



INDIA NON JUDICIAL

Government of Uttar Pradesh



IN-UP02531938422073W

e-Stamp

Signature:   
Acc Name: Brigid Singh Acc Code: UP-14013104  
ACC Add: Noida Mobile 9015912358  
License No- 140/14-15, Tehsil & Distric - G.B. Nagar

Certificate No. : IN-UP02531938422073W  
Certificate Issued Date : 05-Jul-2024 05:32 PM  
Account Reference : NEWIMPACC (SV)/ up14013104/ GAUTAMBUDDH NAGAR 1/ UP-GBN  
Unique Doc. Reference : SUBIN-UPUP1401310401556219578123W  
Purchased by : DIXON TECHNOLOGIES INDIA LIMITED  
Description of Document : Article 5 Agreement or Memorandum of an agreement  
Property Description : UP  
Consideration Price (Rs.) :  
First Party : DIXON TECHNOLOGIES INDIA LIMITED  
Second Party : ADITYA INFOTECH LIMITED AND OTHERS  
Stamp Duty Paid By : DIXON TECHNOLOGIES INDIA LIMITED  
Stamp Duty Amount(Rs.) : 2,500  
(Two Thousand Five Hundred only)



Please write or type below this line

This Non-Judicial Stamp paper of INR 2500/- (INR Two Thousand Five Hundred Rupees only) forms an integral part of Share Subscription and Purchase Agreement by and amongst Dixon Technologies (India) Limited, Aditya Infotech Limited and AIL Dixon Technologies Private Limited dated 8<sup>th</sup> day of July, 2024.



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Statutory Alert!

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

**DATED JULY 8, 2024**

**SHARE SUBSCRIPTION AND PURCHASE AGREEMENT**

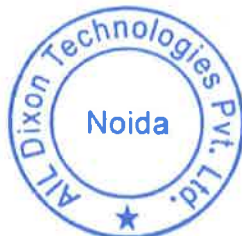
**BY AND AMONGST**

**DIXON TECHNOLOGIES (INDIA) LIMITED**

**ADITYA INFOTECH LIMITED**

**AND**

**AIL DIXON TECHNOLOGIES PRIVATE LIMITED**



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## SHARE SUBSCRIPTION AND PURCHASE AGREEMENT

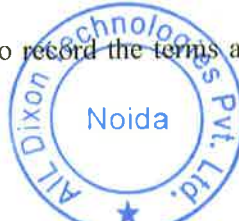
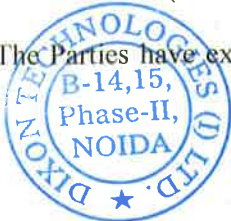
This **SHARE SUBSCRIPTION AND PURCHASE AGREEMENT** ("**Agreement**") is executed on this 8<sup>th</sup> day of July, 2024 ("**Execution Date**"), by and amongst:

1. **DIXON TECHNOLOGIES (INDIA) LIMITED**, a company incorporated under the Companies Act, 1956, and having its registered office at B-14 & 15 Phase-II, Noida Gautam Buddha Nagar, Uttar Pradesh, India – 201305 (hereinafter referred to as "**DTIL**", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **FIRST PART**;
2. **ADITYA INFOTECH LIMITED**, a company incorporated under the Companies Act, 1956, and having its registered office at F-28, Okhla Industrial Area Phase - 1, New Delhi, India – 110020 (hereinafter referred to as the "**AIL**", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **SECOND PART**; and
3. **AIL DIXON TECHNOLOGIES PRIVATE LIMITED**, a company incorporated under the Companies Act, 2013, and having its registered office at B-14 & 15, Phase-II, Gautam Buddha Nagar, Noida, Uttar Pradesh, India – 201305 (hereinafter referred to as "**JV Company**", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **THIRD PART**.

DTIL, AIL and the JV Company are collectively referred to as the "**Parties**", and individually as a "**Party**".

### WHEREAS:

- (A) AIL is engaged in the business of sourcing, distributing and marketing security systems under various brand names including 'CP Plus' ("**Business**").
- (B) Dixon is engaged in the business of electronics manufacturing services for various categories of electronic equipment *inter alia* LED television, washing machines, lighting solutions, mobile phones, reverse logistics, CCTV and refrigerators. It also provides end-to-end solution in manufacturing, such as global sourcing, manufacturing, quality testing, packaging, logistics and reverse logistics.
- (C) As on the Execution Date, the authorized share capital of AIL is INR 15,00,00,000 (Indian Rupees Fifteen Crores only) divided into 15,00,00,000 (Fifteen Crore only) equity shares of INR 1 (Indian Rupees One only) each and the issued, subscribed and paid-up share capital of AIL is INR 10,50,91,200 (Indian Rupees Ten Crores Fifty Lakhs Ninety One Thousand Two Hundred only) divided into 10,50,91,200 (Ten Crores Fifty Lakhs Ninety One Thousand Two Hundred only) equity shares of INR 1 (Indian Rupee One only) each on Fully Diluted Basis.
- (D) The JV Company is engaged in the business of assembling, manufacturing and sale of digital video recorders and CCTV cameras ("**JV Company Business**"). As of Execution Date, the issued, subscribed and paid-up share capital of the JV Company is INR 19,00,00,000 (Indian Rupees Nineteen Crore only) divided into 1,90,00,000 (One Crore Ninety Lakh) equity shares of INR 10 (Indian Rupees Ten only) each.
- (E) AIL proposes to issue the Subscription Shares (*as defined below*) to DTIL, and DTIL has agreed to subscribe to the Subscription Shares, for consideration other than cash, in form of the Share Consideration (*as defined below*) in accordance with the terms and conditions set out herein.
- (F) The Parties have executed this Agreement to record the terms and conditions relating to the





issuance of Subscription Shares and transfer of Share Consideration.

- (G) AIL, Promoters, Non- Promoter Shareholders, and DTIL have also executed a shareholders' agreement of even date ("SHA") setting forth their mutual understanding and recording the terms and conditions regarding DTIL's investment into AIL, and DTIL's rights and obligations as a shareholder of AIL.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the sufficiency of which is acknowledged by the Parties, the Parties hereby agree as follows:

## 1. DEFINITIONS AND INTERPRETATION

### 1.1. Definitions

**"Accounts"** means the audited, consolidated balance sheet, consolidated statement of profit and loss and cash flow statements of AIL for the period ending on, the Accounts Date, including all notes to accounts, reports, schedules, annexures and disclosures thereto and the Management Accounts;

**"Accounts Date"** means 31 March 2023;

**"Act"** shall mean the Companies Act, 2013, the rules and regulations prescribed thereunder, as now enacted or as amended from time to time and shall include any statutory replacement or re-enactment thereof;

**"Affiliate"** of a Person (the **"Subject Person"**) shall mean (i) in the case of any Subject Person 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 the Subject Person, and (ii) in the case of any Subject Person that is a natural Person, shall include Relative of such Person and any Person who is Controlled by such Relative;

**"Agreed Form"** shall mean a document in a form agreed between the AIL and DTIL;

**"Agreement"** shall have the meaning assigned to it in the Preamble;

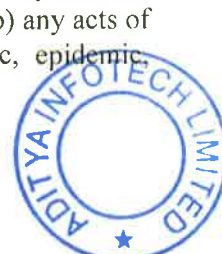
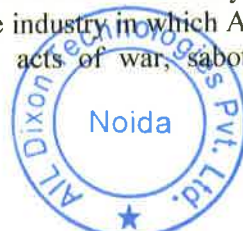
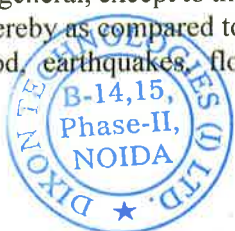
**"AIL Conditions Precedent"** shall have the meaning assigned to it in Clause 4.1.12;

**"AIL Demat Account"** shall mean the depository account of AIL, the details of which will be notified to DTIL prior to the Closing Date;

**"AIL Depository Participant"** shall mean the depository participant with whom AIL Demat Account is held and maintained;

**"AIL Indemnified Parties"** shall have the meaning assigned to it in Clause 8.1.2;

**"AIL Material Adverse Effect"** shall mean any event or circumstance, that has occurred between the Execution Date and the Closing Date, which has material adverse effect on the financial condition or operations of the properties, assets or liabilities of AIL taken as a whole, provided, however, that material adverse effect shall not include any event or circumstance, which is arising out of, or attributable to: (a) change in general economic, market, financial, legal, or political conditions or Indian/ global economy or the industry in which AIL operates in general, except to the extent AIL taken as a whole is substantially disproportionately affected thereby as compared to other companies in the industry in which AIL operates; (b) any acts of God, earthquakes, flood, civil unrest, riots, acts of war, sabotage, pandemic, epidemic,



terrorism, strike, lockout, labour unrest or military actions; (c) actions undertaken or omitted to be undertaken by AIL, with the prior written consent of DTIL; (d) action undertaken by AIL to comply with the requirements under the Transaction Documents; and (e) any matter disclosed in the Accounts, DRHP or RHP (as applicable), and information which is publicly available on the e-portal of the Ministry of Corporate Affairs;

**“AIL Tax FMV”** shall mean the fair market value of the equity shares of AIL computed in accordance with the applicable provisions of Rule 11UA of the Income Tax Rules, 1962;

**“AIL Warranties”** shall have the meaning assigned to it in Clause 7.3;

**“Applicable Law(s)”** shall mean any statute, law, regulation, ordinance, rule, judgment, notification, order, decree, by-law, permits, licenses, approvals, directive or guideline of any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the date of this Agreement or thereafter;

**“Approval(s)”** shall mean any and all permit, license, approval, authorization, consent, clearance, or other authorization of whatever nature and by whatever name called which is, or is required to be, granted by any Third Party under any contract or otherwise in accordance with the provisions of Applicable Law and shall include Approvals by Governmental Authorities;

**“Arbitration Rules”** shall have the meaning assigned to it in Clause 11.2.1;

**“Big 4 Accounting Firm”** means KPMG, EY, Pricewaterhouse Coopers, or Deloitte Touche Tohmatsu, and its local Indian affiliate(s);

**“Board”** shall mean the board of directors of the AIL or JV Company, as the case may be;

**“Business Day”** shall mean a day other than Saturday, Sunday or any other day on which banking business is not carried on in NOIDA (India), Delhi (India) and Kopparthi (Andhra Pradesh);

**“CCI”** means the Competition Commission of India;

**“CCI Application”** shall have the meaning assigned to it in Clause 6A;

**“Closing Date”** shall have the meaning assigned to it in Clause 5.1;

**“Closing”** shall mean the completion of all the transactions specified in Clause 5 of this Agreement, on the Closing Date;

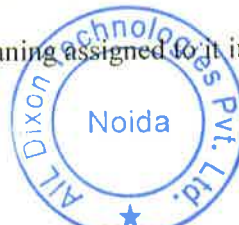
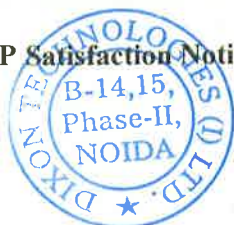
**“Conditions Precedent”** shall have the meaning assigned to it in Clause 4.1;

**“Confidential Information”** shall have the meaning assigned to it in Clause 10.2;

**“Control”** shall mean the power to direct the management or policies or decisions of any Person, directly or indirectly, whether through the ownership of over 50% (fifty percent) of the voting power of such Person, through the power to appoint more than half of the board or similar governing body of such entity, having the ability to direct or procure the direction of the management and policies of that Person, whether through the ownership of shares, the direct or indirect ownership of any partnership interests, by contract or otherwise;

**“CP Confirmation Notice”** shall have the meaning assigned to it in Clause 4.3.1;

**“CP Satisfaction Notice”** shall have the meaning assigned to it in Clause 4.2.3;



**“CSI”** shall have the meaning assigned to it in Clause 6A(b);

**“Dispute”** shall have the meaning assigned to it in Clause 11.2.1;

**“DRHP”** means the Draft Red Herring Prospectus proposed to be filed by AIL in respect of the IPO;

**“DTIL Conditions Precedent”** shall have the meaning assigned to it in Clause 4.1.12;

**“DTIL Demat Account”** shall mean the depository account of DTIL, the details of which will be notified to AIL in writing prior to the Closing Date;

**“DTIL Depository Participant”** shall mean the depository participant with whom DTIL Demat Account is held and maintained;

**“DTIL Indemnified Parties”** shall have the meaning assigned to it in Clause 8.1.1;

**“DTIL Loan”** means the debt with outstanding balance of INR 4,00,00,000 (Indian Rupees Four Crores only), availed by the JV Company from DTIL;

**“DTIL Nominee Director”** shall have the meaning assigned to it in Clause 5.3(b)(i)(B);

**“DTIL Warranties”** shall have the meaning assigned to it in Clause 7.2;

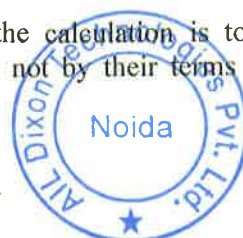
**“Encumbrance”** shall mean any encumbrance including without limitation (i) any interest, mortgage, charge (whether fixed or floating), pledge, lien (statutory or otherwise), pre-emptive right, hypothecation, equitable interest, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law; (ii) any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favor of any Person, restriction on use, non-disposal undertaking, rights of pre-emption, receipt of income or exercise of any other attribute of ownership or any transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security, in each case under Applicable Law; (iii) any adverse claim as to title, possession or use; and (iv) agreements to create or effect any of the foregoing;

**“Equity Securities”** shall mean shares, options, warrants, debentures, preference shares or other securities that are convertible into, or exercisable or exchangeable for equity shares;

**“Existing JV Company Agreements”** shall mean the following agreements as amended from time to time: (i) joint venture agreement dated 8 May 2017 executed between AIL, JV Company and DTIL and addendum thereto, (ii) management agreement between JV Company and DTIL dated 9 April 2018 and effective from 1 April 2018 and addendum thereto, (iii) trademark agreement between JV Company and DTIL dated 16 April 2018, (iv) manufacturing and assembling agreement dated 1 January 2018, (v) purchase and sale agreement dated 9 December 2020, and (vi) service agreement between AIL and JV Company dated 14 April 2021;

**“Financial Year”** means the year commencing on the first day of April and ending on the last day of March of the next calendar year;

**“Fully Diluted Basis”** shall mean that the calculation is to be made assuming that all outstanding Equity Securities (whether or not by their terms then currently convertible or





exercisable) whether or not due to the occurrence of an event or otherwise, have been converted, exercised or exchanged into the maximum number of equity shares issuable upon such conversion, exercise and exchange, as the case may be and it is clarified that all options (whether authorised, granted, vested, unvested or unexercised) under employee stock option plan(s), if any, shall be included for the aforesaid calculation irrespective of whether or not they have been granted or vested;

**“Governmental Authority(ies)”** shall mean any statutory authority , government department, agency, exchanges, commission, board, tribunal, court, state corporation or other entity authorized to make laws in any relevant jurisdiction;

**“GST Act”** shall mean the Goods and Services Tax Act, 2017, including any statutory modifications thereof;

**“Indemnification Notice”** shall have the meaning assigned to it in Clause 8.2.1;

**“Indemnified Party”** shall have the meaning assigned to it in Clause 8.1.3;

**“Indemnity Event”** shall have the meaning assigned to it in Clause 8.1.3;

**“IPO”** means the initial public offer of specified securities of AIL on a recognized stock exchange;

**“IT Act”** shall mean the Income Tax Act, 1961, including any statutory modifications thereof;

**“Joint Conditions Precedent”** shall have the meaning assigned to it in Clause 4.1.12;

**“Joint CP Confirmation Notice”** shall have the meaning assigned to it in Clause 4.3.1;

**“JVCo Conditions Precedent”** shall have the meaning assigned to it in Clause 4.1.12;

**“JV Company Tax FMV”** shall mean the fair market value of the Sale Shares computed in accordance with the applicable provisions of Rule 11UA of the Income Tax Rules, 1962;

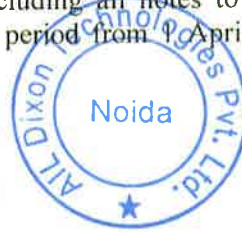
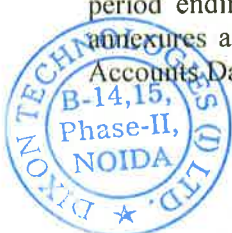
**“Land Transfer Approval”** shall have the meaning assigned to it in Clause 4.1.2;

**“Litigation”** shall mean all suits, civil and criminal actions, administrative, judicial or arbitration proceedings, existing or pending orders or judgments and all legal or regulatory proceedings of any nature whatsoever, pending or in relation to which a written notice has been received, whether before or by any Governmental Authority or any arbitrator;

**“Long Stop Date”** shall mean 120 days from the Execution Date, unless mutually agreed between AIL and DTIL, in writing;

**“Losses”** shall mean any and all direct damages, claims, losses, liabilities, taxes and expenses including reasonable legal costs and disbursements arising from or in relation to or in connection therewith, whether or not resulting from a Third Party Claim. The term **“Losses”** shall not include any special or consequential Loss including without limitation, any loss of profits, loss of business, loss of reputation, opportunity cost, incurred or suffered by a Person;

**“Management Accounts”** means the unaudited provisional financial statements, consolidated balance sheet, consolidated statement of profit and loss and cash flow statements of AIL for the period ending on, the Accounts Date, including all notes to accounts, reports, schedules, annexures and disclosures thereto for the period from 1 April 2023 until the Management Accounts Date;



**“Management Accounts Date”** means 31 March 2024;

**“Non-Promoter Shareholders”** mean the Persons whose names are listed in **Part B** of **Schedule I**;

**“Notice”** shall have the meaning assigned to it in Clause 12.1.1;

**“Person”** shall mean any individual or entity, whether a corporation, firm, limited liability company, an unlimited liability company, joint venture, trust, partnership or proprietorship, body corporate, including any Governmental Authority, natural person in his capacity as trustee, executor, administrator, or other legal representative;

**“Promoters”** mean the Persons whose names are listed in **Part A** of **Schedule I**;

**“Relative”** shall have the meaning assigned to it under the Act;

**“RHP”** means the Red Herring Prospectus proposed to be filed by AIL in respect of the IPO;

**“ROC”** shall mean the jurisdictional registrar of companies;

**“Sale Shares”** shall have the meaning ascribed to it in Clause 3.1;

**“SHA”** shall have the meaning ascribed to it in Recital (G);

**“Share Capital”** shall mean the total issued and fully paid-up equity share capital of AIL, JV Company or DTIL, as the case may be, determined on a Fully Diluted Basis;

**“Share Consideration”** shall have the meaning assigned to it in Clause 3.1;

**“Subscription Shares”** shall have the meaning assigned to it in Clause 2.2;

**“Tax”, “Taxes” or “Taxation”** shall mean and include any and all form of direct and indirect taxes, whether central, state, local, with reference to income, profits, goods and service tax, payable to a Governmental Authority (including any interest, fines, penalties, assessments, or additions to Tax;

**“Tax Authority”** means the tax authority under the Department of Revenue, Ministry of Finance, Government of India or any other Governmental Authority having jurisdiction over or responsibility with respect to the administration, assessment, determination, collection, imposition, management or adjudication of Tax in any jurisdiction;

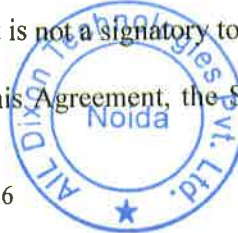
**“Tax Report”** a report being in a form and manner acceptable to AIL and on a reliance basis from a Big 4 Accounting Firm providing that there are no tax arrears and / or attachment proceedings against DTIL as referred under Section 281 of the IT Act, accompanied by a screenshots taken not earlier than 1 (one) day prior to the Closing Date, from the e-filing income tax (tax returns filed, worklist, response to outstanding tax demand and e-proceedings tabs), TRACES and also confirming the status of the pending or ongoing proceedings against or with respect to DTIL, as referred to in Section 281 of the IT Act;

**“Third Party Claim”** shall have the meaning assigned to it in Clause 8.2.2;

**“Third Party Claim Notice”** shall have the meaning assigned to it in Clause 8.2.2;

**“Third Party”** shall mean any Person that is not a signatory to this Agreement;

**“Transaction Documents”** shall mean this Agreement, the SHA, and any other agreement;



instrument, document or deed entered into, or to be entered into, or delivered in connection with the transactions contemplated in any of the aforementioned documents and mutually agreed between the Parties as constituting a Transaction Document;

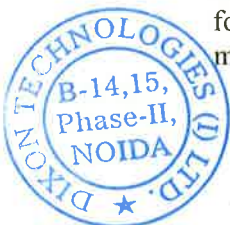
“**Transfer**” shall mean to transfer, sell, assign, pledge, hypothecate, create a security interest in or lien on, place in trust (voting or otherwise), transfer by operation of law or in any other way subject to any Encumbrance or dispose of, whether or not voluntarily; and

“**Warranty**” shall have the meaning assigned to it in Clause 7.1.

## 1.2. Interpretation

Unless the context of this Agreement otherwise requires:

- (a) Words using the singular or plural number also include the plural or singular number, respectively;
- (b) References to the word “include” shall be construed without limitation;
- (c) The terms “hereof”, “herein”, “hereby”, “hereto” and derivative or similar words refer to this entire Agreement or specified Clauses or Schedules of this Agreement, as the case may be. Further, the Schedules shall constitute an integral part of this Agreement;
- (d) Reference to any legislation or Applicable Law or to any provision thereof shall include references to any such legislation or Applicable Law as amended, supplemented or re-enacted, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision;
- (e) Reference to any document includes an amendment or supplement to, or replacement or novation of, that document, but disregarding any amendment, supplement, replacement or novation made in breach of this Agreement;
- (f) The index, bold typeface, headings and titles are used for convenience of reference only and shall not affect the construction of this Agreement;
- (g) The term “directly or indirectly” means directly and / or indirectly through one or more intermediary Persons or through contractual or other legal arrangements, and “direct or indirect” shall have the correlative meaning;
- (h) Time is of the essence in the performance of the Parties’ respective obligations. If any time period specified is extended, such extended time shall also be of the essence;
- (i) References to Recitals, Clauses, Sub-clauses, Paragraphs and Schedules shall be deemed to be a reference to the recitals, clauses, sub-clauses, paragraphs, and schedules to this Agreement, and which shall all form a part of this Agreement;
- (j) Any reference to an agreement, instrument or other document (including a reference to this Agreement) herein shall be to such agreement, instrument or other document as amended, supplemented or novated pursuant to and as per the terms thereof;
- (k) any reference to ‘writing’ shall include printing, typing, transmissions in electronic form (including e-mail) and other means of reproducing words in visible and legible form, but excluding text messaging via mobile phones, social media platforms and messenger applications;





- (l) Where a word or expression is defined, other parts of speech and grammatical forms and the cognate variations of that word or expression shall have corresponding meanings;
- (m) Unless otherwise specified, references to days, months, and years are to calendar days, calendar months, and calendar years, respectively; and
- (n) Any reference to any Party being obliged to “procure” or “cause” or “ensure” any action shall be construed as a reference to that Party having an absolute obligation so as to procure, cause or ensure the relevant action.

## 2. ISSUANCE AND ALLOTMENT OF SUBSCRIPTION SHARES

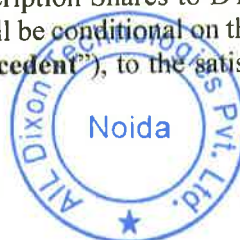
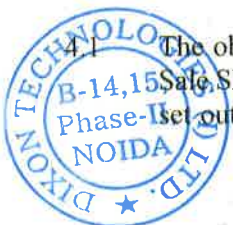
- 2.1. The current shareholding pattern of AIL (on a Fully Diluted Basis) is as set out in Part A of Schedule II.
- 2.2. Subject to the terms and conditions of this Agreement, including fulfilment of the Conditions Precedent, DTIL agrees to subscribe to, and AIL agrees to issue and allot to DTIL, 73,05,805 (Seventy Three Lakhs Five Thousand Eight Hundred and Five only) equity shares of AIL having a face value of INR 1 (Indian Rupees One only) each (“**Subscription Shares**”) constituting 6.50% of the post issue equity Share Capital of AIL, as on Closing Date, for consideration other than cash in form of Share Consideration (*defined below*). The Subscription Shares shall be issued free from Encumbrances and shall rank *pari passu* with the existing equity shares of AIL in all respects including with respect to voting rights and payment of dividend.
- 2.3. Pursuant to the allotment of the Subscription Shares to DTIL as contemplated above, the shareholding pattern of AIL (on a Fully Diluted Basis) on the Closing Date shall be as set out in Part B of Schedule II.

## 3. TRANSFER OF SHARE CONSIDERATION

- 3.1. In consideration for the issuance and allotment of the Subscription Shares as described in Clause 2.2 above and subject to the terms and conditions of this Agreement, including fulfilment of the Conditions Precedent, DTIL shall transfer to AIL 95,00,000 (Ninety Five Lakhs only) equity shares of JV Company having a face value of INR 10 (Indian Rupees Ten only) each (“**Sale Shares**”) constituting 50% (Fifty Percent) of the Share Capital of JV Company, on the Closing Date, free from all Encumbrances (“**Share Consideration**”).
- 3.2. Pursuant to the sale of Sale Shares by DTIL as contemplated above, the entire Share Capital of the JV Company on the Closing Date shall be held by AIL, including through its nominees.
- 3.3. As on the Execution Date and on the Closing Date, DTIL confirms that it has not made any claim against the JV Company or its directors or employees or AIL for a breach of the Existing JV Agreements, JV Company’s charter documents or otherwise in relation to the operations and management of the JV Company. On and from the Closing Date, DTIL waives any claim that it may have against the JV Company or its directors or employees or AIL for any breach of the Existing JV Agreements, JV Company’s charter documents or otherwise in relation to the operations and management of the JV Company.

## 4. CONDITIONS PRECEDENT

- 4.1. The obligation of (i) AIL to issue the Subscription Shares to DTIL; and (ii) DTIL to transfer Sale Shares to AIL, on the Closing Date, shall be conditional on the fulfilment of the conditions set out in this Clause 4.1 (“**Conditions Precedent**”), to the satisfaction of DTIL and AIL, or



waived in writing by DTIL and AIL, as the case may be, in each case to the extent permissible under this Agreement and Applicable Law:

- 4.1.1 There being no writ, judgement, injunction, decree or similar order of a court or Governmental Authority restraining or otherwise preventing consummation of the transactions contemplated in this Agreement or the other Transaction Documents.
- 4.1.2 JV Company shall have (and DTIL shall procure that the JV Company shall have) obtained the approval from Andhra Pradesh Industrial Infrastructure Corporation Limited pursuant to: (i) lease deed dated 18 November 2022 in respect of plot nos. 40, 41, 52 & 53 situated at YSR, EMC Kopparthy; (ii) lease deed dated 18 November 2022 in respect of 4 (four) sheds at plot no. 65A situated at YSR, EMC Kopparthy; and (iii) lease deed dated 29 September 2023 in respect of plot no. 65B situated at YSR, EMC Kopparthy, for effecting change in shareholding of the JV Company as contemplated in this Agreement ("**Land Transfer Approval**").
- 4.1.3 AIL and DTIL shall have obtained the unconditional approval of CCI in relation to the transaction contemplated under this Agreement.
- 4.1.4 DTIL and AIL shall have obtained all necessary waivers and consents from Third Parties, including Governmental Authorities, that may be required to be obtained by it prior to the consummation of the transactions contemplated by the Transaction Documents.
- 4.1.5 AIL Dixon shall have obtained necessary waivers and consents from lenders for consummation of the transactions contemplated by this Agreement.
- 4.1.6 AIL shall have undertaken the following actions necessary under Applicable Law for the issuance and allotment of the Subscription Shares:
  - (a) the Board of AIL shall have convened a shareholders' meeting of AIL and at such shareholders' meeting a special resolution approving the issuance of the Subscription Shares to DTIL shall have been passed and for recording the name of DTIL in relation to the issuance and allotment of the Subscription Shares in accordance with Sections 42 and 62 of the Act;
  - (b) AIL shall have filed e-form MGT-14 in respect of the special resolution for issuance of the Subscription Shares, prior to issuing the offer letter in form PAS-4 to DTIL;
  - (c) AIL shall have issued a private placement offer letter in form PAS-4, containing information and particulars prescribed under the Act, along with the application form serially numbered and addressed to DTIL, in accordance with the Act; and
  - (d) AIL shall have recorded the name of DTIL in form PAS-5 as required under Section 42 of the Act read with rules made thereunder.
- 4.1.7 AIL shall have obtained a valuation report from a registered valuer in terms of Section 62(1)(c) of the Act, setting out the fair market value of the Subscription Shares.
- 4.1.8 AIL shall have provided to DTIL, AIL Tax FMV certificate certifying the fair market value of shares of AIL pertaining to issuance of Subscription Shares for the purposes of Section 56(2)(x) of the IT Act using prescribed method under Rule 11UA of the Income Tax Rules, 1962.
- 4.1.9 The JV Company shall have (and DTIL shall procure that the JV Company has) provided AIL and DTIL: (a) the JV Company Tax FMV certificate obtained from Vaish & Associates (CA Firm) certifying the fair market value of the Sale Shares for the purposes of Section 50CA and 56(2)(x) of the IT Act using prescribed method under Rule 11UAA and Rule 11UA of the



Income Tax Rules, 1962; and (b) a valuation report from a registered valuer in terms of Rule 13(2)(i) of the Companies (Share Capital and Debentures) Rules, 2014, setting out the fair value of the Sale Shares, as consideration for the Subscription Shares.

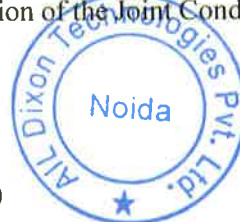
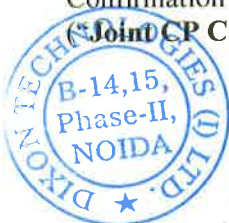
- 4.1.10 The JV Company shall have repaid the DTIL Loan to DTIL and obtained a no-dues certificate from DTIL evidencing the complete repayment of DTIL Loan to DTIL.
- 4.1.11 DTIL and AIL shall have agreed to the Agreed Form of letter of resignation of Mr. Sunil Vachani and Mr. Pankaj Sharma from the board of JV Company, which shall be effective from the Closing Date.
- 4.1.12 The Conditions Precedent provided in Clauses 4.1.1, 4.1.4 and 4.1.5 (to the extent applicable to AIL), and Clauses 4.1.6 to 4.1.8 are to be referred to as “**AIL Conditions Precedent**”; the Conditions Precedent provided in Clauses 4.1.1, 4.1.4 and 4.1.5 (to the extent applicable to DTIL) are to be referred to as “**DTIL Conditions Precedent**”; and the Conditions Precedent provided in Clause 4.1.1 (to the extent applicable to JV Company), 4.1.2, 4.1.9 and 4.1.10 are to be referred to as “**JVCo Conditions Precedent**”; the Conditions Precedent provided in Clauses 4.1.3 and Clause 4.1.11 are to be referred as “**Joint Conditions Precedent**”.

## 4.2 Responsibility of Satisfaction

- 4.2.1 AIL, DTIL and the JV Company shall, fulfil AIL Conditions Precedent, DTIL Conditions Precedent and JVCo Conditions Precedent, respectively. AIL and DTIL shall (acting jointly) fulfil the Joint Conditions Precedent.
- 4.2.2 DTIL shall procure that JV Company fulfils the JVCo Conditions Precedent.
- 4.2.3 The Parties shall cooperate with each other, in good faith, and each Party shall provide all reasonable information and assistance required for the fulfilment of all obligations under this Agreement and under Applicable Law, including for the fulfilment of the Conditions Precedent, upon being required to do so by any other Party. Upon fulfilment of their relevant Conditions Precedent, AIL, DTIL and JV Company shall duly notify the other Parties, along with necessary supporting documents, in the format provided in **Schedule III** hereto (“**CP Satisfaction Notice**”).
- 4.2.4 If any Party becomes aware of any event or circumstance that will or may prevent any of the Conditions Precedent from being satisfied at any time prior to the Long Stop Date, then such Party shall promptly notify the other Parties in writing of such event or circumstance, as applicable.

## 4.3 Conditions Precedent Confirmation

- 4.3.1 Within 7 (seven) Business Days of receipt of a CP Satisfaction Notice from DTIL (in relation to DTIL Conditions Precedent and JVCo Conditions Precedent) or waiver by AIL of DTIL Conditions Precedent or JVCo Conditions Precedent in accordance with this Agreement, AIL shall issue a notice to DTIL in the format provided in **Schedule IV** hereto (“**CP Confirmation Notice**”) indicating the satisfaction of the Conditions Precedent by DTIL. Within 7 (seven) Business Days of receipt of a CP Satisfaction Notice from AIL (in relation to AIL Conditions Precedent) or waiver by DTIL of AIL Conditions Precedent in accordance with this Agreement and in the absence of any AIL Material Adverse Effect, DTIL shall issue a CP Confirmation Notice indicating the satisfaction of the Conditions Precedent by AIL. Within 2 (two) Business Days of the fulfilment of the Joint Conditions Precedent, AIL and DTIL shall sign a joint CP Confirmation Notice indicating the satisfaction of the Joint Conditions Precedent by each other (“**Joint CP Confirmation Notice**”).



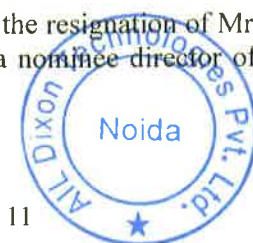


## 5 CLOSING

- 5.1 The Closing shall take place at Noida or such other place as may be mutually agreed in writing by the Parties. Closing shall occur within 3 (three) Business Days from the date on which the CP Confirmation Notices have been respectively issued by AIL and DTIL or execution of Joint CP Confirmation Notice, whichever is later; or such other date as may be mutually agreed between the Parties in writing ("**Closing Date**").
- 5.2 If the Closing has not occurred by the expiry of Long Stop Date, this Agreement shall automatically terminate without any further action by the Parties, and the Parties shall have no obligation to proceed further with the transactions contemplated hereunder, and shall be relieved and discharged from all liabilities hereunder, other than in respect of any prior breach of this Agreement.
- 5.3 On the Closing Date, the events mentioned in sub-clauses (a) and (b) below shall occur simultaneously:

(a) **Transfer of Sale Shares**

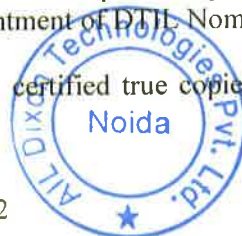
- (i) DTIL shall deliver the signed Tax Report to AIL.
- (ii) In case the Closing occurs prior to September 30, 2024 and the Sale Shares are in physical form, DTIL shall deliver to the JV Company, the original share certificates representing the Sale Shares endorsed in favour of AIL and its nominees; and the duly stamped and executed instruments of transfer (Form SH-4) for the transfer of Sale Shares in favour of AIL and its nominees.
- (iii) In case the Closing occurs on or after September 30, 2024;
- (A) DTIL shall deliver to the DTIL Depository Participant irrevocable delivery instructions duly executed by DTIL, in the prescribed form, for the transfer of Sale Shares from the DTIL Demat Account to AIL Demat Account and cause the DTIL Depository Participant to acknowledge receipt of such instructions and deliver a copy of such acknowledgement to AIL.
- (B) AIL shall obtain a confirmation from AIL Depository Participant that the Sale Shares have been credited to AIL Demat Account.
- (iv) DTIL shall make payment of stamp duty in respect of transfer of the Sale Shares;
- (v) DTIL shall provide duly executed letter of resignation of Mr. Sunil Vachani and Mr. Pankaj Sharma (being a nominee director of DTIL) from the Board of JV Company in Agreed Form;
- (vi) The Board of JV Company shall convene a meeting to pass appropriate resolutions for:
- (A) recording the transfer of the Sale Shares from DTIL to AIL and its nominees;
- (B) taking on record the resignation of Mr. Sunil Vachani and Mr. Pankaj Sharma, (being a nominee director of DTIL), from the Board of JV Company



- (C) the name of AIL and its nominees being entered in the records of JV Company (including in the register of shareholders) as the registered owner of the Sale Shares; and
  - (D) revoking each existing power of attorney and mandate given by the JV Company to the nominees of DTIL, as identified by the Parties, in relation to the JV Company Business or otherwise including for the operation of its bank accounts and for giving authority to persons nominated by AIL for the same including changing the authorized signatory of each of its bank accounts, with effect from Closing Date.
- (vii) JV Company shall deliver to AIL and DTIL: (A) a certified copy of the register of shareholders and register of directors of the JV Company as at the Closing Date, (B) shareholding statement from NSDL/CSDL (as the case may be) reflecting AIL as the shareholder of the Sale Shares (if Closing occurs on or after September 30, 2024); and (C) certified true copies of resolutions passed at the meeting of the Board of the JV Company pursuant to sub-clause (v) above.

**(b) Issue and allotment of Subscription Shares**

- (i) The Board of AIL shall convene a meeting to pass appropriate resolutions for:
  - (A) issue and allotment of the Subscription Shares to DTIL;
  - (B) approving appointment of 1 (one) non-executive director, nominated by DTIL, in accordance with the SHA ("**DTIL Nominee Director**"), as an additional director on the Board of AIL;
  - (C) approve the convening of a shareholders' meeting of AIL at shorter notice for regularizing the appointment of DTIL Nominee Director; and
  - (D) grant approval to file the necessary forms for allotment of Subscription Shares, appointment of DTIL Nominee Director and any other Governmental Authority, together with necessary documents.
- (ii) AIL shall:
  - (A) send an irrevocable instruction to AIL Depository Participant instructing the AIL Depository Participant to credit the Subscription Shares to the DTIL Demat Account and deliver the certified copy of the aforesaid instructions to DTIL;
  - (B) make payment of stamp duty in respect of issuance of the Subscription Shares; and
  - (C) issue duly stamped and executed letters of allotment in relation to the Subscription Shares in favour of DTIL.
- (iii) AIL shall convene a meeting of its shareholders, at shorter notice, and at such shareholders meeting, AIL shall pass a special resolution approving the regularization of the appointment of DTIL Nominee Director.
- (iv) AIL shall deliver to DTIL certified true copies of resolutions passed at the



meeting of the Board and shareholders of AIL pursuant to sub-clause (i) and (iii) above.

- 5.4 If the Parties are unable to complete all actions mentioned in Clauses 5.1 to 5.3 above in the manner as contemplated therein, on the same day and such actions are completed on any subsequent days, the date on which the last of the aforementioned actions is completed shall be deemed to be the “**Closing Date**” and “**Closing**” shall be deemed to include all such actions and no action is deemed completed unless all other actions take place.

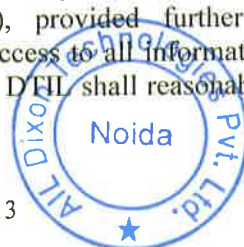
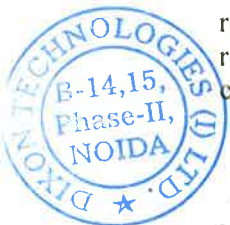
## 6 POST CLOSING

- 6.1 Immediately after the Closing Date and in no event later than 15 (fifteen) days after Closing Date, AIL shall:
- (a) deliver to DTIL a holding statement from NSDL/CSDL (as the case may be) reflecting DTIL as the shareholder of the Subscription Shares;
  - (b) file e-form PAS-3 with ROC for the allotment of the Subscription Shares to DTIL;
  - (c) file e-form DIR-12 with ROC for appointment of DTIL Nominee Director on AIL’s Board; and
  - (d) update registers required to be maintained by AIL under the Act to record events that have occurred on the Closing Date, and provide a copy thereof to DTIL.
- 6.2 Within 15 (fifteen) Business Days from the Closing Date, the JV Company shall file with the ROC, all requisite forms recording resignation of DTIL’s nominee director from the Board of JV Company.
- 6.3 Within a period of 1 (one) year from the Closing Date, the JV Company shall complete the process for (i) change in name of the JV Company to remove ‘Dixon’ from the name of the JV Company, and (ii) change in registered address of the JV Company. DTIL and AIL shall provide all assistance to the JV Company in order to complete the actions set out in this Clause.
- 6.4 Immediately after the Closing Date and in no event later than 15 (fifteen) days after Closing Date, JV Company shall (and AIL shall procure that JV Company does) enter into a trademark agreement with DTIL, in the form and manner acceptable to DTIL, for usage of trademark ‘Dixon’ in the name of the JV Company till completion of actions stipulated in Clause 6.3.

## 6A CCI APPROVAL

AIL and DTIL shall make an application for procuring an approval from CCI (“**CCI Application**”). With respect to the CCI Application, AIL and DTIL agree that:

- (a) to the extent permissible by Applicable Law, AIL and DTIL shall provide to each other all the necessary information, support, and co-operation as reasonable, for filing the CCI Application and responding to any subsequent formal or informal queries raised by the CCI;
- (b) AIL and DTIL shall provide reasonable opportunities to each other to review and provide comments to the draft CCI Application, provided that neither AIL nor DTIL will have an obligation to disclose any competitively sensitive information, unless requested by the CCI (“**CSI**”), provided further that their respective legal representatives shall be allowed access to all information including CSI on a purely counsel-to-counsel basis. AIL and DTIL shall reasonably incorporate such comments





to the extent they relate to information pertaining to each other;

- (c) if required by the CCI or deemed necessary by either AIL or DTIL, AIL and DTIL shall make their respective authorised representatives and/or legal representatives available to attend such meetings. If the authorised representatives of either AIL or DTIL are attending any meeting with the CCI, they shall upon request, leave the meeting for any duration during which CSI relating to the other Party is to be discussed;
- (d) AIL and DTIL agree to update each other on all discussions (formal or informal) with the CCI from time to time, provided that AIL and DTIL shall provide adequate opportunity to each other to review and comment on any formal or informal submissions to the CCI, as required from time to time;
- (e) any formal or informal remedies, modifications, or commitments shall be mutually discussed between AIL and DTIL and neither AIL nor DTIL shall initiate such discussions with CCI without prior consent from each other; and
- (f) AIL and DTIL shall, as soon as reasonably practicable, provide each other with copies of all material correspondence with the CCI in connection with the CCI Application, redacting any CSI included in such correspondence.

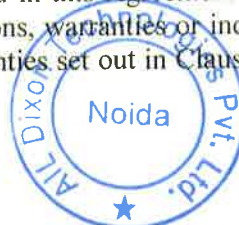
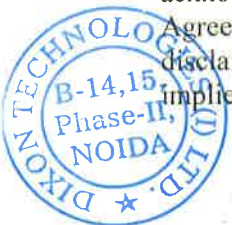
## 7 REPRESENTATIONS AND WARRANTIES

7.1 Each Party hereby represents and warrants to the other Parties, with respect to itself, that the following is true and correct as of the Execution Date and shall be true and correct as of the Closing Date (each a “**Warranty**”) as follows:

- (a) such Party has the full power and authority to enter into, execute and deliver this Agreement and the other Transaction Documents and to perform its obligations contemplated under this Agreement and, if such Party is a company, it is duly incorporated or organized, solvent and existing under the Applicable Laws of the jurisdiction of its incorporation or organisation and has full power to conduct its business as conducted at the date of this Agreement and that the execution and delivery by such Party of this Agreement and the other Transaction Documents and the performance by such Party of its obligations contemplated under this Agreement have been duly authorised by all necessary corporate or other action of such Party;
- (b) it has duly executed and delivered this Agreement and other Transaction Documents and these constitute the valid and legally binding obligation of such Party enforceable in accordance with its terms against such Party;
- (c) neither the execution, delivery nor performance of this Agreement or other Transaction Documents by such Party will: (i) constitute a breach or violation of, a default under, or give rise to a right of termination, acceleration or cancellation under, its charter documents (if the Party is a company) or any agreement or arrangement to which it is a party; (ii) result in a violation of any Applicable Law; (iii) other than as provided in this Agreement, require such Party to obtain any approval, authorization, license or consent of or give notice to any Person (including any Governmental Authority);
- (d) there are no actions, pending or threatened, under Applicable Law, in equity or otherwise, against such Party or any of its properties or assets that would adversely affect the consummation of the transactions contemplated in the Agreement or that seeks to prevent or delay the consummation of the transactions contemplated in this Agreement; and



- (e) such Party is not insolvent or unable to pay its debts nor have any insolvency proceedings of any character, including without limitation bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting such Party, been presented by such Party or resolution passed or notice in writing of the same been received by such Party in this behalf, nor has such Party appointed, or received or sent any written notice for the appointment of, a liquidator or provisional liquidator or administrator to such Party or any of its assets.
- 7.2 In addition to the Warranties provided in Clause 7.1, DTIL represents and warrants to AIL that each of the representations, warranties and statements contained in **Schedule V** ("**DTIL Warranties**") is true and correct as of the Execution Date and shall be true and correct as of the Closing Date.
- 7.3 In addition to the Warranties provided in Clause 7.1, AIL represents and warrants to DTIL that each of the representations, warranties and statements contained in **Schedule VI** ("**AIL Warranties**") is true and correct as of the Execution Date and shall be true and correct as of the Closing Date.
- 7.4 During the period between the Execution Date and the Closing Date, AIL undertakes to promptly notify DTIL in writing on becoming aware of any fact, matter or circumstance (whether existing on or before the Execution Date or arising afterwards) which would cause any of AIL Warranties given by any of them to become untrue, inaccurate or misleading in any respect.
- 7.5 During the period between the Execution Date and the Closing Date, DTIL undertakes to promptly notify AIL in writing on becoming aware of any fact, matter or circumstance (whether existing on or before the Execution Date or arising afterwards) which would cause any of the DTIL Warranties given by any of them to become untrue inaccurate or misleading in any respect.
- 7.6 Each of the Warranties, AIL Warranties or DTIL Warranties, as the case may be, is separate and independent and, except as expressly provided in this Agreement, is not limited by: (a) reference to any other Warranties, AIL Warranties or DTIL Warranties, as the case may be, and (b) any other provision of this Agreement.
- 7.7 Notwithstanding anything to the contrary contained in this Agreement or any other Transaction Document but subject to DTIL's acceptance in writing, the following shall constitute an exception to, and shall qualify, the representations and warranties provided by AIL and DTIL under this Agreement (each a "**Disclosure**" and collectively, "**Disclosures**"): (a) in respect of AIL (i) any item disclosed, reserved or provisioned for under the Accounts and/or the Management Accounts; (ii) any information which is disclosed in this Agreement or other Transaction Documents; and (b) in respect of DTIL, any information which is disclosed in this Agreement and/or other Transaction Documents. Neither Party shall have any liability for any breach of any of its representations and warranties, and no Party shall be entitled to make any claim including any claim for breach of the representations and warranties on the basis of facts, matters or circumstances which are so disclosed under the Disclosures.
- 7.8 The Warranties provided by AIL under Clause 7.1 and the AIL Warranties are the sole representations and warranties given to DTIL in connection with the transactions contemplated in this Agreement, and the indemnities provided in Clause 8.1.1 are the sole indemnities given to DTIL in connection with the transaction contemplated in this Agreement, and DTIL acknowledges and agrees that it does not rely on, and has not been induced to enter into this Agreement or the transactions contemplated in this Agreement on basis of, and AIL hereby disclaims any liability for, any representations, warranties or indemnities (whether express or implied) other than for breach of the Warranties set out in Clause 7.1, AIL Warranties set out



in Clause 7.3 and indemnities set out in Clause 8.1.1.

- 7.9 The Warranties provided by DTIL under Clause 7.1 and the DTIL Warranties are the sole representations and warranties given to AIL in connection with the transactions contemplated in this Agreement, and the indemnities provided in Clause 8.1.2 are the sole indemnities given to AIL in connection with the transaction contemplated in this Agreement, and AIL acknowledges and agrees that it does not rely on, and has not been induced to enter into this Agreement or the transactions contemplated in this Agreement on basis of, and DTIL hereby disclaims any liability for, any representations, warranties or indemnities (whether express or implied) other than for breach of the Warranties set out in Clauses 7.1, DTIL Warranties in Clause 7.2 and indemnities set out in Clause 8.1.2.

## 8 INDEMNITY

### 8.1 Right of Indemnification

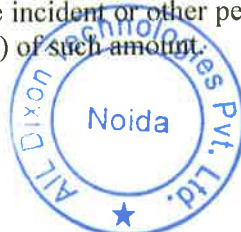
- 8.1.1 With effect from the Closing Date, AIL hereby agrees that it shall indemnify, defend and hold harmless DTIL, its directors and officers (hereinafter collectively referred to as the “**DTIL Indemnified Parties**”) from and against any and all Losses suffered or incurred by any of the DTIL Indemnified Parties (whether in respect of Third Party Claims, claims between the Parties hereto, or otherwise) relating to or arising out of or resulting from any of the following:

- (a) misrepresentation, inaccuracy in or breach of any AIL Warranty or Warranties provided by AIL under Clause 7.1;
- (b) material breach of any obligation, term, covenant or undertaking of AIL set forth in this Agreement;
- (c) any fraud, gross negligence or wilful misconduct by AIL; and
- (d) any amount received by the JV Company after Closing Date, in respect of incentives from Governmental Authorities and statutory gains pertaining to the period prior to Closing Date, limited to 50% (fifty percent) of such amount

(each an “**AIL Indemnity Event**”).

- 8.1.2 With effect from the Closing Date, DTIL hereby agrees that it shall indemnify, defend and hold harmless AIL, its directors and officers (hereinafter collectively referred to as the “**AIL Indemnified Parties**”) from and against any and all Losses suffered or incurred by any of the Indemnified Parties (whether in respect of Third Party Claims, claims between the Parties hereto, or otherwise) relating to or arising out of or resulting from any of the following:

- (a) misrepresentation, inaccuracy in or breach of any DTIL Warranty or Warranties provided by DTIL under Clause 7.1;
- (b) any material breach of any obligation, term, covenant or undertaking of DTIL set forth in this Agreement;
- (c) any fraud, gross negligence or wilful misconduct by DTIL; and
- (d) any amount payable by the JV Company after the Closing Date in respect of statutory liabilities of the JV Company which pertain solely to the period prior to Closing Date (except any statutory liabilities of the JV Company resulting in Losses or Third Party Claims arising on account of any fire incident or other perils, including force majeure events), limited to 50% (fifty percent) of such amount.





(each a “DTIL Indemnity Event”).

8.1.3 For the purpose of this Clause, (i) any DTIL Indemnified Party or AIL Indemnified Party shall be referred to as the “**Indemnified Party**”, and (ii) AIL or DTIL, as the case may be, shall be referred to as the “**Indemnifying Party**”; and AIL Indemnity Event and DTIL Indemnity Event, as the case may be, shall be referred to as the “**Indemnity Event**”.

8.1.4 Any claim for indemnity under Clause 8 of this Agreement shall be made by an Indemnified Party by notice in writing to AIL or DTIL, as the case may be, within a period of 15 (fifteen) days of occurrence of the Indemnity Event. The failure of the Indemnified Parties to notify the Indemnifying Party, of a claim or to comply with the aforementioned notice period shall not relieve the Indemnifying Party, of any indemnification obligation under Clause 8 of this Agreement and shall not extinguish the rights of the Indemnified Parties under this Agreement unless such delay increases the amount of the Loss, in which case, the Indemnifying Party shall be relieved from its obligation towards the Indemnified Party only by the amount of actual increase in the amount of Loss solely on account of such delay.

## 8.2 Procedure for Indemnification Claim

### 8.2.1 Direct Claims

- (a) If an Indemnified Party suffers any indemnifiable Loss that is not based on a Third Party Claim (*as defined below*), such Indemnified Party shall notify the Indemnifying Party in writing within 15 (Fifteen) Business Days of becoming aware of such Loss (“**Indemnification Notice**”) and specifying details, facts, amount and other elements of such Loss to the Indemnifying Party provided that, any delay to so notify the Indemnifying Party shall not relieve the Indemnifying Party from any obligation or liability unless such delay increases the amount of the Loss, in which case, the Indemnifying Party shall be relieved from its obligation towards the Indemnified Party only by the amount of actual increase in the amount of Loss solely on account of such delay. The Parties acknowledge that the Indemnified Party shall at no time, be required to go out of pocket in connection with any indemnification claim.
- (b) Within a period of 30 (Thirty) days from the receipt of the Indemnification Notice (such period, “**Indemnification Notice Period**”), the Indemnifying Party shall, either:
  - (i) issue a written notice (“**Notice of Acceptance**”) agreeing that the Indemnified Party is entitled to receive the amount of Loss set forth in the Indemnification Notice and the Indemnifying Party shall thereafter pay the amount of Loss to the Indemnified Party within 25 (Twenty-Five) days from the expiry of Indemnification Notice Period or such other longer period as may be mutually agreed; or
  - (ii) dispute any claim for Loss made on it pursuant to the Indemnification Notice or the applicable Loss amount, by delivering to the Indemnified Party a written notice (“**Notice of Dispute**”) setting forth the reasons (along with the supporting documents) in support of its dispute of claim for Loss or the Loss amount (as the case may be). It is clarified that, in case of a dispute with respect to a partial Loss amount, the Indemnifying Party shall pay the amount of undisputed Loss to the Indemnified Party within 25 (Twenty-Five) days from the expiry of Indemnification Notice Period.

(c) In the event that the Indemnified Party receives a Notice of Dispute from the Indemnifying Party, then the matter shall be settled through proceedings in accordance with the terms of Clause 11.2 (*Dispute Resolution*) of this Agreement, based on the



arbitral award.

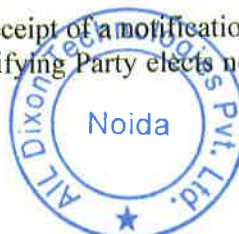
- (d) For the avoidance of doubt, in the event that the Indemnifying Party does not issue either a Notice of Acceptance or a Notice of Dispute within the time period specified above, it shall be deemed to have accepted the claim under the Indemnification Notice.
- (e) All other obligations of the Parties shall remain in full force and effect during the pendency of any arbitral proceedings.

#### 8.2.2 *Third Party Claims*

- (a) If any Third Party notifies an Indemnified Party with respect to any matter ("**Third Party Claim**"), in respect of which the Indemnified Party is entitled to make a claim, then, the Indemnified Party shall notify the Indemnifying Party of such Third Party Claim within 30 (Thirty) days of becoming aware of such Third Party Claim ("**Third Party Claim Notice**") , however, it is hereby agreed by the Indemnifying Party that any failure or delay by the Indemnified Party to notify the Indemnifying Party as aforesaid shall not prejudice the indemnification rights and/or remedies available to the Indemnified Party under this Clause 8.2.2(a) unless such delay increases the amount of the Third Party Claim, in which case, the Indemnifying Party shall be relieved from its obligation towards the Indemnified Party only by the amount of actual increase in the amount of the Third Party Claim solely on account of such delay. The Parties acknowledge that the Indemnified Party shall at no time, be required to go out of pocket in connection with any indemnification claim.
- (b) In such event, the Indemnifying Party shall, have the right to take control of the conduct of the defence or investigations of any proceedings in connection with a Third Party Claim subject to the following terms and conditions:
  - (i) the Indemnifying Party shall not admit any liability under a Third Party Claim, or enter into any settlement, agreement or compromise with any Third Party in relation to any Third Party Claim, in each case without the prior written consent of the Indemnified Party;
  - (ii) the Indemnified Party shall have the right to retain separate co-counsel at the sole cost and expense of the Indemnifying Party and participate in the defence of the Third Party Claim;
  - (iii) in the event there is a condition or requirement to deposit or pay an amount prior to contesting the Third Party Claim or at any stage of any proceedings prior to the final disposal of the Third Party Claim, then the Indemnifying Party shall be responsible to deposit or pay such amount;
  - (iv) the Indemnifying Party shall promptly inform the Indemnified Party of all the information and developments of the Third Party Claim and defence or investigations of all proceedings in connection with such Third Party Claim; and
  - (v) if the Indemnifying Party is unsuccessful in resisting the Third Party Claim as a result of which the Indemnified Party suffers any indemnifiable Loss, then the Indemnifying Party shall indemnify the Indemnified Party within 15 (Fifteen) days of the Indemnified Party having suffered such Loss.



(c) If, within 15 (Fifteen) days of the receipt of a notification from the Indemnified Party of a Third Party Claim, the Indemnifying Party elects not to assume the defence of a

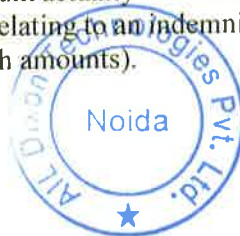
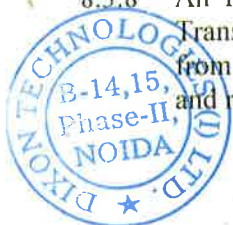


Third Party Claim or fails to inform the Indemnified Party, in writing, of its intention to undertake the defence of such Third Party Claim, the Indemnified Party shall have the right to defend and take control of such Third Party Claim and shall thereafter be indemnified for all Losses arising from such defence of the Third Party Claim, subject to the limitations set forth in this Clause 8. In such an event, the Indemnifying Party shall provide all such information and assistance as the Indemnified Party(s) may require in connection with the preparation for and conduct of any proceedings and/or negotiations or compromise or settlement relating to the Third Party Claim.

- (d) Whether or not the Indemnifying Party elects to defend any Third Party Claim, the Parties shall cooperate and exercise all reasonable efforts in the defence or prosecution of any such claim and shall furnish one another with such records, information and testimony, and attend such conferences, proceedings, hearings, trials and appeals as may be reasonably required by the other Party(ies) in connection therewith.

### 8.3 Limitation of Liability

- 8.3.1 The aggregate liability of AIL for any and all Losses of DTIL Indemnified Parties arising pursuant to Clause 8.1.1(a), Clause 8.1.1(b) and Clause 8.1.1(c) shall not exceed INR 30,00,00,000 (Indian Rupees Thirty Crores only).
- 8.3.2 The aggregate liability of DTIL for any and all Losses of AIL Indemnified Parties arising pursuant to Clause 8.1.2(a), Clause 8.1.2(b) and Clause 8.1.2(c) shall not exceed INR 30,00,00,000 (Rupees Thirty Crores only).
- 8.3.3 The Indemnified Party shall, at the request of the Indemnifying Party, take commercially reasonable steps to mitigate any Losses. Without prejudice to the foregoing, the Indemnified Party shall, at the cost of the Indemnifying Party, take such actions as are reasonably required by the Indemnifying Party and shall reasonably co-operate with the Indemnifying Party to enable the Indemnifying Party to mitigate or avoid any Losses.
- 8.3.4 Notwithstanding anything contained in this Agreement, in respect of the AIL Indemnity Event, AIL shall not be liable to the DTIL Indemnified Parties for any claim or Loss to the extent that the fact, matter, event or circumstance giving rise to such claim or Loss is disclosed in the Disclosures. Notwithstanding anything contained in this Agreement, in respect of the DTIL Indemnity Event, DTIL shall not be liable to the AIL Indemnified Parties for any claim or Loss to the extent that the fact, matter, event or circumstance giving rise to such claim or Loss is disclosed in the Disclosures pertaining to DTIL.
- 8.3.5 The indemnification rights available to an Indemnified Party under this Agreement shall be the sole monetary remedy for the matter giving rise to a claim of indemnity for the Indemnified Party.
- 8.3.6 An Indemnified Party shall not be entitled to claim indemnification more than once for a claim or Loss arising out of the same cause of action (irrespective of whether the claim or Loss is under this Agreement or any other Transaction Documents).
- 8.3.7 An Indemnifying Party shall not be liable under this Clause 8 for any Losses to the extent incurred as a result of an act or omission by the Indemnifying Party upon the specific written instructions or written directions of the Indemnified Party.
- 8.3.8 An Indemnifying Party shall not be liable in respect of indemnity obligations under the Transaction Documents to the extent of the amount actually recovered by the Indemnified Party from any other Person in respect of any matter relating to an indemnity obligation (net of Taxes and reasonable costs incurred in recovering such amounts).





- 8.3.9 The Indemnifying Party shall not be liable for any claim based upon a liability which is contingent unless and until such contingent liability becomes an actual liability and is due and payable. Provided, that so long as such claim has been made by serving an Indemnification Notice or a Third Party Claim Notice within the applicable time limits set out in this Agreement, the indemnification obligations of the Indemnifying Party shall not cease solely by reason of the claim being contingent as at the expiration of such time limits.
- 8.3.10 No Indemnifying Party shall be liable for any Losses to the extent that the event, matter or circumstance giving rise to a claim arises, occurs or is otherwise attributable to the passing of, or a change in Applicable Law (including official written interpretation of the law or official written administrative practice of a Governmental Authority) after the Closing Date or an increase in the Tax rates or an imposition of Tax, in each case not actually or prospectively in force on Completion Date (other than any enactment or changes relating to Tax that takes effect retrospectively).

#### **8.4 Time Limitations**

- 8.4.1 DTIL Indemnified Parties shall be entitled to make a Claim for Losses arising in respect of:
- (a) an Indemnity Event covered in Clause 8.1.1(a) and Clause 8.1.1(b), at any time until the end of 3 (three) years from the Closing Date;
  - (b) an Indemnity Event covered in Clause 8.1.1(c), at any time until the end of 7 (seven) years from the Closing Date; and
  - (c) an Indemnity Event covered in Clause 8.1.1(d), at any time until the end of 5 (five) years from the Closing Date.
- 8.4.2 AIL Indemnified parties shall be entitled to make a Claim for Losses arising in respect of:
- (a) an Indemnity Event covered in Clause 8.1.2(a) and Clause 8.1.2(b), at any time until the end of 3 (three) years from the Closing Date;
  - (b) an Indemnity Event covered in Clause 8.1.2(c), at any time until the end of 7 (seven) years from the Closing Date; and
  - (c) an Indemnity Event covered in Clause 8.1.2(d), at any time until the end of 5 (five) years from the Closing Date.
- 8.4.3 Any Indemnification Notice or Third Party Claim notice made prior to the expiry of the time limits set out in Clause 8.4.1 and 8.4.2 above (as the case maybe) shall be preserved and such time limits shall stand extended until the Loss under the Indemnification Notice or Third Party Claim notice is resolved in accordance with this Agreement.

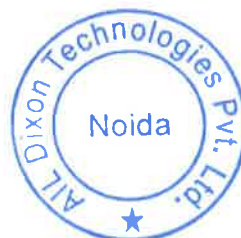
### **9 TERMINATION**

#### **9.1 Termination**

- (a) This Agreement shall automatically stand terminated if Closing has not occurred on or prior to the Long Stop Date.
- (b) This Agreement may be terminated, before the Closing Date, by mutual written consent of all the Parties to the Agreement.



**CONFIDENTIALITY**

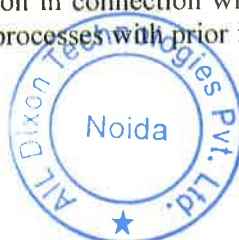


## 10.1 Public Announcements

Subject to Clause 10.2 below, the Parties shall mutually agree within a reasonable time, so as to ensure that regulatory timelines, if any, shall be met, upon the announcements or disclosures of this Agreement and the transactions contemplated herein. Further, any announcements or disclosures of this Agreement and the transactions contemplated herein by DTIL shall be subject to the publicity guidelines of AIL issued from time to time. In the event an announcement or disclosure is required by Applicable Law or by any Governmental Authority or court of competent jurisdiction or other authority with relevant powers to whose rules a Party is subject, such Party shall undertake all commercially reasonable efforts to limit the extent of such disclosure and shall, so far as lawful, provide reasonable notice to the other Parties so as to afford the other Parties an opportunity to take such action as may be necessary to comply with Applicable Laws and consult with the other Parties before making the disclosure on the contents thereof.

## 10.2 Confidential Information

- (a) Each of the Parties agree that, it shall, and shall also ensure that its Affiliates and their directors, officers, representatives or employees, keep confidential and not disclose or announce anything relating to the existence, the subject matter or terms of this Agreement or other documents (including Transaction Documents) contemplated hereby or all non-public documents or information concerning any of the other Parties or any of their Affiliates (collectively, "**Confidential Information**") without the prior written consent of the other Parties. In the event that this Agreement is terminated for any reason whatsoever, each Party shall return and cause to be delivered all Confidential Information belonging to the other Party(ies) in its possession and in respect of such of the confidential information, not capable of delivery, destroy the same with the consent of such other Party as the case may be.
- (b) Notwithstanding the other provisions of this Clause 10.2 (*Confidentiality*), any of the Party may disclose Confidential Information:
  - (i) if and to the extent necessary to be disclosed under the Applicable Laws or any applicable regulatory requirements or by any Governmental Authority to whose jurisdiction the Party is subject provided the other Parties are consulted to the extent practicable and permitted by Applicable Laws with regard to the extent and timing of such disclosure;
  - (ii) in so far as it is required to be disclosed to its Affiliates, its directors, officers, personnel, employees, advisers and representatives or those of its Affiliates, provided that any such disclosure is on a need-to-know basis and the disclosing Party shall procure that the Person(s) to whom it is disclosed in terms of this provision treat such information as confidential;
  - (iii) if and to the extent the information has come into the public domain, otherwise than as a direct or indirect consequence of any breach of the terms and conditions of this Agreement and through no fault of that Party; or
  - (iv) if and to the extent the other Party(ies) has given specific prior written consent to the disclosure of Confidential Information concerning such other Party(ies).
- (c) AIL, its shareholders, its directors, officers, employees, advisers and/or representatives may disclose Confidential Information in connection with filing of the DRHP, RHP and other IPO related filings and/or processes with prior intimation to DTIL.



## 11 GOVERNING LAW AND DISPUTE RESOLUTION

### 11.1 Governing Law

11.1.1 This Agreement and any obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of India.

11.1.2 Subject to Clause 11.2, the courts of New Delhi (to whose jurisdiction the Parties consent) shall resolve any Disputes arising hereunder.

### 11.2 Dispute Resolution

11.2.1 If any dispute, difference, controversy or question arises amongst the Parties out of, in connection with or in relation to this Agreement (or the subject matter of this Agreement) including, without limitation, all disputes, differences, controversies and questions relating to or in connection with the validity, interpretation, implementation, construction, performance, enforcement or alleged breach of any provision of this Agreement ("**Dispute**"), then the Parties shall endeavour to settle the Dispute amicably within 30 (thirty) days of one Party notifying the other Parties of a Dispute having arisen. Any Dispute which remains unresolved at the expiry of the aforementioned period, shall be referred to and finally resolved by arbitration under the rules of the Delhi International Arbitration Centre ("**Arbitration Rules**"), for the time being in force, which rules are deemed to be incorporated by reference into this Clause 11.2 Agreement (except to the extent modified herein). The seat, or legal place, and venue of arbitration shall be New Delhi. The language to be used in the arbitration proceedings shall be English and all written and electronic documents and other forms of media shall be in English language.

11.2.2 The number of arbitrators shall be 3 (three) ("**Arbitration Tribunal**"). The claimant (or if more than 1 (one) claimant, the multiple claimants jointly) shall nominate 1 (one) arbitrator and the respondent (or if more than 1 (one) respondent, the multiple respondents jointly) shall nominate 1 (one) arbitrator, in each case in accordance with the Arbitration Rules. The third arbitrator, who will act as chairman of the Arbitration Tribunal, shall be nominated by the 2 (two) appointed arbitrators within 15 (fifteen) Business Days of the appointment of the second arbitrator, failing which the third arbitrator shall be appointed in accordance with the Arbitration Rules.

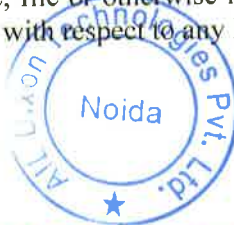
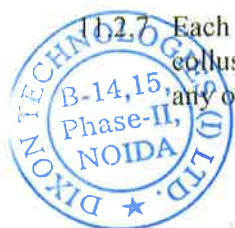
11.2.3 Unless the Arbitration Tribunal orders otherwise, the costs and expenses of the arbitration, including the fees of the arbitration and the Arbitration Tribunal, shall be borne equally by the parties to the arbitration. Each Party shall pay its own fees, disbursement and other charges of its counsel.

11.2.4 The award of the Arbitration Tribunal shall be made in writing and shall be final, conclusive and binding upon the Parties, and shall be substantiated in writing and the Parties shall submit to the arbitrator's award which shall be enforceable in any competent court of law.

11.2.5 During the period of submission of arbitration and thereafter until the granting of the award, the Parties shall, except in the event of termination, continue to perform all their obligations under this Agreement which are not in dispute.

11.2.6 The arbitration proceedings and all matters pertaining to the arbitration and all documents and submissions made therein pursuant to this Clause 11.2 shall be strictly confidential and subject to provisions of Clause 10 (*Confidentiality*).

11.2.7 Each Party hereto shall not, and shall procure that its Affiliates do not, directly or indirectly in collusion with any other Person, commence, file or otherwise initiate any proceeding against any other Party or their respective Affiliates with respect to any Dispute under this Agreement.





in any forum other than arbitration in New Delhi, India in accordance with this Clause 11.2 (*Dispute Resolution*).

- 11.2.8 Notwithstanding anything to the contrary, a Party may apply to any court of competent jurisdiction to seek protective orders, including injunctions and interim relief. The pursuit of interim relief shall not be a waiver of the duty of the Parties to the Dispute to pursue any remedy through the arbitration process described in this Clause 11.2.

## 12 MISCELLANEOUS

### 12.1 Notices

- 12.1.1 All notices, demands or other communication required or permitted to be given or made under this Agreement ("**Notice**") shall be written in the English language and shall be sent by (i) e-mail transmission; (ii) prepaid post with recorded delivery; or (iii) internationally recognised courier, addressed to the intended recipient at its address set forth below.

- 12.1.2 A Notice to DTIL shall be sent to such Party at the following address, or such other person or address as DTIL may notify to the other Parties from time to time:

Name: Dixon Technologies (India) Limited  
Attention: Atul B. Lall, Vice Chairman & Managing Director  
Address: B-14 & 15, Phase-II, Noida, Uttar Pradesh (India) – 201305  
Email: [atullall@dixoninfo.com](mailto:atullall@dixoninfo.com)

- 12.1.3 A Notice to AIL shall be sent to the following address, or such other person or address as AIL may notify to the other Parties from time to time:

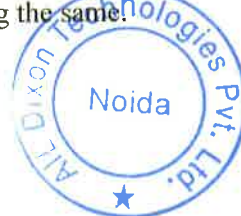
Name: Aditya Infotech Limited  
Attention: Mr. Yogesh Chand Sharma  
Address: A-12, Sector 4, Noida 201301, U.P.  
Email: [Yogesh\\_sharma@adityagroup.com](mailto:Yogesh_sharma@adityagroup.com)

- 12.1.4 A Notice to JV Company shall be sent to the following address, or such other person or address as JV Company may notify to the other Parties from time to time:

Name: AIL Dixon Technologies Private Limited  
Attention: Mr. Jitendra Trikha  
Address: A-12, Sector 4, Noida 201301, U.P.  
Email: [Jitendra\\_trikha@adityagroup.com](mailto:Jitendra_trikha@adityagroup.com)

- 12.1.5 Any Notice shall, unless the contrary is proved, be deemed to have been duly served at the time of delivery in the case of service by delivery: (i) if given or made by email, upon dispatch and the receipt of a delivery confirmation; (ii) if given by pre-paid post or recognized international courier, 7 (seven) Business Days after posting the same.

### 12.2 Entire agreement



This Agreement together with other Transaction Documents and any other documents referred to in this Agreement, constitutes the whole agreement between the Parties in relation to the subject matter hereof and supersedes any previous discussions, arrangements or agreements between them in relation to the subject matter hereof.

### 12.3 Waiver

- (a) To the extent permitted by Applicable Law: (i) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be discharged by one Party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing, signed by the Party or Parties giving the same, (ii) no waiver that may be given by a Party will be applicable except in the specific instance for which it is given, and (iii) no notice to or demand on one Party will be deemed to be a waiver of any obligation of such Party or of the right of the Party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.
- (b) Neither the failure nor any delay by any Party in exercising any right, power, privilege, or remedy provided by Applicable Laws or under this Agreement or the documents referred to under this Agreement shall constitute a waiver thereof.
- (c) The single or partial exercise of a right, power, privilege, or remedy under this Agreement shall not preclude any other or restrict any further exercise of any such right, power, privilege, or remedy.
- (d) Except as set out in Clause 8.3.5 above, the rights, powers, privileges, and remedies provided in this Agreement are cumulative and do not exclude any rights, powers, privileges and remedies provided by Applicable Law.

### 12.4 Variation

No amendment to this Agreement shall be effective unless executed in writing by or on behalf of each of the Parties.

### 12.5 No Assignment

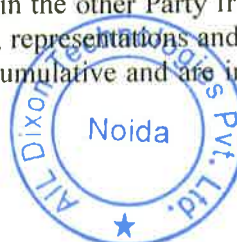
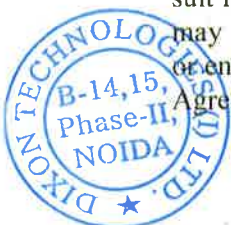
No Party may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the other Parties.

### 12.6 Severability

If any provision of this Agreement is or becomes illegal, invalid, or unenforceable in any respect under the laws of India, it shall be deemed to be severed from this Agreement and the Parties shall use all reasonable efforts to replace such provision with one having an effect as close as possible to the deficient provision. The remaining provisions will remain in full force in that jurisdiction and all provisions will continue in full force in any other jurisdiction.

### 12.7 Specific Performance

Without prejudice to any other rights or remedies which a Party may have under this Agreement, the Parties shall be entitled to an injunction, restraining order, right for recovery, suit for specific performance or such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to restrain the other Party from committing any violation or enforce the performance of the covenants, representations and obligations contained in this Agreement. These injunctive remedies are cumulative and are in addition to any other rights



and remedies the Parties may have under the Transaction Documents, at law or in equity, including a right for damages.

#### **12.8 Independent Rights**

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

#### **12.9 No Partnership or Agency**

Nothing in this Agreement shall create a partnership or establish a relationship of principal and agent or any other fiduciary relationship between or among any of the Parties.

#### **12.10 Counterparts**

This Agreement may be executed in any number of counterparts, all of which together constitute one and the same agreement, and any Party may enter into this Agreement by executing a counterpart. The delivery of signed counterparts by electronic mail in "portable document format" (".pdf") shall be as effective as signing and delivering the document in person.

#### **12.11 Costs**

Each Party shall bear all costs incurred by it in connection with the preparation, negotiation and execution of this Agreement. The Parties hereby agree that (a) the applicable stamp duty with respect to the transfer of Sale Shares shall be borne by DTIL; and (b) the applicable stamp duty with respect to the issuance of Subscription Shares shall be borne by AIL.

#### **12.12 Survival**

Clauses 1 (*Definitions and Interpretation*), 8 (*Indemnity*), 10 (*Confidentiality*), 11 (*Governing Law and Dispute Resolution*), 12 (*Miscellaneous*), and any other provisions of this Agreement to the extent relevant to the interpretation or enforcement of such provisions, shall survive the expiry/termination of this Agreement. Termination / expiry of this Agreement shall not release a Party from any liability which has already accrued or which may accrue thereafter in respect of any act or omission which occurred prior to such termination.

#### **12.13 Further Assurances**

Each Party shall, at any time and from time to time upon the written request of any other Party promptly and duly execute and deliver all such further instruments and documents, and do or procure to be done all such acts or things, as such other Party may reasonably deem necessary or desirable in obtaining the full benefits of this Agreement and of the rights herein granted and do or procure to be done each and every act or thing which such other Party may from time to time reasonably require to be done for the purpose of enforcing such other Party's rights under this Agreement.

**[SIGNATURE PAGES FOLLOW]**





**IN WITNESS WHEREOF**, the Parties have entered into this Agreement the day and year first above written.

For **DIXON TECHNOLOGIES (INDIA) LIMITED**



---

Name: Atul B. Lall

Designation: Vice Chairman & Managing Director



**This signature page forms an integral part of the Share Subscription and Purchase Agreement executed by and amongst Dixon Technologies (India) Limited, Aditya Infotech Limited and AIL Dixon Technologies Private Limited.**

**IN WITNESS WHEREOF**, the Parties have entered into this Agreement the day and year first above written.

**For ADITYA INFOTECH LIMITED**



Name:

ADITYA KHEMKA

Designation:

MANAGING DIRECTOR

**This signature page forms an integral part of the Share Subscription and Purchase Agreement executed by and amongst Dixon Technologies (India) Limited, Aditya Infotech Limited and AIL Dixon Technologies Private Limited.**

**IN WITNESS WHEREOF**, the Parties have entered into this Agreement the day and year first above written.

**For AIL DIXON TECHNOLOGIES PRIVATE LIMITED**



Name: Pankaj Sharma

Designation: Director



**This signature page forms an integral part of the Share Subscription and Purchase Agreement executed by and amongst Dixon Technologies (India) Limited, Aditya Infotech Limited and AIL Dixon Technologies Private Limited.**



## **SCHEDULE I**

### **LIST OF PROMOTERS AND NON-PROMOTER SHAREHOLDERS**

#### **PART A**

##### **DETAILS OF PROMOTERS**

- (1) Mr. Aditya Khemka, son of Mr. Hari Shanker Khemka, aged about 49 years and residing at B-51, Greater Kailash I, New Delhi 110048.
- (2) Mr. Hari Shanker Khemka, son of Late Parma Nand Khemka, aged about 70 years and residing at B-51, Greater Kailash I, New Delhi 110048.
- (3) Mr. Rishi Khemka, son of Mr. Hari Shanker Khemka, aged about 47 years and residing at C-29, Friends Colony, New Delhi 110065.

#### **PART B**

##### **DETAILS OF NON-PROMOTER SHAREHOLDERS**

- (1) Hari Shanker Khemka (HUF) having PAN AAAHH0655N and registered address B-51, Greater Kailash I, New Delhi 110048.
- (2) Aditya Khemka (HUF) having PAN AAGHA4396D and registered address B-51, Greater Kailash I, New Delhi 110048.
- (3) Ms. Shradha Khemka, wife of Mr. Aditya Khemka, aged about 47 years and residing at B-51, Greater Kailash I, New Delhi 110048.
- (4) Mr. Ananmay Khemka, son of Mr. Aditya Khemka, aged about 25 years and residing at B-51, Greater Kailash I, New Delhi 110048.



**SCHEDULE II**

**SHAREHOLDING PATTERN OF AIL**

**PART A**

**SHAREHOLDING PATTERN OF AIL ON EXECUTION DATE**

S. No.	Name of Shareholder	No. of Shares	% Shareholding
1.	Mr. Aditya Khemka	6,11,14,950	58.15%
2.	Mr. Hari Shanker Khemka	1,97,19,250	18.76%
3.	Mr. Rishi Khemka	1,94,75,000	18.53%
4.	Hari Shanker Khemka (HUF)	7,80,350	0.74%
5.	Aditya Khemka (HUF)	21,050	0.02%
6.	Ms. Shradha Khemka	4,64,000	0.44%
7.	Mr. Ananmay Khemka	9,25,400	0.88%
8.	Employee stock options	25,91,200	2.47%
	<b>Total</b>	<b>10,50,91,200</b>	<b>100.00</b>

**PART B**

**SHAREHOLDING PATTERN OF AIL ON CLOSING DATE**

S. No.	Name of Shareholder	No. of Shares	% Shareholding
1.	Mr. Aditya Khemka	6,11,14,950	54.37%
2.	Mr. Hari Shanker Khemka	1,97,19,250	17.54%
3.	Mr. Rishi Khemka	1,94,75,000	17.33%
4.	Hari Shanker Khemka (HUF)	7,80,350	0.69%
5.	Aditya Khemka (HUF)	21,050	0.02%
6.	Ms. Shradha Khemka	4,64,000	0.41%
7.	Mr. Ananmay Khemka	9,25,400	0.82%
8.	Employee stock options	25,91,200	2.31%
9.	Dixon Technologies (India) Limited	73,05,805	6.5%
	<b>Total</b>	<b>11,23,97,005</b>	<b>100.00</b>



**SCHEDULE III**

**CP SATISFACTION NOTICE**

To,  
[Insert Details of the Party]

Attn: [●]

[Insert Date]

Dear Sirs,

**Re: CP Satisfaction Notice under the share subscription and purchase agreement dated July 8, 2024.**

1. We refer to the share subscription and purchase agreement dated July 8, 2024 (“**Agreement**”) executed, *inter-alia*, amongst DTIL, JV Company and AIL.
2. We hereby certify, confirm and acknowledge that the Conditions Precedent, as specified under Clause 4.1 of the Agreement, to the extent not waived in writing by [●], have been satisfied and the necessary documentary evidence in support thereof have been attached to this letter as indicated below.
3. We hereby confirm that this letter may be treated as our CP Satisfaction Notice for the purpose of Clause 4.3.1 of the Agreement.
4. All capitalized terms used but not defined herein shall have the respective meanings assigned to them under the Agreement.

**SIGNED and DELIVERED by**

the Authorized Signatory for [●]

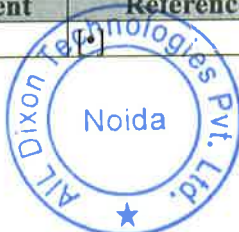
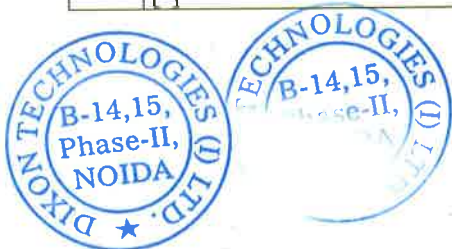
\_\_\_\_\_  
**Name: [●]**

**SIGNED and DELIVERED by**

the Authorized Signatory for [●]

\_\_\_\_\_  
**Name: [●]**

Description of Conditions Precedent	Reference	Documentary Evidence
[●]	[●]	[●]





**SCHEDULE IV**  
**CP CONFIRMATION NOTICE**

To,  
[Insert Details of the Party]

Attn: [●]

[Insert Date]

Dear Sir(s),

We write with reference to the share subscription and purchase agreement dated July 8, 2024 ("**Agreement**") executed *inter-alia*, amongst DTIL, JV Company and AIL.

Capitalised terms and expressions used in this letter but not defined shall have the same meaning as ascribed to such terms and expressions in the Agreement.

This certificate is being issued pursuant to Clause 4.3.1 of the Agreement.

We have received your CP Satisfaction Notice along with documentary evidence of the fulfilment of the Conditions Precedent from you.

Based on the receipt of the above documents and verification of the same at our end, we hereby confirm satisfaction of the fulfilment of the Conditions Precedent and hence we issue this CP Satisfaction Notice.

Yours faithfully,

**Signed and delivered for and on behalf of [●]**

By :

Name :

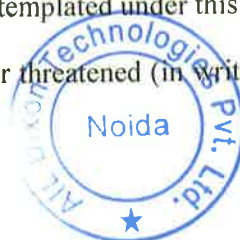
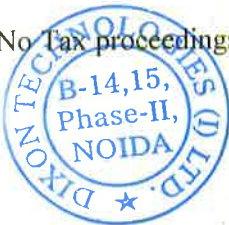
Title :



## SCHEDULE V

### DTIL WARRANTIES

1. DTIL is an “Indian owned and controlled entity” and is not a “foreign owned and/or controlled entity” resident for the purposes of the Indian foreign exchange control laws. DTIL is a resident of India as per the IT Act for the entire Financial Year in which the Closing occurs.
2. DTIL has acquired and holds and has always held the Sale Shares as ‘capital assets’ defined under the IT Act. Further, DTIL has not received any written communication from a Tax Authority alleging that the Sale Shares are held as ‘stock in trade’ under the IT Act. Any gains derived from the sale of the Sale Shares will be taxable under the head income from capital gains for DTIL.
3. DTIL is the sole legal and beneficial owner of the Sale Shares and holds valid title to the Sale Shares, with full right and authority to sell and deliver the same to AIL under this Agreement. The Sale Shares are free of Encumbrances.
4. The Sale Shares have been duly authorized, validly issued and allotted.
5. DTIL has acquired the Sale Shares in accordance with all Applicable Laws.
6. The Sale Shares are fully paid up. The Sale shares and freely transferable in accordance with the terms of Existing JV Agreements and the Articles of Association of JV Company.
7. As of Closing, stamp duties payable under Applicable Law in relation to the Sale Shares and/or transfer thereof have been duly and validly paid / shall be paid within the timelines prescribed under Applicable Law and this Agreement.
8. Upon transfer of the Sale Shares to AIL at Closing in accordance with the terms of this Agreement, DTIL shall have no further interest in, or claim on, such Sale Shares or any rights, privileges and/or benefits attached thereto.
9. DTIL has not, other than this Agreement and the Existing JV Company Agreement, entered into any agreements nor arrangements in respect of the Sale Shares or any part thereof, or its membership in the JV Company, or for the transfer or other disposal of the Sale Shares or any of them with or in favour of any Person.
10. There are no voting trusts, proxies or other arrangements or understandings, other than those set out in the Existing JV Company Agreement and Transaction Documents, in relation to the Sale Shares.
11. There is no action, claim, lawsuit, arbitration, or legal, administrative or other proceedings or governmental investigation pending or threatened, against DTIL which could render void the sale and purchase of the Sale Shares under this Agreement.
12. All Taxes payable under Applicable Law (from time to time) in relation to the Sale Shares have been duly and validly paid.
13. Other than the Land Transfer Approval and approval from CCI (as contemplated in Clause 4.1.3), no consent or approval of any Governmental Authority or any other Person is required by DTIL or the JV Company in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated under this Agreement.
14. No Tax proceedings are initiated, pending or threatened (in writing) under the IT Act against



DTIL under Section 281 of the IT Act or section 81 of the GST Act. There are no outstanding Tax demands against DTIL under the IT Act from any Taxation Authority which could render the transfer of the Sale Shares as void or voidable under section 281 of the IT Act or section 81 of the GST Act.

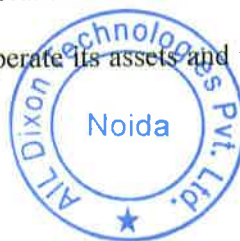
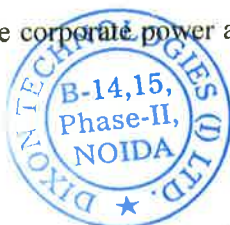




## SCHEDULE VI

### AIL WARRANTIES

1. AIL is an “Indian owned and controlled entity” and is not a “foreign owned and/or controlled entity” resident for the purposes of the Indian foreign exchange control laws. AIL is a resident of India as per the IT Act for the entire Financial Year in which the Closing occurs.
2. Issuance of the Subscription Shares to DTIL in terms of this Agreement on Closing shall result in the vesting of the title and ownership of the Subscription Shares to DTIL subject to the provisions of Depositories Act 1996. Immediately upon completion of such vesting, DTIL shall have a valid title to, and shall be the sole legal and beneficial owner of Subscription Shares. The Subscription Shares shall be fully paid-up.
3. All the Subscription Shares shall be duly authorized and legally and validly issued and allotted in compliance with Applicable Law. The Subscription Shares shall rank *pari passu* with the other equity shares of AIL.
4. Other than under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or as recorded in the SHA, there are no Encumbrances over any of the Subscription Shares.
5. To the actual knowledge of AIL, it has not done, committed or omitted any act, deed, matter or thing whereby the Subscription Shares can be forfeited or extinguished after their issuance in terms of this Agreement.
6. As of Closing, stamp duties payable under Applicable Law in relation to the issuance and allotment of the Subscription Shares have been duly and validly paid or shall be paid within the timelines prescribed under Applicable Law and this Agreement.
7. The authorized, issued and paid-up Share Capital of AIL as well as the shareholding pattern of AIL as on the date of this Agreement is as specified in **Part A of Schedule I**.
8. Subject to the terms of this Agreement and immediately post-closing, the shareholding pattern of AIL will be as specified in **Part B of Schedule I**. Except for the SHA, there are no shareholder agreements, joint venture agreements or other similar agreements in relation to or affecting AIL including agreements containing or assigning pre-emptive rights (including call/put option, voting trust or other agreements between or among shareholders) in relation to AIL.
9. AIL has not bought back, repaid or redeemed or agreed to buy back, repay or redeem any of equity shares or other securities or otherwise reduced or agreed to reduce its share capital or purchased any of its own shares or carried out any transaction having the effect of a share buy-back or reduction of capital during a period of 1 (one) year immediately preceding the Closing Date.
10. As on the Closing Date, the Subscription Shares are fully paid up.
11. AIL is a public limited company for the purposes of the Act. The copies of the articles of association and memorandum of association of AIL delivered to DTIL are true, correct and complete copies. To the actual knowledge of AIL, AIL is in compliance with the material provisions of its articles of association and memorandum of association.
12. AIL has the corporate power and authority to operate its assets and properties to carry on the Business.



13. The Board of AIL is duly elected and validly appointed as per the provisions of the Act and its articles of association. To the best of the knowledge of AIL, none of the directors appointed on the Board of AIL have incurred any disqualifications to continue as directors under any provisions of the Act.
14. To the knowledge of AIL, AIL has conducted the Business in compliance with material Applicable Laws.
15. No AIL Material Adverse Effect has occurred between Execution Date and Closing Date.
16. No consent or approval of any Governmental Authority or any other Person (other than prior approval from Competition Commission of India and Land Transfer Approval) is required by AIL or the JV Company connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated under this Agreement.





INDIA NON JUDICIAL

Government of Uttar Pradesh



IN-UP94035713202142W

e-Stamp



Certificate No. : IN-UP94035713202142W  
Certificate Issued Date : 28-Jun-2024 11:14 AM  
Account Reference : NEWIMPACC (SV)/ up14013104/ GAUTAMBUDDH NAGAR 1/ UP-GBN  
Unique Doc. Reference : SUBIN-UPUP1401310484205759374632W  
Purchased by : DIXON TECHNOLOGIES INDIA LIMITED  
Description of Document : Article 5 Agreement or Memorandum of an agreement  
Property Description : UP  
Consideration Price (Rs.) :  
First Party : DIXON TECHNOLOGIES INDIA LIMITED  
Second Party : Not Applicable  
Stamp Duty Paid By : DIXON TECHNOLOGIES INDIA LIMITED  
Stamp Duty Amount(Rs.) : 100  
(One Hundred only)



Please write or type below this line

**THIS RS. 100 NON-JUDICIAL STAMP PAPER FORMS AN INTEGRAL PART OF MEMORANDUM OF UNDERSTANDING BETWEEN DIXON TECHNOLOGIES (INDIA) LIMITED, ADITYA INFOTECH LIMITED AND AIL DIXON TECHNOLOGIES PRIVATE LIMITED DATED 8TH DAY OF JULY, 2024.**



**Statutory Alert:**

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



**Valuation of**  
**Aditya Infotech Limited**  
**and**  
**AIL Dixon Technologies Private Limited**

Prepared by:

**Hitesh Jhamb**  
**Registered Valuer- Securities or Financial Assets**  
**Registration No. IBBI/RV/11/2019/12355**  
**Regd. Office: 270-A, Patparganj, Mayur Vihar-1, New Delhi-110091**

**HITESH JHAMB**  
**REGISTERED VALUER**  
**IBBI/RV/11/2019/12355**

# JHAMB & ASSOCIATES

(Company Secretary & Registered Valuer)



To,

Date: 06.09.2024

The Board of Directors

M/s ADITYA INFOTECH LIMITED

CIN: U74899DL1995PLC066784

Registered Office: F-28, Okhla Industrial Area Phase - 1,  
New Delhi-110020

Dear Sir,

**Sub: Determination of Equity Value in compliance with the provisions of Companies Act, 2013 and rules made thereunder.**

We refer to the Board Resolution dated August 2, 2024, wherein ADITYA INFOTECH LIMITED ("AIL" or "Company") have requested me i.e. Hitesh Jhamb, ("Valuer" or "me") to recommend fair value of the equity shares and the consideration received in connection with the *proposed allotment of Securities (Equity Shares) for a consideration other than cash (hereinafter is also referred as Consideration)*.

Equity Shares of AIL Dixon Technologies Private Limited ("ADTPL") will be received by the Company as the consideration for issuance of equity shares.

We hereby enclose the Report on Valuation of allotment of Securities (Equity Shares) for a consideration other than cash. The valuation is prepared in compliance with **International Valuation Standards**. The sole purpose of this report is to assist the Company to determine a price in terms of Section 62(1)(c) of Companies Act, 2013 and rules made thereunder

Based on the Scope and limitations of work, Sources of information and Valuation methodology of the report and the explanations therein, the total equity value of the AIL (Post DLOM) is **₹3,488.32 Million** & per diluted equity share value amounts to **₹340.32/-** per share (Detailed calculation is attached in Annexure-A) and the total equity value of the ADTPL (Post DLOM) is **₹482.06 Million** (Detailed calculation is attached in Annexure-B).

**HITESH JHAMB**  
REGISTERED VALUER  
IBBI/RV/11/2019/12355

Hitesh Jhamb

Registered Valuer - Securities or Financial Assets

Registration No. IBBI/RV/11/2019/12355

GSTIN: 07AREPJ1432E1ZB

Office Unit No. 270-A, FF, PATPARGAN, MAYUR VIHAR PHASE 1, NEW DELHI-110091

Contact: 9953001339 / 9717218118; [jassociates.cs@gmail.com](mailto:jassociates.cs@gmail.com); [valuer@valuationmart.com](mailto:valuer@valuationmart.com)

Web: [www.valautionmart.com](http://www.valautionmart.com)

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**HITESH JHAMB**  
REGISTERED VALUER  
IBBI/RV/11/2019/12355



## VALUATION ANALYSIS

We refer to our Engagement Letter dated August 02, 2024 confirming our appointment as independent valuers of **ADITYA INFOTECH LIMITED** (the "Company"). In the following paragraphs, we have summarized our Valuation Analysis (the "Analysis") of the business of the Company as informed by the Management and detailed herein, together with the description of the methodologies used and limitations on our scope of work.

### 1. Context and Purpose

Based on discussion with the Management, we understand that the Company's management are evaluating the possibility of *allotment of securities for a consideration other than cash*. In this context, the Management requires our assistance in determining the fair value of equity shares of the Company.

### 2. Conditions and major Assumptions

#### Conditions

The historical financial information about the company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report, and it should not be used by anyone to obtain credit or for any other unintended purpose. Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country. We have not audited, reviewed, or compiled the Financial Statements and express no assurance on them. The financial information about the company presented in this report includes normalization adjustments made solely for the purpose to arrive at value conclusions presented in this report.

Normalization adjustments as reported are hypothetical in nature and are not intended to present restated historical financial results or forecasts of the future.

Readers of this report should be aware that business valuation is based on future earnings potential that may or may not be materialized. Any financial projections e.g. projected balance sheet, projected profit and loss account, Projected Cash flow Statement as presented in this report are included solely to assist in the development of the value conclusion. The actual results may vary from the projections given, and the variations may be material, which may change the overall value.

This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.

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

HITESH JHAMB  
REGISTERED VALUER  
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We have, however, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of



performing this valuation and preparing this report, is not to be required to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.

### **Assumptions**

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

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

We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.

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

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

### **3. BACKGROUND OF ADITYA INFOTECH LIMITED & AIL DIXON TECHNOLOGIES PRIVATE LIMITED**

#### **ABOUT ADITYA INFOTECH LIMITED:**

ADITYA INFOTECH LIMITED was incorporated on 27th March, 1995, under the Companies Act, 1956. The registered office of the company is situated at F-28, Okhla Industrial Area Phase - 1, New Delhi, Delhi, India, 110020.

Aditya Infotech Limited ("AIL") is engaged in trading of security and surveillance equipment and components under 'CP Plus' brand. It provides electronic video surveillance products and solutions for government establishments, retail chains, educational institutions financial institutions, public spaces and infrastructure projects in India.

  
**HITESH MAMB**  
REGISTERED VALUER  
IBBI/RV/11/2019/12355

**Details of Director as on Date of Valuation:**

Sr. No	DIN/PAN	Name	Designation	Date of Appointment
1	00514590	Rishi Khemka	Director	01/05/2005
2	00514552	Aditya Khemka	Managing Director	27/03/1995
3	00514501	Hari Shanker Khemka	Whole-time director	27/03/1995
4	00011958	Abhishek Dalmia	Director	30/03/2015
5	06549914	Manish Sharma	Director	01/11/2023
6	08201798	Ambika Sharma	Director	01/11/2023

**Equity Capital Structure (Before Dilution):**

Name of Shareholders	No. of shares	Face Value (IN ₹)
Aditya Khemka	12,22,299	10
Ananmay Khemka	18,508	10
Shradha Khemka	9,280	10
Aditya Khemka HUF	421	10
Hari Shanker Khemka	3,94,385	10
Hari Shanker Khemka HUF	15,607	10
Rishi Khemka	3,89,500	10
<b>Total</b>		<b>20,50,000</b>

**Equity Capital Structure (After Dilution):**

Name of Shareholders	No. of shares	Face Value (IN ₹)
Aditya Khemka	6,11,14,950	1
Ananmay Khemka	9,25,400	1
Shradha Khemka	4,64,000	1
Aditya Khemka HUF	21,050	1
Hari Shanker Khemka	1,97,19,250	1
Hari Shanker Khemka HUF	7,80,350	1
Rishi Khemka	1,94,75,000	1
<b>Total</b>		<b>10,25,00,000</b>

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REGISTERED VALUER  
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**Nature of Dilution:**

The shareholders of Aditya Infotech Limited ("AIL") at their meeting held on June 17, 2024 approved the issuance of 4 (Four) bonus equity shares for every 1 (One) equity share held by them. Further, the shareholders at their meeting held on June 17, 2024 approved the were split of equity shares from face value of INR 10.00 each to face value of INR 1.00 each

**ABOUT AIL DIXON TECHNOLOGIES PRIVATE LIMITED:**

**AIL DIXON TECHNOLOGIES PRIVATE LIMITED** was incorporated on 8th February, 2017, under the Companies Act, 2013. The registered office of the company is situated at B-14 & 15, Phase-II, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201305.

AIL DIXON TECHNOLOGIES PRIVATE LIMITED ("ADTPL") is engaged in provides electronic manufacturing services in India. Dixon is primarily involved in manufacturing of CCTV CAMERA and allied products.

Details of Director as on date of Valuation:

Sr. No	DIN	Name	Designation	Date of Appointment
1	00025431	Sunil Vachani	Director	08/02/2017
2	06541272	Pankaj Sharma	Director	08/02/2017
3	07731140	Jeetendra Tripathi	Director	08/02/2017
4	00514552	Aditya Khemka	Director	08/02/2017

**4. Background information of the asset being valued**

Equity shares of ADITYA INFOTECH LIMITED and Equity Shares of AIL DIXON TECHNOLOGIES PRIVATE LIMITED.

Aditya Infotech Limited proposes to issue its Shares to. Dixon Technologies (India) Limited against the consideration i.e. 9500000 Equity Shares of AIL Dixon Technologies Private Limited

**5. Appointing authority:**

The Board of Director of the Company has appointed the Registered Valuer vide Board Resolution dated August 2, 2024.

**6. Identity of the valuer and any other experts involved in the valuation:**

Hitesh Jhamb, Registered Valuer - Securities or Financial Assets vide Registration No. IBBI/RV/11/2019/12355 having office at 270-A, First Floor, Patparganj, Mayapuri Vihar-1, New Delhi-110091.

HITESH JHAMB  
REGISTERED VALUER  
IBBI/RV/11/2019/12355

**7. Disclosure of valuer interest/conflict, if any:**

Nil

**8. Date of appointment, valuation date and date of report:**

<b>Date of appointment</b>	02.08.2024
<b>Valuation date</b>	31.03.2024
<b>Date of signing of report</b>	6.09.2024

**9. Basis/ bases of value used**

This appraisal report relies upon the use of fair market value as the standard of value. For the purposes of this appraisal, fair market value is defined as the expected price at which the subject business would change hands between a willing buyer and a willing seller, neither being under a compulsion to conclude the transaction and both having full knowledge of all the relevant facts.

This is essentially identical to the market value basis as it is defined under the International Valuation Standards. The appraisal was performed under the premise of value in continued use as a going concern business enterprise. In our opinion this premise of value represents the highest and best use of the subject business assets.

**10. Valuation Standards**

The Report has been prepared in compliance with the **International Valuation Standards**.

**11. Valuation Methodology, Approach and Procedures adopted in carrying out the valuation** The standard of value used in the analysis is "Fair Value", which is often defined as the price, in terms of cash or equivalent, that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, if the business were exposed for sale on the open market for a reasonable period of time, with both buyer and seller being in possession of the pertinent facts and neither being under any compulsion to act.

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- whether the entity is listed on a stock exchange;
- industry to which the Company belongs;
- past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated;

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- extent to which industry and comparable company information are available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These can be broadly categorised as follows:

#### **i. Cost Approach:**

The value arrived at under this approach is based on the audited financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The balance sheet values are adjusted for any contingent liabilities that are likely to materialize.

The Net Asset Value is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern.

We understand that the business of the Company is not capital intensive. Accordingly, the current NAV would not be reflective of its growth potential going forward and thus would not reveal the true business value of the Company. Hence, keeping the context and purpose of the Report in mind, we have not used this method in the Analysis.

#### **ii. Market Approach:**

The Market Approach can be applied through different methods, namely Market Price Method, Comparable Companies Multiple Method, Comparable Transaction Multiple Method and Prior Sale of Business Method, which are discussed in detail in the following paragraphs.

##### **Market Price Method**

In this method, a valuer shall consider the traded price observed over a reasonable period while valuing assets which are traded in the active market. A valuer shall also consider the market where the trading volume of asset is the highest when such asset is traded in more than one active market.

A valuer shall use average price of the asset over a reasonable period. The valuer should consider using weighted average or volume weighted average to reduce the impact of volatility or any one-time event in the asset.

##### **Comparable Companies Multiple Method**

Market Comparable Method involves the identification of comparable companies followed by the derivation of market-based multiples. While applying such multiples to the subject company's financial metrics (e.g. revenue or earnings), careful adjustments to account for differences in fundamentals between the comparable companies and the subject must be undertaken.

Theoretically, a comparable company is the one with cash flows, growth potential and risk similar to the company being valued.

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REGISTERED VALUER  
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Conventionally, looking at the companies within the sector provides a better-matched and similar- profiled set of comparable companies.

Alternatively, in some cases, it is necessary to look across sectors to identify comparable companies.

In practice, one seldom finds exactly similar companies.

The next step is to arrive at a standardised set of ratios for comparison, commonly known as multiples. Multiples are a ratio of the enterprise value/equity value over different financial parameters like Revenue, Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA"), Profit after Tax ("PAT"), Earnings per Share ("EPS"), book value etc., with some being preferred over the others.

For example, EBITDA multiple is preferred over PAT multiple so as to eliminate the effect of differences in depreciation policies and the impact of leveraging.

As comparable companies are not exactly similar to the company being valued, the multiples derived from such companies cannot be applied sacrosanct, and thus merit various subjective adjustments to account for differences in risk profile, growth rate, etc. For example, a company with higher EBITDA margin should command a better multiple than an average performer or a positive adjustment is required for a company with better growth potential.

In some cases, multiples of non-financial parameters are also used.

For example, it is a common practice to evaluate oil companies using multiples of value per barrel of oil or in case of banking shares using value based on the loan portfolio. Furthermore, while valuing hospitals, valuation practitioners rely on industry specific metrics such as enterprise value/operating hospital bed.

### **Comparable Companies Transaction Method**

A variant of the Comparable Companies Multiple Method, the Comparable Companies Transaction Method uses transaction multiples in place of trading multiples. Transaction multiples, as the name suggests, are the multiples implied in the recent acquisitions/disposals of comparable companies.

This method is especially useful if there are limited comparable companies. Also, it incorporates the market sentiments in a better Market Approach way, as the multiples, unlike trading multiples which are affected by the inefficiencies of the market, are based on an informed negotiation between buyers and sellers.

Various factors should be considered while using transaction multiples. These are nature of transaction - hostile deal, group restructuring, industry trends, negotiation or control premiums that may have been paid, time of transaction - whether at the high or low of industry cycle, consideration - share or cash, contingent to future performance, etc.

This method suffers from limitation of data availability, as the requisite information relating to transactions, specially about private companies, is seldom available.

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### Prior Sale of Business Method

Prior Sale of Business Method, like the Market Transaction Method, makes use of transaction multiples. However, transaction multiples used in this case are the ones implied in the prior transactions involving the subject company itself. For example, an earlier stake sale in business can be used to provide a benchmark valuation of a company, provided the same was between unrelated parties.

Transaction multiples should be adjusted for timings of the transactions and intermediate changes in the stage of business, earnings margin, growth rate, etc.

We have not considered this methodology in the analysis, as we understand that data of Indian Company having similar growth rates, business composition, stage and riskiness of business is not available for any Indian transactions in the sector to which the Company belongs.

### iii. Income Approach:

#### Maintainable Profit Method (Discounted Free Cash Flows –“DFCF”)

The DFCF method expresses the present value of the business as a function of its future cash earnings capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. The value of the firm by estimating the Free Cash Flows to Firm (FCFF) and discounting the same with Weighted Average cost of capital (WACC). The DFCF method using the FCFF, values Company as an overall. This is estimated by forecasting the free cash flows available for the Company (which are derived on the basis of likely future earnings of the companies) and discounting these cash flows to their present value at the WACC. The DFCF methodology is considered to be the most appropriate basis for determining the earning capability of a business. It expresses the value of a business as a function of expected future cash earnings in present value terms.

In the DFCF approach, the appraiser estimates the cash flows of any business after all operating expenses, taxes, and necessary investments in working capital and Capex is being met. As this methodology is focused at finding the value of the Firm so the interest charges (post tax) should be added back.

We have considered this methodology for calculation of fair equity value of the Company after considering its business plan, we have derived the Enterprise Value and then derived the Equity value by adjusting debts and cash balance as on the date of Valuation.

*We have applied this methodology as it is based on future business plan of the Company.*

### 12. Major factors that influenced the valuation

Price of equity shares depends on a host of factors like earnings per share, prospects of expansion, future earnings potential, possible issue of bonus or rights shares, etc. Some demand for a particular stock may give pleasure of power as a shareholder or prestige and control on management.

Satisfaction and pleasure in the non-monetary sense cannot be considered in any practical and quantifiable sense. Many psychological and emotional factors influence the demand for a share.

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REGISTERED VALUER  
BVI/15/11/2019/12355

### 13. Sources of Information

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

- Discussions with the Management;
- Financial projections of Aditya Infotech Limited and AIL Dixon Technologies Private Limited for 4 years from 2024-25 to 2027-28, as provided by the Management;
- Standalone financials of Aditya Infotech Limited and AIL Dixon Technologies Private Limited;
- Brief Profile of Aditya Infotech Limited And AIL Dixon Technologies Private Limited & promoters;
- Yield on 10 years zero coupon Government Securities from the Reserve Bank of India website ([www.rbi.org.in](http://www.rbi.org.in));
- In addition to the above, we have also obtained such other information and explanations which were considered relevant for the purpose of the Analysis.

### 14. Caveats, limitations and disclaimers

Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice. The services do not represent accounting, assurance, financial due diligence review, consulting, transfer pricing or domestic/international tax-related services that may otherwise be provided by us.

Our review of the affairs of the Company and their books and account does not constitute an audit in accordance with Auditing Standards. We have relied on explanations and information provided by the Management of the Company and accepted the information provided to us as accurate and complete in all respects. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided. Nothing has come to our attention to indicate that the information provided had material mis-statements or would not afford reasonable grounds upon which to base the Report.

The report is based on the financial projections provided to us by the management of the company and thus the responsibility for forecasts and the assumptions on which they are based is solely that of the Management of the Company and we do not provide any confirmation or assurance on the achievability of these projections. It must be emphasized that profit forecasts necessarily depend upon subjective judgment. Similarly, we have relied on data from external sources.

These sources are considered to be reliable and therefore, we assume no liability for the accuracy of the data. We have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences. The valuation worksheets prepared for the exercise are proprietary to Hitesh Jhamb, Registered Valuer and cannot be shared. Any clarifications on the workings will be provided on request, prior to finalizing the Report, as per the terms of our engagement.



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

The Valuation Analysis contained herein represents the value only on the date that is specifically stated in this Report. This Report is issued on the understanding that the Management of the Company has drawn our attention to all matters of which they are aware, which may have an impact on our Report up to the date of signature. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

We have no present or planned future interest in the Company and the fee for this Report is not contingent upon the values reported herein.

Our Valuation Analysis should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction with the Company.

#### 15. Distribution of report

The Analysis is confidential and has been prepared exclusively for the purpose of allotment of securities. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of **Hitesh Jhamb, Registered Valuer**. Such consent will only be given after full consideration of the circumstances at the time. However, we do understand that the Report will be shared with the proposed allottees of the Company.

#### 16. Opinion of value of the business

Based on the Scope and limitations of work, Sources of information and Valuation methodology of the report and the explanations therein, the total equity value of the AIL (Post DLOM) is **₹3,488.32 Million** & per diluted equity share value amounts to **₹340.32/-** per share (Detailed calculation is attached in Annexure-A) and the total equity value of the ADTPL (Post DLOM) is **₹482.06 Million** (Detailed calculation is attached in **Annexure-B**).

We trust the above meets your requirements. Please feel free to contact us in case you require any additional information or clarifications.

Yours faithfully,

Hitesh Jhamb  
Registered Valuer - Securities or Financial Assets  
Registration No. IBBI/RV/11/2019/12355

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*Note: The equity value is calculated as on 31.03.2024 but per share value is calculated on the basis of diluted number of shares, and there was no capital infusion in between the cutoff date and date of dilution of shares. The increase in number of shares was due to Bonus issue and splitting of face value of equity shares.*

## Discounted Free Cash Flow

Date of valuation	3/31/2024
WACC (in %) :	10.47%
GROWTH RATE (in %) :	3.0%

*In INR Million*

PARTICULARS	FY24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	Terminal Value Forecast
Turnover	36,943.00	44,797.00	51,516.00	59,244.00	59,244.00
EBIT	2,585.00	3,471.00	3,992.00	4,590.00	4,590.00
Less : Direct Taxes Paid (Net of Deferred Tax)	683.00				
PAT		918.00	1,055.00	1,214.00	1,214.00
Add : Depreciation	1,902.00	2,553.00	2,937.00	3,376.00	3,376.00
Less :Capital Expenditure	56.00	62.00	77.00	94.00	94.00
	(314.78)	(320.00)	(20.00)	(19.00)	(94.00)
Add:Interest (post tax)	279.49	235.36	270.67	311.27	311.27
Less :Loan availed / paid	-	-	-	-	-
WC Requirement	(580.57)	(1,350.60)	(1,520.23)	(1,584.54)	(1,584.54)
Free Cash Flows to the Entity	1,342.15	1,179.76	1,744.44	2,177.72	2,102.72
Mid Year Time	0.50	1.50	2.50	3.50	3.50
Discounting Factor	0.95	0.86	0.78	0.71	0.71
Free Cash Flow to Entity	1,276.98	016.12	1,360.10	1,537.03	1,484.10

  
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<b>Computation on Equity Value</b>	<b>Amount in Million</b>
Cumulative present value of Cash Flows	5,190.22
Terminal Value	32,396.15
<b>Enterprise Value after survival discount</b>	<b>37,586.37</b>
DLOM	1,879.32
<b>Equity Value post illiquidity discount</b>	<b>35,707.05</b>
Add: Cash & Bank 31.03.2024	1,192.06
Add: Investment Property	3.77
Add: Investment in AIL DIXON	2,410.28
Add: Right of Use of Assets	454.35
Less: Long Term Debt	4,594.01
Less: Lease Liability	288.34
Add: Advance Tax	(40.00)
Add: Amount paid under protest	38.00
<b>Equity Value in Rs. Million</b>	<b>34,883.16</b>
No. of Equity Shares Before Dilution	20,50,000
Equity Value per share Before Dilution	17016.17
No. of Equity Shares After Dilution	10,25,00,000
Equity Value per share After Dilution	<b>340.32</b>

- Discounting for Lack of Marketability (DLOM) has been assumed equal to 5%
- Terminal growth rate has been considered as 3%

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Date of valuation	3/31/2024
WACC (in%) :	17.18%
GROWTH RATE (in%) :	3.0%

*In INR Million*

PARTICULARS	FY24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	Terminal Value Forecast
Turnover	17,018.00	20,643.00	23,739.00	27,300.00	27,300.00
PBT	444.00	527.00	591.00	680.00	680.00
Less : Direct Taxes Paid (Net of Deferred Tax)	112.00	132.00	149.00	171.00	171.00
PAT	332.00	395.00	442.00	509.00	509.00
Add : Depreciation	61.00	61.00	85.00	98.00	98.00
Less : Capital Expenditure	(26.00)	(51.00)	(20.00)	(20.00)	(98.00)
Loan Availed / paid	-	(350.00)	34.00	-	-
WC Requirement	(754.00)	(123.00)	35.00	(22.00)	(22.00)
Free Cash Flows to the Entity	(387.00)	(68.00)	576.00	565.00	487.00
Mid Year Time	0.50	1.50	2.50	3.50	3.50
Discounting Factor	0.92	0.79	0.67	0.57	0.57
Free Cash Flow to Entity	(357.50)	(53.61)	387.49	324.36	9.58

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Computation on Equity Value	Amount in Million
Cumulative present value of Cash Flows	300.74
Terminal Value	2,030.38
<b>Enterprise Value after survival discount</b>	<b>2,331.12</b>
DLOM	116.56
<b>Equity Value post illiquidity discount</b>	<b>2,214.56</b>
Add: Cash & Non Current Investments 31.03.2024	836.00
Less: Debt 31.03.2024	350.00
Less: Trade payable for inventory lost in fire	1,770.00
Add: Recovery for inventory lost in fire	350.00
Add: ESOP	-
<b>Equity Value in Rs. Million</b>	<b>4,820.56</b>

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- Discounting for Lack of Marketability (DLOM) has been assumed equal to 5%
- Terminal growth rate has been considered as 3%

  
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 REGISTERED VALUER  
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