**SHAREHOLDERS’ AGREEMENT**

This Shareholders’ Agreement (this “**Agreement**”) is executed at Mumbai on this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_, 2015 by and between:

The Persons whose names and particulars are set out in Part A of Schedule 1 (each a “**Promoter**” and collectively the “**Promoters**” hereinafter, which expression shall be deemed to mean and include their respective heirs, successors, administrators and assigns) **OF THE FIRST PART**;

**AND**

**BELITA RETAIL PRIVATE LIMITED**, incorporated as a private limited company under the Companies Act, 1956, and having its registered office at Office No. A – 3002/3003, 3rd Floor, Oberoi Garden Estate, Near Chandivali Studio, Chandivali Farm Road, Mumbai – 400 072, duly represented by its Director Ms. Garima Jain, (hereinafter referred to as the “**Company**” which expression shall unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) **OF THE SECOND PART**;

**AND**

The Persons whose names and particulars are set out in Part B of Schedule 1 (each an “**Investor**” and collectively the “**Investors**” hereinafter, which expression shall be deemed to mean and include their respective heirs, successors, administrators and assigns) **OF THE THIRD PART**;

**AND**

The Persons whose names and particulars are set out in Part B of Schedule 1 (each an “**Existing Shareholder**” and collectively the “**Existing Shareholders**” hereinafter, which expression shall be deemed to mean and include their respective heirs, successors, administrators and assigns) **OF THE FOURTH PART.**

(The Company, the Promoters, the Investors and the Existing Shareholders shall hereinafter be referred to individually as “**Party**” and collectively as the “**Parties**”.)

**WHEREAS**

1. The Company is an innovative beauty and wellness services company devoted to delivering beauty, spa and wellness services to women.
2. The Promoters and the Company are seeking to expand their business by infusing further capital in the Company and have been in discussions with the Investors in this regard. Pursuant to the discussions, the Investors have agreed to subscribe to the Preference Shares (as defined hereinbelow) of the Company on the basis of the representations and warranties and covenants undertaken by the Company and the Promoters subject to the terms and conditions contained in this Agreement. The Company and the Promoters have agreed to issue the said Preference Shares (as defined hereinbelow) to the Investors on the terms and conditions as contained in this Agreement.
3. The Parties hereto desire to enter into this Agreement to record their representations, warranties and covenants, agreements, respective rights and obligations *inter-se* with regard to the governance, management and operation of the Company and the manner in which the Company shall conduct the management, operation and Business.

**NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS SETFORTH HEREIN AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:**

1. **Definitions and Interpretations**
   1. **Definitions**

Unless otherwise defined in this Agreement by way of inclusion in quotation marks and parenthesis, following terms when capitalized shall have the meaning set out as follows:-

* + 1. “**Act**” shall mean the Companies Act, 1956 or the Companies Act, 2013 as applicable and as amended from time to time and shall include any statutory replacement or re-enactment thereof.
    2. “**Affiliate**” in relation to a Person:
       1. being a corporate entity, shall mean any entity or Person, which Controls, is Controlled by, or is under the common Control of such Person;
       2. in any other case shall mean a Person or an entity Controlled by a Party to this Agreement;
    3. “**Agreement**” means this Shareholders’ Agreement entered into by the Parties, and as amended from time to time, and shall include all the Recitals, Schedules and Exhibits to this Agreement.
    4. “**Applicable Law**” or “**Law**” includes all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Government, statutory authority, tribunal, board, court or recognized stock exchange, of India.
    5. “**Articles**” means the Articles of Association of the Company as the same may be amended from time to time.
    6. “**Board**” means the Board of Directors of the Company as constituted from time to time.
    7. “**Business**” means the entire business, commercial or other activities of the Company undertaken either by itself, or through its Subsidiaries, including the business of beauty and wellness industry and such other related business activities as may be carried out by the Company with the approval of the Board from time to time.
    8. “**Business Day**” means a day, not being a Saturday or a Sunday or a public holiday, on which banks are open for business in India and, in the context of a payment being made to or from a scheduled commercial bank in a place other than India, in such other place.
    9. “**Business Plan**” means an annual operating business plan approved by the Board of the Company and containing an operating plan with a quarterly forecast of results and a narrative explanation.
    10. “**Charter Documents**” shall together mean the Memorandum of Association and Articles of Association of the Company.
    11. **“Closing”** means closing of the issue of the Investor Shares to the Investors by the Company in terms of this Agreement.
    12. “**Closing Date**” shall be the date when the Investors receive the CP Satisfaction Notice from the Company and the Promoters in terms of Clause 3.2 or any other date as may be mutually agreed by the Parties.
    13. **“Competitor**” means any Person directly engaged in the business competing with the Business of the Company.
    14. “**Conditions Precedent**” shall mean the conditions listed in Clause 3.1 to be fulfilled to the satisfaction of the Investors, unless waived by the Investors in writing.
    15. “**Consent**” means any permit, permission, license, approval, authorization, consent, clearance, waiver, no objection certificate or other authorization of whatever nature and by whatever name called which is required to be granted by the Government, the creditors or any other authority or under any applicable Law.
    16. “**Control**” (including, with its correlative meanings, the term “under common control with”), as applied to any Party, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of that Party whether through ownership of voting securities, by contract, or otherwise. In any event, and without limitation of the previous sentence, for purposes of this Agreement any Person owning more than fifty percent (50%) of the voting securities of another Person shall be deemed to control that Person.
    17. “**Deed of Adherence**” shall be the deed of adherence agreeing to be bound by the terms of this Agreement as set forth in **Schedule 3.**
    18. “**Director**” means a director on the Board of the Company, from time to time.
    19. **“Drag Along Notice”** shall have the meaning ascribed to it under Clause 20.1(iv) of this Agreement.
    20. **“Drag Along Purchaser”** shall have the meaning ascribed to it under Clause 20.1(ii) of this Agreement.
    21. **“Drag Along Right”** shall have the meaning ascribed to it under Clause 20.1(ii) of this Agreement.
    22. **“Drag Completion Date”** shall have the meaning ascribed to it under Clause 20.1(iv) of this Agreement.
    23. **“Drag Shares”** shall have the meaning ascribed to it under Clause 20.1 (ii) of this Agreement.
    24. "**Effective Date**" means the date of execution of this Agreement.
    25. “**Employee Stock Option Pool**” shall have the meaning ascribed to it under Clause 21 of this Agreement.
    26. "**Encumbrances**" or "**Encumber**" shall include in respect of the Securities, any mortgage, pledge, equitable interest, prior assignment, conditional sales contract, hypothecation, right of other Persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting, receipt of income or exercise of any other attribute of ownership.
    27. “**Equity Shares**” or “**Shares**” means fully paid up equity shares of the Company having a face value of INR 10.00 (Indian Rupees Ten only) each.
    28. **“Financial Year**” means the financial year of the Company commencing on April 1 every year and ending on March 31 of the following year, or such other financial year of the Company as the Company may from time to time legally designate as its financial year.
    29. “**Fully Diluted Basis**” means a calculation assuming that all dilution instruments existing at the time of determination have been exercised or converted into Shares including any options issued or reserved for issuance under any stock option plan or scheme by whatever name called.
    30. “**Government**” means the Government of India and includes any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality.
    31. **“Investor Consideration”** shall mean INR 2,24,96,472 (Indian Rupees Two Crores Twenty Four Lakhs Ninety Six Thousand Four Hundred and Seventy Two) payable by the Investors towards subscription of the Investor Shares.
    32. “**Investor Dilutive Issuance**” shall have the meaning ascribed to it under Clause 16.1 of this Agreement.
    33. “**Investor Price**” shall mean INR 8231.42 (Indian Rupees Eight Thousand Two Hundred and Thirty One point Four Two) for each Equity Share and Preference Share.
    34. “**Investor Shares”** shall mean 195 (One Hundred and Ninety Five) Equity Shares and 2538 (Two Thousand Five Hundred and Thirty Eight) Preference Shares to be subscribed by the Investors at Investor Price.
    35. “**IPO**” means closing of an underwritten initial public offering of Equity Shares on any recognized stock exchange in India acceptable to the Parties and shall also include qualified IPO.
    36. **“IQIT”** means India Quotient Investment Trust.
    37. **“IQIT Dilutive Issuance”** shall have the meaning ascribed to it under Clause 16.1 of this Agreement.
    38. “**IQIT Shares**” means the 4166 Preference Shares held by India Quotient Investment Trust as on Effective Date in the Company.
    39. “**Liquidation Event**” shall (except for the issuance of shares under an IPO or qualified IPO or for any other purpose, which has been consented to in writing by the Investors under this Agreement, as the case may be) mean any of the following:-
        1. the winding up or dissolution of the Company, either through a members’ or creditors’ voluntary winding-up process or a court directed winding-up process; or
        2. any (A) transaction which results in acquisition by a third Person of the substantial assets or shares of the Company, or any (B) consolidation, merger, demerger, reorganization or other similar transaction (whether in one or a series of transactions) of the Company or any other act resulting in the Promoters beneficially retaining less than fifty percent (50%) of the voting Share Capital of the Company or the surviving entity immediately following such transaction (on a Fully Diluted Basis); or
        3. any transaction initiated, on or prior to completion of six (6) months upon completion of five (5) years from the Closing Date, by the Promoters with the intention to provide an exit opportunity to the Promoters which results in the acquisition by a third Person a minimum of fifty percent (50%) of the Securities of the Investors.
    40. “**Material Adverse Effect**” means any event, occurrence, fact, condition, change, development or effect that, individually or in the aggregate, has had or may reasonably be expected to have a material adverse effect on (a) the ability of the Promoters and/or the Company to consummate the transactions contemplated herein or to perform its obligations hereunder or pursuant to any of the Transaction Documents or (b) on the Company’s condition, financial or otherwise, operations, results of operations, assets, liabilities or business as conducted.
    41. “**Memorandum**” means the Memorandum of Association of the Company as may be amended from time to time.
    42. **“Minimum Shareholding”** means holding of 10% (ten percent) or more in the Share Capital of the Company on a Fully Diluted Basis by any one Person.
    43. “**Ordinary Course of Business**” means an action taken by or on behalf of a Person that is:
        1. Recurring in nature and is taken in the ordinary course of the Person’s normal day-to-day operations;
        2. Taken in accordance with sound and prudent business practices;
        3. Similar in nature and magnitude to actions customarily taken, without any separate or special authorization, in the ordinary course of the normal day-to-day operations of other Persons that are engaged in businesses similar to the Person’s business; and
        4. Consistent with past practice and existing policies.
    44. “**Permitted Transferee**” in respect of the Investors mean and include its Affiliates.
    45. “**Person**” means and includes an individual, proprietorship, partnership, corporation, company, unincorporated organization or association, trust or other entity, whether incorporated or not.
    46. “**Preference Share**” shall mean Series B compulsory convertible 0.001% preference shares of face value of INR 10.00 (Indian Rupees Ten only) issued by the Company to the Investors on the terms and conditions mentioned in **Schedule 4**.
    47. “**Preference Shareholder**” shall mean the holder of the Preference Shares.
    48. **“Promoters Right of First Refusal”** shall have the meaning ascribed to it under Clause 20.1(iii) of this Agreement.
    49. “**Reserved Matters**” shall have the meaning ascribed to such term in Clause 12.
    50. “**Restated Articles**” means the restated and amended Memorandum and Articles, which shall be to the satisfaction of the Investors and substantially in conformity with this Agreement.
    51. **“ROFR Acceptance Notice”** shall have the meaning ascribed to it under Clause 20.1(iii) of this Agreement.
    52. **“ROFR Notice”** shall have the meaning ascribed to it under Clause 20.1(iii) of this Agreement.
    53. **“ROFR Offer Period”** shall have the meaning ascribed to it under Clause 20.1(iii) of this Agreement.
    54. “**Securities**” shall mean the Equity Shares, Preference Shares or any note or debt security having or containing equity or profit participation features, or any option, warrant or other security or right which is directly or indirectly convertible into or exercisable or exchangeable for Equity Shares or any other equity securities of the Company.
    55. “**Share Capital**” shall mean total issued and fully paid-up Share Capital of the Company.
    56. “**Subsidiary**” has the meaning given to the said term in the Act;
    57. “**Subscription Consideration**” shall mean the sum total of Investors Consideration.
    58. “**Subscription Shares**” shall mean the sum total of Investor Shares.
    59. “**Taxes**” means all present and future income and other taxes including withholding taxes, levies, rates, imposts, duties, deductions, charges and withholdings whatsoever imposed by any authority or Government having the power to tax and all penalties, fines, surcharges, interest or other payments on or in respect thereof and “Tax” and “Taxation” shall be construed accordingly.
    60. “**Transaction**” refers to the consummation of the subscription of Investor Shares by the Investors.
    61. “**Transaction Documents**” shall mean this Agreement, the Restated Articles and all other agreements and documents executed by the Parties for the completion of the Transaction.
    62. “**Transfer**” (including with correlative meaning, the terms “Transferred by” and “Transferability”) shall mean to transfer, sell, assign, pledge, hypothecate, create a security interest in or lien on, place in trust (voting or otherwise), exchange, gift or transfer by operation of Law or in any other way, subject to any Encumbrance or dispose of, whether or not voluntarily.
  1. **Interpretation**

Unless the context of this Agreement otherwise requires:

* + 1. words of any gender include each other gender;
    2. words using the singular or plural number also include the plural or singular number, respectively;
    3. the terms “hereof,” “herein,” “hereby” and derivative or similar words refer to this entire Agreement and not to any particular clause, article or section of this Agreement;
    4. whenever this Agreement refers to a number of days, such number shall refer to calendar days unless otherwise specified;
    5. all accounting terms used herein and not expressly defined herein shall have the meanings given to them under the Indian generally accepted accounting principles;
    6. headings and captions are used for convenience only and shall not affect the interpretation of this Agreement; and,
    7. references to Recitals, Clauses, sub-clauses, Sections, sub-sections, Schedules, Annexures and Appendices shall be deemed to be a reference to the recitals, clauses, sub-clauses, Sections, sub-sections, schedules and appendices of this Agreement.
    8. any reference to any statute or statutory provision shall include:
       1. all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated); and
       2. such statute or provision as may be amended, modified, re-enacted or consolidated.
    9. 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 the terms thereof;
    10. reference to any Party shall include the respective legal heirs, successors or permitted assigns of such Party, unless otherwise repugnant to the context;
    11. the word “including” herein shall always mean “including, without limitation”.
    12. time is of the essence in the performance of the Parties’ respective obligations; if any time period specified herein is extended, such extended time shall also be of the essence; and
    13. the Recitals, Schedules and Exhibits to, this Agreement form an integral part of this Agreement.

# TRANSACTION AND SUBSCRIPTION CONSIDERATION

## 2.1 Existing Capital Structure

### As of the Effective Date, the shareholding pattern of the Company, on a Fully Diluted Basis, is as set out in Part “D” of Schedule 1 hereto.

## 2.2 Subscription by the Investors

2.2.1Based on the representations, warranties, covenants and undertakings of the Company and the Promoters as set out in this Agreement and upon fulfillment of the Conditions Precedent contained in Clause 3, the Investors hereby agree to subscribe to the Investor Shares at a pre-money valuation of INR 14,00,00,000 (Indian Rupees Fourteen Crores Only). The Company, upon receipt of Subscription Consideration, hereby agrees to issue and allot the Investor Shares to the Investors, as legal and beneficial owner, the Subscription Shares free from all Encumbrances and together with all rights, title, interest and benefits appertaining thereto.

### 2.2.2 Upon achievement of Closing as contemplated herein, the Share Capital of the Company on a Fully Diluted Basis shall be as set out in Part “E” of Schedule 1 hereto.

## 2.3 Use of Subscription Consideration: The Company and the Promoters shall ensure that the Company shall, use the Subscription Consideration only for the purposes of meeting the working capital and capital expenditure requirements and for the Business of the Company in accordance with the annual operating budget and Business Plan

# CONDITIONS PRECEDENT TO COMPLETION

* 1. The obligation of the Parties to fulfill their respective obligations shall be subject to fulfillment of the conditions mentioned herein below; unless any one or more of the said conditions is expressly extended or waived in writing by the other Party:

1. Consents for issuance of the Subscription Shares: The Company shall have obtained all requisite Consents as may be required for allotment of the Subscription Shares to the Investors.
2. Material Adverse Effect: No event which has a Material Adverse Effect shall have occurred from the Effective Date until the Closing Date.
3. Accuracy of Representations and Warranties: The Company shall provide to Investors a written confirmation stating therein that each of its representations and warranties as contained in this Agreement, are accurate in all material respects as of the Effective Date.
4. Compliance with Applicable Laws: The Company shall have complied with all the Applicable Laws, including making filings and maintaining statutory registers in compliance with Applicable Laws, to the satisfaction of the Investors.
   1. Satisfaction of Condition Precedents: The Company shall provide a written confirmation, signed by the Promoters and by a duly authorized representative of the Company, to the Investors (“**CP Satisfaction Notice**”), stating therein that they have fulfilled all Conditions Precedent applicable to it, accompanied with duly authenticated or certified copies of all the necessary documents evidencing such fulfillment. Upon receiving the CP Satisfaction Notice, the Investors shall verify the fulfillment of the Conditions Precedent to their sole satisfaction and shall notify the Company and Promoters of their satisfaction or otherwise, no later than 5 (five) Business Days from the receipt of the CP Satisfaction Notice.
   2. Non-Satisfaction of Conditions Precedent: If one or more of the Conditions Precedent have not been fulfilled before the Closing Date, the Investors may, at their discretion, either extend the aforesaid timeline, or shall be entitled to terminate this Agreement, in which case this Agreement shall cease to have effect and none of the Parties shall have any claim against the other, save for any claims arising out of or pending on account of any breach occurring prior to such termination of this Agreement.
   3. Waiver of Conditions Precedent: Notwithstanding anything to the contrary contained elsewhere in the Agreement, at any time prior to the Closing Date, the Investors shall have the right but not the obligation, at their sole discretion, to waive any of the Conditions Precedent, by notification to the Company and the Promoters. The Investors may also in lieu of performance of any of the Conditions Precedent prior to the Closing Date, require that such Condition Precedent be treated as a condition subsequent.

# CLOSING

### The Company and the Promoters shall provide the Investors with certified copies of all corporate resolutions that are required under the Applicable Laws in connection with this Agreement and the Transaction Documents, being certified copies of all approvals by the Company for the execution, delivery and performance by the Company and the Promoters of this Agreement.

### Closing Actions. On the Closing Date, the following shall occur simultaneously:

### 4.2.1. Company Obligations. The Company and the Promoters shall ensure that the Company:

#### Issue and allot the Subscription Shares to the Investors;

#### Convene a meeting of its Board, at which meeting, the following items are approved:

#### Issuance and allotment of the Subscription Shares to the Investors;

#### Name of the Investors shall be entered in the register of members as the registered holder of the Subscription Shares;

#### Authorization of an officer of the Company to make appropriate filings with the statutory authorities in relation to the issuance and allotment of the Subscription Shares;

#### Issuance of a notice to call a meeting of the Shareholders on the Closing Date to approve the abovementioned resolutions and to adopt the Restated Articles.

#### Convene a meeting of its Shareholders, at which meeting, the following items shall be resolved:

#### Issuance and allotment of the Subscription Shares to the Investors;

#### Name of the Investors shall be entered in the register of members as the registered holder of the Subscription Shares;

#### Adopt the Restated Articles; and

#### Authorization of an officer of the Company to make appropriate filings with the statutory authorities in relation to the issuance and allotment of the Subscription Shares.

#### Deliver to the Investors certified true copies of the Board and shareholders’ resolutions approving the above actions of the Company.

### 4.2.2 Investors obligations. The Investors shall pay to the Company the Subscription Consideration to the bank account specified by the Company.

* 1. **Post Closing Actions**
     1. Within thirty (30) Business Days from the Closing Date, the Company shall complete the following actions (“**Conditions Subsequent**”), save Clause 4.3.1.5, which shall be completed by the Company within ninety (90) days from the Effective Date. The Company shall issue a written notice to the Investors immediately thereafter (not later than two (2) Business Days from the date of satisfaction of the Conditions Subsequent) upon fulfillment of the following Conditions Subsequent:
        1. The Company shall deliver and hand over to the Investors the duly stamped and executed original share certificates with respect to the Subscription Shares.
        2. The Company shall update necessary registers and records in connection with the issuance of Subscription Shares, and deliver certified true copies of the relevant extracts of the updated registers to the Investors.
        3. The Company shall file Form PAS-3 with the Registrar of Companies for the allotment of Subscription Shares to the Investors and provide an acknowledged copy of the same to the Investors.
        4. The Company shall file Form MGT-14 with the Registrar of Companies with respect to the adoption of the Restated Articles and provide an acknowledged copy of the same to the Investors.
        5. The Company shall make all other necessary filings, as required under Applicable Law and deliver true copies of the duly filed and acknowledged forms to the Investors.
        6. The Company shall duly stamp the executed original share certificates with respect to any shares of the Company on which the stamp duty is yet to be paid.

* + 1. The Promoters shall, within a period of 30 (thirty) days from the Closing Date, provide a written declaration to the Company that the unsecured loans given by the Promoters to the Company are not from borrowed funds.

### COVENANTS

* 1. Investor Director Liability.
     1. The Company expressly agrees and undertakes that the Investor Director shall not be liable for any default or failure of the Company in complying with the provisions of any Applicable Laws, including but not limited to, defaults under the Act, taxation and labour laws of India, since they are not, and shall not be, responsible for the day to day management or affairs of the Company.
     2. The Company expressly agrees and undertakes that they shall not identify the Investor Director as an ‘officer in default’ of the Company for the purposes of the Act or any other statute, or as occupiers of any premises used by the Company or employers under Applicable Laws. Further, the Company undertakes to ensure that the other Directors of the Company or suitable persons, are nominated as compliance officers, occupiers and/or employers, as the case may be, in order to ensure that to the maximum extent permitted by Applicable Laws (including seeking adequate insurance), the Investor Director does not incur any liability.
     3. The Promoters and the Company acknowledge that the Investors or the Investor Director or any representative of the Investor Director is not responsible and does not have any role in the operations and day-to-day management of the Company or the business or affairs of the Company and the Promoters shall cause the Company to adopt a resolution acknowledging the same on the Closing Date.
     4. It is acknowledged by the Company and the Promoters that the Investors or the Investor Director (and all other representatives of the Investors) shall have no liability of any nature whatsoever arising out of or because of the investment by the Investors in the Company, and the Investors, the Investor Director and all other representatives of the Investors shall be fully indemnified by the Company in the event that any of them are held liable or responsible for the same.

### CONDUCT OF BUSINESS UNTIL CLOSING

* 1. The Company agrees that it will conduct the Business in a manner consistent with industry practices from the Effective Date until the Closing Date and shall specifically refrain from waiving any material claim or rights or make any extra-ordinary alterations in any contract or arrangement that may prejudice the operations of the Company or affect the implementation of the terms and conditions of this Agreement.
  2. On and from the Effective Date, the Company shall not do or cause to be done any of the following acts, deeds, matters or things, except with the prior written consent of the Investors, until the Closing Date:
     1. create any new mortgages, charges, liens, debentures or other securities or extend the same if they are already existing as on the Effective Date;
     2. create or issue or agree to create or issue any Securities, or other similar instruments or grant or agree to grant any option in respect thereof, or alter the Share Capital of the Company in any other way;
     3. make any alteration in the Memorandum or Articles of Association of the Company;
     4. pay or agree to pay to its Directors or senior management or any of them, any remuneration or other emoluments or benefits other than those already subsisting as on the Effective Date;
     5. acquire any assets on hire-purchase or deferred payment terms (except as may be consistent with past practice and as may be required in the Ordinary Course of Business);
     6. sell, lease or otherwise dispose of any of its immovable properties or its fixed assets or its interest therein or terminate or renounce any of the lease agreements or, except in the Ordinary Course of Business, any movable properties;
     7. declare or pay any interim or final dividend, except as required under the Act;
     8. waive any material claim or rights or make any alteration adjustments, arrangements or compromise under any agreement to which it is a party;
     9. allow the property and business insurance to lapse and shall continue to maintain adequate property and business insurance;
     10. be in breach of Applicable Laws and shall comply with all Applicable Laws, rules and regulations;
     11. take or omit to take any action that may hinder its corporate existence; its rights, franchises, and privileges; and any of its properties necessary or useful to the proper conduct of its Business;
     12. not enter into related party transactions without the consent of a majority of disinterested Directors; and
     13. not license, assign, convey, Encumber or otherwise make available to any third party, its intellectual property without the Investors consent.

1. **REPRESENTATIONS AND WARRANTIES** 
   1. The Company hereby, represents and warrants to the Investors as set forth in **Part “A”** to **Schedule 2** hereto.
   2. The Investors represent and warrant to the Company as set forth in **Part “B”** to **Schedule 2** hereto.
   3. The Company hereby acknowledges that the Investors have entered into this Agreement in reliance upon the representations and warranties of the Company as set forth in **Part “A”** to **Schedule 2** hereto, and the Investors hereby acknowledge that the Company has entered into this Agreement in reliance of the representations and warranties of the Investors as set forth in **Part “B”** to **Schedule 2** hereto.
   4. The Company hereby agrees that all statements made as Representations and Warranties in **Part “A”** to **Schedule 2** hereto, are true and accurate to the best of their information, knowledge and belief and all information contained or referred to in the foregoing do not omit or fail to explain anything that renders any of that information incomplete or misleading. Notwithstanding anything contained herein, it is clarified for the avoidance of doubt that the conduct of a due diligence by the Investors shall not in any manner dilute, limit or qualify the representations and warranties made by the Company in pursuance of this Agreement and all Schedules, Exhibits, Annexures, Attachments and amendments hereto and thereto.
2. **EXPENSES**

The Company shall bear all expenses, including inter alia, for stamp duty for the issuance of the Subscription Shares. In addition, all the expenses incurred by the Investors for undertaking the legal, commercial, and financial diligence and related expenses in connection with this Transaction (“**Diligence Expenses**”) shall be paid by the Company subject to the successful completion of this Transaction. However, it is hereby agreed between the Parties that the Diligence Expenses to be borne by the Company shall not exceed one percent (1%) of the Subscription Consideration.

1. **INFORMATION AND VISITATION RIGHTS**

Subject to any one Investor(s) holding Minimum Shareholding in the Company, the Investors shall have the following rights:

* 1. From the Effective Date, the Company shall keep the Investors informed about its operations/progress in the manner prescribed by the Investors on a quarterly basis or in such intervals as may be agreed between the Parties.
  2. The Company and the Promoters shall provide a Business Plan for the relevant Financial Year, at least fifteen (15) Business Days prior to the commencement of the subsequent Financial Year, or at such date as determined by the Board.
  3. The Company will furnish to the Investors such additional information, data, documents and explanation as may be required by the Investors in relation to the workings and the affairs of the Company.
  4. The Company shall, at all times during normal business hours in a Business Day and subject to it receiving reasonable notice, permit any Person duly authorized by the Investors to visit the offices of the Company and to inspect its financials and other documents material to the Business of the Company as may be determined by the Investors at their sole discretion.
  5. The Company shall provide all required information to the Investors in order to ensure that the Company has adequate organizational setup to ensure smooth implementation and operation of the Business Plan.
  6. The Company shall deliver the following information on the Company and its Subsidiaries, within the time period specified below:

1. Half-yearly management unaudited financial information, including at the least, a profit and loss account, a balance sheet and a cash flow statement, certified by the Chief Executive Officer (“CEO”) or Chief Financial Officer (“CFO”) of the Company within sixty (60) Business Days from the end of each fiscal half year.
2. Annual audited financial statement, including cash flow statement, within one hundred and twenty (120) Business Days of the Financial Year end.
3. Un-audited internally prepared quarterly financial statement, including quarterly and year-to-date cash flow statements of the Company, certified by the CEO or CFO of the Company, within sixty (60) Business Days after the end of each accounting period of the Company.
4. A Business Plan as approved by the Board of the Company; and
5. All material communication (written or otherwise) submitted to the Company by its auditors, independent financial advisors, merchant banks or any Governmental agency, within fifteen (15) Business Days of receipt or submission, as the case maybe by the Company of such material communication.
   1. The Company shall:
6. Continue to comply with all Laws;
7. Maintain adequate insurance for its business, property and the employees;
8. Not enter into any significant related party transaction without the prior written consent of the Investors;
9. Preserve and protect the corporate structure of the Company and its properties, both tangible and intangible; and
10. Not license, assign, transfer, mortgage, Encumber or otherwise create any third party interest with respect to any of its property, both tangible and intangible without prior written consent of the Investors.

1. **BOARD OF DIRECTORS AND MEETINGS** 
   1. The Parties agree that upon achieving the Closing, the composition of the Board of the Company shall be re-constituted and there shall be a minimum of three (3) Directors on the Board. The Promoters will have the right to appoint two (2) directors on the Board and the Investors shall have the right to nominate and maintain one (1) director on the Board (“**Investor Director**”). It is further agreed between the Parties that Anand Lunia, representing the Existing Shareholder and the Investors, shall continue as the Investor Director on the Board of the Company. For the sake of clarity, the Investors shall have the right to nominate a director for as long as any one Investor continues to hold the Minimum Shareholding in the Company.
   2. The Parties shall have the right to appoint and remove from time to time its representative Director on the Board. Each of the representatives of the respective Parties that have been appointed to the Board shall be entitled to appoint an alternate Director (“**Alternate Director**”). The Alternate Director so appointed shall be entitled to attend the meetings of the Board and vote in the event the respective Director is unable to attend any meeting of the Board. The Parties shall take all steps necessary to secure the appointment of the Alternate Directors. The Parties specifically agree that the Alternate Director and/or Director appointed by the Parties shall also have the right to serve as a member on all the committees of the Board.
   3. The payment of compensation and sitting fees and reasonable reimbursement of travel, board and lodging expenses incurred by Directors in attending Board meetings, Shareholders’ meetings and other official business of the Company shall be governed by the policy of the Company in this regard as may be acceptable to the Investors.
   4. The Investor Director shall be entitled to receive all notices, agenda, etc. and to attend all Board meetings and meetings of any committees of the Board of which such Directors are members.
   5. Subject to provisions of the Act and the Restated Articles, the Board shall meet at least once in every calendar quarter at the registered office of the Company or such other location within India as may be agreed by the Parties in writing.
   6. Written notice of at least ten (10) Business Days of every meeting of the Board shall be given to every Director and every Alternate Director at their usual address whether in India or abroad, provided always that a meeting may be convened at a shorter notice with the consent of all the Directors.
   7. The notice of each Board meeting shall include an agenda setting out the business proposed to be transacted at the meeting. Unless waived in writing by all Directors, any item not included in the agenda of a meeting shall not be considered or voted upon at that meeting of the Board.
   8. The quorum for a Board meeting shall be the presence of two (2) Directors provided, however, that no quorum shall exist unless the Investor Director is present at all times in order to form such quorum. If within fifteen (15) minutes of the time appointed for a Board meeting there is no quorum, the Chairman present shall adjourn the meeting to the same place and at the same time (as the previous meeting) not less than five (5) Business Days later if the meeting was scheduled to be held in India, and not less than seven (7) Business Days later if the meeting was scheduled to be held outside India. If, at such adjourned meeting, the Directors are not present to form a quorum within fifteen (15) minutes from the time appointed for the adjourned meeting or such longer interval as the Chairman of the adjourned meeting may think fit to allow, then the Directors present shall constitute the quorum, however always subject to the affirmative vote of the Investor Director in respect of any Reserved Matters.
   9. Subject to the provisions of the Act, all voting at Board meetings shall be by a show of hands. Each Director (or his alternate, as the case may be) present at each Board meeting shall be entitled to cast 1 (One) vote on each issue put to the vote.
   10. Subject to provisions of the Act, a resolution by circulation shall be as valid and effectual as a resolution duly passed at a meeting of the Directors called and held provided it has been circulated in draft form, together with the relevant papers, if any, to all the Directors and has been approved by a majority of the Directors entitled to vote thereon.
   11. Subject to provisions of the Act, all decisions of the Board shall be taken by a simple majority vote of the Directors present or represented at the meeting. Provided however, that in relation to any Reserved Matters no action shall be taken or resolution be passed unless affirmative vote / consent in writing has been obtained from the Investor Director.
   12. Subject to the provisions of the Act, minutes of each meeting of the Board shall be settled and kept by the company secretary or such other competent official on behalf of the Company in the books of the Company. Copies of the minutes of each such meeting shall be delivered to each member of the Board as soon as practicable. If a Director has not been present at a particular Board meeting, copies of all papers considered by the Board at that meeting shall be sent to such absent Director along with the minutes of such meeting.
2. **SHAREHOLDERS’ MEETINGS** 
   1. The quorum for a meeting of the shareholders’ of the Company shall be at least two (2) shareholders and no such quorum shall be deemed to be present at the meeting unless at least one (1) Investor or a nominee representing the Investors is present and voting. In the absence of a quorum within thirty (30) minutes of the time scheduled for a meeting of the shareholders, such meeting of the shareholders shall stand adjourned to the same day in the next week at the same place and at the same time (“**Adjourned Meeting**”) and the quorum in such Adjourned Meeting shall be the shareholders present for such Adjourned Meeting. Notwithstanding the above and anything to the contrary, no Reserved Matters shall be decided without written consent of the Investors.
   2. Where a meeting of the shareholders is called, a written agenda for each meeting of the shareholders specifying the matters to be discussed in the meeting shall be sent to each of the shareholders twenty-one (21) Business Days prior to the meeting together with the notice convening the shareholders meeting, unless otherwise agreed to by the Investors.
3. **RESERVED MATTERS**
   1. Notwithstanding anything else contained in the Agreement, the Company shall, subject to the Minimum Shareholding of any one Investor, not approve or take any of the following actions or matters (“**Reserved Matters**”) without having first received the written consent of the Investor Director which consent shall be received in the form of a favourable vote by the Investor Director on (a) a resolution passed by circulation, or (b) a resolution passed at a meeting of the shareholders of the Company:
      1. Issue or grant any Equity Shares, equity-linked instruments or any option in any form to acquire/ subscribe to Equity Shares of the Company.
      2. Pay dividends on Shares of the capital stock of the Company or distribute the capital or profits of the Company in any other manner.
      3. Issue or create any new series or class of Securities or vary the terms of any existing series or class of Securities.
      4. Effect any exchange or reclassification of any stock affecting the Investor Shares or any recapitalization involving the Company and its Subsidiaries taken as a whole.
      5. Repurchase or redeem, or agree to repurchase or redeem, any Securities of the Company other than from employees of the Company upon termination of their employment pursuant to prior existing agreements approved by the Board.
      6. Effect any amendment of the Company's Certificate of Incorporation or the Charter Documents which would materially adversely affect the rights of the Investor Shares.
      7. Incur or guarantee debt in excess of INR 1,00,00,000 (Indian Rupees One Crore) other than the existing debt obligations.
      8. Voluntarily dissolve or liquidate.
      9. Change of the statutory or internal auditors of the Company.
      10. Effect any merger or consolidation of the Company with or into another corporation or other entity or sell, lease or otherwise dispose of all or substantially all or a significant portion of the assets of the Company.
      11. Change the size of the Board or change any procedure of the Company relating to the designation.
      12. Nomination or election of the Board.
      13. Make capital expenditure of more than INR 25,00,000 (Indian Rupees Twenty Five Lakhs) in a single expenditure or an aggregate of INR 1,00,00,000 (Indian Rupees One Crore) in any twelve-month period.
      14. Amend, alter or repeal the preferences, special rights or other powers of the Investor Shares so as to adversely affect the Investor Shares.
      15. Amend its Memorandum or Articles or any part thereof.
      16. Initial Public Offering of the Company’s shares.
      17. Institute, withdraw or settle any litigation, legal action or proceedings or dispute in which the Company is a party and which would have a Material Adverse Effect on the Company.
      18. Make early repayment of any existing debt or guarantee of more than INR 10,00,000 (Rupees Ten Lakhs).
      19. Make investment in the securities of another company for establishment of a subsidiary or associate or for the purpose of investment of an amount exceeding INR 20,00,000 (Rupees Twenty Lakhs). It is hereby clarified that making short term investment including investments in the securities or liquid funds of another company of any amount shall not be a reserved matter item.
      20. Enter into any related party transaction with the Directors and/or promoters for an amount exceeding INR 20,00,000 (Rupees Twenty Lakhs) in a year.
      21. To give any loans and or give any guarantee or provide security in connection with a loan exceeding INR 20,00,000 (Rupees Twenty Lakhs) to any related party or unrelated party for any purpose whether or not related to the business of the Company.
      22. Entering into, variation or termination of any material agreement or arrangement outside the Ordinary Course of Business by the Company.
      23. Approval of the annual accounts and the annual operating budget for any Financial Year of the Company.
      24. Enter into any compromise with any of the creditors or any class of them with regard to any material debts.
      25. Sell, transfer or grant of any trade secret or intellectual property right except in the Ordinary Course of Business or the grant of any license in respect of any distributorship, agency, reselling arrangement or franchise by the Company.
      26. Approve the timing, structure, pricing and other details relating to any Initial Public Offering or any trade sale of the Company.
      27. Effect any change of Control over the Company.
4. **LOCK-IN**
   1. The Promoters shall not, except as provided under this Agreement, directly or indirectly, Transfer or otherwise dispose of any Securities held by them; or publicly announce its intention to do so or enter into any swap or other agreement or any transaction that Transfers, in whole or in part, directly or indirectly, the economic consequence of / beneficial ownership of any Securities owned by such Promoters, which is in excess of five percent (5 %) of total Share Capital of the Company on Fully Diluted Basis, unless the Company and the Promoters, have provided an exit to the Investors and IQIT by undertaking a qualified IPO or in any other manner as set out herein or with the prior written approval of the Investors (“**Lock-in**”). The Parties hereby agree the Lock-in restriction shall not be applicable to i) any transfers *inter se* the Promoters and/or their Affiliates, IQIT and / or their Affiliates, the Investors and/or the Affiliates and Permitted Transferees of the Investors subject to such transferee executing the Deed of Adherence and ii) Securities issued pursuant to ESOP Plan.
5. **TERMS AND CONDITIONS OF THE CONVERTIBLE PREFERENCE SHARE**

The terms and conditions of the Preference Shares are attached hereto as **Schedule 4**.

1. **LIQUIDATION PREFERENCE**
   1. Subject to Clause 15.2 and upon occurrence of a Liquidation Event, the Investors and IQIT shall be entitled to receive either by itself, or in preference, prior to any distributions made to any holders of any Securities of the Company, the higher of:
2. One hundred percent (100%) of their respective Subscription Consideration adjusted for any stock splits, dividends, recapitalizations (plus any dividends or payments that are accrued and unpaid); or
3. The pro rata proceeds of the Liquidation Event arrived at after computing such holder’s shareholding in the Company on a Fully Diluted Basis (plus any dividends or payments that are accrued and unpaid) immediately prior to such Liquidation Event.
   1. In the event of a Liquidation Event by way of winding up or dissolution of the Company, either through a members’ or creditors’ voluntary winding-up, the Investors and IQIT shall be entitled to receive either by itself, or in preference, prior to any distributions made to any holders of any Securities of the Company, the higher of:
4. One hundred percent (100%) of their respective Subscription Consideration adjusted for any stock splits, dividends, recapitalizations (plus any dividends or payments that are accrued and unpaid); or
5. The pro rata proceeds of the Liquidation Event arrived at after computing such holder’s shareholding in the Company on a Fully Diluted Basis (plus any dividends or payments that are accrued and unpaid) immediately prior to such Liquidation Event.
6. **ANTI DILUTION PROTECTION**
   1. If at any time after the Closing Date, the Company issues to any Person, Securities or undertakes any action, including effecting any changes in the capital structure of the Company (“**New Issue**”), at a price per share (“**New Issue Price**”) that is lower than the Investor Price (“**Investor Dilutive Issuance**”), then the Investors shall be entitled to a broad-based weighted average anti-dilution valuation protection as set out in Schedule 5of this Agreement. In the event the New Issue Price of the New Issue is lower than the price at which Securities were issued to IQIT (“**IQIT Dilutive Issuance**”), IQIT shall be entitled to a broad based weighted average anti-dilution valuation protection in respect of the IQIT Shares as set out in Schedule 5 of this Agreement.
   2. Further, anti-dilution protection shall also be available to Investors and IQIT in case of corporate actions by the Company such as stock split, consolidation. etc.
7. **RIGHT OF FIRST REFUSAL AND TAG-ALONG RIGHT**
   1. Subject to Clause 13, in the event the Promoters (hereinafter be referred to as a “**Selling Shareholder**”) desire to Transfer any of their Securities, except as specifically permitted herein, then the Promoters, shall be required to first offer the said Securities (“**Sale Shares**”) to the Investors (“**Right of First Refusal**”) prior to such Transfer. The Investors shall have a right, but not the obligation, to purchase the Sale Shares, as the case maybe, from such Selling Shareholder in the ratio of the respective shareholding of Investors (on a Fully Diluted Basis) in the Company on such date (the “**ROFR Ratio**”).
   2. Within seven (7) Business Days of agreeing to sell all or any of the Securities and in any event at least thirty (30) Business Days before the date of the proposed sale (whichever is earlier), the Selling Shareholder, shall send a written notice (the “**Sale Notice**”) to the Investors, setting forth the details of the Sale Shares, the terms of the proposed sale, including the name of the person/s to whom the sale is proposed to be made (“**Sale Shares Purchaser**”), the proposed sale price per Sale Share (“**Third Party Price**”) and the date of the proposed sale which shall not be less than thirty (30) Business Days from the date of receipt of the Sale Notice.
   3. The Investors shall have the option to purchase all or part of the Sale Shares offered to them by delivering to the Selling Shareholders a written notice of exercise (the “**Acceptance Notice**”) within a period of thirty (30) days from the receipt of the Sale Notice (the “**Offer Period**”) confirming their willingness to purchase the Sale Shares .
   4. If the Investors issue an Acceptance Notice, the Selling Shareholders and the Investors shall complete the Transfer of the Shares offered to the Investors within thirty (30) days from the date of receipt of the Acceptance Notice by the Selling Shareholders or within a period of ten (10) days from the date of receipt of all approvals, whichever is later. Any Transfer made after the above-mentioned time period shall be void.
   5. In the event that the Investors fail or refuse to exercise their rights under Clause 17.3 herein within the Offer Period, the Selling Shareholders may Transfer all of the declined/refused Sale Shares to the Sale Share Purchaser identified in the Sale Notice within a period of thirty (30) days from the date of expiry of the Offer Period, on the same terms and conditions set forth in the Sale Notice and provided that the Sale Share Purchaser agrees to abide by the terms of this Agreement and the Articles and execute a Deed of Adherence undertaking to abide by the obligations of the Transferring Party in this Agreement and in the Articles.
   6. In the event that Investors do not exercise their Right of First Refusal in respect of a proposed transfer of Sale Share by the Selling Shareholders to a Sale Shares Purchaser during the Offer Period, Investors and/or their Affiliates shall, at its sole discretion / option, have a right, but not an obligation (“**Tag Along Right**”) to sell part of its shareholding in the Company, on a pro-rata basis, (“**Tag Along Shares**”), to the Sale Shares Purchaser along with the Selling Shareholders on terms no less favourable than the terms offered to the Selling Shareholders, in the manner set out hereinbelow. In the event Investors and/or their Affiliates proposes to exercise its Tag Along Right, it shall be required to notify the Selling Shareholders, within the Offer Period, of its decision to exercise its Tag Along Right (“**Tag Along Notice**”) requiring the Selling Shareholders to ensure that the Sale Shares Purchaser also purchases the Tag Along Shares on the same terms as mentioned in the Sale Notice. It is expressly clarified that the Selling Shareholders shall not Transfer any of its Security in the Company to the Sale Shares Purchaser, unless such Sale Shares Purchaser also simultaneously acquires the Tag Along Shares pursuant to the Tag Along Rights on terms which are not less favorable than those offered to the Selling Shareholders.
   7. If Investors do not exercise its Tag Along Right within the Offer Period, then the Selling Shareholders may sell the Sale Shares (not exceeding the number mentioned in the Sale Notice) to the Sale Shares Purchaser on the terms mentioned in the Sale Notice. However, in such an event the Selling Shareholders shall ensure that the Sale Shares Purchaser executes a Deed of Adherence to the effect that such transferee becomes a party to this Agreement in place of the Sale Shares Purchaser.
   8. Notwithstanding anything contained in Clause 17, such Right of First Refusal and Tag Along Right shall not be available in favour of the Investors: i) where the Promoters proposes to sell or Transfer upto five percent (5%) of the Securities at one instance and/or ii) where such sale or Transfer is to an Affiliate of the transferring Promoter(s) provided that such Affiliate has executed a Deed of Adherence and/or iii) any one Investor continues to hold Minimum Shareholding in the Company. It is hereby clarified that if at any point of time such Affiliate transferee ceases to be an Affiliate of such Promoter, the Sale Shares shall be re-transferred to such Promoter with immediate effect and the Parties shall take all necessary actions to ensure that the Sale Shares are transferred by the Affiliate transferee back to such Promoter.
8. **PRE-EMPTIVE RIGHTS OF THE INVESTORS**
   1. In the event that the Company proposes to issue any Securities (“**New Securities**”) to any Person (“**Proposed Recipient**”) other than (i) pursuant to a qualified IPO or an IPO approved by the Investors, (ii) to its employees under the ESOP Plan, and (iii) pursuant to the conversion of the Preference Shares, then the Investors and IQIT (each a “**Pre-emptive Right Holder**”) shall, at its discretion, have the right (but not the obligation) to subscribe, on a pro rata basis, to such New Securities, on the same terms and conditions as are offered to the Proposed Recipient, so as to maintain their proportionate ownership in the Company. Pro-rata share shall mean that the entitlement of the Pre-emptive Right Holder shall be calculated on the basis of the Securities held by the Pre-Emptive Right Holder immediately prior to the issuance of such New Securities, on a Fully Diluted Basis.
   2. Each time the Company proposes to issue any New Securities, the Company shall first offer such New Securities to each of the Pre-emptive Right Holder in accordance with the following provisions.
   3. Not less than thirty (30) Business Days before a proposed issuance of New Securities by the Company (“**Proposed Issuance**”), the Company shall deliver to each Pre-emptive Right Holder, a written notice of the Proposed Issuance (“**Proposed Issuance Notice**”) setting forth:
9. the number, type and terms of the New Securities to be issued,
10. the consideration to be received by the Company in connection with the Proposed Issuance,
11. the identity of the Proposed Recipient(s), and
12. the number of New Securities that each the Pre-Emptive Right Holder shall be entitled to subscribe to.
    1. Within thirty (30) Business Days following the delivery of the Proposed Issuance Notice (“**Pre-emptive Right Period**”), each Pre-Emptive Right Holder (and its respective Affiliates), if electing to exercise their rights under this Clause 18 shall give written notice to the Company specifying the number of New Securities proposed to be purchased by Pre-Emptive Right Holder (and/or its Affiliates) (“**Acceptance Notice**”). Failure by the Pre-Emptive Right Holder (and/or its Affiliates) to give such notice within the Pre-emptive Right Period shall be deemed a waiver by such Pre-Emptive Right Holder (and its Affiliates) of its/their rights under this Clause 18 with respect to such Proposed Issuance. Each Pre-Emptive Right Holder may assign to its Affiliate the right to acquire the New Securities pursuant to this Clause 18, provided that such Affiliate executes the Deed of Adherence agreeing to abide by the terms and conditions in the Transaction Documents. It is hereby clarified that, if at any point of time such Affiliate (to whom the Pre-Emptive Right Holder assigns his right under this Clause 18) ceases to be an Affiliate of such Pre-Emptive Right Holder, the New Shares shall be Transferred to such Pre-Emptive Right Holder with immediate effect and the Parties shall take all necessary actions to ensure that such Affiliate transfers the New Shares to such Pre-Emptive Right Holder.
    2. Within seven (7) Business Days of the expiry of the Pre-emptive Right Period, the Company shall ensure that the Proposed Issuance is approved by the Board and/or the shareholders of the Company, as may be required under applicable Law (“**Approval Date**”).
    3. The closing of any acquisition/subscription of New Securities by the Pre-Emptive Right Holder shall be completed within three (3) Business Days of the Approval Date in accordance with the terms and conditions of the Proposed Issuance Notice or at such other time and place as the Parties may agree. At such closing, the Company shall deliver certificates representing the relevant New Securities to the Pre-Emptive Right Holder. Such New Securities shall be free and clear of any Encumbrance (other than Encumbrances attributable to actions by the Pre-Emptive Right Holder), and the Company shall so represent and warrant. The Pre-Emptive Right Holder purchasing New Securities shall deliver on the date of allotment of such New Securities (or on such later date or dates as may be provided in the Acceptance Notice with respect to payment of consideration by the Pre-Emptive Right Holder) payment in full of the acquisition/subscription price in accordance with the terms set forth in the Proposed Issuance Notice. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the subscription of the New Securities by the Pre-Emptive Right Holder(s). Any stamp duty or fees payable on the New Securities shall be borne and paid by the Company.
    4. In the event that a Pre-Emptive Right Holder does not exercise their rights in accordance with Clause 18, or fails to settle the payment of the consideration required for the Proposed Issuance in accordance with Clause 18.6, the Company shall be free to issue the unsubscribed New Securities to the Proposed Recipient in accordance with the terms set forth in the Proposed Issuance Notice, within a period of forty-five (45) Business Days from the date of the Proposed Issuance Notice.
    5. The Company shall not, and the Promoters undertake to ensure that the Company shall not, issue any securities in contravention of the provisions of this Clause 18.
    6. The Parties agree that Investors shall have the option to nominate its Affiliate or any third party to subscribe to such New Securities as contemplated under this Clause 18.
13. **INITIAL PUBLIC OFFER (IPO)**
    1. The Company and the Promoters shall endeavor on a best efforts basis to undertake a qualified IPO to the satisfaction of the Investors at such time as may be approved by the Board.
    2. The Promoters and the Company undertake that Investor shareholding will not be diluted below the shareholding existing prior to the public offering, due to issue of equity, equity linked securities, preference shares, warrants or any other equity or equity linked instrument.
    3. Subject to Applicable Law, the Company and the Promoters agree that under no circumstances shall the Investors/IQIT and their respective Affiliates or Permitted Transferees be referred to or otherwise be considered as a ‘promoter’ of the Company in connection with any IPO or any documents filed in connection therewith. In the event of an IPO, the Company and the Promoters agree to do all that is necessary to ensure that the Securities held by the Investors/IQIT and their respective Affiliates or Permitted Transferees, are not subject to any lock-in requirements as a ‘promoter’. In the event any Governmental authority rules, holds or adjudicates that the Investors/IQIT is a ‘promoter’ of the Company, or requires the Company to mention the Investors/IQIT as ‘promoter’ of the Company in any filings or documents, the Company and the Promoters shall immediately inform the Investors / IQIT of the same in writing and further undertake to do all things, take all reasonable steps and make all appropriate representations in consultation with the Investors/IQIT so that the Investors/IQIT are not considered ‘promoter’, and the Investors/ IQIT shall take necessary steps so as to not be classified ‘promoter’.
    4. It is hereby further clarified that if the Company is converted into a public company other than by way of qualified IPO, the Promoters and the Company shall ensure that the Investors/ IQIT are granted voting rights to the extent of their shareholding in the Company on Fully Diluted Basis.
14. **DRAG RIGHT**
    1. Upon completion of three (3) years from the Closing Date, in the event the Company and the Promoters are unable to provide an exit opportunity to the Investors in the manner provided under this Agreement, then within ninety (90) Business Days thereafter or such other time period as the Parties may mutually agree, the Investors shall have the right to exercise their Drag Along Right (defined below), after prior consultations with the Company and the Promoters.
       1. The Investors shall have the option of exercising their Drag Along Right as provided under this Clause in the event the Company and the Promoters are unable to provide an exit opportunity to the Investors.
       2. Subject to sub-clause (iii) below, in the event the Investors propose to sell all of the Investor Shares (**“Drag Shares”**) to any Person (“**Drag Along Purchaser**”), the Investors shall have a right, exercisable at their discretion, to require the Promoters, and Existing Shareholders (excluding IQIT) to sell the Securities held by them (“**Drag Shareholders**”) to the Drag Along Purchaser. This right of the Investors to require the Drag Shareholders to sell their Securities to the Drag Along Purchaser shall be referred to as the (“**Drag Along Right**”) and shall be exercised in the manner set forth hereinafter.
       3. In the event the Investors exercise their Drag Along Right, the Promoters shall have the first right to purchase the Drag Shares at the price offered by the Drag Along Purchaser (**“Promoters Right of First Refusal”**). The Investors shall send a written notice (**“ROFR Notice”**) to the Promoters, setting forth the details of the Drag Shares, the terms of the proposed sale, including the name of the Drag Along Purchaser to whom the sale is proposed to be made, the price offered for the Drag Shares by the Drag Along Purchaser and the date of the proposed sale of Drag Shares to the Drag Along Purchaser. The Promoters shall have the option to purchase all of the Drag Shares offered to them by delivering to the Investors a written notice of exercise (**“ROFR Acceptance Notice”**) within a period of thirty (30) days from the receipt of the ROFR Notice (the **“ROFR Offer Period”**) confirming their willingness to purchase the Drag Shares. If the Promoters issue a ROFR Acceptance Notice, the Investors and the Promoters shall complete the Transfer of the Drag Shares within thirty (30) days from the date of receipt of the ROFR Acceptance Notice by the Investors. In the event that the Promoters fail or refuse to exercise their rights hereunder within the ROFR Offer Period, the Investors may Transfer all of the declined/refused Drag Shares to the Drag Along Purchaser identified in the ROFR Notice. The procedure for exercising the Drag Along Right by the Investors subsequent to refusal of the Drag Shares by the Promoters shall be as set forth hereinbelow in Clause 20.1(iv).
       4. Subject to Clause 20.1(iii) hereinabove, in the event that the Investors choose to exercise its Drag Along Right, the Investors shall issue a written notice to the Drag Shareholders (“**Drag Along Notice**”) calling upon them to Transfer all or some of their Securities proportionately, on the date specified therein (the “**Drag Completion Date**”). The Drag Shareholders shall be bound and obligated to Transfer such number of their Equity Shares specified in the Drag Along Notice to the Drag Along Purchaser on the same terms and conditions, including the price, at which the Investors propose to Transfer the Drag Shares to the Drag Along Purchaser. The Drag Shareholders shall Transfer such number of their Securities (as specified in the Drag Along Notice) to the Drag Along Purchaser, simultaneously with the Transfer of the Drag Shares to the Drag Along Purchaser on the Drag Completion Date. The Parties hereby covenant to take all steps necessary to give effect to the provisions of this Clause including the passing of all necessary resolutions and obtaining all necessary Consents.
    2. Notwithstanding anything to the contrary contained in this Clause 20, it is clarified that with respect to the above Drag Along Right, only such Investor(s) will be able to exercise the Drag Along Right who individually holds the Minimum Shareholding in the Company on the date of exercising the Drag Along Right.
15. **ESOP Plan**. The Company shall create an unallocated option pool such that, the Company shall have a pool representing 10% (ten percent) of the post-Closing share capital on a Fully Diluted Basis (“**Employee Stock Option Pool**”). The employee stock options will be issued from time to time under such arrangements, contracts or plans as approved by the Board. Holders of employee stock options will be required to execute such agreements or documents and comply with such rules and regulations as may be prescribed by the Board from time to time. The employee stock options to be issued to employees will be at an exercise price to be determined by the Board, or a compensation committee appointed by the Board, subject to Applicable Law. It is clarified that this Clause shall not apply to any additional employee stock option pool created on or after the Closing Date. The ESOP Plan shall contain a vesting schedule whereby the options granted will vest over a period of 4 (four) years from the date of issue of such options, unless otherwise approved by the Board.
16. **INDEMNIFICATION**
    1. The Company (“**Indemnifying Party**”) hereby agrees to indemnify, defend and hold harmless the Investors (and its Affiliates to whom shares are transferred by the Investor(s) in accordance with this Agreement) and the directors, officers, employees and shareholders of the Investor(s) and its Affiliates, as the case maybe (each, an “**Indemnified Party**”) to the fullest extent permitted by Law from and against any and all direct losses, claims, damages, proceedings, penalties, judgments and expenses (including reasonable fees, disbursements and other charges of counsel, accountants and other experts) held to have arisen from claims (collectively, “**Losses**”) resulting from or arising out of any breach of any representation or warranty, or agreement or covenant on the part of the Company, under or pursuant to Transaction Documents, or any non-compliance under any Applicable Law . Notwithstanding anything stated to the contrary herein, the liability of the Company under this Clause or otherwise, shall at all times be limited to the total amount invested by the Investors in the Company as on that date.
    2. In the event of any misrepresentation, breach of any warranty or breach of any covenant or undertaking, whether ascertained by the Indemnified Party on its own or though receipt of any claim, notice or communication from a third party, the Indemnified Party shall promptly notify the Indemnifying Party of such claim to enable the Indemnifying Party to decide whether it wishes to defend the same or not.
    3. In the event the Indemnifying Party fails to communicate its decisions within fifteen (15) Business Days of receipt of the notice mentioned under Clause 22.2 above, or decides not to defend such claim, then the Indemnified Party shall have the option to admit, compromise or settle such claim(s) on the clear understanding that the Indemnifying Party shall provide all further information or records at its disposal that may be necessary for the Indemnified Party for this purpose.
    4. Notwithstanding the foregoing, the Indemnified Party shall always procure that all reasonable steps are taken and all reasonable assistance is given to avoid or mitigate any losses, which in the absence of mitigation might give rise to a liability in respect of any claim for indemnity.
17. **TERMINATION**
    1. Notwithstanding anything contained herein to the contrary, this Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the achievement of Closing:
18. at the option of the Investors by providing a thirty (30) Business Days notice to the Company and the Promoters;
19. by mutual written consent of all the Parties hereto; or
20. by any Party (“**Non-Defaulting Party**”) if any of the obligations of any other Party shall have not been fulfilled by such other Party within the period specified, and which non-fulfillment shall not have been condoned by the Non-Defaulting Party.
    1. In the event of termination pursuant to Clause 23.1 herein by Non-Defaulting Party hereto, written notice thereof shall forthwith be given to the other Parties.
    2. If the termination under Clause 23.1 herein occurs due to the mutual written consent of all the Parties hereto then the rights and obligations of all the Parties with respect to any unconsummated future Investor Shares shall stand terminated.
    3. Nothing in Clause 23.1 herein shall be deemed to release any Party from any liability for any breach by such Party of the terms and provisions of this Agreement or to impair the right of other Parties to compel specific performance by the other Party of its obligations under this Agreement.
21. **NOTICES**
    1. Unless otherwise provided herein, all notices or other communications to be given shall be made in writing, and by letter (hand delivered), email or facsimile transmission (save as otherwise stated) and shall be deemed to be duly given or made, in the case of personal delivery, when delivered; in the case of facsimile transmission, provided that the sender has received a receipt indicating proper transmission, when dispatched, or, in the case of email, where such email has been followed up with a print out (receipt acknowledged) or hand delivered letter.
    2. The addresses of the Parties are:
22. If sent to the Investors:

As per details provided under Part B of Schedule 1 of this Agreement.

1. If sent to the Company:

As per details provided under Part B of Schedule 1 of this Agreement.

1. If sent to the Promoters:

As per details provided under Part A of Schedule 1 of this Agreement.

1. If sent to Existing Shareholders:

As per details provided under Part B of Schedule 1 of this Agreement.

* 1. A notice or other communication received on a day other than a Business Day, or after business hours in the place of receipt, shall be deemed to be given on the next following Business Day in such place.
  2. The address, email address or facsimile numbers for serving notices can be changed by any Party by properly serving notices on the other Parties informing them of the changes of address.
  3. In the event that a Party refuses delivery or acceptance of a notice, request or other communication, under this Agreement, it shall be deemed that the notice was given upon proof of the refused delivery, provided the same was sent in the manner specified in this Agreement.

1. **CONFIDENTIALITY**
   1. Each Party to this Agreement who received any Confidential Information pursuant to this Agreement (each a “**Receiving Party**”) undertakes that it shall keep confidential, all Confidential Information received by it relating to the other Parties (“**Disclosing Party**”).
   2. However, nothing in this Clause shall be deemed to prohibit the disclosure of any Confidential Information:
      1. to any Government to the extent that, information is required to be disclosed by any Applicable Law. Provided however, that the Receiving Party will endeavor to notify the Disclosing Party promptly so that the Disclosing Party may seek a protective order or other appropriate remedy against the disclosure of the Confidential Information. The Receiving Party will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded to such Confidential Information;
      2. that is or becomes publicly available by other than unauthorized disclosure by a Party;
      3. that is independently developed by the Disclosing Party without use of any Confidential Information; and
      4. that is received from a third party who has lawfully obtained such Confidential Information without a confidentiality restriction.
      5. to the financial regulator, chartered accountant, merchant banker, lawyer or the auditors in connection with any transaction contemplated herein or to any of its Affiliates or Permitted Transferees or in case of the Investors, in addition to the above, to its investment managers and beneficiaries (including its investors), and their respective investors and investment managers, provided that each of the persons to whom the Confidential Information is disclosed pursuant to this Clause 25.2 shall be bound by confidentiality restrictions no less stringent than those provided herein.
2. **ARBITRATION, GOVERNING LAW AND JURISDICTION** 
   1. This Agreement and its performance shall be governed by and construed in all respects in accordance with the Laws of the Republic of India.
   2. In the event of a dispute or difference (“**Dispute**”) relating to any of the matters set out in this Agreement, the Parties shall discuss in good faith to resolve the Dispute. In case the Dispute is not settled within ninety (90) Business Days, it shall be referred to arbitration in accordance with the Clause 26.3 below.
   3. All Disputes that have not been satisfactorily resolved under Clause 26.2 above shall be referred to arbitration before a sole arbitrator to be jointly appointed by the Parties. In the event the Parties are unable to agree on a sole arbitrator within ten (10) Business Days following the ninety (90) calendar day period specified in Clause 26.2 above (“**Initial Period**”), the matter will be referred to a panel of arbitrators (“**Tribunal**”) to be appointed within ten (10) Business Days from the expiry of the Initial Period. Both Parties to the dispute (that is the party instituting the arbitration proceeding and the respondent party) shall appoint one (1) arbitrator each to the panel and the two (2) arbitrators so appointed by the parties shall together appoint one arbitrator to the panel, who shall act as the Umpire.
   4. The arbitration proceedings shall be carried out in accordance with the Arbitration & Conciliation Act, 1996 in Mumbai. The arbitration proceedings shall be conducted in the English language. Subject to Clause 26.3 above, the Parties shall equally share the costs of the arbitrator/arbitral panel’s fees, but shall bear the costs of their own legal counsel engaged for the purposes of the arbitration.
   5. The Panel shall make an award in writing within sixty (60) Business Days of the reference of the dispute to arbitration. The award of the Panel shall be final and conclusive and binding upon the Parties and non-appealable to the extent permitted by Law.
   6. Subject to the provisions from Clauses 26.1 to Clauses 26.5, the Courts at Mumbai shall have exclusive jurisdiction over any dispute that may arise out of this Agreement.
3. **MISCELLANEOUS** 
   1. **Further Assurances:** The Parties shall, to the extent permitted by Applicable Law from time to time do or procure all things as may be required to give effect to the terms of this Agreement and any and perform their obligations hereunder and to all other agreements contemplated by this Agreement.
   2. **Agreement To Prevail**: The Parties herein agree that if any provisions of the Charter Documents of the Company at any time conflict with any provisions of this Agreement, the provisions of this Agreement shall prevail, subject to Applicable Law, and the Parties shall exercise all powers and rights available to them for the amendment of the Charter Documents to the extent necessary to give effect to the provisions of this Agreement provided that such provision of the Agreement or such amendment does not breach any Applicable Law.
   3. **Severability and Validity**: If any term, provision, covenant or restriction of this Agreement is held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect the remainder of the terms, provisions, covenants and restrictions of this Agreement, wh**i**ch shall remain in full force and effect and shall in no way be affected, impaired or invalidated.
   4. **Amendments**: No change, modification, or termination of any of the terms, provisions, or conditions of this Agreement shall be effective unless made in writing and signed or initialed by all Parties to this Agreement.
   5. **Waiver:** No waiver of any provision of this Agreement or any consent to any departure from it by any Party shall be effective unless it is in writing. No failure or delay on the part of any of the Parties to this Agreement relating to the exercise of any right, privilege or remedy provided under this Agreement shall operate as a waiver of such right, power, privilege or remedy or as a waiver of any preceding or succeeding breach by the other Party to this Agreement, nor shall any single or partial exercise of any right, power, privilege or remedy preclude any other or further exercise of any right, power privilege or remedy provided in this Agreement, all of which are several and cumulative, and are not exclusive of each other, or of any other rights or remedies otherwise available to a Party at law or in equity.
   6. **Entire Agreement:** This Agreement along with the other Transaction Documents constitutes the entire agreement of the Parties relating to the subject matter hereof and supersedes any and all prior understandings, representations, deeds and/or licenses, agreements (oral or written), including letters of intent and term sheets, between the Parties hereto with respect to the subject matter herein.
   7. **Relationship:** Nothing in this Agreement shall be deemed to constitute a partnership between the Parties or constitute any Party the agent of any other Party for any purpose.
   8. **Rights of Third Parties:** Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or give any Person, other than the Parties hereto any rights or remedies under or by reason of this Agreement or any transaction contemplated by this Agreement.
   9. **Investment in a Competitor:** The Investors shall not invest in any Competitor upto the period it holds any Securities in the Company. The Investors hereby agree to provide prior written intimation of fifteen (15) days to the Company and the Promoters as and when the Investors intend to make future investments in entities operating similar or related business (other than Competitor) as that of the Business.
   10. **Non-Solicitation of employees**: The Investors shall not solicit any officers, agents or employees of the Company to work for any person or company, directly or indirectly.
   11. **Expenses:** The Company shall bear all expenses incurred in respect of stamp duty for the issuance of the Investor Shares.
   12. **Counterparts:** The Agreement may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument.

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

|  |  |
| --- | --- |
| For **Belita Retail Private Limited**  Through its authorised signatory  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name: | Witnesses:  1.  2. |
| **Garima Jain**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Akshay Jain**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| For **India Quotient Investment Trust**  Through its authorised signatory  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name: | Witnesses:  1.  2. |
| **Jaideep Barman**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Gaurav Jain**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Carl Fernandes**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Shaloo Jain**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Shridhar Bharatan**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Vivek Gahlaut**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Ashwin Puri**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Gaurav Jethwani**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Dipti Aswani**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Shakuntla Gahlaut**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Mukesh Jain**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Manisha Agarwal**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Priti Goyal**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Pramod Agarwal**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Dheeraj Mehta**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Abhay Aima**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Vivek Kapadia**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **For Sunstone Alumni Early Stage-Uno**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Avin Mittal**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Ankur Goel**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Sachin Jindal**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Sangram Raje**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Sangeetha Ramachander**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Rajeev Krishnan**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Abhishek Jain**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Atul Tibrewala**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Amit Patel**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Sangita Bansal and Damini Bansal**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Rupinder Singh Arora**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Dhruva Nath and Rajni Nath**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Pardeep Batra**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Supreet Singh**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Devesh Rathore**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Priyesh Desai**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Amit Bose**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Darab Talyarkhan**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Nitesh Prakash**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Atul Bahadur Mathur**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Deepak Gonela**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |
| **Vishal Gupta**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Witnesses:  1.  2. |

**SCHEDULE 1**

DETAILS OF THE PARTIES

THE PROMOTERS

PART A

|  |  |  |
| --- | --- | --- |
| **Sl. No.** | **Name of the Promoters** | **Address** |
|  | Ms. Garima Jain | D 712, Sungrace Apartment, Raheja Vihar, Chandivali, Near Chandivali Studio, Andheri (East), Mumbai – 400 072  Email: garima@belitaindia.com |
|  | Mr. Akshay Jain | D 712, Sungrace Apartment, Raheja Vihar, Chandivali, Near Chandivali Studio, Andheri (East), Mumbai – 400 072  Email: akshay@belitaindia.com |

**PART B**

**INVESTORS**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl. No.** | **Name of the Investor** | **Information for Notices** | **Authorized Signatory** |
|  | India Quotient Investment Trust | 44, Kalpataru Estate, Building No. 5, Jogeshwari Vikhroli Link Road, Andheri (East), Mumbai – 400 093  Email: anand@indiaquotient.in | Anand Lunia |
|  | Carl Fernandes | The Heritage, 24, St. Dominic Road, Bandra, Mumbai - 400 050  Email: [carlf19@gmail.com](mailto:carlf19@gmail.com) | Not Applicable |
|  | Shaloo Jain | 525 Cherry Hill ct. Schaumburg, IL. 60193 USA  Email: [jain.abhishekjain@gmail.com](mailto:jain.abhishekjain@gmail.com) | Not Applicable |
|  | Shridhar Bharatan | 2602 Odyssey II, Hiranandani Gardens, Powai, Mumbai - 400 076  Email: [shridhar.bharatan@gmail.com](mailto:shridhar.bharatan@gmail.com) | Not Applicable |
|  | Vivek Gahlaut | Villa No. 52, Street-6, Meadows-3, Dubai, UAE  Email: [vivek.gahlaut@gmail.com](mailto:vivek.gahlaut@gmail.com) | Not Applicable |
|  | Ashwin Puri | 43 Scotts Road, Unit 1202, Singapore 228239  Email: ashwinpuri@gmail.com | Not Applicable |
|  | Gaurav Jethwani | 204, Rajdoot society, Linking Road, Khar west, Mumbai -400 052  Email:gauravjethwani007@gmail.com | Not Applicable |
|  | Dipti Aswani | A-804, Ariisto Sapphire, 2nd Hasnabad Lane, Santacruz west, Mumbai – 400 054  Email: dipti.aswani@gmail.com | Not Applicable |
|  | Shakuntla Gahlaut | H124, DLF PARK HEIGHTS, DLF PARK PLACE, PHASE V, GURGAON, SECTOR 54, GURGAON, HARYANA -122 011  Email: [dhruv.gahlaut@gmail.com](mailto:dhruv.gahlaut@gmail.com) | Not Applicable |
|  | Mukesh Jain | A 702, Tharwani Heights, Sector 18, Palm Beach Road, Sanpada, Navi Mumbai - 400 705  Email: [muk.jain@gmail.com](mailto:muk.jain@gmail.com) | Not Applicable |
|  | Manisha Agarwal | 701 A wing , Bonanza Sahar Plaza, Near JB Nagar Metro Station, Andheri East , Mumbai - 400 059  Email: [manisha@skmceicher.com](mailto:manisha@skmceicher.com) | Not Applicable |
|  | Priti Goyal | B25 Mandir Marg, Sunhash Nagar, Shastri Nagar, Jaipur - 302 016  Email: [amith@staragri.com](mailto:amith@staragri.com) | Not Applicable |
|  | Pramod Agarwal | 701 A wing , Bonanza Sahar Plaza, Near JB Nagar Metro Station, Andheri East , Mumbai - 400 059  Email: [amith@staragri.com](mailto:amith@staragri.com) | Not Applicable |
|  | Dheeraj Mehta | C8/8352, Vasant Kunj, New Delhi - 110 070  Email: [dheeraj.mehta@gmail.com](mailto:dheeraj.mehta@gmail.com) | Not Applicable |
|  | Abhay Aima | 37, Citizen Society, 206, Cadell Road, Mumbai - 400 016  Email: abhay.aima@hdfcbank.com | Not Applicable |
|  | Vivek Kapadia | Raghavji Nivas, 1st Floor, 10 Dadi Seth First Lane, Babul Nath, Mumbai -400 007  Email: vivek.kapadia@altor.co.in | Not Applicable |
|  | Sunstone Alumni Early Stage-Uno | 115A 3F, Jor Bagh, New Delhi 110 003  Email: [ac@mountain-partners.ch](mailto:ac@mountain-partners.ch) | Aditya Chaturvedi |
|  | Avin Mittal | Building 4, Flat 6B, The Hibiscus, Sector 50, Gurgaon - 122 001  Email : [avinmittal@gmail.com](mailto:avinmittal@gmail.com) | Not Applicable |
|  | Ankur Goel | House No. 1001, Sector 11, Panchkula, Haryana, India – 134 112  Email: [ankur.8jan@gmail.com](mailto:ankur.8jan@gmail.com) | Not Applicable |
|  | Sachin Jindal | SCF-62, Grain Market Cheeka, Kaithal, Haryana – 136 034  Email: [snjindal@gmail.com](mailto:snjindal@gmail.com) | Not Applicable |
|  | Sangram Raje | Tower Research Capital India Pvt. Ltd., 7th Floor, Tower D, Unitech Cyber Park, Sector 39, Gurgaon – 122 001  Email: [sangramraje@gmail.com](mailto:sangramraje@gmail.com) | Not Applicable |
|  | Sangeetha Ramachander | 301, Geetanjali Apartments  14A Road, Khar West, Mumbai – 400 052  Email: [sramachander@gmail.com](mailto:sramachander@gmail.com) | Not Applicable |
|  | Rajeev Krishnan | VICI 302, SJR VERITY, KASAVANAHALLI, AMRITA COLLEGE ROAD, BANGALORE - 560 035  Email: [rajeevkrish@gmail.com](mailto:rajeevkrish@gmail.com) | Not Applicable |
|  | Abhishek Jain | 201 Gokul Sushma  Off Linking Road Extn.  Santacruz West, Mumbai – 400 054  Email: [abhishekjain81@gmail.com](mailto:abhishekjain81@gmail.com) | Not Applicable |
|  | Atul Tibrewala | Cartridge Junction (India) Pvt. Ltd, 201, Sneh Sadan, 35 D Main Avenue, Santacruz West, Mumbai – 400 054  Email: atul@cartridgejunction.com | Not Applicable |
|  | Amit Patel | A-303, "Tulip", Hiranandani Gardens Powai, Mumbai 400 076  Email: amit.patel@mysetu.com | Not Applicable |
|  | Sangita Bansal and Damini Bansal | D 6/7 Vasant Vihar New Delhi-110 057  Email: kintrust@gmail.com | Not Applicable |
|  | Rupinder Singh Arora | ParSolar Pvt Ltd  Arora House, 16 Golf Link,  Union Park, Khar (W), Mumbai – 400 052.  Email: rsarora@parsolar.in | Not Applicable |
|  | Dhruva Nath and Rajni Nath | Nath Cottage, S - 184, Greater Kailash Part 2, New Delhi – 110 048  Email: dhruvn55@gmail.com | Not Applicable |
|  | Pardeep Batra | BHALCHANDRA, Plot no. 7-8, near Navshya Ganpati, Gangapur Road, Nasik - 422 013  Email: pardeepkbatra@gmail.com | Not Applicable |
|  | Supreet Singh | 702, C-1, Madhuvan Tower, DN Nagar, Andheri West , Mumbai -400 053  Email: supreet.singh@altor.co.in | Not Applicable |
|  | Devesh Rathore | c/o Mr. Chandrakant Rathore, F-1, Yashodaya Apartments, 14, Pande Layout, Khamla, Nagpur – 440 025  Email: [rdevesh@gmail.com](mailto:rdevesh@gmail.com) | Not Applicable |
|  | Priyesh Desai | 6 Taher Mansion, Napeansea Road, Mumbai - 400 036  Email: priyesh.desai@gmail.com | Not Applicable |
|  | Amit Bose | 2404 Phoenix Tower B Wing  Senapati Bapat Marg  Mumbai - 400 013  Email: abose1000@gmail.com | Not Applicable |
|  | Darab Talyarkhan | Lyndewode House, Bomanji Petit Road, Cumballa Hill, Mumbai - 400 026  Email: darab.talyarkhan@yahoo.co.in | Not Applicable |
|  | Nitesh Prakash | 501, B-Wing, Harmony Bldg, Bhagat Singh Signal, Link Rd, Goregaon W, Mumbai 400 016  Email: niteshprakash.31@gmail.com | Not Applicable |
|  | Atul Bahadur Mathur | B 2/95, Safdarjung Enclave, New Delhi 110 029  Email: atul.ab@gmail.com | Not Applicable |
|  | Deepak Gonela | 3B - 604 , Divya Shakti Apartments, Ameerpet , Hyderabad – 500 016  Email: deepak.gonela@gmail.com | Not Applicable |
|  | Vishal Gupta | 109 Cumballa Crest, 42 Peddar Road, Mumbai 400 026  Email: vg2812@gmail.com | Not Applicable |

**THE COMPANY**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl. No.** | **Name of the Company** | **Information for Notices** | **Authorized Signatory** |
|  | Belita Retail Private Limited | Office No.A – 3002/3003, 3rd Floor, Oberoi Garden Estate, Near Chandivali Studio, Chandivali Farm Road, Mumbai – 400 072  Email: garima@belitaindia.com | Ms. Garima Jain |

**EXISTING SHAREHOLDERS (other than THE promoters)**

|  |  |  |
| --- | --- | --- |
| **S No** | **Name of the Shareholder** | **Information for Notices** |
| 1. | India Quotient Investment Trust | 44, Kalpataru Estate, Building No. 5, Jogeshwari Vikhroli Link Road, Andheri (East), Mumbai – 400 093  Email: anand@indiaquotient.in |
| 2. | Mr. Jaideep Barman | C 405, Carnation Building, Raheja Garden, Wanorie, Pune – 400 041  Email: jaydeep@faasos.com |
| 3. | Mr. Gaurav Jain | 54, Ready Made Complex, 1st Floor, Industrial Area, Pardesipura, Indore, Madhya Pradesh – 452 011  Email: gaurav.anekant@gmail.com |

**PART “C”**

**BRIEF Particulars OF the company**

|  |  |
| --- | --- |
| Description | **Information** |
| Break-Up of shareholding prior to the occurrence of Closing | As mentioned in Part D below. |
| Statutory Auditors: | Charudatta Mantri & Co.  **Address:** G-32, Shriniwas CHS, Near CKP Co-op Bank, Prarthana Samaj Road, Vile Parle (East), Mumbai – 400 057 |

**PART “D”**

**Shareholding pattern of the Company as on the Effective Date**

|  |  |  |
| --- | --- | --- |
| **Shareholder** | **Number of Shares** | **Percentage of Shares (%)** |
| Mr. Akshay Jain | 5,000 | 30.00 |
| Ms. Garima Jain | 5,000 | 30.00 |
| India Quotient Investment Trust | 4,166 | 25.00 |
| Mr. Jaideep Barman | 166 | 1.00 |
| Mr. Gaurav Jain | 208 | 1.25 |
| ESOP | 2,126 | 12.76 |
| **Total** | **16,666** | **100%** |

PART “**E”**

**Shareholding pattern of the Company as on the Closing Date**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | | **Post Series B Number of Shares** | | |
| **Sl. No.** | **Shareholder** | **Shares** | | **Cumulative Shareholding (in %)** |
|  |  | **Equity** | **Preference** |  |
|  | Mr. Akshay Jain | 5000 | - | 25.33 |
|  | Ms. Garima Jain | 5000 | - | 25.33 |
|  | India Quotient Investment Trust | - | 4166 | 21.10 |
|  | Mr. Jaideep Barman | 166 | - | 0.84 |
|  | Mr. Gaurav Jain | 208 | - | 1.05 |
|  | ESOP | 2126 | - | 10.77 |
|  | India Quotient Investment Trust (loan conversion) | 342 | - | 1.73 |
|  | India Quotient Investment Trust | 5 | 19 | 0.12 |
| 1. [ | Carl Fernandes | 5 | 117 | 0.62 |
|  | Shaloo Jain | 5 | 117 | 0.62 |
|  | Shridhar Bharatan | 5 | 238 | 1.23 |
|  | Vivek Gahlaut | 5 | 56 | 0.31 |
|  | Ashwin Puri | 5 | 56 | 0.31 |
|  | Gaurav Jethwani | 5 | 31 | 0.18 |
|  | Dipti Aswani | 5 | 19 | 0.12 |
|  | Shakuntla Gahlaut | 5 | 25 | 0.15 |
|  | Mukesh Jain | 5 | 31 | 0.18 |
|  | Manisha Agarwal | 5 | 117 | 0.62 |
|  | Priti Goyal | 5 | 56 | 0.31 |
|  | Pramod Agarwal | 5 | 56 | 0.31 |
|  | Dheeraj Mehta | 5 | 56 | 0.31 |
|  | Abhay Aima | 5 | 117 | 0.62 |
|  | Vivek Kapadia | 5 | 56 | 0.31 |
|  | Sunstone Alumni Early Stage-Uno | 5 | 117 | 0.62 |
|  | Avin Mittal | 5 | 68 | 0.37 |
|  | Ankur Goel | 5 | 68 | 0.37 |
|  | Sachin Jindal | 5 | 68 | 0.37 |
|  | Sangram Raje | 5 | 68 | 0.37 |
|  | Sangeetha Ramachander | 5 | 56 | 0.31 |
|  | Rajeev Krishnan | 5 | 35 | 0.20 |
|  | Abhishek Jain | 5 | 68 | 0.37 |
|  | Atul Tibrewala | 5 | 56 | 0.31 |
|  | Amit Patel | 5 | 31 | 0.18 |
|  | Sangita Bansal and Damini Bansal | 5 | 31 | 0.18 |
|  | Rupinder Singh Arora | 5 | 56 | 0.31 |
|  | Dhruva Nath and Rajni Nath | 5 | 117 | 0.62 |
|  | Pardeep Batra | 5 | 31 | 0.18 |
|  | Supreet Singh | 5 | 117 | 0.62 |
|  | Devesh Rathore | 5 | 31 | 0.18 |
|  | Priyesh Desai | 5 | 56 | 0.31 |
|  | Amit Bose | 5 | 31 | 0.18 |
|  | Darab Talyarkhan | 5 | 31 | 0.18 |
|  | Nitesh Prakash | 5 | 56 | 0.31 |
|  | Atul Bahadur Mathur | 5 | 31 | 0.18 |
|  | Deepak Gonela | 5 | 31 | 0.18 |
|  | Vishal Gupta | 5 | 117 | 0.62 |
| **Grand Total** | | **13,037** | **6,704** |  |
|  | | **19,741** | | **100.00%** |

**SCHEDULE 2**

###### REPRESENTATIONS AND WARRANTIES

###### Part “A”

**REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

The Company hereby represents and warrants to the Investors, as of the date hereof, the following statements are all true, correct and complete.

All representations and warranties, except where the context does not permit, shall be deemed to have been given by the Company.

1. **Authority and Capacity** 
   1. The Company has been duly incorporated and organized, and is validly existing in good standing, under the Applicable Law of the country of incorporation.
   2. The Company has the corporate power and authority to own and operate a substantial part of its assets and properties and to carry on its Business in substantially the same manner as it is currently conducted.
   3. The Company has acquired/is in the process of acquiring all permits, approvals, authorizations, licenses, registrations, and consents including registrations necessary for the conduct of Business as currently conducted.
   4. Subject to Applicable Law and the Consents to be procured in relation to the performance of the obligations of the Company under this Agreement, the Company has the legal right, power and authority to enter into, deliver and perform this Agreement and all other documents and instruments required to be executed pursuant thereto or in connection therewith, and such documents, when executed, will constitute valid and binding obligations and be enforceable against the Company in accordance with their respective terms.
   5. Each of the Promoters has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. Further, this Agreement and each of the other Transaction Documents to which it/he is a party has/have been duly executed and delivered by him and constitutes the legal, valid and binding obligations of such Promoter, enforceable against him in accordance with its terms. Except for the Conditions Precedent, no approval, consent, exemption, authorization or other action by, or filing with, any Governmental authority, and no waiting period under any requirement of Applicable Law, is necessary or required by the Promoters in connection with the execution, delivery or performance by, or enforcement against, any of the Promotersof the Transaction Documents or the Transaction contemplated thereunder.
   6. The Company represents that all consents, approvals and actions of, filings with and notices to any governmental or regulatory authority as may be required to be obtained by the Company in connection with the execution, delivery and performance by the Company of this Agreement and/or the Transaction have been obtained or will be obtained and shall be in full force and effect as of the Closing Date.
   7. The Company hereby confirms that there has been no Material Adverse Effect in its Business and operations and that it has no notice of any action, investigation, claim, other proceedings of any nature whatsoever, by any Governmental authority or any other Person which would restrain, prohibit or otherwise challenge the Transaction or would be likely to have a Material Adverse Effect on the Company or its Business and operations.
2. **Organization and Shareholding**
   1. The Company is a private limited company incorporated under the provisions of the Act. The Company is duly organized and validly existing under the laws of the Republic of India. The Company has the corporate power and authority to carry on its business and own its properties.
   2. The present authorized share capital of the Company is INR 5,00,000 (Indian Rupees Five Lakhs) divided into 30,000 (Thirty Thousand) Equity Shares of INR 10.00 (Indian Rupees Ten) each and 20,000 (Twenty Thousand) Preference Shares.
   3. Upon consummation of the transactions contemplated by this Agreement, the Investors shall acquire good and valid title to the Investor Shares, free and clear of any and all Encumbrances.
3. **Charter and Corporate Documents**
   1. The Company represents and warrants that it has delivered a true and complete copy of its Charter Documents, amended to date and in full force and effect on the date hereof, to the Investors.
   2. All corporate authorizations and all other applicable governmental, statutory, regulatory or other approvals, consents, licenses, authorizations, waivers or exemptions required to empower the Company to enter into this Agreement have been obtained.
   3. The Promoters have the legal right, power and authority to enter into, deliver and perform this Agreement and all other documents and instruments required to be executed pursuant thereto or in connection therewith, and such documents, when executed, will constitute valid and binding obligations and be enforceable against the Promoters in accordance with their respective terms.
   4. All Governmental, corporate, creditors’, shareholders’ and other permissions, approvals, licences, consents, registrations and authorizations required under applicable Law or under any contract or otherwise:
      1. for the issue by the Company of the Investor Shares;
      2. to render this Agreement legally valid, binding and enforceable against the Company; and
      3. to enable the Company to perform its obligations under this Agreement

will have been obtained/be in the process of being obtained as on the Closing Date.

* 1. No temporary restraining order, preliminary or permanent injunction, attachment or other order issued by any court of competent jurisdiction or other legal or regulatory restraint or prohibition preventing or otherwise impairing or prejudicing the due, proper and irrevocable consummation of the transactions contemplated hereby is in effect or apprehended.

1. **Statutory Records**

The minute books of the Company contain in all material respects, complete and accurate records of all meetings and other corporate actions of its respective shareholders and Board of Directors and committees thereof. The statutory registers of the Company contain complete and accurate records of the share ownership of its respective issued and outstanding capital stock.

1. **Licenses and Permits**
   1. The Company has obtained/is in the process of obtaining all licenses from Governmental authorities, which are necessary or desirable for the conduct of the business and no licenses necessary for the lawful operation of the business as presently conducted, both before and after the Closing are outstanding, other than the licenses which have been applied for by the Company. All such licenses that have already been obtained are validly held by the Company and are in full force and effect. The Company has complied in all respects with all terms and conditions thereof and the same will not be subject to suspension, modification, revocation or non-renewal as a result of the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby. No proceedings are pending or, to the knowledge of the Company and/or the Promoters, threatened, that would have the effect of revoking or limiting or affecting the renewal of any of such licenses. All such licenses which are held in the name of any employee, officer, director, stockholder, agent or otherwise on behalf of the Company and/or the Promoters shall be deemed included under this warranty.
2. **Compliance with Statutory Obligations.**

The Company is not in breach of any material statutory obligation to any Person, including any obligation to pay income tax, corporation tax or any provident fund, gratuity, charges, revenue payments or any other statutory dues payable to the central government of India or any state governments or any other Governmental authority.

1. **Financing Arrangements.**

The Company is not in material breach of or material default under any loan, guarantee or debt with any financial institution, bank or other creditor to which it is a party or which is binding upon it or any of the assets or revenues of the Company. All approvals that may be necessary under any loan, guarantee or debt with any financial institution or other creditor to which it is a party or which is binding upon it or any of the assets or revenues of the Company for the valid execution, delivery and performance by the Company has been obtained before the date hereof, or will have been obtained prior to the Closing Date, and the consummation of the transactions contemplated by this Agreement will not result in any material breach or default under any such loan, guarantee or debt.

1. **No Commitments to Issue Equity Shares.**

Except as contemplated herein and under any stock option or share purchase scheme approved by the Board prior to the Effective Date, there are no outstanding share warrants, options including under any employee stock option plan or stock purchase scheme formulated by the Company, to be issued, nor is there any outstanding obligation on the Company to issue Equity Shares or other securities to any Person against any amounts received or to be received.

1. **Bankruptcy.**

No resolution has been passed, no petition has been presented or order has been made for administration or winding up of the Company or for the appointment of a receiver or provisional liquidator over the assets of the Company.

1. **Accuracy of Information.**

The information that has been furnished by the Company to the Investors, from time to time, in connection with their investment in the Company is true and correct in all material respects and is not misleading in any material respect.

1. **Accounts.**
   1. The accounts of the Company have been prepared in accordance with the requirements of all Applicable Laws and with Indian accounting standards consistently applied, present fairly in all material respects the financial condition of the Company as at the dates at which they were prepared and the results of the operations of the Company for the periods presented.
   2. The Company maintains a system of internal accounting controls sufficient to provide reasonable assurances that:
      1. transactions are executed in accordance with management’s general or specific authorization; and
      2. transactions are recorded as is necessary to permit preparation of financial statements in conformity with Indian generally accepted accounting principles and to maintain accountability for assets.
2. **Valid Issuance.**

The Investor Shares to be issued to the Investors have been or at the respective Closing, will have been, duly authorized and will be validly issued in accordance with the laws and regulations of India, will be fully paid and not subject to further assessment and free from all Liens, charges, Encumbrances and other third party rights, and shall conform in all respects with the description of them in this Agreement. The Company represents and warrants that no Person has any pre-emptive or other rights with respect to such Investor Shares and, there are no legal restrictions on the issue of such Investor Shares under the Applicable Laws or the Memorandum and Articles of Association of the Company. Similarly, the Conversion Shares to be issued to the Investors shall be on the date of such issuance, duly authorized and will be validly issued in accordance with the laws and regulations of India, and shall be fully paid and not subject to further assessment and free from all Liens, charges, Encumbrances and other third party rights, and shall conform in all respects with the description of them in this Agreement.

1. **Contracts.**

The Company is not in breach of the terms of, or in material default under, any material instrument, agreement or order to which it is a party or by which it or its property is bound.

1. **Intellectual Property.**

The Company owns, possesses or can acquire on reasonable terms, adequate intellectual property rights necessary to conduct the business in the manner in which it is now being operated by it, or presently employed by it, and has not received any notice of infringement or conflict with asserted rights of others with respect to any intellectual property rights.

1. **Tax.** 
   1. The Company has filed all tax returns that are required to be filed by it and has paid all Taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable.
   2. The Company has not received any notice of any Tax disputes or other liabilities of Taxes in respect of which a claim has been made or notice has been issued against the Company.
2. **Litigation Matters**
   1. The Company or the Promoters have no notice of any investigation or enquiry by, nor any notice or communication of any proceeding order, decree, decision or judgment of, any court, tribunal, arbitrator, governmental agency or regulatory body, outstanding or received by and against the Company or any employee for whose acts or defaults the Company may be vicariously liable, with respect to an alleged or actual violation and/or failure to comply with any such applicable Law, regulation, byelaw or constitutional document, or requiring it/them to take or omit any action, which may result in any liability or criminal or administrative sanction against the Company.
   2. No order has been made, petition presented, resolution passed or meeting convened for the winding up (or other process whereby the Business is terminated or a substantial part of the assets of the Company are distributed amongst its creditors and/or shareholders or other contributories) of the Company and there are no cases or proceedings under any applicable insolvency, reorganization, or similar laws concerning the Company.
   3. Neither the Company nor the Promoters have committed:
   4. any criminal or unlawful act involving dishonesty;
   5. any breach of trust;
   6. any material breach of contract or statutory duty or any tortious act which could entitle any third party to terminate any material contract to which the Company is a party; or
   7. any act which could have a Material Adverse Effect on the Company and/or the Business.
3. **Others.** 
   1. Neither the Company nor any of its assets or properties has any immunity in respect of its obligations under this Agreement or from the jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment or attachment in aid of execution or otherwise) under the Applicable Laws.
   2. The Company does not have any outstanding claims, liabilities, indebtedness or obligations, contingent or otherwise, which are not reflected in the Financial Statements, which, whether individually or in aggregate, could have a Material Adverse Effect.
   3. No event has occurred, which would constitute an event of default under this Agreement or which, with the giving of notice or the lapse of time or a combination thereof or other condition would constitute an event of default.
   4. The Company has no notice of any investigation or enquiry by, nor any notice or communication of any order, decree, decision or judgment of, any court, tribunal, arbitrator, governmental agency or regulatory body, outstanding or received by and against the Company or its or to the best of the Promoter’s knowledge or Company’s knowledge, by and against any employee for whose acts or defaults the Company may be vicariously liable, with respect to an alleged actual violation and/or failure to comply with any such applicable law, regulation, byelaw or constitutional document, or requiring it/them to take or omit any action, having a Material Adverse Effect on the Company or its Subsidiaries.
4. **Shareholding.**
   1. All Equity Shares currently issued by the Company are fully paid-up.
   2. The shareholding pattern of the Company as at the Effective Date is as set forth in **Part “D”**of **Schedule 1**.
   3. The shareholding pattern of the Company on Closing, on a Fully Diluted Basis, shall be as set forth in **Part “E”** of **Schedule 1**.
5. **Title to Properties.**

The Company has good title to all its immovable properties reflected in its most recent balance sheet, in each case free from Liens and Encumbrances. The Company holds all material leased real or personal property under valid, current and enforceable leases and the said leases have been validly executed.

1. **Title to Assets.**

The Company has good title to the tangible assets reflected in the Financial Statements, free from all Liens and Encumbrances.

1. **Adverse Effects.**

No Material Adverse Effect has occurred or is subsisting and no notice in connection therewith has been served on the Company.

###### Part “B”

###### REPRESENTATIONS AND WARRANTIES OF THE INVESTORS

1. **Authority and Capacity**:
   1. The Investors are, as applicable, duly organized and validly existing and are duly qualified as per applicable laws;
   2. The Investors have all requisite power, resources and authority to enter into this Agreement, to perform its obligations there under and to consummate the Transaction contemplated hereby.
   3. The execution and delivery of this Agreement by Investors, and the performance by Investors of its obligations hereunder and the consummation by Investors of the Transactions contemplated hereby, have been duly authorized by all necessary corporate action and is a valid and binding obligation of the Investors.

2 **Binding Agreement**:

2.1 This Agreement (and the documents contemplated hereby) has been duly executed and delivered by the Investors and constitutes a legal valid and binding agreement on its part, enforceable in accordance with its terms, except to the extent that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar Laws now or hereafter in effect relating to creditor’s rights generally.

2.2 The execution, delivery and performance by the Investors of this Agreement and the documents contemplated hereby and the consummation by it of the transactions contemplated hereby or thereby (a) do not require the consent of any third party; (b) will not conflict with its constitution documents or Trust Deed or its bye laws, and (c) will not conflict with, result in a breach of, or constitute a default under, any law of any court or government applicable to it or any contract or agreement to which it is a party or by which it may be bound.

**SCHEDULE 3**

**DEED OF ADHERENCE**

**THIS DEED OF ADHERENCE** (this “**Deed**”) is executed this [●] day of by [●] (the “**Adopting Party**”).

**WHEREAS:**

**A.** The Shareholders’Agreement dated [●] (“**Agreement**”), requires that any Person to whom the rights and obligations under the Agreement is Transferred or assigned, in accordance with the terms and conditions of the Agreement, shall agree to be bound by the Agreement.

**NOW THIS DEED WITNESSETH AS FOLLOWS:**

**1. Definitions and interpretation**

(a) Capitalised terms used but not defined in this Deed shall, unless the context otherwise requires, have the respective meanings ascribed thereto in the Agreement.

(b) Words elsewhere defined in this Deed shall have the meaning so ascribed.

(c) The clause headings do not form part of this Deed, are for convenience only, and shall not be taken into account in the construction or interpretation of this Deed.

**2. Adherence**

**The Adopting Party declares and confirms that:**

(a) it is aware of the terms and conditions of the Agreement;

(b) the terms and conditions of the Agreement shall mutatis mutandis apply to this Deed;

(c) it will abide by the terms and conditions of the Agreement; and

(d) this Deed shall be construed and shall have effect as if the Adopting Party was a Party to the Agreement.

**3. Representations and warranties of the Adopting Party**

**The Adopting Party represents and warrants that:**

(a) it has full power and authority to enter into this Deed and perform its obligations hereunder;

(b) the execution of this Deed and the performance of the provisions hereof has been duly authorised by all necessary corporate, regulatory and statutory action;

(c) the execution of this Deed or the performance hereof will not violate its Memorandum or Articles of Association or any of its constitutional documents or any deed or agreement to which it is a party or by which it is bound; and

(d) there are no legal proceedings, suits, appeals or other actions in law by and against the Adopting Party whether judicial or administrative, pending or threatened which will prevent the performance by the Adopting Party of the obligations under this Deed.

**4. Governing law**

This Deed shall be governed by and construed in accordance with the laws of India. The terms and conditions of the Agreement in relation to the provisions regarding arbitration and other terms and conditions shall be deemed to have been incorporated in this Deed as if the same had been reiterated and restated herein.

**SIGNED AND DELIVERED )**

**BY THE WITHINNAMED ADOPTING PARTY )**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ )**

**Through Its Authorised Signatory )**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ )**

**In The Presence Of )**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ )**

**SCHEDULE 4**

**TERMS OF THE PREFERENCE SHARES**

Belita Retail Private Limited

(A private limited company under the Companies Act, 1956)

Registered Office: Office No.A – 3002/3003, 3rd Floor, Oberoi Garden Estate, Near Chandivali Studio, Chandivali Farm Road, Mumbai – 400 072

THIS IS TO CERTIFY that the person(s) named in the Certificate is/are the Registered Holder(s) of the within-mentioned share(s) bearing the distinctive number(s) herein specified in the above Company subject to the Memorandum and Articles of Association of the Company and that the amount endorsed hereon has been paid up on each such share.

| Non-cumulative Non-redeemable and Fully Convertible Series B Preference Share(s) of Rs. 10/- each on the terms stated overleaf Amount paid up per share Rs. 10/- (“Preference Shares”) | | | |
| --- | --- | --- | --- |
| Folio No. 01 |  | Certificate Number: 01 |  |
| Name(s) of Holder(s) |  |  |  |
| Number of Share(s) held: |  |  |  |
| Distinctive Number(s): |  |  |  |

Given at \_\_\_\_\_\_ under the Common Seal of the Company, this [●] day of [●], 2015.

**Director** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Director** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Authorized Signatory**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Notes: No transfer to any of the shares comprised in this certificate will be registered unless accompanied by this certificate.

TERMS AND CONDITIONS OF THE PREFERENCE SHARES

The participating Preference Shares issued and allotted by the Company to the Investors pursuant to this Agreement shall be subject to the terms and conditions contained below. The terms and conditions set out below shall be endorsed on the reverse of the share certificates representing the participating Preference Shares.

1. **Issue and** **Status of Preference Shares**

# (a) Each Preference Share shall be a non-cumulative, non-redeemable, and fully convertible preference share.

(b) Each Preference Share will have a par value of Rs. 10.00 each.

# (c) The Compulsory Convertible Preference Shares shall rank senior to the Equity Shares at all times and in all events.

1. **Transferability**

The Preference Shares will be transferable in the manner specified in the Agreement and the Restated Articles.

1. **Dividend**

The Compulsory Convertible Preference Shares shall be entitled to a 0.001% non-cumulative dividend or such higher dividend issued to equity shares, whichever is higher, provided that the where such dividends are paid by the Company then such dividends shall be paid on an as converted basis.

1. **Conversion of Preference Shares**
2. A holder of a Preference Share may, at any time, prior to the expiry of 20 (twenty) years from the Closing Date, issue a notice to the Company for conversion into Equity Shares and upon receipt of such notice, the Company shall be under an obligation to convert such Preference Shares to Equity Shares in accordance with the ratio set out below. Without prejudice to the foregoing, each Preference Share shall be compulsorily convertible into 1 (one) Equity Shares of the Company (subject to adjustments for stock dividends, splits or other similar events and other adjustments) (“**Conversion Ratio**”)upon the earlier of the occurrence of any of the following events (“**Conversion Event**”);
   * + 1. Qualified IPO;
       2. Approval by a simple majority of the holders of the Preference Shares;
       3. 20th anniversary of the Closing Date; or
       4. at the option of the holder of a Preference Share.
3. The holders of the Preference Shares shall be issued fully paid up Equity Shares and will not be required at the time of conversion of such Preference Shares into Equity Shares, to pay any amounts to the Company towards such Equity Shares.
4. **Voting Rights**

# Each Convertible Preference Share shall carry the same voting rights as an Equity Share as if such Compulsory Convertible Preference Shares has been converted into an Equity Share.

1. **Liquidation**

The Preference Shares shall have such rights in liquidation as set out in Clause 15 of the Agreement.

1. **Governing Law**

The Preference Shares shall be governed and construed in accordance with the laws of India.

IN WITNESS WHEREOF, the Company has duly caused this certificate to be signed by its duly authorized officer and to be dated as of [●], 2015.

Belita Retail Private Limited

By:

Name:

Title:

# Schedule 5

# 

# VALUATION PROTECTION

**broad based weighted average basis VALUATION PROTECTION**

If the Company undertakes an Investor Dilutive Issuance or an IQIT Dilutive Issuance, additional Equity Shares shall be issued to the Investors or IQIT, as the case may be, at the lowest permissible price under Applicable Law or in the event any Preference Shares or IQIT Shares, as the case may be, have not yet been converted into Equity Shares, then the Conversion Ratio / conversion price shall be adjusted in order for the said Preference Shares or IQIT Shares, as the case may be, to convert into such number of Equity Shares such as to include such additional Equity Shares issuable to the Investors or IQIT, as the case may be, as permissible under Applicable Law, in accordance with the provisions of this Schedule 5.

**1. Relevant Calculations in relation to Investor Shares and IQIT Shares:**

Anti-Dilution Adjustment. In the event that the Company issues any dilution instruments after the Effective Date, at a price less than the then effective Conversion Price, then the Conversion Price, as applicable, will be adjusted to a price determined by the following formula. For this purpose “**Conversion Price**” at any time means the amount arrived by dividing the amount paid by the Investors and/or IQIT to acquire Preference Shares and/or the IQIT Shares, respectively, divided by the number of Preference Shares or the IQIT Shares, as the case may be, issued by the Company at such time:

NCP = (P1) X (Q1) + (Q2)

\_\_\_\_\_\_\_\_\_

(Q1) + (R)

For the purposes of this clause, “NCP” is the New Conversion Price;

**“P1”** is the Conversion Price in effect immediately prior to the new issue;

**“Q1”** means the number of Equity Shares Outstanding immediately prior to the new issue;

**“Q2”** means such number of Equity Shares that the aggregate consideration received by the Company for such issuance would purchase at earlier Conversion Price;

**“R”** means the number of Equity Shares issuable / issued upon conversion of the Dilution Instruments being issued.

For purposes of this Condition, the term “**Equity Shares Outstanding**” shall mean the aggregate number of Equity Shares of the Company then outstanding (assuming for this purpose the exercise and/or conversion of all then-outstanding securities exercisable for and/or convertible into Equity Shares (including without limitation the conversion of all Preference Shares).

**2. Mode of Giving Effect to Valuation Protection:** In the event that the Investor(s) or IQIT hold any Preference Shares or IQIT Shares, as the case may be, at the time when the Company is required under the provisions of this Schedule to issue any additional Equity Shares, then the Investor(s) or IQIT, as the case may be, shall have the option to require the Company to (a) adjust the Conversion Ratio or Conversion Price of the Preference Shares or the IQIT Shares, as required, (b) transfer Shares held by the Promoters to the Investors or IQIT, as required, at lowest price permissible under Applicable Law; (c) buy back of Shares held by Promoters and other Shareholders; (d) reduce the sale proceeds receivable by the Promoters; (e) issue of additional Shares to the Investors or IQIT, as the case may be, at the lowest permissible price; or (f) take such measures as may be necessary to ensure that the Investors or IQIT becomes entitled to such Adjustment Shares in addition to the ratchet Shares so as to ensure that the Investors’ or IQIT’s shareholding, as the case may be, in the Company is not diluted.

In the event that the Investors or IQIT hold only Equity Shares at the time when the Company is required under the provisions of this Schedule to issue additional Equity Shares to the Investors or IQIT, then the Investors or IQIT, as the case may be, shall have the option to require the Company to issue additional Equity Shares to the Investors or IQIT, as the case may be, at the lowest permissible price under Applicable Law, so as to ensure that, upon issue of such additional Equity Shares, its holding in the Company is not diluted.

**3. Compliance with and Effectiveness of this Schedule**

* 1. **Waiver**. If a Shareholder (other than the Investors or IQIT) is entitled under any contract, requirement of Applicable Law or otherwise to participate in relation to any issue of Shares to the Investors or IQIT under this Schedule, then such Shareholder hereby waives all such rights and, to the extent it cannot waive such rights it agrees not to exercise them.
  2. **Ensuring Economic Effect**. If for any reason any part of Clause 1 of this Schedule is not fully effected as a result of any change in Applicable Law (including a change in Applicable Law that affects the price at which the Investors or IQIT may sell or be issued Shares) then each Shareholder and the Company shall each use its best efforts to take all such actions (by corporate, director or shareholder action) as may be necessary to provide to the Investors or IQIT, as the case may be, the same economic benefits as are contemplated by this Schedule.
  3. **Change in Applicable Law**. If there is a change in any Applicable Law that makes it possible to implement any part of Clause 1 of this Schedule so as to confer the economic benefits on the Investors or IQIT that are contemplated by this Schedule in a more effective manner, then each Shareholder (other than the Investors and IQIT) and the Company shall co-operate and use its best efforts to implement Clause 1 of this Schedule in that more effective manner.
  4. **Material Breach**. If a Shareholder (other than the Investors and IQIT) breaches a provision of this Schedule or acts or omits to act in a particular manner and as a result of such breach, act or omission, the Investors are unable to be issued the number and percentage of Equity Shares or Equity Shares at a price contemplated by this Schedule then that Shareholder is deemed to have committed a material breach of this Agreement.
  5. **Currency Exchange**. If in calculating a price or any other amount under this Schedule the relevant variables for that calculation are expressed in different currencies then all such variables for the purposes of that calculation shall be converted to INR.