email:- cs@bemcohydraulics.net Web :- www.bemcohydraulics.net

Tel: - 91-831-2441980, 2440270

Fax :- 91-831-2441263

February 09, 2024

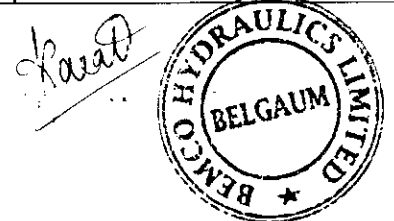
To,
THE STOCK EXCHANGE, MUMBAI,
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
MUMBAI 400 001

SUB: Pursuant to regulation 30, read with Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, disclosure of the event that are deemed to be material.

Ref: Security Code: 522650, ISIN No: INE142E01014

ACQUISITION OF PEGASYS MACHINES PRIVATE LIMITES BY PURCHASING ITS 100% SHARES (WHOLLY OWNED SUBSIDIARY OF BEMCO HYDRAULICS LIMITED).

SL.NO	PARTICULARS	DETAILS
1.	Name of the Target entity, details in brief such as size, turnover etc.	Pegasys Machines Private Limited. The company has a paid up equity capital of Rupees 1,00,000/-(one lakh only) and has made a turnover of Rs. 6,18,06,400/-(sixty crores eighty lakhs six thousand four hundred only) for the financial year 2022-23.
2.	Whether the acquisition would fall within related party transaction and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same has done in arm's length.	No
3.	Industry to which the entity being acquired belong	Manufacturing
4.	Object and impact of acquisition (including but not limited to , disclosure of reasons, for acquisition of target entity, if its business is 'outside the main line of business of the listed entity)	Pegasys Machines Private Limited is a sole manufacturer of automatic straightening Machines in India today. With this acquisition, Bemco Hydraulics Limited enters into new but related business line and it perfectly compliments our current business. Pegasys Machines Private Limited comes with one year forward looking order book. Investment in equity shares of Pegasys Machines Pvt Ltd results it to be 100% wholly owned subsidiary of Bemco Hydraulics Limited.
5.	Brief details of any governmental or regulatory approvals required for acquisition	NA
6.	Indicative time period for completion of the acquisition	Executed on 09 th February, 2024
7.	Consideration	Cash (Cheque Payment)
8.	Cost of Acquisition and/or the price at which	Rs.19,45,00,000/- (Rupees nineteen crore forty five



	the shares are acquired.	lakhs only)										
9.	Percentage of shareholding / control acquired and /or number of shares acquired,	100%										
10.	Brief background about the entity acquired in terms of products/ line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information(on brief)	<p>1. Pegasys Machines Pvt Ltd (CIN:U29100PN2020PTC223728) and having its registered office at A802 Golden Cascade, Wakad Hingewadi Road, Pune Wakad,Pune, Mulashi, Maharashtra- 411057 is engaged in the business of manufacturing types of machinery and services like shaft straightening Machines, gear roll testers, PLC/ PC based automation system special machines, machine design and related technical consultancy.</p> <p>2. The company was incorporated on 04th June, 2020 under the provisions of Companies Act, 2013.</p> <p>3. The last 3 years turnover of the Company:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Turnover</th> </tr> </thead> <tbody> <tr> <td>As on 31/01/2024</td> <td>Rs.</td> </tr> <tr> <td>2023</td> <td>Rs. 6,18,06,400/-</td> </tr> <tr> <td>2022</td> <td>Rs. 6,15,37,900/-</td> </tr> <tr> <td>2021</td> <td>NIL</td> </tr> </tbody> </table> <p>4. The acquired entity is situated in India.</p>	Year	Turnover	As on 31/01/2024	Rs.	2023	Rs. 6,18,06,400/-	2022	Rs. 6,15,37,900/-	2021	NIL
Year	Turnover											
As on 31/01/2024	Rs.											
2023	Rs. 6,18,06,400/-											
2022	Rs. 6,15,37,900/-											
2021	NIL											
11	Share Purchase Agreement	Share Purchase Agreement executed on 09/02/2024 has been attached.										

Kindly note the same and take on your record.

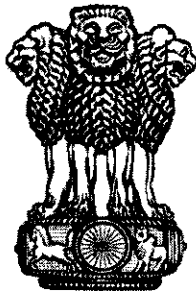
Thanking you.

Yours faithfully,

For **BEMCO HYDRAULICS LIMITED**


Amruta Tarale
Company Secretary





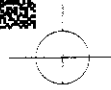
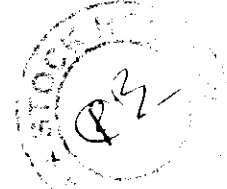
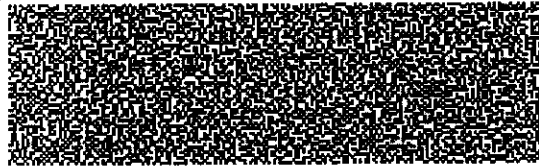
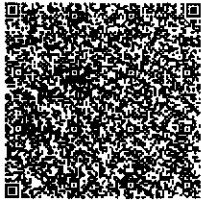
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INDIA NON JUDICIAL

Government of Karnataka

e-Stamp

Certificate No. : IN-KA26352274463722W
Certificate Issued Date : 09-Feb-2024 01:15 PM
Account Reference : SHCIL (FI)/ ka-shcil/ SHCIL BELGAUM/ KA-BL
Unique Doc. Reference : SUBIN-KAKA-SHCIL15272563607188W
Purchased by : BEMCO HYDRAULICS LIMITED
Description of Document : Article 5(J) Agreement (In any other cases)
Property Description : SHARE PURCHASE AGREEMENT
Consideration Price (Rs.) : 19,45,00,000
 (Nineteen Crore Forty Five Lakh only)
First Party : NITISH KATI NAISHAD KATI PEGASYS MACHINES PVT LTD
Second Party : BEMCO HYDRAULICS LIMITED
Stamp Duty Paid By : BEMCO HYDRAULICS LIMITED
Stamp Duty Amount(Rs.) : 19,450
 (Nineteen Thousand Four Hundred And Fifty only)



Please write or type below this line

SHARE PURCHASE AGREEMENT
 BETWEEN
 MR. NITISH KATI, MR. NAISHAD KATI, PEGASYS MACHINES PRIVATE LIMITED
 AND
 BEMCO HYDRAULICS LIMITED
 EXECUTED ON 09TH FEBRUARY, 2024

Signature

Signature

Signature

Statutory Alert:

1. The authenticity of this Stamp certificate should be verified at www.shcilestamp.com or using e-Stamp Mobile App of Stock Holding.
Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.

GOVERNMENT OF KARNATAKA GOVERNMENT OF KARNATAKA GOVERNMENT OF KARNATAKA GOVERNMENT OF KARNATAKA GOVERNMENT OF KARNATAKA GOVERNMENT OF KARNATAKA

SHARE PURCHASE AGREEMENT

BETWEEN

NITISH KATI

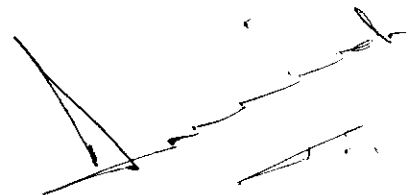
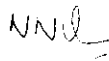

NAISHAD KATI

PEGASYS MACHINES PRIVATE LIMITED

AND

BEMCO HYDRAULICS LIMITED

DATED 09th FEBRUARY 2024



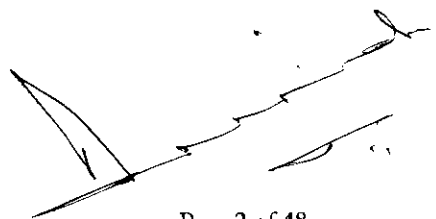
SHARE PURCHASE AGREEMENT

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NNK



This share purchase agreement is entered into on 09th February 2024 amongst:

- A. Nitish Kati**, an [Indian] inhabitant, holding PAN: AAFPK2687N, Aadhar Card: 466172050949 and Passport Number: B7655058 and presently residing at A 802 Golden Cascade CHSL, Wakad-Hinjewadi Road, Pune – 411 057 (hereinafter referred to as the “**Promoter Shareholder No. 1**”, which expression shall, unless repugnant to the subject or context thereof, be deemed to mean and include his spouse, immediate relatives, representatives, legal heirs, successors, executor, administrator and permitted assigns);
- B. Naishad Kati**, an [Indian] inhabitant, holding PAN: AOSPK7778P, Aadhar Card: 533002300599 and Passport Number: Z5594002 and presently residing at 1001 Dhanlaxmi CHSL, SVP Nagar, Andheri (W), Mumbai – 400 058 (hereinafter referred to as the “**Promoter Shareholder No. 2**”, which expression shall, unless repugnant to the subject or context thereof, be deemed to mean and include her spouse, immediate relatives, representatives, legal heirs, successors, executor, administrator and permitted assigns);
- C. Bemco Hydraulics Limited**, a company incorporated under the Companies Act, 1956 with corporate identification number L51101KA1957PLC001283 and presently having its registered office at Udyambag, Industrial Estate, Belgaum - 590008, Karnataka, India (hereinafter referred to as the “**Acquirer**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns); and
- D. Pegasys Machines Private Limited**, a company incorporated under the Companies Act, 2013 with corporate identification number U29100PN2020PTC223728 and presently having its registered office at A 802, Golden Cascade, Wakad Hinjewadi Road, Wakad, Pune - 411057, Maharashtra, 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 and permitted assigns).

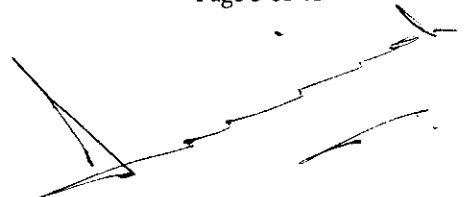

(The Promoter Shareholder No. 1 and Promoter Shareholder No. 2 are collectively referred to as “**Promoters**”).

(The Company, Promoters and Acquirer are collectively referred to as “**Parties**”).

1. Recitals

WHEREAS

- 1.1. The Company is currently engaged in the Business of offering and manufacturing several types of Machinery & Services like Shaft Straightening Machines, Gear Roll Testers, PLC / PC Based Automation Systems Special Purpose Machines, Machine Design and related Technical Consultancy (“the Business”).
- 1.2. The Promoter Shareholder No. 1 and Promoter Shareholder No. 2 are the founders and present promoters of the Company and are currently the sole, legal and beneficial owners of **10,000 (Ten Thousand) Shares** (as defined herein) of the Company which represents 100% of the issued, subscribed and fully paid-up Share Capital (as defined herein) of the Company on Fully Diluted Basis (as defined herein);



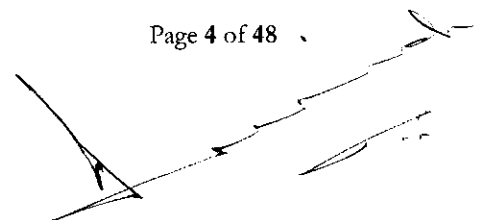
- 1.3. The Acquirer is presently inter alia engaged in the business of manufacture of wide range of Portable re-railing equipment, Light weight re-railing equipment, Hydraulic Re-railing equipment, Re-railing Systems, Hydraulic press, Wheel fitting press and Straightening press;
- 1.4. The Promoters are desirous of selling and the Acquirer is desirous of purchasing their Sale Shares from the Promoters on the terms and subject to the conditions contained in this Agreement;
- 1.5. The Acquirer has agreed to purchase the Sale Shares under this Agreement relying on the representations, warranties, assurance and covenants of the Promoters and based on the indemnities provided by the Promoters, in accordance with the terms and subject to the conditions of this Transaction Documents; and
- 1.6. The Parties are entering into this Agreement to record the terms and conditions agreed between them based on which the Promoters shall sell and the Acquirer shall purchase the Sale Shares.

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND PROMISES CONTAINED HEREIN AND OTHER GOOD AND VALUABLE CONSIDERATION THE ADEQUACY OF WHICH IS HEREBY ACKNOWLEDGED, IT IS HEREBY AGREED BY THE BY AND BETWEEN THE PARTIES HERETO AND THIS AGREEMENT WITNESS AS UNDER:

2. Interpretations

In this Agreement, unless the context requires otherwise:

- 2.1. The headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Agreement.
- 2.2. References to one gender include all genders.
- 2.3. Any references to the masculine, the feminine and the neuter shall include each other.
- 2.4. Any references to a "company" shall include a body corporate.
- 2.5. Any reference to any enactment or statutory provision is a reference to it as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted (with or without modification) and includes all instruments or orders made under such enactment.
- 2.6. Words in the singular shall include the plural and vice versa.
- 2.7. Any reference to "recital", "clause", "clauses" or "schedule" shall be deemed to be a reference to a recital, clause, clauses or schedule of this Agreement.
- 2.8. References to an "agreement" or "document" shall be construed as a reference to such agreement or document as the same may have been amended, varied, supplemented or novated in writing at the relevant time in accordance with the requirements of such agreement or document and, if applicable, of this Agreement with respect to amendments.



- 2.9. Any reference to a party / person to this Agreement shall include, in the case of a body corporate, references to its successors and permitted assigns and in the case of a natural person, to his or her relatives, heirs, executors, administrators and legal representatives, each of whom shall be bound by the provisions of this Agreement in the same manner as the party itself is bound.
- 2.10. In writing" or "written" includes any communication made by letter or e-mail or any other means of communication which inter alia, includes chat applications, social media account direct chat messenger and others.
- 2.11. Any reference to a document "in the agreed form" or "agreed form" is to the form of the relevant document agreed between the Parties and for the purpose of identification initialled by each of them or on their behalf (in each case with such amendments as may be agreed by or on behalf of the Parties).
- 2.12. 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.
- 2.13. Where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words.
- 2.14. The schedules / annexures form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement and any reference to this Agreement shall include any schedules / annexures to it.
- 2.15. Each of the representations and warranties provided in this Agreement is independent of other representations and warranties in this Agreement and unless the contrary is expressly stated, no clause in this Agreement limits the extent or application of another clause.
- 2.16. A reference to a specific time for the performance of an obligation is a reference to that time in the country, province, state, country or other place where that obligation is to be performed.
- 2.17. Where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words.
- 2.18. References to acting directly or indirectly include (without prejudice to the generality of that expression) references to acting alone or jointly with or by means of any other Person.
- 2.19. This Agreement is a joint draft product of the Parties and any rule of statutory interpretation interpreting agreements against a party primarily responsible for drafting the agreement shall not be applicable to this Agreement.
- 2.20. The recitals contained herein shall be deemed to be an integral part of this Agreement.

3. Definitions



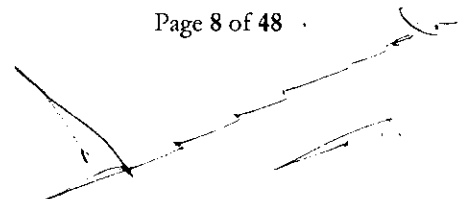
- 3.1. **"Applicable Laws"** includes all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, by-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, tribunal, board, court or recognised stock exchange.
- 3.2. **"Act"** means the Companies Act, 1956 or the Companies Act, 2013 to the extent in force as on date hereof and any subsequent amendment thereto or any other succeeding enactment.
- 3.3. **"Affiliate"** means (i) in the case of any Party other than a natural person, any other Person that, either directly or indirectly through one or more intermediate Persons, Controls, is controlled by or is under common Control with such Party; and (ii) in the case of any Party that is a natural person, any other Person who is a Relative of such Party.
- 3.4. **"Articles"** means the Articles of Association of the Company to be duly amended to the satisfaction of the Acquirer and to be adopted by the Company.
- 3.5. **"Applicable GAAP"** shall mean the generally acceptable accounting principles as applicable to the Company.
- 3.6. **"Assets"** of any Person shall be construed as a reference to the whole or any part of its business, undertaking, property, assets and revenues of every kind, nature, character and description (whether immovable, movable, tangible, intangible, information technology, absolute, accrued, fixed or otherwise) as operated, hired, rented, owned or leased by the Company from time to time, including cash, cash equivalents, receivables, securities, accounts and note receivables, machinery, equipment, other Intellectual Property, raw materials, inventory, furniture and fixtures, licenses and rights (including any right to receive revenues).
- 3.7. **"Audited Financial Statements"** shall mean the annual financial statements for the Financial Year or for the relevant period of the Company audited by the statutory auditor of the Company in adherence to Applicable Law including Auditing Standards.
- 3.8. **"Auditing Standards"** shall mean auditing standards as per companies accounting standard rules.
- 3.9. **"Agreed Value of Excluded Business"** shall mean the value of Excluded Business as maybe mutually agreed by the Parties in writing.
- 3.10. **"Business"** means all and any activities relating, connected and incidental to Designing, Manufacturing, Sales and After Sales Support for Automatic Shaft Straightening Machines.
- 3.11. **"Board"** means the board of directors of the Company.
- 3.12. **"Claim"** includes any notice, demand, assessment, letter or other document issued or action taken by any Governmental Authority, or official whatsoever (whether of India or elsewhere in the world) whereby the Person is or may be placed or sought to be placed under a liability to make a payment or deprived of any relief, allowance, credit or repayment otherwise available.

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- 3.13. **"Claim Notice"** shall have the meaning ascribed to in clause 9.6.1 below.
- 3.14. **"Control"** of a Person means ownership of more than 50% of the shares or other equity interests of such Person.
- 3.15. **"CP Completion Notice"** shall have the meaning ascribed to it in clause 5.2 below.
- 3.16. **"CP Satisfaction Letter"** shall have the meaning ascribed to it in clause 5.3 below.
- 3.17. **"Certified Financial Status Documents"** shall include below documents certified to be true and accurate by the Promoters
- 3.17.1. Audited balance sheet, as per Applicable GAAP as on January 31, 2024;
 - 3.17.2. Cash flow statement, as per Applicable GAAP, as of the same date as the balance sheet specified in above;
 - 3.17.3. Profit and Loss account statement, as per Applicable GAAP, from April 1, 2023, up to the same date as the balance sheet specified in (a) above; and
 - 3.17.4. Bank statements for all the bank accounts of the Company as on the same date as the balance sheet date for the period commencing from April 1, 2023.
- 3.18. **"Effective Date"** means the deemed date of execution of this Agreement.
- 3.19. **"Equity Value"** shall mean the value of the Company arrived on the basis of valuation parameters specified in this Agreement.
- 3.20. **"Disclosed"** or **"Disclosure"** means that contents which has been fairly, accurately, specifically and without any concealment disclosed in the Disclosure Letter, to sufficiently identify the nature and scope of the liability / contents disclosed.
- 3.21. **"Disclosure Letter"** means the letter addressed by the Promoters/Company (as the case maybe) to the Acquirer in the form set out in **Schedule I: Disclosure Letter** hereto containing the specific exceptions/disclosures, provided that such matters are fairly and accurately disclosed in sufficient detail to enable the Acquirer to assess and comprehend the matters in question.
- 3.22. **"Due Diligence"** means the tax, financial and legal due diligence of the affairs and business of the Company carried out by the Acquirer by itself and through its consultants/advisors.
- 3.23. **"Dispute"** shall have the meaning ascribed to it in clause 11.1 below.
- 3.24. **"Dispute Resolution Period"** shall have the meaning ascribed to it in clause 11.2 below.
- 3.25. **"Encumbrances"** means any form of legal, equitable, or security interests, including, but not limited to, any mortgage, assignment of receivables, debenture, lien, charge, pledge, title retention right to acquire, security interest, hypothecation, options, rights of first refusal, any preference arrangement (including title transfers and retention arrangements or otherwise) and any other encumbrance or condition whatsoever or any other arrangements having a similar effect.

- 3.26. **"EBITDA"** shall mean earnings before interest, depreciation, income tax and amortization (on consolidated basis, if applicable) of the Company as per Audited Financial Statement of the Company prepared under applicable accounting standards for the relevant period.
- 3.27. **"Fully Diluted Basis"** shall mean in calculations involving Share Capital or number of Shares, means the calculation that should be made assuming that all outstanding convertible preference shares or convertible debentures, options, employee stock options (issued by, or held directly in, the Company), warrants and other equity-linked securities convertible into or exercisable or exchangeable for, equity shares of a Person (whether or not, by their term, then currently convertible, exercisable or exchangeable) have been so converted, exercised or exchanged.
- 3.28. **"FMV"** means fair market value of the Shares on a given date as determined by a professional required as per the Applicable Law.
- 3.29. **"Financial Year"** shall mean financial year commencing from April 1 to March 31 of the relevant year.
- 3.30. **"Force Majeure"** shall mean occurrence of any event including below which affects the performance ability of the Parties to perform under Transaction Documents:
- 3.30.1. fire, flood,
 - 3.30.2. explosion,
 - 3.30.3. acts of God,
 - 3.30.4. civil commotion,
 - 3.30.5. strikes or industrial action of any kind,
 - 3.30.6. riots, insurrection, war,
 - 3.30.7. acts of government,
 - 3.30.8. computer hacking unauthorized access to computer data and storage devices, computer crashes; or
 - 3.30.9. outbreak of pandemic.
- 3.31. **"Governmental Authorities"** includes any government or political subdivision thereof; any department, agency or instrumentality of any Government or political subdivision thereof; any court or arbitral tribunal and any regulatory authority of competent jurisdiction including any tax authorities, the RBI and the foreign investment promotion board.
- 3.32. **"Long Stop Date"** shall mean 31st March 2024 or such other date as may be agreed to by the Parties.
- 3.33. **"Liabilities"** means all indebtedness, claims, demands, obligations and other liabilities of any nature whatsoever, actual or contingent, of the Company.
- 3.34. **"Memorandum"** means the Memorandum of Association of the Company.
- 3.35. **"Ordinary Course"** means an action taken by or on behalf of a Person that is: (i) recurring in nature and is taken in the ordinary course of the Person's normal day-to-day operations; (ii) taken in accordance with sound, prudent and consistent with past



business practices; (iii) not required to be authorized by the Person's shareholders, board or any committee of the board and does not require any other separate or special authorization of any nature; or (iv) similar in nature and magnitude to actions customarily taken, without any separate or special authorization, in the ordinary course of the normal day-to-day operations of other Persons that are engaged in businesses similar to such Person's business.

- 3.36. **"Outstanding Debt"** shall mean all debt and debt like items (whether secured or unsecured, being reflected as current or non-current) (on consolidated basis, if applicable) of the Company as per Audited Financial Statement of the Company prepared under applicable GAAP for the relevant period.
- 3.37. **"Pre-Closing Period"** shall mean the period before commencing from Effective Date till Closing.
- 3.38. **"Person"** means and includes 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 (in each case, whether or not having separate legal personality).
- 3.39. **"Proceeding"** means any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding and any informal proceeding), prosecution, contest, hearing, inquiry, inquest, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority.
- 3.40. **"Shares"** shall mean the equity shares of the Company presently having a face value of ₹ 10/- (Indian Rupees Ten).
- 3.41. **"Share Capital"** shall mean the total issued, subscribed and paid-up equity share capital of the Company.
- 3.42. **"Sale Shares"** shall mean aggregated of all Shares held by the Promoters.
- 3.43. **"Conditions Precedent"** shall have the meaning ascribed to it in clause 5.1 below.
- 3.44. **"Sale Shares"** shall mean 10,000 (Ten Thousand) number of Shares being held by the Promoters currently representing 100% of the Share Capital.
- 3.45. **"Sale Shares Certificates"** shall have the meaning ascribed to it in clause 6.2.4 below.
- 3.46. **"Sale Shares Transfer Forms"** shall have the meaning ascribed to it in clause 6.2.5 below.
- 3.47. **"Sale Shares Consideration"** shall mean an amount of ₹ 19,450/- (Indian Rupees Nineteen Thousand Four Hundred and Fifty Only) per Share, aggregating to ₹ 19,45,00,000/- (Indian Rupees Nineteen Crores and Forty-Five Lacs Only), payable by the Acquirer to the Promoters for acquisition of Sale Shares.

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- 3.48. **"Closing"** means the completion of the sale and purchase of the Sale Shares as per the terms and conditions of this Agreement.
- 3.49. **"Closing Date"** shall have the meaning ascribed to it in clause 5.5 below.
- 3.50. **"Indemnified Parties"** shall have the meaning ascribed to it in clause 9.3 below.
- 3.51. **"Intellectual Property"** includes all forms of intellectual property rights and all analogous rights subsisting / recognised under the laws of India or any other jurisdiction and shall include without limitation any product or process of the human intellect whether capable of being registered as patents, trademarks, copyrights, designs or otherwise such as an invention, expression or literary creation, unique name, trade secret, business method, database, industrial process, computer program, source code, process or presentation, registration of and applications to register any of the aforesaid items.
- 3.52. **"Immediate Relative"** shall with respect to a individual Person means his/her parents, siblings, spouse and children.
- 3.53. **"Relatives"** shall have the meaning ascribed to the term under the Act.
- 3.54. **"Related Parties of Promoters"** shall mean Relatives of the Promoters.
- 3.55. **"Related Party"** shall have the meaning ascribed to the term under the Act.
- 3.56. **"Representations"** means the representations and warranties in **Schedule I: Representations & Warranties** and clause 8 below of this Agreement, which are, jointly and severally, made/provided by the Promoters.
- 3.57. **"Rules"** shall have the meaning ascribed to it in clause 11.4 below.
- 3.58. **"Taxes"** (i) any and all taxes imposed by any Governmental Authority, assessments and other governmental charges, duties, impositions and Liabilities, including sales tax, excise duties, value added tax, other taxes based upon or measured by gross receipts, income, profits, use and occupation, ad valorem, transfer, franchise, withholding, payroll, employment and property taxes, together with all interest, penalties and additions imposed with respect to such amounts; (ii) any Liability for the payment of any amounts of the type described in clause (i) as a result of being or ceasing to be a member of an affiliated, consolidated, combined or unitary group for any period; and (iii) any Liability for the payment of any amounts of the type described in clause (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of any obligations under any agreements or arrangements with any other Person with respect to such amounts and including any Liability for taxes of a predecessor entity or a transferor.
- 3.59. **"Transfer"** means sale, transfer, conveyance, assignment or creation of any Encumbrance.
- 3.60. **"Transaction Documents"** means this Agreement and any and every document executed in connection with the transaction contemplated under or in connection with

this Agreement and shall include certificates issued by the Promoters for or relating to closing, and documents executed by the Company and/or Acquirer.

- 3.61. **"Third Party Claim"** shall have the meaning ascribed to it in clause 9.5.1 below.
- 3.62. **"Material / Materiality"** shall mean an individual impact of Rs. 10,000 (Indian Rupees Ten Thousand Only) and cumulative impact of Rs. 1,00,000 (Indian Rupees One Lac Only) for transactions or events of similar nature.

4. Share Capital and purchase of Sale Shares

- 4.1. The shareholding pattern of the Company as of Effective Date is as mentioned in **Schedule A: Shareholding Pattern**.
- 4.2. Subject to the terms and conditions contained herein, relying on the Representations and indemnities given by the Promoters with respect to the Company, Business and the Sale Shares the Acquirer hereby agrees to purchase (either itself or along with its identified and nominated Affiliate(s)) from the Promoters and the Promoters hereby unconditionally and irrevocably agree to sell and transfer to the Acquirer, on such dates as specified in the Agreement, free and clear of all Encumbrances, along with all right, title and interest of any nature, accruing or attached to such Sale Shares.
- 4.3. On and from the Effective Date, the Shares held by the Promoters shall not be dealt with in any manner except for transferring it to the Acquirer in accordance with this Agreement. ("**Specific Obligation**"). The Parties hereby distinctly agree that the Shares held by the Promoters in the Company including any future Shares acquired/allotted shall be only transferred by the Promoters to the Acquirer.

5. Conditions Precedent

- 5.1. The Promoters agree and understand that the obligation of the Acquirer to acquire the Sale Shares in the manner provided herein is conditional upon the fulfilment of each of the conditions specified in **Schedule B: Conditions Precedent** of this Agreement ("**Conditions Precedent**"), to the satisfaction of the Acquirer unless specifically waived with or without conditions in writing by the Acquirer. The Promoters and the Company undertake to use their best efforts to ensure that the Conditions Precedent are satisfied as soon as possible but no later than the Long Stop Date.
- 5.2. Upon fulfilment of the Conditions Precedent, the Promoters shall deliver to the Acquirer, a notice of fulfilment of the Conditions Precedent along with all relevant documents evidencing such fulfilment ("**CP Completion Notice**") in form annexed hereto as **Schedule C: Agreed form of CP Completion Notice**. Upon receipt of the CP Completion Notice, the Acquirer, shall review the documents received from the Promoters in connection with the fulfilment of the Conditions Precedent so as to satisfy itself as to the fulfilment of the Conditions Precedent.
- 5.3. The Acquirer shall notify the Promoters in writing within 7 (seven) days of receiving the CP Completion Notice of its satisfaction or dissatisfaction with the same or of waiving the fulfilment of any Conditions Precedent. The Acquirer, if satisfied with the fulfilment of the Conditions Precedent or if the Acquirer has waived its fulfilment, shall deliver to the Promoters, a notice of confirmation of completion of the Conditions Precedent ("**CP**



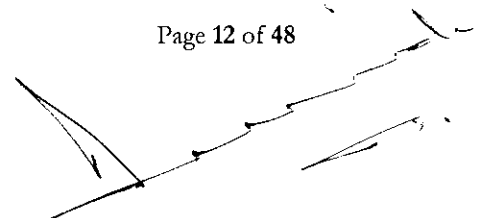

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Satisfaction Letter") in form annexed hereto as **Schedule D: Agreed form of CP Satisfaction Letter**.

- 5.4. If, on the Long Stop Date, any of the Conditions Precedent have not been fulfilled by the Promoters/Company (as the case maybe) to the satisfaction of the Acquirer and such Conditions Precedent have not been waived in writing (with or without conditions) by the Acquirer, the Agreement shall stand terminated at the option of the Acquirer.
- 5.5. Upon issue of the CP Satisfaction Letter by the Acquirer, the Promoters shall proceed to complete the transfer of the Sale Shares to the Acquirer, in the manner provided herein and shall agree upon a date, being no later than within 7 (seven) day of receiving the CP Satisfaction Letter or 09th February 2024 whichever is earlier on which the Closing shall occur ("**Closing Date**").

6. Closing

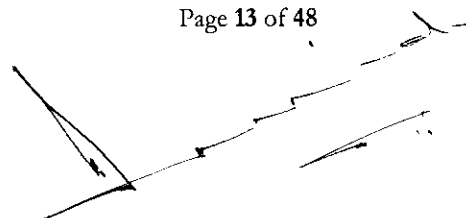
- 6.1. The closing shall take place at the office of Bemco Hydraulics Limited, Belgaum or such other place as the Parties may mutually decide.
- 6.2. On the Closing Date, the Promoters shall deliver to the Acquirer:
 - 6.2.1. A written confirmation that as on the Closing Date:
 - 6.2.1.1. there are no Claims of the Promoters and\or the Related Parties of Promoters from\against the Company, save and except as Disclosed;
 - 6.2.1.2. none of the provisions of this Agreement have been breached by any of the Promoters or the Company;
 - 6.2.1.3. no event has occurred which has or may have a Material Adverse Effect; and
 - 6.2.1.4. the Representations contained in this Agreement, continue to be true, accurate and correct as on the Closing Date in all material respects.
 - 6.2.2. Certified Financial Status Documents;
 - 6.2.3. The Promoters shall deliver to the Acquirer a certificate from a chartered accountant indicating the FMV of the Sale Shares based on valuation standards in terms of the Applicable Law including Income Tax Act, 1961;
 - 6.2.4. Original share certificates evidencing title to the Sale Shares ("**Sale Shares Certificates**");
 - 6.2.5. Valid, duly signed and stamped share transfer forms in respect of the Sale Shares in form SH-4 of the Act which are to be transferred to the Acquirer ("**Sale Shares Transfer Forms**"); and
 - 6.2.6. Adoption of Board Approved Policies by the Board.



- 6.3. Upon receipt of the documents specified in clause 6.2.2 above and clause 6.2.5 above, the Acquirer shall pay the Sale Shares Consideration to the Promoters by remitting the Sale Shares Consideration by wire transfer (or otherwise by demand draft) in the proportion specified in **Schedule E: Bank Account Details** of the Promoters to bank accounts designated by each of them as defined in point no. 1 of the **Schedule F: Payment Terms** and provide security by way of post dated cheques for second tranche mentioned in point no. 2 and final tranche mentioned in point no. 3 of **Schedule F: Payment Terms**. Any Taxes on capital gain or other Taxes on income or profits accruing to the Promoters shall be paid and borne by the Promoters. The Promoters confirm that on the Closing Date each of the promoter is a resident Indian and there is no withholding tax (tax deducted at source) applicable on payments to be received by the Promoters from the Acquirer. The shareholding pattern of the Company post the Closing shall be as specified in **Schedule G: Shareholding Pattern as on Closing**.
- 6.4. Simultaneously upon the Acquirer remitting the amounts referred to in clause 6.3 above, the Acquirer shall lodge the Sale Shares Transfer Forms and Sale Shares Certificates with the Company for transfer of the Sale Shares in the name of the Acquirer. Upon receipt of the Sale Shares Transfer Forms and Sale Shares Certificates from the Acquirer, the Company shall and the Promoters shall cause the Company to forthwith take the same on record and immediately convene a meeting of the Board, wherein the Board shall pass the necessary resolutions:
- 6.4.1. approving the transfer of the Sale Shares from the respective Promoters to the Acquirer;
 - 6.4.2. making the necessary endorsements on the Sale Shares Certificates, indicating the name of the Acquirer as the sole, legal and beneficial owner of the Sale Shares;
 - 6.4.3. returning the original Sale Shares Certificates, duly endorsed in the name of the Acquirer, to the Acquirer through its authorised representative namely Mr. Anirudh Mohta, PAN: AFIPM8414P ("**Authorised Representative of Acquirer**");
 - 6.4.4. entering the name of the Acquirer as the sole legal and beneficial owner of the Sale Shares in the register of members of the Company;
 - 6.4.5. termination of all power or attorneys and other authorizations granted by the Company in favour of any Promoters;
 - 6.4.6. appointing 1 (One) individual nominated by the Acquirer namely: Mr. Anirudh Mohta, DIN: 00065302, as executive Director on the Board of the Company and appoint 1 (One) individual nominated by the Acquirer in writing as Director on the Board of the Company;
 - 6.4.7. approving the form of the Articles and Memorandum of the Company;



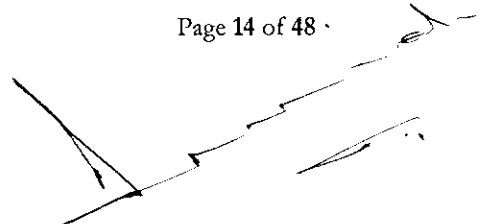
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- 6.4.8. amending the authorized signatories of the Company in relation to the bank accounts, statutory registrations and others in a manner as deemed fit by the Acquirer;
- 6.4.9. authorising such other acts as may be necessary to give effect to the Closing; and
- 6.4.10. convening an extra ordinary general meeting of the Company at shorter notice on the Closing Date for the adoption of the agreed form of the Articles.
- 6.5. Immediately upon completion of the board meeting referred to in clause 6.4 above, the Company shall forthwith handover/provide the following documents to the Authorized Representative of the Acquirer.
- 6.5.1. the certified true copies of all the resolutions passed in the aforesaid Board meeting; and
- 6.5.2. a copy of the extract of the corporate and statutory registers of the Company evidencing the ownership of the Sale Shares by the Acquirer.
- 6.6. On the Closing Date, the Promoters shall hand over original minute books and statutory registers and records of the Company maintained (properly complete and up to date) as per Applicable Laws to the Authorized Representative of the Acquirer.
- 6.7. Upon completion of the steps set out in clause 6.5 above to clause 6.6 above, the Company shall forthwith convene and hold an extra-ordinary general meeting of the Company at shorter notice and pass necessary resolutions for adoption of the agreed form of the Articles and regularize the appointment of individuals nominated by the Acquirer in clause 6.4.5, as directors on the Board.
- 6.8. All proceedings to be taken and all documents to be executed and delivered by the Parties at the closing Date shall be deemed to have been taken and executed simultaneously to the extent possible.
- 6.9. Within 30 (thirty) days of the Closing Date, the Company shall, and the Board shall cause the Company to make all necessary regulatory filings, registrations and do all such other things that may be required under Applicable Law in connection with the sale of the Sale Shares by the Acquirer including appointment of the directors nominated by the Acquirer. The Parties shall provide all such documents as may be required for the purposes of completing the filings with the relevant Governmental Authorities. The Company shall provide certified true copies of all filings made with the Governmental Authority(ies) in respect of the same to the Promoters and Acquirer within 5 (five) days of such filings being completed.
- 6.10. If the Acquirer fails to pay the second tranche or the final tranche of Share Sale Consideration as mentioned in point no. 2 and point no. 3 respectively of **Schedule F: Payment Terms**, the Sale shares shall irrevocably be transferred back in the name of the promoters within 30 (thirty) days of such default at the discretion of the promoters. In the event of such non-payment, this agreement shall stand null, and void and any Share Sale Consideration paid until such breach shall be forfeited by the promoters.

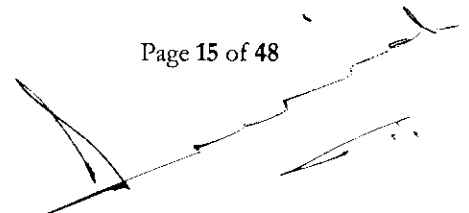
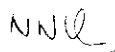
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7. **Interim Management**

- 7.1. The Company and the Promoters shall ensure that, during the Pre-Closing Period:
- 7.1.1. the Company will carry on its business in all respects in the Ordinary Course with due care and diligence and in the manner and scope carried on or prior to the Effective Date;
 - 7.1.2. without prejudice to the generality of clause 7.1.1 above, unless otherwise specifically required to be completed by the Promoters and/or the Company as a Conditions Precedent as per this Agreement, the Company and the Promoters shall not, without the prior written consent of the Acquirer, in respect of the Company:
 - 7.1.2.1. make any material change in the nature or organization of its Business and in particular discontinue any part of it;
 - 7.1.2.2. alter the number of directors or appoint any additional directors in the Company;
 - 7.1.2.3. amend its Articles or Memorandum other than as required under this Agreement;
 - 7.1.2.4. create any Encumbrances over any of the Assets or securities of the Company;
 - 7.1.2.5. commence any proceeding or other action for voluntary liquidation or winding up of the Company;
 - 7.1.2.6. initiate any litigation, legal proceedings, consent to entry of any judgment or enter into any settlement otherwise than for the collection of amounts due to the Company including replying to notices addressed by tax authorities provided a copy of such replies and the notices have been sent to the Acquirer simultaneously;
 - 7.1.2.7. issue, transfer, repurchase any Shares or securities of any kind of the Company;
 - 7.1.2.8. cause or permit the Company to undertake borrowings or extend financial guarantees;
 - 7.1.2.9. give loans or any guarantees or indemnity or provide financial accommodation or debt finance to any Persons other than in the Ordinary Course of business;
 - 7.1.2.10. undertake any restructuring or reorganization of the Company otherwise than in accordance with this Agreement;



- 7.1.2.11. make changes to the accounting or Tax policies, procedures or practices, or take any other action with respect to Taxes or Tax returns or filings, of the Company or change the internal auditors or Auditors of the Company save and except as required by Applicable Law or Applicable GAAP;
 - 7.1.2.12. establish a subsidiary or joint venture or partnership or be part of an association of persons;
 - 7.1.2.13. make any change to its policies with regard to working capital, including by delaying or accelerating payments of accounts payable or modifying collection terms of accounts receivable, other than in the Ordinary Course;
 - 7.1.2.14. make a commitment or agree to do any of the foregoing, or participate in any discussions that might lead to such a commitment, agreement, arrangement or understanding;
 - 7.1.2.15. take any action which results or may result in a violation of the Representations or makes the Representations false or incorrect as read in conjunction with matters as Disclosed in the Disclosure Letter; or
 - 7.1.2.16. commence any Business or activity by the Company other than the Business.
- 7.1.3. Without the prior written consent of the Acquirer, none of the Promoters shall during the Pre-Closing Period:
- 7.1.3.1. Transfer, solicit, encourage, entertain, initiate or participate in any inquiry, negotiations or discussions or enter into any agreement with respect to any offer or proposal to acquire or purchase or sell or create any Encumbrance over any Shares or any securities convertible into or exercisable for such Shares) held by the Promoters (each of the foregoing, an "Acquisition Proposal");
 - 7.1.3.2. assist or cooperate with any Person to make any Acquisition Proposal; or
 - 7.1.3.3. solicit, negotiate or enter into any agreement with any Person with respect to an Acquisition Proposal.
- 7.1.4. In the event any of the Promoters and/or the Company receives, during the Pre-Closing Period, any Acquisition Proposal, the relevant Person receiving such Acquisition Proposal shall immediately suspend any discussions with such offeror or party with regard to such Acquisition Proposal and inform the Acquirer as to any such Acquisition Proposal, including information as to the principal terms of such Acquisition Proposal or request, as the case may be, and any other information that the Acquirer may request.



- 7.1.5. Promoters severally agrees and undertakes that it shall, on and from the Effective Date, promptly notify the Acquirer in writing of any event or circumstance of which it becomes aware which is or may be inconsistent with any of the Representations or which might make any of the Representations untrue or misleading, if given at the Effective Date and/or the Closing Date.

8. Representations & Warranties

Except as otherwise Disclosed under the Disclosure Letter on or prior to Effective Date, the Promoters hereby jointly and severally make each of the Representations to the Acquirer set out in this clause 8 above and in **Schedule I: Representations & Warranties** hereto and acknowledge that the Acquirer has agreed to purchase the Sale Shares herein relying upon these Representations:

- 8.1. The Promoters and Company jointly represent to the Acquirer that:

In relation to Company:

- 8.1.1. the Company is a body corporate duly incorporated and validly existing under the laws of India;
- 8.1.2. the Company has the power and authority to execute and deliver this Agreement and all other Transaction Documents and carry out its obligations hereunder. The execution and delivery of this Agreement and other Transaction Documents and the consummation of the sale of Shares has been duly authorised and approved by the Board and the consummation of the sale of Shares does not require any further authorisation or consent of the Company or its shareholders or any third party;
- 8.1.3. this Agreement has been duly authorised, executed and delivered by the Company and upon execution and delivery by the Company will be a legal, valid and binding obligation of the Company enforceable in accordance with its terms;
- 8.1.4. neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated under the Agreement will require any consent, approval, authorization, waiver, registration, license, declaration or permit of or by, to any Governmental Authority to be obtained or made by any Promoters after the Closing Date;
- 8.1.5. the execution and delivery of this Transaction Documents by the Company and the Promoters, the consummation of the sale of Shares and promises, agreements or undertakings of the Company and the Promoters under this Agreement do not:
- 8.1.5.1. violate Applicable Law or violate or contravene or conflict with or result in a breach of the provisions of or constitute a default (or an event which with notice, lapse of time, or both, would constitute a default or event of default) under any documents, contracts, agreements or any other instruments to which they are a party or

which are applicable to them or an event otherwise creating rights of acceleration, termination or cancellation or a loss of rights or result in the creation or impositions of any Encumbrance upon any Assets under the terms of agreements or permits to which a Promoters or the Company is a party or which either of them or any of their respective properties or Assets are bound by or subject to;

8.1.5.2. conflict with or violate any provision of the Articles or the Memorandum; or

8.1.5.3. constitute a violation by the Company or Promoters of any laws or judgments to which it is subject.

In relation to Promoters:

8.1.6. each of them has the power and capacity to execute and deliver this Agreement and Transaction Documents;

8.1.7. this Agreement has been duly executed by them and upon execution and delivery, will be a legal, valid and binding obligation of the Promoters enforceable in accordance with its terms;

8.1.8. the execution and delivery of this Agreement by the Promoters and their promises, agreements, obligations or undertakings under this Agreement do 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 any of them is a party or which is applicable to any of them;

8.1.9. each of the Promoters are the sole and absolute legal and beneficial owners of the entire Share Capital. The Shares required to be delivered by the Promoters to the Acquirer pursuant to terms and conditions of this Agreement will be, when delivered, duly authorized, validly issued, fully paid-up and free and clear of all Encumbrances and third party rights and interests;

8.1.10. the Promoters are fully entitled and authorized to sell and transfer the entire Share Capital in the manner and on the terms and conditions contained in this Agreement and the entire Share Capital has been duly authorised and validly allotted by the Company and are fully paid-up;

8.1.11. upon Closing Date the Promoters shall not have any options or other convertible securities interests in the Company other than the Sale Shares;

8.1.12. the Promoters and Company have not granted any rights, options of any nature over the entire Share Capital or any part thereof nor have they entered into any arrangement with any Person (whether written or oral) regarding the entire Share Capital or any part thereof;

8.1.13. there are no authorized or outstanding subscription rights, options, conversion rights, warrants or other agreements, securities or commitments



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of any nature whatsoever (whether oral or written and whether firm or conditional) obligating the Company to issue, deliver, transfer, sell or otherwise dispose of, or cause to be issued, delivered, transferred, sold or otherwise disposed of, any shares or equity securities, or any securities convertible into or exchangeable for shares or equity securities, of the Company or obligating the Company to grant, extend or enter into any such agreement or commitment, or pursuant to which any Person, has a right to purchase or acquire any equity interest of the Company or any interest in the Assets or the Business of the Company;

- 8.1.14. there has been no resolution of the general meeting of Shareholders or the Board of the Company which has declared the payment of any dividend or interim dividend that is not paid yet;
- 8.1.15. upon sale and transfer of the Sale Shares or any part thereof to the Acquirer in accordance with the terms and conditions of this Agreement, the Acquirer will acquire exclusive, valid and marketable title to such Sale Shares free from Encumbrances; and
- 8.1.16. the Promoters have obtained all necessary approvals required to be obtained from all Governmental Authorities and Persons including lenders, banks and financial institutions, for the sale of the Sale Shares to the Acquirer and the said approvals are valid and subsisting.

8.2. All Representations contained in clause 8.1 above shall be deemed to be made as on the Effective Date and repeated again on the Closing Date and any date on which the Acquirer acquires any Shares held by the Promoters. All title related Representations made under clause 8.1 above shall be deemed to be transferred and relied upon by the buyer who shall acquire the Shares from the Acquirer.

8.3. The Promoters acknowledge that, in entering into this Agreement and in purchasing the Sale Shares, the Acquirer has relied and will rely upon the Representations given herein and the Representations as confirmed by the Promoters, except as Disclosed in the Disclosure Letter, prior to the Effective Date. All statements and other items of information contained in any exhibit, schedule, certificate or other instrument specifically referred to in the Representations shall be deemed Representations under this Agreement. Each of the Representations shall be construed as a separate Representation and shall not be otherwise limited or restricted by reference to or inference from the terms of any other Representations except as explicitly stated.

8.4. Each of the Promoters hereby represent that none of the representations, warranties or statements contained in this Agreement contain any untrue statement of fact or omits to state any fact necessary in order to make any of such Representations, warranties or statements not misleading.

8.5. The Parties hereby agree that no information relating to the Company, Promoters or Sale Shares of which the Acquirer has knowledge (actual or constructive) and no investigation by or on behalf of the Acquirer shall prejudice any Claim made by the Acquirer under or pursuant to the Representations or operate to reduce any amount recoverable.



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- 8.6. The conduct of Due Diligence by the Acquirer of the Business shall, in no manner, limit or restrict the scope of the Representations under this Agreement and shall not absolve/discharge the Company or Promoters, in any manner, from their liability in case of inaccuracy or breach of any of the Representations.
- 8.7. The Promoters expressly agree and undertake that the Representations contained in this Agreement including **Schedule H: Representations & Warranties** shall be valid and enforceable against each of them by the Acquirer, on and from the Effective Date till the Sale Shares are held by the Acquirer ("**Prospective Buyer**").
- 8.8. The Acquirer represents to each of the Promoters, as follows:
- 8.8.1. the Acquirer is a body corporate duly incorporated under the laws of India;
- 8.8.2. the Acquirer has the power and authority to execute and deliver this Agreement and all other Transaction Documents. The execution and delivery of this Agreement and other Transaction Documents has been duly authorised and approved by its board of directors;
- 8.8.3. this Agreement has been duly authorised, executed and delivered by the Acquirer and upon execution and delivery by the Acquirer will be a legal, valid and binding obligation of the Acquirer enforceable in accordance with its terms;
- 8.8.4. the execution and delivery of this Agreement by the Acquirer and promises, agreements or undertakings of the Acquirer under this Agreement do not violate Applicable Law or violate or contravene the provisions of or constitute a default under any documents, contracts, agreements or any other instruments to which they are a party or which are applicable to them; and
- 8.8.5. the Acquirer has sufficient funds to consummate the payment for Sale Shares.

9. Indemnity

- 9.1. The Representations of the Promoters, and the rights and remedies that may be exercised by the Indemnified Parties, shall not be limited, prejudiced or otherwise affected by or as a result of any information furnished to or any investigation made by or any knowledge of any of the Indemnified Parties or any of their representatives, and it shall not be a defence to any Claim made by any of the Indemnified Parties against the Promoters that the Acquirer (or any of the other Indemnified Parties or any of their respective representatives) knew, ought to have known or had constructive knowledge of any information, except as Disclosed in Disclosure Letter.
- 9.2. The Acquirer's rights and remedies with respect to a breach of any Representation shall not be affected by the giving of any time or other indulgence by the Acquirer to any Person, by the Acquirer rescinding or not rescinding this Agreement, or by any other cause whatsoever except a specific waiver or release by the Acquirer in writing; and any such waiver or release shall not prejudice or affect any remaining rights or remedies of the Acquirer.



9.3. Without prejudice to any other right or remedy available to the Acquirer under Applicable Law and/ or under contract or in equity, the Promoters ("**Indemnifying Parties**") shall on and after the Effective Date, jointly and severally, be liable to compensate, indemnify, defend and hold harmless the Acquirer, its nominee directors, its promoters, directors, Affiliates, Related Party, the Company and Prospective Buyer (collectively, the "**Indemnified Parties**"), from and against any and all Liabilities, deficiencies, demands, Claims (including Third Party Claims (as defined below), actions, judgments or causes of action, assessments, interests, penalties and other costs or expenses (including, without limitation, reasonable attorneys' fees and expenses) ("**Losses**") incurred or suffered by the Indemnified Parties arising out of, incidental to or in connection with: (i) any inaccuracy in or any breach of any of the Representations or any of the representations and warranties contained in this Agreement, or any Transaction Documents; or (ii) any breach of any of the covenants, undertakings, obligations and/or agreements contained in this Transaction Documents by any of the Promoters; (iii) any Liabilities, Claims or payments relating to period prior to Closing Date that are not provided for in the financial statements of the Company; or (iv) a Fundamental Breach Event; (v) any Tax claims on the Company or Acquirer in relation to any valuation matters concerning the Sale Shares; (vi) any shortfall in realisation of accruals to the Company.

9.4. The Indemnifying Party shall have no liability for any indirect losses including punitive Loss or consequential damages. However, it is clarified that any direct claim against the Company which results into a Loss for the Acquirer, due to the Acquirer being a shareholder of the Company, shall not be construed as indirect loss to the Acquirer.

9.5. **Third Party Claims**

9.5.1. If any Indemnified Party receives any claim from a third party, including any Governmental Authority ("**Third Party Claim**"), it shall issue a notice to the Indemnifying Party, informing the Indemnifying Party of the same along with a copy of the notice received from the third party and supporting documents if any provided by such third party.

9.5.2. The Indemnifying Party shall secure, indemnify and hold harmless the Indemnified Party and/or the Company against all Losses incurred or suffered by the Indemnified Party and/or Company on account of such Third Party Claim.

9.5.3. If any of the Indemnified Parties proceeds with the defence of any such Third Party Claim on its own:

9.5.3.1. all reasonable expenses relating to the defence of such claim (whether or not incurred by the Acquirer) shall be borne and paid exclusively by the Indemnifying Parties;

9.5.3.2. the Indemnifying Parties shall make available to the Acquirer all documents and materials in their possession or control that may be necessary for the defence of such claim;

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9.5.3.3. the Acquirer shall keep the representative of the Indemnifying Parties informed of all material developments and events relating to such claim or proceeding; and

9.5.3.4. the Acquirer shall have the sole right, acting in good faith, to settle, adjust or compromise such third-party claim or Proceeding without any consent from the Indemnifying Parties.

9.6. Direct Claims Procedure

9.6.1. In the event of a Claim being asserted against, or otherwise suffered / incurred by an Indemnified Party in respect of an indemnity event, the Indemnified Party shall send a written notice of claim ("**Claim Notice**") to the Indemnifying Parties. Such Claim Notice shall set forth: (a) a description and, if known, the estimated amount of any Losses incurred or reasonably expected to be incurred by the Indemnified Party; (b) a detailed explanation of the basis for the Claim Notice to the extent of the facts then known by the Indemnified Party.

9.6.2. Response to Claim Notice: Within 15 (Fifteen) days after delivery of a Claim Notice, the Indemnifying Party shall deliver to the Indemnified Parties a written response in which the Indemnifying Party shall either:

9.6.2.1. agree that the Indemnified Party is entitled to receive all of the Losses at issue in the Claim Notice; or

9.6.2.2. dispute the Indemnified Party's entitlement to indemnification by delivering to the Indemnified Party a written notice (an "**Objection Notice**") setting forth in reasonable detail each disputed item, the basis for each such disputed item and certifying that all such disputed items are being disputed in good faith.

9.6.2.3. In the event no written Objection Notice has been received within a period of 15 (Fifteen) days, the Indemnified Party's notice shall be deemed to have been accepted.

9.6.3. Settlement Attempt: If the Indemnifying Parties delivers an Objection Notice within 15 (Fifteen) days of the delivery of the Claim Notice, the Indemnified Party and the Indemnifying Parties shall attempt in good faith, for a period of at least 30 (thirty) days, to agree upon the amounts claimed by the Indemnified Party under the Claim Notice. If no such agreement can be reached after good faith negotiations and after 30 (thirty) days from the date of receipt of an Objection Notice, then either the Indemnified Party or the Indemnifying Parties may demand arbitration of the matter and the matter shall be settled by binding arbitration in accordance with clause 11 below.

9.7. Payments: The foregoing indemnification payments shall be made within 15 (fifteen) days from the date of deemed date of acceptance of Claim Notice or resolving of settlement attempt under clause 9.6.3 above or on receipt of arbitration order/court judgment (as the case maybe) in relation to the Objection Notice. Non-receipt of

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payment or part payment will attract interest at the rate of 12% per annum (non-compounding).

- 9.8. Any indemnity as referred to in this clause 9 above, shall be such as to place the Indemnified Parties, in the same position as they would have been in, had the event, giving rise to such indemnity claim, not have arisen at all.
- 9.9. If any of the Indemnifying Parties are required to make any payments under this clause 9 above, they shall not claim any restitution from the Company or Acquirer in relation to any payments that may be made by such Indemnifying Parties to any Indemnified Party pursuant to the terms of this Agreement.
- 9.10. In the event an indemnity claim has been raised by the Acquirer in accordance with this clause, such an amount of claim shall be eligible to be held-back against Sale Shares consideration. Such a held-back amount shall be paid or forfeited upon final determination of the indemnity claim.
- 9.11. The Indemnifying Party shall not be liable in respect of any Loss, unless (i) the amount of individual claim exceeds an amount of ₹1,00,000/- (Indian Rupees One Lac Only) (“De-minimis Loss”) and (ii) the aggregate of all claims to be indemnified is higher than or equal to an amount of ₹ 10,00,000/- (Indian Rupees Ten Lacs Only), whereupon indemnification pursuant to this clause 9 above shall be payable for all Losses in accordance with the terms hereof, from the first Rupee.
- 9.12. Subject to clause 9.13 below, the total liability of each of the Promoters for all Claims made under this clause 9 above shall not under any circumstances whatsoever in respect of Claims for breach of Representations, exceed an aggregate amount equivalent to consideration received by the Promoters for Sale Shares.
- 9.13. In the event that the Indemnifying Parties have indemnified the Indemnified Party for any Loss including a Loss incurred or suffered and it is subsequently held by a relevant court having competent jurisdiction that the Indemnifying Parties were not required to indemnify such Loss, then the Indemnified Party shall refund the amount received by or in respect of such Loss by such Indemnified Party net of all Taxes suffered or incurred by the Indemnified Party. Such refund of indemnity amount shall be made within the period of 30 (Thirty) days, failing to which interest of such per cent as specified in clause 9.7 above shall be payable for unpaid amount.

10. Non-compete and Non-solicitation

- 10.1. **Non-compete:** Promoters hereby agrees that (A) during the period any of the promoter holds any Shares in the Company and (B) for the period of 5 (five) years after such promoter ceases to hold Shares in the Company, the Promoters shall not, directly or indirectly, or (a) through any entity controlled by any of the Promoters; or (b) through any of their Immediate Relative:

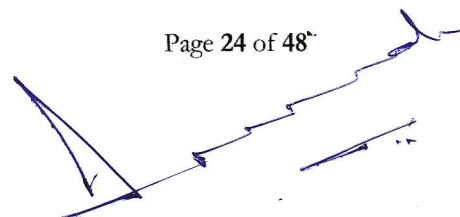
10.1.1. carry on whether as an investor, employee (except for as employee of the Company or Acquirer), employer, director, lender, contractor or through other modes of financial or other beneficial participation or be engaged or interested in any business or activity which competes with any current business of the Company (including the Business) anywhere in the world.

However, holding of not more than 2% (in aggregate) of the securities in any listed company or mutual funds registered with the Securities and Exchange board of India as amended from time to time shall not be a breach of this clause.

- 10.2. **Non-solicitation:** Promoters hereby agrees that (A) during the period any of the promoter holds any Shares in the Company and (B) for the period of 5 (five) years after last of the Promoters ceases to hold Shares in the Company, the Promoters shall not, directly or indirectly, or (a) through any entity controlled by any of the Promoters; or (b) through any of their Immediate Relative:
- 10.2.1. solicit, canvass or approach or endeavour to solicit, canvass or approach any Person for the purpose of offering to that Person any services of the type same or similar to or performing the same or similar functions of any service provided by the Company to a Person:
- 10.2.1.1. who was provided services by the Company at any time during the previous 5 (Five) year period from the time of solicitation; or
- 10.2.1.2. who was negotiating with the Company for the provision of services at any time during the previous 5 (Five) period from the time of solicitation.
- 10.2.2. solicit or entice away or endeavour to solicit or entice away from the Company, any person employed with the Company (other than office boys, peons, or other such staff) with a view to inducing that Person to leave such employment or to act for another person involved in a business which competes with the business of the Company whether or not such person would commit a breach of contract by reason of leaving such employment.
- 10.3. The Promoters hereby undertake to ensure that till the expiry of the period of 5 (five) years from the date the Promoters ceases to be a shareholder of the Company, all business opportunities received by and known to Promoters in so far as it relates to the Company, shall be referred to the Company and only to this Company.
- 10.4. The Promoters acknowledge and agree that the commercial benefits arising from the purchase of the Sale Shares by the Acquirer and the mutual covenants contained in this Agreement, are adequate consideration for the non-compete and non-solicitation covenants of the Promoters contained in this Agreement and that restrictions contained in this clause 10 above are considered reasonable for the legitimate protection of the business and goodwill of the Company and the Acquirer. However, 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 valid and effective. Notwithstanding the limitation of this provision by any Applicable Law for the time being in force, the Promoters undertake to, at all times observe and be bound by the spirit of this clause. 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 were limited as provided hereinabove, the original

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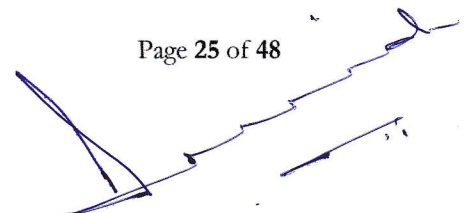


restrictions would stand renewed and be effective to their original extent, as if they had not been limited by the law or provisions revoked.

- 10.5. The Promoters agree and acknowledge that the covenants and obligations under this clause, 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 Acquirer irreparable injury. Therefore, the Promoters agree that the Acquirer 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, their Relative and the Related Parties from committing any violation of the covenants and obligations contained in this Agreement. These injunctive remedies are cumulative and are in addition to any other rights and remedies available to the Acquirer and/or the Company under contract, law or in equity.
- 10.6. The promoters agree and acknowledge that, if proven by a court of law, in the event of breach of clause 10.1 and clause 10.2 above by the promoters, a sum of Rs. 4,00,00,000/- (Indian Rupees Four Crores Only) shall be paid as a penalty for such breach to the acquirer.

11. Arbitration

- 11.1. The Parties agree to use all reasonable efforts to resolve any dispute, controversy, claim or disagreement of any kind whatsoever between or among the Parties in connection with or arising out of this Agreement, including any question regarding its existence, validity or termination ("**Dispute**") expediently and amicably.
- 11.2. Any Party which claims that a Dispute has arisen must give Notice thereof to the other Parties as soon as practicable after the occurrence of the event, matter or thing which is the subject of such Dispute and in such notice such Party shall provide particulars of the circumstances and nature of such Dispute and of its claim(s) in relation thereto. The other Parties shall, within 15 (Fifteen) days of such notice, each specify in writing its position in relation to the Dispute and thereafter shall engage in discussions and negotiations to settle the Dispute within 30 (thirty) days after receipt of the Notice specifying therein particulars of the Dispute ("**Dispute Resolution Period**").
- 11.3. If the Dispute is not resolved within the Dispute Resolution Period set out in clause 11.1 above, then the following provisions shall apply.
- 11.4. Any Dispute, if not amicably settled in accordance with clause 11.2, shall be referred to and finally resolved by arbitration in accordance with the rules under Arbitration and Conciliation Act, 1996, as amended then in effect ("**Rules**"), which Rules are deemed to be incorporated by reference into this clause 11. Subject to any interim reliefs/ orders granted by courts/ arbitration tribunal, this Agreement and the rights and obligations of the Parties contained in this Agreement shall remain in full force and effect pending issuance of the award in such arbitration proceedings, which award, if appropriate, shall determine whether and when any termination shall become effective.
- 11.5. The arbitral tribunal shall consist of a single arbitrator appointed in accordance with the Rules.



- 11.6. The seat, venue and legal place of arbitration shall be Belgaum and any award shall be treated as an award made at the seat of the arbitration. The language to be used in the arbitral proceedings shall be English.
- 11.7. By agreeing to arbitration under the Rules in accordance with this clause 11 above, the Parties undertake to abide by and carry out any award promptly and any award shall be final and binding on the Parties.
- 11.8. In the event a Dispute under any Transaction Document has been referred to an arbitration tribunal, any subsequent Dispute under the same Transaction Document or any other Transaction Documents shall be referred to such existing arbitration tribunal subject to such arbitration tribunal's consent.

12. Notices

- 12.1. Any/all notices shall be written in English and shall be delivered by hand or internationally recognized courier or prepaid registered post or transmitted by e-mail properly addressed as follows:
- 12.1.1. In the case of notice to the Acquirer:
Attention: Mr. Anirudh Mohta
Address: BEMCO Hydraulics Limited, Bemco Premises, Industrial Estate, Udyambag, Belagavi, Karnataka – 590 008.
E-mail: cs@bemcohydraulics.net
- 12.1.2. In the case of notice to the Promoters:
Attention: Mr. Nitish Kati
Address: A - 802 Golden Cascade CHSL, Wakad Hinjewadi Road, Pune – 411 057.
E-mail: nitishkati@gmail.com
- 12.1.3. In the case of notice to the Promoters:
Attention: Mr. Naishad Kati
Address: A - 802 Golden Cascade CHSL, Wakad Hinjewadi Road, Pune – 411 057.
E-mail: nitishkati@gmail.com
- 12.1.4. In the case of notice to the Company:
Attention: Mr. Nitish Kati
Address: 1001 Dhanlaxmi CHSL, SVP Nagar, Andheri (W), Mumbai – 400 058.
E-mail: nitishkati@gmail.com
- 12.2. or at such other address as the Party to whom such notices are to be given shall have last notified the party giving the same in the manner provided in this clause 12, but no such change of address shall be deemed to have been given until it is actually received by the party sought to be charged with the knowledge of its contents. Unless there is evidence that it was received earlier, any notice delivered to the party to whom it is addressed as provided in this clause 12 shall be deemed to have been given and received (i) if delivered by internationally recognised courier or prepaid registered post, within 7 (seven) days of the dispatch of the said notice by such courier or prepaid

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registered post, (ii) if sent by e-mail, at the time of confirmation of transmission recorded on the sender's computer, and (iii) if delivered by hand at the time of delivery.

13. Termination

- 13.1. This Agreement shall come into effect from the Effective Date, and shall be effective, valid and binding until the date of termination of this Agreement in accordance with the provisions hereof ("**Term**").
- 13.2. The Acquirer shall be entitled to terminate the Agreement, if the Conditions Precedent are not satisfied on or prior to the Long Stop Date.
- 13.3. The Acquirer shall be entitled to terminate the Agreement on occurrence of a Fundamental Breach Event.
- 13.4. Termination of this Agreement under clause 13.2 above and clause 13.3 above shall be without prejudice to any accrued rights of the Parties and shall not relieve any party of any obligation or liability accrued on or prior to the date of termination.

14. Miscellaneous Provisions

- 14.1. All communication between the Acquirer, the Promoters and the Company or any of them and all information and other material supplied to or received by any of them from the others which is either marked "confidential" or is by its nature intended to be exclusively for the knowledge of the recipient alone and any information concerning the business transactions or the financial arrangements of the Acquirer, the Promoters or the Company or of any person with whom any of them is in a confidential relationship with regard to the matter in question coming to the knowledge of the recipient shall be kept confidential by the recipient unless and to the extent that:
 - 14.1.1. disclosure is required by judicial or administrative procedures or in the opinion of its counsel, by other requirements of law, or by any Governmental Authorities or stock exchange having jurisdiction over such party or Person in order to comply with any official directive or guideline, whether or not having the force of law;
 - 14.1.2. disclosure is made in confidence to professional consultants of such party or Person or to a related company of such party, provided that such disclosure is made in confidence or in a confidential offering memorandum and that each Person to whom such disclosure is made has given an undertaking on the same terms as this clause 14.1 above;
 - 14.1.3. disclosure is made in or in relation to a prospectus or other document relating to an offer of shares in the capital or other securities of the Company or a party or a related corporation of a party, provided that such prospectus or other document complies with the relevant legislation applicable to such corporation;
 - 14.1.4. such Confidential Information can be demonstrated by the disclosing party or person to be in the public domain through no breach or default on the part of such party, and to the extent that it is in the public domain the confidentiality

obligations in this clause shall cease to apply to such confidential information;
and

14.1.5. in case of the Acquirer, disclosure is made to its Affiliates and their respective officers, lenders and other financing sources, members, investment committee members, advisory board members, partners, board of directors, shareholders, prospective transferees in connection with a possible sale or transfer of its Shares and in such cases, this obligation shall not apply to the extent required under the respective circumstances.

14.2. **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.

14.3. **Cumulative Rights:** All remedies of the Parties 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.

14.4. **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 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.

14.5. **Survival:** The provisions of clause 8 above (Representations), clause 14 (Arbitration), clause 15 (Notices) and any other provisions which expressly or by their nature need to survive termination shall survive termination of this Agreement.

14.6. **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.

14.7. **Assignment:** This Agreement and the rights and Liabilities hereunder shall bind and inure to the benefit of the respective successors of the Parties hereto. The Promoters shall not assign or transfer or encumber any of their rights and/or obligations hereunder nor the Shares to any other Person without the prior written consent of the Acquirer. The Acquirer shall be entitled to transfer and/or assign any and all of its rights and/or obligations hereunder to (i) any Affiliate on the same terms and conditions contained herein in the event of a transfer of Shares, (ii) any third party on the same terms and conditions contained herein in the event of transfer of Shares. For clarity, such third party shall be bound by all terms of this Agreement as are agreed upon by the Acquirer.

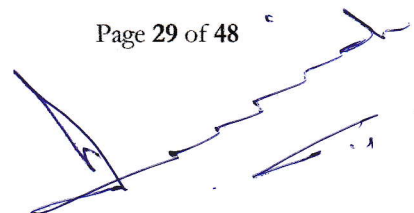
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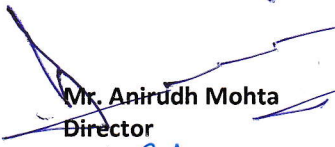




- 14.8. Entire Agreement: This Agreement together with the other Transaction Documents constitutes the entire agreement between the Parties with respect to the subject matter herein and supersedes, terminates and cancels any prior oral or written agreement, representation, understanding, arrangement, communication or expression of intent relating to the subject matter of this Agreement.
- 14.9. 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.
- 14.10. Governing law: This Agreement shall be governed and construed in accordance with the laws of Karnataka, and the competent courts shall have the jurisdiction to entertain any dispute arising out of or in connection with this Agreement.
- 14.11. Costs: Each Party shall bear its own expenses incurred in preparing and negotiating this Agreement. The stamp duty payable on this Agreement shall be borne by the Acquirer.
- 14.12. Public announcements: Unless otherwise required under Applicable Law, 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. For clarity, partners having interest in the Acquirer shall be entitled to make public announcement in accordance with requirements of Applicable Law.
- 14.13. 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.
- 14.14. Obligation of the Parties: Each of the Parties shall generally do all acts and things reasonably within their power which are necessary or desirable to give effect to the spirit and intent of this Agreement.
- 14.15. Ownership: Ownership of Trademarks, Names, Logos, Royalty and Goodwill if any of the Company shall be under the control of the Acquirer as on the date of execution and cannot be claimed by the Promoters.

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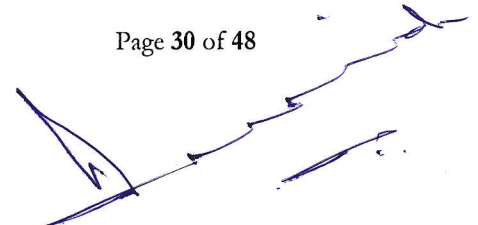


IN WITNESS whereof the Parties have caused their duly authorized representatives to execute this Agreement on the day and year first above written.

For Pegasys Machines Private Limited (Company)  Mr. Nitish Kati Director Place: <u>Belgaum</u> 	For BEMCO Hydraulics Limited (Acquirer)  Mr. Anirudh Mohta Director Place: <u>Belgaum</u> 
Promoter Shareholder 1 (Seller)  Mr. Nitish Kati Place: <u>Belgaum</u>	Promoter Shareholder 2 (Seller) <u>NWIL</u> Mr. Naishad Kati Place: <u>Belgaum</u>
Witness 1: 	Witness 2: 
Name: <u>Nijay Sambrekar.</u> Address: <u>Plot No. 33, New Shivaji Colony</u> Date: <u>Tilakwadi Belgaum.</u> <u>9.2.2024.</u>	Name: <u>SUCHITRA KATI</u> Address: <u>A-802 GOLDEN CASCADE CHS</u> Date: <u>WAKADHINTEWADI ROAD PUNE-41105.</u> <u>9.2.2024</u>



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Schedule A: Shareholding Pattern as on Effective Date

Shareholding pattern of the Company as on the Effective Date:

Sr. No.	Name of Shareholder	Number of Share	% to Share Capital
1.	Nitish Kati	9,400	94%
2.	Naishad Kati	600	06%
Total		10,000	100%

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Schedule B: Conditions Precedent

1. The Promoters procuring all requisite corporate approvals required by the Promoters and Company for the purposes of execution, delivery and performance of its obligations under the Transaction Documents
2. The Promoters obtaining a certificate from a chartered accountant indicating the FMV of the Sale Shares in accordance with Income Tax Act, 1961;
3. The Promoters shall obtain a certificate from Chartered Accountant certifying no outstanding dues under Section 281 of the Income Tax Act, 1961 in connection with transfer of Sale Shares to the Acquirer;
4. Transfer of all Assets and Intellectual Property if any of the Company held by the Promoters to the Company;

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Schedule C: Agreed form of CP Completion Notice

Date: 09/02/2024

To,
Acquirer
Bemco Hydraulics Limited
Udyambag, Industrial Estate, Belgaum - 590008,
Karnataka, India

Copy to:
Thinkitive Global Consulting Private Limited
711, Clover Hills Plaza,
NIBM-Undri Road,
Pune – 411 048,
Maharashtra, India.

Subject: CP Completion Notice

Reference: Share Purchase Agreement dated 09/02/2024



We refer to the Share Purchase Agreement dated 09/02/2024 ("**Agreement**"), executed by and among Nitish Kati, Naishad Kati, Bemco Hydraulics Limited and Pegasys Machines Private Limited.

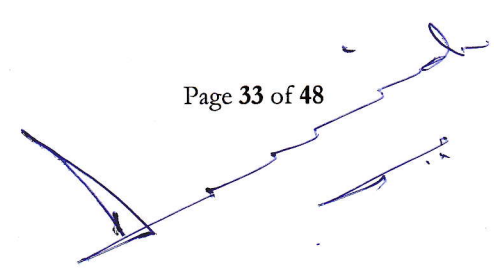
We, hereby certify that we have fulfilled all the Conditions Precedent specified in Clause 5 of the Agreement and have enclosed herewith the supporting documents evidencing the same.

We hereby certify that there has been no breach by any of us of any of the obligations under the Agreement or the Transaction Documents or any other document executed in relation to the transactions contemplated under the Agreement.

We hereby certify that the Representations and Warranties provided by us in the Agreement are true and complete, in each case, as on the date of the Agreement and as of the date of issue of this letter.

All capitalized words used but not defined herein shall have the same meaning as ascribed to such terms in the Agreement.

<p>Promoter Shareholder 1 (Seller)</p>  <p>Mr. Nitish Kati Place:</p>	<p>Promoter Shareholder 2 (Seller)</p>  <p>Mr. Naishad Kati Place:</p>
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Schedule D: Agreed form of CP Satisfaction Letter

Date: 09/02/2024

To,

Mr. Nitish Kati

Mr. Naishad Kati

A - 802 Golden Cascade CHSL, Wakad Hinjewadi Road,

Pune – 411 057.

Copy to:

Thinkitive Global Consulting Private Limited

711, Clover Hills Plaza,

NIBM-Undri Road,

Pune – 411 048,

Maharashtra, India.

Subject: CP Satisfaction Letter

Reference: Share Purchase Agreement dated 09/02/2024

We refer to the Share Purchase Agreement dated 09/02/2024 ("**Agreement**"), executed by and among Nitish Kati, Naishad Kati, Bemco Hydraulics Limited and Pegasys Machines Private Limited.

We are in receipt of the CP Completion Notice dated 09/02/2024 issued by the Promoters, in accordance with the Agreement confirming fulfilment of the Conditions Precedent as set out in **Schedule B: Conditions Precedent** of the Agreement other than the Pending Conditions Precedent (as defined in the CP Completion Notice). The Promoters have jointly and severally represented that the Pending Conditions Precedent shall be completed on or before 09/02/2024.

We hereby confirm in terms of Agreement that the Conditions Precedent as set out in **Schedule B: Conditions Precedent** of the Agreement have been fulfilled.

The acceptance of the Conditions Precedent by us as stated hereinabove shall not (i) prejudice or constitute a waiver of any rights of the Acquirer (including the right of indemnity) under or pursuant to the Agreement; or (ii) acceptance by us of the validity of any document furnished to us evidencing completion of the Conditions Precedent.

All capitalized words used but not defined herein shall have the same meaning as ascribed to such terms in the Agreement.

For BEMCO Hydraulics Limited (Acquirer)

Mr. Anirudh Mohta

Director

Place:



A handwritten signature in blue ink, appearing to be "Anirudh".

Handwritten initials in blue ink, possibly "NM".

A handwritten signature in blue ink, appearing to be "Naishad".

Schedule E: Bank Account Details of the Promoters

#	Name of Bank	Account Number	IFSC Number
Mr. Nitish Kati (Promoter Shareholder No. 1)	ICICI Bank Ltd Lokhandwala Complex Branch	026301524808	ICIC0000263
Mr. Naishad Kati (For Promoter Shareholder No. 2)	HDFC Bank Ltd Indralok Branch	13571000134479	HDFC0001357

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Schedule F: Payment Terms

Sr. No.	Particulars	Amount (Rs.)	Mode
1	First Tranche at the time of signing of Share Purchase Agreement on 09 th February 2024	12,70,00,000/- (Rs. 1,16,70,000/- to Mr. Naishad Kati & Rs. 11,53,30,000/- to Mr. Nitish Kati)	Bank Transfer By Cheque to Nitish kati of ₹ 11,53,30,000/- dt. 09/02/2024 bearing no. 000820 → Subject to realisation & Cheque to Naishad kati of ₹ 1,16,70,000/- dt. 09/02/2024 bearing no. ₹ 1,16,70,000/- "000821" subject to realization.
2	Second Tranche	3,37,50,000/-	Post Dated Cheque of 01 st March 2025 (000823)
3	Final Tranche	3,37,50,000/-	Post Dated Cheque of 01 st March 2026 (000824)

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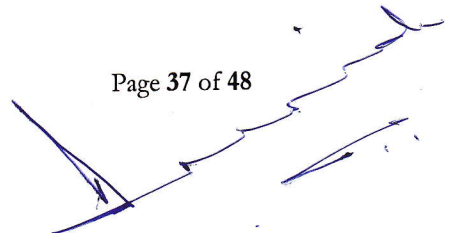
Schedule G: Shareholding Pattern as on Closing

Shareholding pattern of the Company as on the Closing:

Sr. No.	Name of Shareholder	Number of Share	% to Share Capital
1.	BEMCO Hydraulics Limited	9,999	99.99%
2.	Mr. Anirudh Mohta (Held as Nominee)	1	00.01%
Total		10,000	100%

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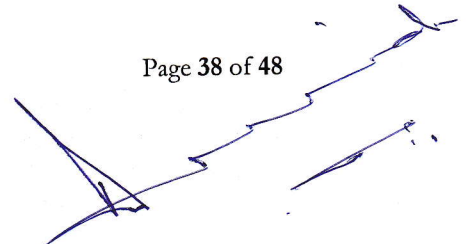
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Schedule H: Representations & Warranties

The Promoters joint and several represent to the Acquirer and the Company, as follows:

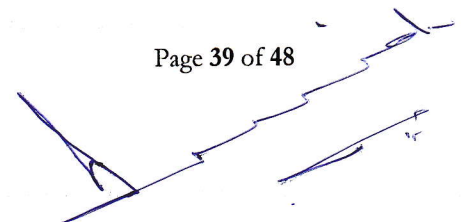
1. **Organization:** The Company is a limited liability company duly incorporated and validly existing under the laws of India. The Company does not, directly or indirectly, own, of record or beneficially, any voting securities or other equity interests in any corporation or company.
2. **Authority/Enforceability:** The Company has the corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the sale of Shares have been duly authorized by all required corporate action of the Company and no other corporate action on the part of the Company is necessary to authorize the execution or delivery of this Agreement or the consummation of the sale of Shares. Upon execution and delivery by the Company, this Agreement shall be a legal, valid and binding obligation of the Company enforceable in accordance with its terms.
3. **Consents and Approvals:** Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated under the Agreement will require any consent, approval, authorization, waiver, registration, license, declaration or permit of or by, or filing with or notification to any Governmental Authority to be obtained or made by any Promoters (whether before or after the Closing Date).
4. **No Breach:** Neither the execution nor delivery of this Agreement, the consummation of the sale of Shares nor the compliance with or fulfillment of the terms, conditions and provisions hereof does or will:
 - 4.1. conflict with or violate any provision of the Articles or the Memorandum;
 - 4.2. violate, conflict with or result in a breach or termination of, or constitute a default or an event of default (or an event which with notice, lapse of time, or both, would constitute a default or event of default) or an event otherwise creating rights of acceleration, termination or cancellation or a loss of rights or result in the creation or impositions of any Encumbrance upon any Assets under the terms of agreements or permits to which a Promoters or the Company is a party or which either of them or any of their respective properties or Assets are bound by or subject to; or
 - 4.3. constitute a violation by a Promoters of any laws or judgments to which it is subject.
5. **Ownership of Shares**
 - 5.1. The Promoters are the sole and absolute legal and beneficial owners of the entire Share Capital, free and clear of all Encumbrances. The shareholders of the Company and the number of the Shares held by each of them as of the Effective Date and as of the Effective Date is as set out in Schedule A: Shareholding Pattern as on Effective Date.
 - 5.2. The entire Share Capital has been issued and allotted by the Company in compliance with Applicable Law, and all consents, permissions and licenses required under Applicable Laws for issue and allotment of the Share Capital have been obtained.



- 5.3. The Promoters are fully entitled and authorized to sell and transfer the entire Share Capital in the manner and on the terms and conditions contained in this Agreement and the entire Share Capital has been duly authorised and validly allotted by the Company and are fully paid-up.
 - 5.4. The entire Share Capital is freely transferable by the Promoters in accordance with the terms and conditions of this Agreement.
 - 5.5. The Promoters have not granted any rights, options of any nature over the entire Share Capital or any part thereof nor have they entered into any arrangement with any Person (whether written or oral) regarding the entire Share Capital or any part thereof.
 - 5.6. Other than those contemplated under this Agreement, there are no authorized or outstanding subscription rights, options, conversion rights, warrants or other agreements, securities or commitments of any nature whatsoever (whether oral or written and whether firm or conditional) obligating the Company to issue, deliver, transfer, sell or otherwise dispose of, or cause to be issued, delivered, transferred, sold or otherwise disposed of, any shares or equity securities, or any securities convertible into or exchangeable for shares or equity securities, of the Company or obligating the Company to grant, extend or enter into any such agreement or commitment, or pursuant to which any Person, has a right to purchase or acquire any equity interest of the Company or any interest in the Assets or the Business of the Company.
 - 5.7. There has been no resolution of the general meeting of Shareholders or the Board of the Company which has declared the payment of any dividend or interim dividend that is not paid yet.
 - 5.8. Upon sale and transfer of the Sale Shares or any part thereof to the Acquirer in accordance with the terms and conditions of this Agreement, the Acquirer will acquire exclusive, valid and marketable title to such Shares free from Encumbrances. The Shares required to be delivered by the Promoters to the Acquirer pursuant to terms and conditions of this Agreement will be, when delivered, duly authorized, validly issued, fully paid-up and will be free and clear of all Encumbrances and third-party rights and interests.
 - 5.9. The Promoters have obtained all necessary approvals required to be obtained from all Governmental Authorities and Persons including lenders, banks and financial institutions, for the sale of the entire Share Capital to the Acquirer and the said approvals are valid and subsisting.
6. Borrowings:
- 6.1. The Company has no outstanding obligation for the payment or repayment of money, whether present or future, actual or contingent, in respect of:
 - 6.1.1. monies borrowed or raised;
 - 6.1.2. any recourse to a company selling or discounting receivables in respect of receivables sold or discounted;

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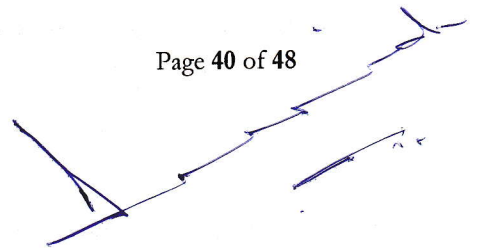
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- 6.1.3. monies raised under any bond, note, stock, or other security;
 - 6.1.4. monies raised under or in respect of acceptance credit and documentary credit facilities;
 - 6.1.5. the acquisition cost of Assets or services to the extent payable after the time of acquisition or possession;
 - 6.1.6. rental payments under chattel leases and hire purchase agreement; or;
 - 6.1.7. any guarantee, indemnity or other assurance against or arrangement intended to prevent or limit loss in respect of any obligation for the payment or repayment of money described in paragraphs (i) to (vi) above (any such obligation being referred to below as a "Borrowing").
- 6.2. The Company has no subsisting Encumbrance over the whole or any part of its present or future revenues or Assets.
- 6.3. No Borrowing of the Company has become or is now due and payable, or capable of being declared due and payable, before its normal or originally stated maturity and no demand or other notice requiring the payment or repayment of money before its normal or originally stated maturity has been received by the Company. There are no external debts other than trade creditors.
- 6.4. No event or circumstance has occurred, or may occur with the giving of notice, lapse of time, determination of materiality, or satisfaction of any other condition, such as to entitle any Person to require the payment or repayment of any Borrowing before its normal or originally stated maturity or which is or shall be such as to terminate, cancel or render incapable of exercise, any entitlement to draw money or otherwise exercise the rights of the Company under an agreement relating to any Borrowing.
7. Financial Statements; Liabilities
- 7.1. The Promoters have delivered to the Acquirer copies of (i) the Financial Statements of the Company at and for the Financial Years ended March 31, 2023 and (ii) the audited financial statements of the Company for the ten-month period ended 31st January 2024. Each of such financial statements is true and fair and has been prepared in accordance with applicable GAAP, applied on a consistent basis, and fairly presents the financial condition at the date thereof and the results of the operations and changes in financial condition of the Company for the said period give a true and fair view of the state of affairs of the Company and makes:
- 7.1.1. full provision for all actual Liabilities;
 - 7.1.2. proper provision (or note in accordance with good accountancy practice) for all contingent Liabilities;
 - 7.1.3. provision reasonably regarded as adequate for all bad and doubtful debts; and

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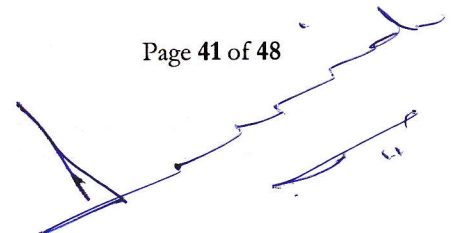
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- 7.1.4. due provision for depreciation and amortisation and for any obsolescence of Assets.
- 7.1.5. Fair Value of Accruals to the Company as on 31st January 2024 mutually agreed between the parties attached as Annexure No. 1 to this agreement.
- 7.2. The Company has no subsidiaries, associates or joint ventures and the provisions of consolidated financial statements do not apply to the Company.
- 7.3. The Company has no Liabilities of any nature, whether required to be reflected as Liabilities in a balance sheet prepared in accordance with applicable GAAP, which has arisen or may arise out of or in relation to any cause which existed on or prior to the Closing Date, except such Liabilities that were reflected or reserved against in the Financial Statements as on March 31, 2023 read with nine month ended December 31, 2023.
- 7.4. The Company has not disposed of any Assets otherwise than in the Ordinary Course of Business and in a manner that does not adversely affect the financial condition of the Company.
- 7.5. The Company has conducted its Business only in the Ordinary Course and has not undergone or suffered any change in its financial condition or results of operations that would reasonably be expected to have a material adverse effect.
- 7.6. The net audited profit before tax for the Financial Year ending March 31, 2023 was ₹ 1,42,96,000/- (Indian Rupees One Crore Forty-Two Lacs Ninety-Six Thousand) rounded off to the nearest hundred.
8. Bank Accounts: The Promoters have disclosed, with respect to each account maintained by or for the benefit of the Company at any bank or other financial institution: (i) the name and location of the institution at which such account is maintained; (ii) the name in which such account is maintained and the account number of such account; (iii) a description of such account and the purpose for which such account is used; and (iv) the current balance in such account as of Effective Date. There are no safe deposit boxes or similar arrangements maintained by or for the benefit of the Company.
9. Tax
- 9.1. All income taxes (including withholding taxes, applicable interest and penalties) due and payable with respect to the Business of the Company have been duly discharged by the Promoters.
- 9.2. All tax returns (including withholding tax returns) required to be filed by the Promoters with respect to the Business of the Company, have been filed in accordance with the provisions of Applicable Law.
- 9.3. The Acquirer is not required to withhold or deduct any tax on the considerations payable by the Acquirer in respect of purchase of Shares of the Company.
- 9.4. The Company has in a timely manner filed with the appropriate Tax authority all Tax returns required to be filed in all jurisdictions in which such Tax returns are required

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to be filed, and all such Tax returns and the information contained therein are true and complete in all respects for the periods covered thereby. The Company has paid all Taxes due and owing by it when due, has recorded the Taxes suitably in the Company's accounts and has deducted and withheld the necessary Taxes as required by Applicable Laws.

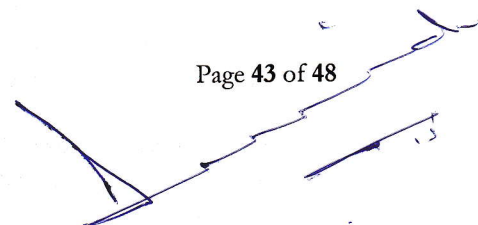
- 9.5. The Company is not being audited by a Tax authority and no deficiencies for Taxes have been assessed against the Company. There is no Claim against the Company to or attributable to Taxes due and owing by Promoters.
- 9.6. The Company has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.
- 9.7. The Promoters do not envisage any Tax related potential exposure, whether in the present or in future.
10. **Actions and Claims:** There is no Claim affecting the Company, and there is no Claim in which the Company is the plaintiff or claimant nor is there any basis for the same. There is no Claim pending or threatened against (in writing) or affecting a Promoters that questions the validity of this Agreement or any action taken or to be taken by a Promoters in connection with, or which seeks to enjoin or obtain monetary damages in respect of, the consummation of the sale of the Sale Shares, or which would reasonably be expected to impair a Promoters ability to effect the Closing.
11. **Title to Assets and Sufficiency:** The Company owns, and has good and valid title to, or has good and valid leasehold interests or license to use, all of the material Assets necessary for the conduct of its Business including: all Assets reflected in the Financial Statements; all Assets acquired by, leased by or licensed to or by the Company; all rights of the Company under agreements; and all other Assets reflected in the books and records of the Company as being owned by such Company. All of the said Assets are owned by the Company free and clear of any Encumbrances. The said Assets will collectively constitute, as of the Closing Date, all of the properties, rights, interests and other tangible and intangible Assets necessary to enable the Company to conduct the Business in the manner in which such Business was conducted in the manner in which such Business is proposed to be conducted following the Closing. The assets owned by the Company are sufficient for the conduct of Business immediately after the Closing of the as currently conducted.
12. **Receivables:** All existing accounts receivable, notes receivable and other receivables of the Company: (i) represent valid obligations of customers of the Company arising from bona fide transactions entered into in the Ordinary Course of Business; and (ii) the Company expects that all of such accounts receivable will be collected in full, without any counterclaim or setoff. There are no unreturned security deposits and other deposits made by, or held by any Person for the benefit of the Company.
13. **Real Property:**
 - 13.1. The Company has taken immovable property on lease/ leave and licenses basis "Leased Real Property". The Company has, with respect to all Leased Real Property, valid and subsisting leasehold interests. No Encumbrances have been created on or over the leasehold interests held by the Company in respect of the Leased Real Property. Neither the execution nor the delivery of this Agreement by the Company

nor the performance by a Promoters of their respective obligations hereunder nor the consummation of the Sale Shares does or will terminate, invalidate, forfeit or otherwise affect any such leasehold interests. The Company has performed all of its obligations under, and is not in breach of, any lease/ leave and license agreement relating to the Leased Real Property.

- 13.2. The Company has not received any notice, nor has any knowledge, of the taking or proposed taking of any of the premises possessed or used by it as Leased Real Property by any Governmental Authority. The Company has not received any notice, nor has any knowledge, of any violation of any applicable zoning or building law in respect of any Leased Real Property.
14. Immovable Property: The Company does not own any immovable property.
15. Intellectual Property and Privacy:
 - 15.1. The Company has absolute rights to use all Intellectual Property necessary for operation of Business as historically conducted prior to the Effective Date.
 - 15.2. The Company owns and possesses all right, title and interest in and to, or has a valid and enforceable license to use, the Intellectual Property necessary for the operation of its Business, free and clear of all Encumbrances.
 - 15.3. No claim by any third party contesting the validity, enforceability, use or ownership of any of the Intellectual Property has been made, is currently outstanding or, is threatened (in writing) and there are no grounds for the same.
 - 15.4. No loss or expiration of any part of the Intellectual Property is pending.
 - 15.5. The Company has not received any notices of, nor is it aware of any facts which indicate a likelihood of, any infringement or misappropriation by, or conflict with, any third party with respect to the Intellectual Property.
 - 15.6. The Company has not infringed or misappropriated any Intellectual Property or other rights of any third parties and the Company is not aware of any infringement, misappropriation or conflict which will occur as a result of the continued operation of its Business as historically conducted prior to the Closing or as currently proposed to be conducted.
 - 15.7. The Company has taken all necessary action to maintain and protect the Intellectual Property so as to not affect the validity or enforceability of the Intellectual Property.
 - 15.8. The Company has not assigned, transferred, or exclusively licensed or otherwise exclusively provided or agreed to assign, transfer or exclusively license or otherwise exclusively provide or offer to any Person, any Company Intellectual Property.
 - 15.9. The Company is not nor was a member or promoter of, or a contributor to, any industry standards body or similar organization that could require or obligate any company to grant or offer to any other Person any license or right to any Company Intellectual Property.

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- 15.10. The Company owns or otherwise has all Intellectual Property needed to conduct its Business as currently conducted.
- 15.11. No Company Intellectual Property or Asset of the Company contains, is derived from, is distributed with, or is being or was developed using open source code that is licensed under any terms that (i) impose or could impose a requirement or condition that any Company Intellectual Property or Asset of the Company or part thereof (A) be disclosed or distributed in source code form, (B) be licensed for the purpose of making modifications or derivative works, or (C) be redistributable at no charge, or (ii) otherwise impose or could impose any other material limitation, restriction, or condition on the right or ability of the Company to use or distribute any Company Intellectual Property.
16. Information Technology: The Company owns and possesses all of the information technology necessary for the operation of the Company's Business as historically conducted prior to date of this Agreement. All financial and business information (including its clients' information) which the Company possesses has been collected and retained in accordance with Applicable Laws. Such information has been properly stored, catalogued and archived, and is available for inspection from time to time as necessary.
17. Compliance with Legal Requirements
- 17.1. The Company is currently conducting its Businesses in compliance with all Applicable Laws.
- 17.2. The Company holds all permits necessary to own, operate or use any of its Assets, or to carry on and conduct its operations as they are currently being conducted, and all such permits are in full force and effect. Neither the execution nor delivery of this Agreement by the Promoters, the performance by the Promoters of their respective obligations hereunder nor the consummation of the sale of Shares does or will terminate, invalidate, forfeit or otherwise affect any such permits.
- 17.3. The Company and its current and former director(s) and Promoters have complied with all applicable Anti-Corruption Laws applicable in India.
- 17.4. The Company has instituted and maintained appropriate policies and procedures designed to ensure, and which are reasonably expected to continue to ensure compliance by the Company and its director(s), officers, employees and Business Intermediaries for the time being with all Anti-Corruption Laws in relation to the Business of the Company applicable in India.
18. Employment Matters
- 18.1. There are no pension liabilities or obligations incurred or to be incurred by the Company.
- 18.2. There are no subsisting disputes between the Company and its employees.
19. Conflict of Interest: The Promoters have not, either on their own account or in conjunction with or on behalf of any person, firm or company, directly or indirectly or whether as a shareholder, director, partner, agent or otherwise, carried on or been engaged or interested in any business

competing with the Business save for the operation and/or shareholding of the Company and holding of investment up to 1% of any class of securities quoted or dealt in on any recognized stock exchange. None of the Promoters or any of the Promoters have any conflicting interest with the Company.

20. Business Practices:

20.1. None of the Company or any of its respective director(s), officers, agents, representatives, Shareholders or employees (in their capacity as directors, officers, agents, representatives or employees) has: (a) used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity in respect of the Business; (b) directly or indirectly, paid or delivered any fee, commission or other sum of money or item of property, however characterized, to any finder, agent, or other party acting on behalf of or under the auspices of a governmental official or Governmental Authority, in India or any other country, which is in any manner illegal under any Applicable Law of India or any other country having jurisdiction; or (c) made any payment to any customer or supplier of the Company or any officer, director, partner, employee or agent of any such customer or supplier for an unlawful reciprocal practice, or made any other unlawful payment or given any other unlawful consideration to any such customer or supplier or any such officer, director, partner, employee or agent, in respect of the Business.

20.2. The Promoters undertake that, both before and after Closing Date, they shall promptly notify the Acquirer in writing of any event or circumstance of which the Promoters becomes aware which is or may be inconsistent with any of the Representations or which might make any of the Representations untrue or misleading if given at the Closing Date.

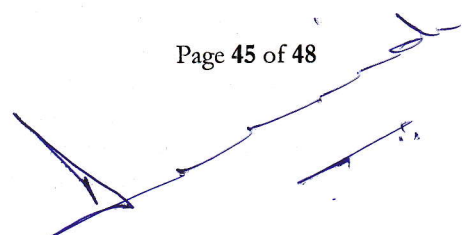
21. Proceedings or Orders

21.1. There is no pending Proceeding, and no Person has threatened (in writing) the Company to commence any Proceeding: (i) that involves the Company or that otherwise relates to or might affect the Business of the Company; or (ii) that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, the sale of the Shares. No event has occurred, and no Claim, dispute or other condition or circumstance exists, that might give rise to the commencement of any such Proceeding. No Proceeding has ever been commenced by or against the Company. There is no order to which the Company or any of the Assets owned or used by the Company is subject; and no Related Party is subject to any order that relates to such Company's Business or to any of the Assets owned or used by the Company. No employee, officer or director of the Company is subject to any order that may prohibit such employee, officer or director from engaging in or continuing any conduct, activity or practice relating to the Business. There is no proposed order, to the best of the Promoters knowledge that, if issued or otherwise put into effect, (i) may have an adverse effect on the Business, condition, Assets, Liabilities, operations, financial performance, net income or prospects of the Company or on the ability of the Company to comply with or perform any covenant or obligation under the Transaction Documents, or (ii) may have the effect of preventing, delaying, making illegal or otherwise interfering with the sale of the Shares.

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

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- 21.2.1. an application to a court for an order, or the making of any order, that it be wound up, or that a liquidator or receiver be appointed or that it be placed in bankruptcy/ insolvency;
 - 21.2.2. a resolution for winding up of the Company;
 - 21.2.3. the convening of a meeting or passing of a resolution to appoint an official liquidator or receiver;
 - 21.2.4. 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; or
 - 21.2.5. 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.
22. Full Disclosure: None of the Transaction Documents contains any untrue statement of material fact; and none of the Transaction Documents omits to state any material fact necessary to make any of the Representations, warranties or other statements or information contained therein not misleading in light of the circumstances under which they were made. All information regarding the Company and its respective businesses, condition, Assets, Liabilities, operations, financial performance, net income and prospects that has been furnished to the Acquirer or any of its representatives by or on behalf of the Company or its representatives, is true and accurate in all material respects and do not omit to state any material fact necessary to understand the Company and their respective businesses, condition, Assets, Liabilities, operations, financial performance, net income and prospects. None of the information disclosed to the Acquirer in the course of the Acquirer's conduct of due diligence contained any untrue statement of a material fact or omitted to state a fact necessary to make the statements not misleading.

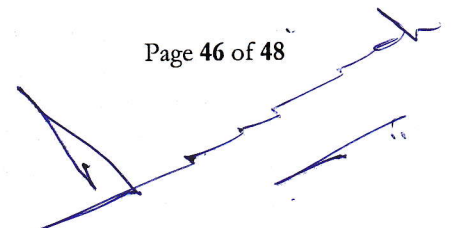
The Promoters joint and several warrant to the Acquirer and the Company based on the outcome of due diligence, as follows:

Tax Due Diligence

- The Company has a demand of Rs. 49,340 for Assessment Year 2022-2023 under Income Tax Act, 1961. The management is aware of the said demand and shall discharge this liability by paying the demand at their cost.
- In the Income Tax Return for Assessment Year 2022-2023, the depreciation claimed by the Company on assets acquired on demerger is incorrect. The Company has claimed depreciation for the full year however, it was entitled to claim depreciation on pro-rata basis from date of acquisition on demerger. In addition, the overall tax implication of the same is Nil as the parent company, Pegasys Systems Private Limited has not claimed any depreciation on the transferred assets. In case of any future liabilities on the same from the Income Tax Department, they shall be discharged by the sellers.
- In the Income Tax Return for Assessment Year 2023-2024 of the Company, the TDS as per form 26AS is Rs.95,443. However, TDS claimed in the Income Tax Return is Rs. 1,18,323. The management has claimed an excess TDS of Rs. 22,880. The management of the Company has

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relevant explanations for the same. In case of any future liabilities on the same from the Income Tax Department, they shall be discharged by the sellers.

Secretarial Due Diligence

- The Company has not filed form MGT – 6 with respect to a change in the beneficial interest of shares held by Mr. Naishad Kati as a nominee of M/s. Pegasys Systems Private Limited as per Section 89 of the Companies Act, 2013 and rules made thereunder. In case of any future liabilities on the same, they shall be discharged by the sellers.
- As per the proviso clause of Rule 8 of the Companies (Significant Beneficial Owners) Rules, 2018, the Company is required to file the details of its Holding Company in Form BEN-2. However, the Company has not filed the required form with the RoC. In case of any future liabilities on the same, they shall be discharged by the sellers.
- The management has inadvertently made error in reporting the number of meetings in Annual Return filed with the RoC for Financial Year 2021-2022 and 2022-2023 and reporting of resolutions to Regional Director and RoC while shifting the registered address of the Company. In case of any future liabilities on the same, they shall be discharged by the sellers.



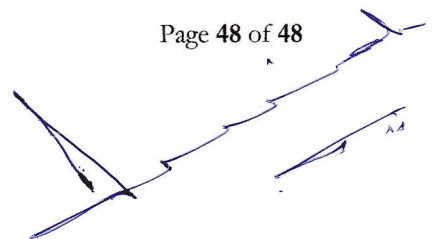
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Schedule I: Disclosure Letter

No specific disclosures or exceptions apart from as mentioned or detailed in this agreement.

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Annexure No. 1 to Share Purchase Agreement
Execution Date: 09/02/2024
Accruals of Pegasys Machines Private Limited
As on 31/01/2024

Sr No.	Particulars	2021-22 (Amount Rs)	2022-23 (Amount Rs)	As on Date 31/01/2024 (Amount Rs)	Amount considered for Accruals as on 31/01/2024
	Asset				
A	Non Current Assets				
1	Property Plant & Equipments				
	a.Tangible Assets	21,91,048.78	11,98,296.78	8,71,157.91	8,71,157.91
	b.InTangible Assets		-	-	-
2	Other Non current- Asset		-	-	-
3	Deffered Tax Asset (Net)	86,132.00	1,22,424.00	88,096.00	-
	Total non Current Asset	22,77,180.78	13,20,720.78	9,59,253.91	8,71,157.91
B	Current Assets				
	Inventories				
1	Inventories	40,44,721.43	98,97,081.00	2,14,01,041.00	6,06,15,831.30
2	Trade Receivable	2,34,29,182.29	63,08,083.34	21,88,725.00	21,88,725.00
	Cash and Bank Balance				
3	Cash In Hand	-	21,968.00	17,527.00	17,527.00
4	Bank Balance	55,839.00	2,15,24,139.42	1,76,60,188.92	1,76,60,188.92
	Short term Loans & Advances				
5	Balance with Government Authorities	15,44,147.75	40,18,624.00	1,26,47,510.63	1,26,47,510.63
6	Security Deposit Against Electricity		-	-	-
7	Security Deposit Others		-	-	-
	Other Current Assets				
8	Receivable from PSPL	1,09,08,972.23	1,16,31,138.38	-	-
9	Advance to Suppliers	3,37,780.00	4,21,771.66	5,66,286.00	5,66,286.00
11	Preliminary Expenses	13,938.60	9,292.40	-	-
12	Advance to Employees and Prepaid Expenses	3,07,692.61	7,70,368.61	10,33,695.61	10,33,695.61
	Investment				
13	Fixed Deposit		-	3,00,00,000.00	3,00,00,000.00
	Total Current Assets (Total B)	4,06,42,273.91	5,46,02,466.81	8,55,14,974.16	12,47,29,764.46
C	Any Assets not covered in the Books (Total C)				13,00,000.00
D	Total Assets(A+B+C)	4,29,19,454.69	5,59,23,187.59	8,77,74,228.07	12,69,00,922.37
E	Current Liabilities				
1	Trade Payables	50,07,625.00	35,67,973.48	9,56,309.00	9,56,309.00
	Other Current Liabilities				
2	Creditors for Expenses		-	-	-
3	Advance from Customers	39,69,318.64	1,30,93,255.00	3,77,73,399.00	3,77,73,399.00
4	Statutory Dues Payable	85,21,097.03	-	(5,16,201.97)	(5,16,201.97)
	Short Term Provisions				
5	Provision for Employee Benefits	1,448.00	1,481.00	62,587.00	62,587.00
6	Provision for Taxation	42,74,279.00	37,25,551.00	41,11,155.00	41,11,155.00
	Total Current Liabilities (Total E)	2,17,73,767.67	2,03,88,260.48	4,23,87,248.03	4,23,87,248.03
	Any Liabilities not covered in the Books				-
F	Net Accruals	2,11,45,687.02	3,55,34,927.11	4,53,86,980.04	8,45,13,674.34

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