



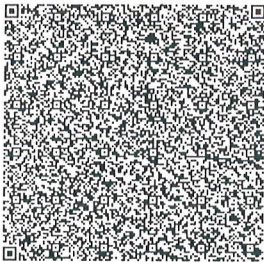
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## INDIA NON JUDICIAL

### Government of National Capital Territory of Delhi

#### e-Stamp

Certificate No. : IN-DL96743875020814Q  
Certificate Issued Date : 07-Mar-2018 04:13 PM  
Account Reference : IMPACC (IV)/ dl862203/ DELHI/ DL-DLH  
Unique Doc. Reference : SUBIN-DL86220396956469234744Q  
Purchased by : ASK AUTOMOTIVE PVT LTD  
Description of Document : Article Others  
Property Description : Not Applicable  
Consideration Price (Rs.) : 0  
(Zero)  
First Party : ASK AUTOMOTIVE PVT LTD  
Second Party : Not Applicable  
Stamp Duty Paid By : ASK AUTOMOTIVE PVT LTD  
Stamp Duty Amount(Rs.) : 100  
(One Hundred only)



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THIS STAMP PAPER FORMS PART OF  
THE BUSINESS PURCHASE AGREEMENT

DATED 26/03/2018.

For ASK Automotive Pvt. Ltd.

*Khalu*

Managing Director

*Amanhamee*

*Amanhamee*

#### Statutory Alert:

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2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.

## BUSINESS PURCHASE AGREEMENT

This **BUSINESS PURCHASE AGREEMENT** ("**Agreement**") is dated March 26, 2018 ("**Agreement Date**") and is made by and amongst:

**ASK AUTOMOTIVE PRIVATE LIMITED (PAN No.AAACA7205Q)**, a company incorporated under the laws of India, and having its registered address at Flat No. 104,929/1, Naiwala, Faiz Road, Karol Bagh, New Delhi 110005 through its Director Mr. Anand Kumar Bhardwaj (hereinafter referred to as "**ASK**")/ "**Buyer**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns) of the **First Part**; and

**M/S AK Auto Industries (PAN No.AFBPR0048F)**, is a proprietorship firm having its office at Flat No. 105,929/1, Naiwala, Faiz Road, Karol Bagh, New Delhi 110005 and Plant at Khasra No. 154, Village Theda, P.O. Lodhi Majra, Tehsil Baddi, Distt. Solan-174101, Himachal Pradesh (hereinafter referred to as the "**Firm**" which expression shall, unless it be contrary to the context or meaning thereof, be deemed to mean and include its proprietor, agents their successors and permitted assigns) **Second Part**.

**Mr. Aman Rathee (PAN No.AFBPR0048F)** proprietor of M/s AK Auto Industries, resident of Farm No. 82, Road No. 4, Silver Oak Marg, Ghitorni, New Delhi-110030 (hereinafter referred to as the "**Seller**" which expression shall, unless it be contrary to the context or meaning thereof, be deemed to mean and include his successors and permitted assigns) **Third Part**;

ASK, M/S AK Auto Industries and Mr. Aman Rathee are hereinafter, unless repugnant to the context or meaning thereof, collectively referred to as the "**Parties**" and individually as a "**Party**".

Parties of the Second Part and Third Part are collectively to be referred to as the "**Seller**" wherever the context requires.

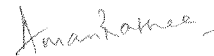
### WHEREAS:

- A. ASK is a producer of friction material in India, supplying brake products to Original Equipment Manufacturers (OEMs) and Original Equipment Suppliers (OESs) as well as supplying products / services to Independent After Market (IAM) in India, for two wheeler vehicles, passenger cars and commercial vehicles. Presently ASK's main focus is related to OEM and OES supplies. ASK is having it's own manufacturing units/plants located at Haryana, Karnataka, Uttarakhand and Gujarat.
- B. AK Auto Industries/Firm is a producer of friction material in India, supplying brake products of two and three wheeler vehicles to IAM segment through its own independent dealer's/distributor's network in India. The Firm has it's manufacturing Plant at tax free zone at Baddi, Himachal Pradesh. The Factory Premises of the said Plant is on rent.
- C. Mr. Aman Rathee is the proprietor of the Firm having a vast experience in the manufacturing and marketing activities. In addition to the income from the Firm, he has Income from various other sources.

For ASK Automotive Pvt. Ltd



Managing Director



- D. The Parties to the Agreement though having a common line of business, however, their main focus presently is on different market segments. ASK with the intention to expand its business in IAM segment had approached Seller and shown interest in the acquisition of the business of the Firm and the Seller is desirous to sell off its complete business of the Firm *on slump sale basis* to ASK upon the mutually agreed terms and subject to the conditions set forth herein .
- E. The Parties have now entered into this Agreement to record their respective *inter se* rights and obligations of the Parties, which shall supersede in entirety, any prior arrangement (written or oral) between any of the Parties.

**NOW THEREFORE**, the Parties agree as follows:

## 1. DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

In this Agreement, unless the context or meaning otherwise requires (i) terms defined in the introductory paragraphs and recitals above shall have the same meanings throughout this Agreement; and (ii) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

“**Announcement**” shall have the meaning ascribed to it in Clause 14.1

“**Applicable Law**” means (a) all applicable statutes, enactments, acts of legislature, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any Governmental Authority; and (b) administrative interpretations, writs, injunctions, directions, directives, judgments, arbitral awards, decrees, orders or governmental approvals of, or agreements with, any Governmental Authority, as may be in force from time to time.

“**Board**” means the board of directors of such Party, and shall include a committee of such board duly constituted and authorised.

“**Business Day**” means any day, other than a Saturday and Sunday, on which banks are generally open for business in India.

“**Buyers’s Events of Default**” shall have the meaning ascribed to it in Clause 11.1.

“**Closing Date**” shall have the meaning ascribed to it in Clause 2.7.

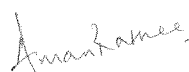
“**Conditions Precedent**” means the conditions set out in **Schedule 1**.

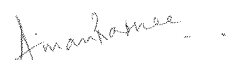
“**Encumbrance**” means: (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, attachment, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law; (ii) a contract to give any of the foregoing; (iii) any interest, option, right of first offer, refusal or transfer restriction in favour of any Person; and (iv) any adverse claim as to title, possession or use; and “**to Encumber**” means to create or allow or suffer an Encumbrance to subsist.

For ASK Automotive Pvt. Ltd.



Managing Director





**“Governmental Authority”** means any regulatory, governmental, legislative, administrative, local or supervisory body or banking authority or agency or commission, quasi- regulatory agency or body (including any stock or commodity exchange), or court, tribunal, board, bureau, judicial or arbitral body having jurisdiction in India and Hong Kong or any part thereof.

**“Handover Date”** shall have the meaning ascribed to it in Clause 2.3

**“Indemnified Party”** shall have the meaning ascribed to it in Clause 10

**“Ordinary Course of Business”** means any action taken by or on behalf of a party that is recurring in nature or is taken in the usual course of that party's normal operations.

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

**“Purchase Consideration”** shall have the meaning ascribed to it in Clause 3.1

**“Transaction”** shall have the meaning ascribed to it in Clause 2.1

**“Seller’s Events of Default”** shall have the meaning ascribed to it in Clause 11.2.

**“Termination Date”** shall have the meaning ascribed to it in Clause 2.6

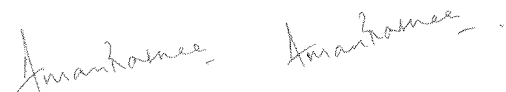
## 1.2 Interpretation

- (a) In this Agreement, unless the context otherwise requires:
- (i) words of any gender are deemed to include the other genders;
  - (ii) words using the singular or plural number also include the plural or singular number, respectively;
  - (iii) the terms “hereof”, “herein”, “hereby”, “hereto” and derivative or similar words refer to this entire Agreement or specified Clauses of this Agreement, as the case may be;
  - (iv) the terms “Clause” and “Schedule” refer to the specified clause of or schedule to this Agreement;
  - (v) references to any legislation or law or to any provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any legislation or law that replaces it and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision;
  - (vi) the schedules hereto shall form an integral part of this Agreement;
  - (vii) time is of the essence in the performance of the respective obligations of the Parties.

For ASK Automotive Pvt. Ltd.



Managing Director



If any time period specified herein is extended, such extended time shall also be of the essence;

- (b) Headings, sub-headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation.
- (c) Recitals are included for descriptive purposes only and shall be ignored for the purposes of interpretation.

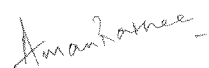
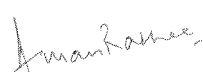
## 2. SALE AND PURCHASE OF THE BUSINESS

- 2.1 Subject to the terms and conditions of this Agreement, the Buyer hereby agrees and undertakes to acquire from the Seller and the Seller hereby agree and undertake to transfer the entire business along with the Economic Interest of the Firm, as a slump sale transaction (without assigning item-wise value for each assets and liabilities) to the Buyer (**Transaction**).
- 2.2 The Transaction is to be a slump sale transaction. That pursuant to the acquisition of the entire business and Economic Interest of the Firm by the Buyer in accordance with this Agreement, the Buyer shall have complete control over the entire business as well as 100% (one hundred percent) of the Economic Interest of the Firm.
- 2.3 The Parties have mutually agreed that the Seller will hand over to the Buyer the complete business of the Firm which includes but not limited to plant and machinery, inventories, debtors, creditors, bank accounts (except cash in hand), manpower, dealers/distributors network, suppliers, technology, licences, permissions, approvals, contracts and agreements in original, and all documents pertaining to properties of the Firm, franchise/distributorship agreements and all other documents related to the business of the Firm and authorizations granted under any law/act for the time being in force on or before 1<sup>st</sup> April, 2018 (hereinafter referred to as "**Handover Date**").
- 2.4 ASK/Buyer assures and indemnifies the Seller with regard to complete safety and maintenance of plant and machinery and continuity of the business of the Firm as a going concern till the Closing Date or Termination Date (defined hereinafter), as the case may be. ASK further agrees to keep a separate book of accounts related to the business of the Firm in the manner that the profitability, assets/liabilities of the Firm can be separately ascertained from the other business/s of ASK/Buyer for the period from Handover Date till Closing Date.
- 2.5 The Parties have mutually agreed that after Handover Date, all the Parties shall employ their best efforts to run the business of the Firm in most prudent manner without any undue advantage or disadvantage to any other party.
- 2.6 The Parties have mutually agreed that in case either Party opts for Termination of this Agreement on occurrence of Buyer's Events of Default or Seller's Events of Default (as defined hereinafter), as the case may be, this Agreement shall stand Terminated with immediate effect on written intimation by one Party to the other Party (hereinafter referred to as "**Termination Date**"). Consequently, ASK/Buyer shall handover to the Seller all the assets of the Firm, as mentioned in Clause 2.3 above subject to compliance of the conditions mentioned in Clause 11.1 and 11.2 hereunder.

For ASK Automotive Pvt. Ltd.



Managing Director



The Buyer, in case Seller desires, shall get the books of the Firm's business audited by an independent Chartered Accountant Firm, at its own cost, to ascertain the profitability of the business of the Firm between Handover Date and Termination Date.

- 2.7 The Parties have mutually agreed that subject to the provisions of this Agreement, the Buyer shall pay the balance of the Purchase Consideration to the Seller on or before 30<sup>th</sup> September, 2018 in terms of Clause 3.3 (C) and the Transaction shall stand closed on the said date of payment (hereinafter referred to as '**Closing Date**') and accordingly all the assets, liabilities, contracts, agreements and rights of the Seller in the Firm shall stand deemed to be transferred in the name of the Buyer on the Handover Date and consequently the Buyer shall be entitled to all the revenues and profits of the Firm from the Handover Date till Closing Date to the absolute exclusion of the Seller.
- 2.8 The Seller assures the Buyer that after the Closing Date of the Transaction, he will not have any right directly or indirectly in the business of the Firm, which has been purchased by ASK/Buyer and ASK/Buyer will be free to run it in a manner as it may deem fit in its sole discretion.
- 2.9 The Parties have mutually agreed to appoint Mr. Aman Rathee as a Director in ASK with the restricted rights to supervise the Firm's Business during the period from Handover Date till Closing Date/Termination Date, as the case may be. However, no remuneration shall be payable to Mr. Aman Rathee as Director of ASK for this period. The Directorship of Mr. Aman Rathee in ASK will continue after Closing Date, however, it will be automatically terminated on the Termination Date until and unless specifically approved by the shareholders of ASK.
- 2.10 The Seller agrees to provide all possible help and support to the Buyer for transfer of the business of the Firm, its assets, permissions, approvals, authorisations etc. in the name of the Buyer.

### 3. VALUATION AND PURCHASE CONSIDERATION

- 3.1 Subject to the terms and conditions of this Agreement, the total Purchase Consideration (hereinafter referred to as '**Purchase Consideration**') for the acquisition of the Firm's business and the Economic Interest by the Buyer shall be taken to be the lowest of the following :-
- A. 7 times of the average of the profits of the Firm for 3 years preceding the Handover date
  - B. 1.5 times of the average of the Turnover of the Firm for 3 years preceding the Handover date.
  - C. Recalibrated Valuation of the Valuation by an Independent Valuer.

Note : The Recalibrated Valuation means the Valuation by an Independent Valuer and adjusted in accordance with the audited financial results of the Firm's business for the first 3 months from the Handover Date ('**Contractual Period**') extrapolated for the First Financial Year from the Handover Date vs. Projections for the First Financial Year from Handover Date. The adjustment will be calculated as under :

- (a) If the variation between the audited Profit Before Tax for the First Financial Year from the Handover Date ('**audited PBT**') and the projected Profit Before

For ASK Automotive Pvt. Ltd.



Managing Director



Tax for the First Financial Year from the Handover Date ('**projected PBT**') is upto 5% no adjustment is required.

- (b) If the variation between the audited PBT and the projected PBT is more than 5% but upto 10% then adjustment to the extent of 5% will be made.
- (c) If the variation between the audited PBT and the projected PBT is more than 10% and upto 15% then adjustment to the extent of 10% will be made.
- (d) If the variation between the audited PBT and the projected PBT is more than 15% and upto 25% then adjustment to the extent of 15% will be made.
- (e) If the variation between the audited PBT and the projected PBT is more than 25% then the Seller will have a right to terminate this Agreement /re-negotiate the Valuation.

3.2 In the process of determining the fair Purchase Consideration, the Seller agrees to provide the complete books of accounts of the Firm's Business from the date of its inception alongwith its future Projections, any other technical and/or financial information/records required by an Independent Valuer and shall also provide all support and assistance to them for determining a fair valuation of the Purchase Consideration. Further, ASK/Buyer will provide the actual books of accounts of the Firm for the First Three months starting from the Handover Date to the appointed Auditor /Independent Valuer.

3.3 Payment Of Purchase Consideration - The Purchase Consideration calculated as per Clause 3.1 above will be paid by the Buyer to the Seller in the following manner:

- A. Rs. 5 (Five) crores within 15 Days from Handover Date.
- B. Rs 30 (Thirty ) crores on or before 15<sup>th</sup> July, 2018.
- C. The Balance of the Purchase Consideration on or before Closing Date.

The payment dates can be extended only with the written consent of the Seller.

#### **4. CONDITIONS PRECEDENT TO CLOSING**

4.1 The obligation of the Buyer to consummate the Transactions hereunder shall be subject to the satisfaction of the Conditions Precedent set out in Part A of **Schedule 1**.

4.2 The obligation of the Firm/Seller to consummate the Transactions hereunder shall be subject to the satisfaction of the Conditions Precedent set out in Part B of **Schedule 1**.

#### **5. STANDSTILL PROVISIONS**

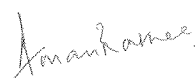
5.1 Prior to the Closing Date, Seller shall ensure that all necessary actions by the Firm as stipulated in **Schedule 2** be taken in such a manner so as to give effect to Clause 5.2.

5.2 The Seller shall ensure that the business of the Firm will continue in the Ordinary Course of Business and in accordance with Applicable Law till the completion of the Transaction/Closing Date.

For ASK Automotive Pvt. Ltd.



Managing Director



**6. REPRESENTATIONS AND WARRANTIES OF THE SELLER**

Firm/Seller represents and warrants to the Buyer as on the Agreement Date and the Closing Date in terms of the representations and warranties set out in **Schedule 3**.

**7. REPRESENTATION AND WARRANTIES OF THE BUYER**

The Buyer represents and warrants to the Seller as on the Agreement Date and the Closing Date in terms of the representation and warranties set out in **Schedule 4**.

**8. DELIVERABLES ON AGREEMENT DATE**

The Buyer shall deliver to the Firm/Seller a certified copy of the resolution of its Board approving the execution and delivery of this Agreement.

**9. NON COMPETE AND NON SOLICITATION**

**9.1 Non Solicitation**

Seller shall not, without the prior written consent of the Buyer and till 5 (five) years from the Closing Date:

1. Solicit, canvass or entice away from any client/customer business of the type carried on by the Firm, or persuade any Person which is a client/customer of the Firm to cease doing business or to reduce the amount of business which any such client/customer has customarily done or might propose doing with the Firm, whether or not the relationship between the Firm and such client/customer was originally established in whole or in part through their efforts; or
2. Employ, engage, consult or appoint in any capacity, directly or indirectly, whatsoever, any Person who is in the employment of the Firm on the Closing Date without prior written consent of the Buyer.

**9.2 Non-Compete**

- a. Seller undertakes that it shall not, for a period of 5 (five) years from the Closing Date singly or jointly, directly or indirectly, in any capacity including for his own account or as agent, employee, officer, consultant, investor, shareholder or equity owner, establish, develop, finance, invest in, carry on or assist in carrying on or be engaged in providing professional advice to any other business, enterprise or venture that competes with the business of the Buyer until and unless the clause is waived off in writing by the Buyer.
- b. Seller acknowledges and agrees that the covenants and obligations with respect to non-compete and non-solicitation as set forth above relate to special, unique and extraordinary matters, and that a violation of any of the terms of such covenants and obligations will cause the Buyer irreparable injury. Therefore, it is agreed that the Buyer shall be entitled to an interim injunction, restraining order or such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to restrain Seller from committing any violation of the covenants and obligations contained in this Agreement. These injunctive remedies are cumulative and are in addition to any other rights and remedies that the Buyer may have at law or in equity.

For ASK Automotive Pvt. Ltd.



Managing Director





- c. Seller acknowledges and agrees that adequate consideration has been provided for the non-compete and non-solicit covenants in this Agreement and the restrictions herein are considered reasonable for the legitimate protection of the business and goodwill of the Buyer, but in the event that any such restriction shall be found to be void, but would be valid if some part thereof was deleted or the scope, period or area of application were reduced, such restriction shall apply with the deletion of such words or such reduction of scope, period or area of application as may be required to make the restrictions contained in this clause valid and effective. Notwithstanding the limitation of this provision by any law for the time being in force, Seller undertakes, at all times to observe and be bound by the spirit of this Clause. Provided however, that on the revocation, removal or diminution of the law or provisions, as the case may be, by virtue of which the restrictions contained in this Clause 9.2 were limited as provided herein above, the original restrictions would stand renewed and be effective to their original extent, as if they had not been limited by the law or provisions revoked.

## 10 INDEMNITIES

- 10.1 Each Party (an "**Indemnifying Party**") hereby agrees to indemnify and keep indemnified, save, defend and hold harmless the other Party and its Affiliates and each of their respective officers, directors, employees, agents, consultants, advisors and other representatives and each of their respective lawful successors and assigns (each an "**Indemnified Party**") from and against any and all actual and direct losses, liabilities, claims, demands, actions, causes of action, suits, litigation, damages, costs and expenses, including reasonable legal fees and disbursements in connection therewith including all costs incurred in investigating or pursuing any of the foregoing or any investigation or proceeding in relation to the foregoing, in each case whether or not involving a third party claim (collectively "**Loss**") asserted against, or incurred or suffered by, any Indemnified Party, which arise out of, result from or may be payable by virtue of any breach of any representation and warranty set out in this Agreement, or any covenant or agreement made or obligation required to be performed by any Indemnifying Party.

Seller will keep the Buyer indemnified against all Tax / Legal liabilities, not accounted in the books, related to the period before the Handover Date.

Seller will keep the Buyer indemnified for any case involving fraud, gross negligence and/or willful misconduct in the business or operations of the Firm, provided the Seller was aware of such fraud, gross negligence and/or willful misconduct and has not disclosed the same to the Buyer.

The Buyer shall indemnify the Seller and the Firm for any action of the Buyer from the Handover date till Closing Date/Termination Date.

- 10.2 Further, for the avoidance of doubt and notwithstanding anything to the contrary contained in this Agreement, the Indemnifying Party shall not be liable to the Indemnified Party for any Loss claimed to be suffered as a result of a breach of a representation or warranty if the facts constituting the breach were known to the Indemnified Party, whether or not any disclosure was made against the relevant representation or warranty.

For ASK Automotive Pvt. Ltd.



Managing Director



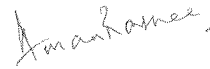
- 10.3 If any of the Indemnified Parties sustains or incurs any Loss, the Indemnified Party shall have the right to issue a written notice to the Indemnifying Party, stating that the Indemnified Party has incurred a Loss relating to or arising out of or in connection with any claim (including where any Authority or arbitral tribunal has determined that the Indemnified Party has incurred a Loss relating to or arising out of or in connection with any claim) ("**Indemnification Notice**"), describing in reasonable detail the Losses sustained or incurred by the Indemnified Party. Within 30 (thirty) days of receipt of the Indemnification Notice, the Indemnifying Party shall absolutely and unconditionally indemnify the Indemnified Parties in the manner provided in the Indemnification Notice.
- 10.4 In the case of any claim or commencement of any proceeding against the Indemnified Parties brought by any Third Party, the Indemnified Party shall promptly notify the Indemnifying Parties about the commencement of such proceedings/claim. The Indemnifying Party shall have the option to take control of the defence, negotiation or settlement of such claim/proceeding, at its own expense and by counsel chosen by the Indemnifying Party. Provided that the Indemnifying Party shall not settle any claim/ proceeding without the prior written consent of the Indemnified Party, unless the Indemnified Party shall have been completely released from, with no admission of liability under, such claim/ proceeding, and the Indemnifying Party shall have confirmed in writing that it would be paying the full amounts under such claim/ proceeding, or as the same may be settled. Provided further that the Indemnified Parties shall continue to have the right to be represented by counsel of its choice in connection with the defence, negotiation or settlement of such claim/proceeding.
- 10.5 Subject to the second sentence of Clause 10.4, the Indemnifying Party shall be entitled, in its absolute discretion, to take such action as it may deem necessary to avoid, dispute, deny, resist, appeal, compromise, contest or settle any claim or proceeding (including without limitation, making claims, proceedings or counterclaims against third Parties).
- 10.6 Any indemnity referred to herein shall be such as to place an Indemnified Party in the same position as it would have been in, had there not been any such breach, inaccuracy or misstatement of any covenant, representation or warranty and as if such representation and warranty under which the Indemnifying Party is to be indemnified had been correct.
- 10.7 The rights of an Indemnified Party to be indemnified shall be the exclusive remedy for any Loss suffered by the Indemnified Party. For the avoidance of doubt, the Indemnified Party shall not be entitled to seek recession, restitution or similar reliefs except in the case of gross negligence and fraudulent misrepresentation.
- 10.8 Irrespective of anything contrary in this Agreement, where Seller is the Indemnifying Party, the Seller's warranties listed in **Schedule 3** will be valid upto a period of 5 (three) years from the Closing Date and the liability of the Indemnifying Party will not in the aggregate exceed the Purchase Consideration.

For ASK Automotive Pvt. Ltd



Managing Director





## 11 EVENTS OF DEFAULTS/TERMINATION/CONSEQUENCES OF TERMINATION

11.1 The following events/actions/non-actions are collectively referred to as Buyer's Events of Default ('**Buyer's Events of Default**')

- (a) Non/Short payment of the amount as stipulated in clause 3.1 (A) and/or (B) within the period mentioned therein.
- (b) If the variation between the audited PBT and the projected PBT is more than 25% in terms of clause 3.1 (C) (e).
- (c) If the Recalibrated Valuation of the Valuation by an Independent Valuer as stipulated in clause 3.1 (C) is not completed on or before 31<sup>st</sup> August, 2018.
- (d) If the balance of the Purchase Consideration is not paid on or before 30<sup>th</sup> September, 2018.
- (e) Non-compliance of the Conditions Precedents of the Buyer as stipulated in Schedule 1.
- (f) Material breach of a material term of this Agreement by the Buyer (including but not limited to material breach of material representation and warranty) and if such breach is not cured within a period of 30 (thirty) days of receipt of notice to that effect by the Buyer from the Seller/Firm.

The Parties have mutually agreed that on happening/ non - happening of the aforesaid events/actions, the Seller will be entitled to Terminate this Agreement forthwith by a written intimation to the Buyer (hereinafter referred to as '**Termination Date**'). Consequently, the Seller will be entitled to forfeit and retain/claim an aggregate amount of Rs. 5 crores from the Buyer. Subsequently, ASK/Buyer shall handover to the Seller all the assets of the Firm, as mentioned in Clause 2.3 above alongwith the profits recorded against the Firm's business for the period from Handover Date till Termination Date within 2 working days of the Termination Date after deduction of any amount of money paid by the Buyer to the Seller in addition to Rs. 5 crores as aforesaid, pursuant to the provisions of this Agreement.

Except in the case of condition referred to in 11.1(b) where the Seller will not forfeit the amount of Rs. 5 crores but return it to the Buyer/adjust against profits due to him.

11.2 The following events are referred to as Seller's Events of Default ('**Seller's Events of Default**')

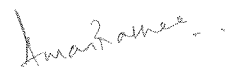
- (a) Non-compliance of the Conditions Precedents of the Seller as stipulated in Schedule 1.
- (g) Material breach of a material term of this Agreement by the Seller (including but not limited to material breach of material representation and warranty) and if such breach is not cured within a period of 30 (thirty) days of receipt of notice to that effect by the Seller from the Buyer.

The Parties have mutually agreed that on happening of the aforesaid event, the Buyer will be entitled to Terminate this Agreement forthwith by a written intimation to the Seller (hereinafter referred to as '**Termination Date**'). Consequently, the Buyer will be entitled to claim an amount of Rs. 5 crores from the Seller alongwith all the money paid by the Buyer to the Seller pursuant to this Agreement. Subsequently, ASK/Buyer shall handover to the Seller all the assets of the Firm, as mentioned in Clause 2.3 above alongwith the profits recorded against the Firm's business for the period from Handover Date till Termination Date within 2 working

For ASK Automotive Pvt. Ltd.



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days after receipt of an amount of Rs. 5 crores alongwith all the money paid by the Buyer to the Seller pursuant to this Agreement as aforesaid.

- 11.3 Each Party's further rights and obligations shall cease immediately on Termination Date, but termination shall not affect an Party's accrued rights and obligations as of the date of termination, including those rights and obligations, which may have accrued under Applicable Law.
- 11.4 Notwithstanding anything in this Agreement, the provisions of Clause 10 (*Indemnities*), Clause 11 (*Termination*), Clause 12 (*Governing Law and Dispute Resolution*), Clause 13 (*Notices*) and Clause 14 (*Miscellaneous*) shall survive the termination or expiry of this Agreement.

## **12 GOVERNING LAW AND DISPUTE RESOLUTION**

- 12.1 For the purposes of this Clause 12, the term "Seller" shall mean Seller and the Firm individually as well as collectively, as the context requires.
- 12.2 This Agreement shall, in all respects, be governed and interpreted by, and construed in accordance with the laws of the India.
- 12.3 Any and all claims, disputes or differences between the Parties arising out of or in connection with this Agreement or its performance shall, so far as possible, be settled amicably through mutual discussions between a nominee designated by the Buyer on the one hand and the Seller on the other. The Parties shall initiate the consultation process by notifying the claim, dispute or difference, naming the person designated, and calling upon the other Party to name the person designated by Seller, for the purpose of the consultation.
- 12.4 If within 30 (thirty) days of notification under Clause 12.3 the consultation does not happen, or after 30 (thirty) days of consultation, the representatives have failed to reach an amicable settlement, on any or all claims, disputes or differences arising out of or in connection with this Agreement or its performance, such claim, disputes or differences shall be submitted to arbitration at the request of either of the Parties upon written notice to that effect to the other.
- 12.5 Such arbitration shall be in accordance with the rules of Indian Arbitration Act (As amended) and shall be held in New Delhi. All proceedings of such arbitration shall be in the English language.
- 12.6 The arbitration panel shall consist of 1 (one) arbitrator if the Parties can agree on the arbitrator within 10 (ten) days of the written notice requesting that the claim, dispute or difference be referred to arbitration. If the Parties cannot agree upon the sole arbitrator within the said 10 days, either Party shall have the right to approach the Court for the appointment of the arbitrator.
- 12.7 Nothing shall preclude any Party from seeking interim equitable or injunctive relief, from any court having jurisdiction to grant the same.

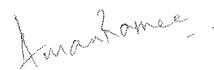
## **13 NOTICES**

- 13.1 All notices required or permitted to be given hereunder shall be in writing and shall be deemed to be effectively given if (i) delivered personally, (ii) sent by prepaid courier service, airmail or registered mail; or (iii) sent by email or other similar

For ASK Automotive Pvt. Ltd.



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means of electronic communication (with confirmed receipt):

**If to Seller:**

Attention : Mr. Aman Rathee  
Address : As mentioned in the agreement

**If to Buyer:**

Attention : Company Secretary of the Buyer  
Address : As mentioned in the agreement

- 13.2 If a notice is delivered by hand during the normal business hours of the intended recipient, it shall be deemed to have been received at the time of delivery, otherwise on the next Business Day.
- 13.3 Any notice sent by email shall be deemed to have been received by the Party to whom it was sent, if delivered during the normal business hours of the intended recipient, with confirmed answerback or confirmed receipt, at the time of delivery or otherwise on the next Business Day.

**14 MISCELLANEOUS**

**14.1 Announcements and Confidentiality**

- (a) Subject to the provisions of this Clause 14.1 and save as required by Applicable Law, no announcement, circular or communication (each an “**Announcement**”) concerning the existence or content of this Agreement, or concerning the Transaction shall be made by any Party without the prior written approval of the other Parties.
- (b) Without prejudice to the generality of Clause 14.1(a), each Party shall treat as strictly confidential all information received or obtained as a result of entering into or performing this Agreement including information which relates to:
- (i) the subject matter and provisions of this Agreement;
  - (ii) the negotiations relating to this Agreement; or
  - (iii) the other Parties.
- (c) An Party may disclose information which would otherwise be confidential to the extent:
- (i) required by Applicable Law;
  - (ii) required by any Government Authority to which the Party making the disclosure is subject, whether or not such requirement has the force of law;
  - (iii) to the extent the information was already known to the Party prior to its disclosure by the other Party;
  - (iv) disclosure is made to the Affiliates, professional advisors, auditors and potential financiers of an Party, in each case to the extent necessary, provided such Persons have been informed about and have accepted the confidentiality requirement of this Clause 14.1; or
  - (v) the information has come into the public domain through no fault of the Party

For ASK Automotive Pvt. Ltd.



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disclosing such information;  
provided further that any disclosure shall, so far as is practicable, be made only after consultation with the other Party.

#### **14.2 Entire Agreement**

The Parties acknowledge and agree that this Agreement constitutes the whole and only agreement and understanding between the Parties concerning the subject matter of this Agreement and supersedes any prior agreements or understandings concerning this subject matter.

#### **14.3 No Partnership**

Nothing contained in this Agreement shall constitute or be deemed to constitute a partnership between the Parties, and no Party shall hold itself out as an agent for any other Party, except with the express prior written consent of that other Party.

#### **14.4 Counterparts**

This Agreement may be executed in any number of counterparts, and each of the executed counterparts, when duly exchanged or delivered, shall be deemed to be an original, but, taken together, they shall constitute one and the same instrument. This Agreement may be executed through facsimile or email.

#### **14.5 Specific Performance**

Each Party acknowledges and agrees that the breach of this Agreement would cause irreparable damage to the other Party and that the other Parties may not have an adequate remedy at law. Therefore, the obligations of each Party under this Agreement shall be enforceable by a decree or order of specific performance, and appropriate injunctive relief may be applied for and granted in connection therewith.

#### **14.6 Amendments**

No purported variation of this Agreement shall be binding on any Party unless such variation is in writing and signed by each Party.

#### **14.7 No Assignment**

Unless the Parties specifically agree in writing, no Party shall assign, transfer, charge or otherwise deal with all or any of its rights or obligations under this Agreement nor grant, declare, create or dispose of any right or interest in it. Any purported assignment in contravention of this Clause 14.7 shall be void.

#### **14.8 Waiver**


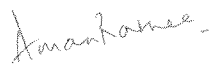
The rights and remedies of each Party are without prejudice to any other rights and remedies available to it. No neglect, delay or indulgence by any Party in enforcing any provision of this Agreement shall be construed as a waiver of such or any other right or remedy and no single or partial exercise of any right or remedy of any Party under this Agreement will affect or restrict the further exercise or enforcement of any such right or remedy.

The liability of any Party may, in whole or in part, be released, compounded or

for ASK Automotive Pvt. Ltd.



Managing Director

compromised and if the other Party shall give time or indulgence to the Party under such liability, this will in no way prejudice or affect the first Party's rights against any other Person under the same or similar liability.

#### **14.9 Severability**

Any provision of this Agreement, which is invalid or unenforceable and can be separated from the rest of the provisions of this Agreement, shall be ineffective to the extent of such invalidity or unenforceability, without affecting in any way the remaining provisions hereof.

In the event that any provision of this Agreement is declared by a competent authority to be invalid or unenforceable, the Parties shall take all steps necessary to replace such invalid, unenforceable provision in the Agreement with such new provision that conveys the meaning closest to such invalid or unenforceable term, as permitted by Applicable Law.

#### **14.10 Costs and Expenses**

Each Party shall pay the fees and costs of any financial or technical advisors, lawyers or accountants engaged by it in relation to the negotiations leading up to the transactions contemplated hereunder and to the preparation, execution and carrying into effect of this Agreement.

Stamp duty payable in relation to this Agreement and any other attendant costs shall be borne by the Buyer.

#### **15 FORCE MAJEURE**

- 15.1 If an event of Force Majeure occurs, the contractual obligations of the Party affected by Force Majeure shall be automatically suspended during the period of delay caused by such Force Majeure and the period for performing the obligations shall be extended, without incurring any liability therefrom, for a period equal to such suspension.
- 15.2 The Party affected by Force Majeure shall promptly inform the other Party in writing and shall furnish within 15 (fifteen) days thereafter sufficient proof of the occurrence and expected duration of such Force Majeure. The Party affected by Force Majeure shall also use all reasonable endeavours to mitigate the negative effects of such Force Majeure on such Party's ability to perform its contractual obligations.
- 15.3 In the event of Force Majeure, the Parties shall immediately consult with each other in order to find an equitable solution and shall use all reasonable endeavours to minimize the consequences of such Force Majeure event.
- 15.4 For the purposes of this Clause, Force Majeure shall mean (i) any circumstance beyond a Party's control, including but not limited to wars, serious civil or social unrest or disturbance, acts of terror, floods, fires, droughts, typhoons, earthquakes or other natural disasters, transportation disasters, explosions, change of laws, regulations or orders, decisions of governmental authorities affecting the exchanges

For ASK Automotive Pvt. Ltd.

  
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between the countries of the Parties hereto, and other events agreed upon amongst the Parties that would render the obligations under this Agreement impossible to perform.

**IN WITNESS** of which this Agreement has been entered into on the date first above written.

**SIGNED** on behalf of **M/S AK Auto Industries**

*Aman Rathee*

**Mr. Aman Rathee/Proprietor**

*Aman Rathee*

**SIGNED** by **Mr. Aman Rathee,**

**SIGNED** by and on behalf of

**M/S ASK Automotive Private Limited**

*For ASK Automotive Pvt. Ltd.*

*Kuldeep Singh Rathee*  
Managing Director

**Mr. Kuldeep Singh Rathee**  
**Managing Director**



## SCHEDULE 1

### Conditions Precedent

#### PART A: Seller's Conditions Precedent

The obligation of the Buyer to acquire the business and 100% Economic Interest of the Firm on the Closing Date with effect from Handover Date is subject to the completion of the following conditions precedent by the Firm/Seller, unless specifically waived in writing by the Buyer:

- (a) there having been no material breach of:
  - i. any of the covenants of Seller contained elsewhere in this Agreement; or
  - ii. any of the representations or warranties of Seller contained elsewhere in this Agreement;
  
- (b) Seller will provide/do the following:
  - i. List of all assets, liabilities, contracts, agreements and rights.
  - ii. Evidence of receipt of the Purchase Price as an advance from the Buyer.
  - iii. Hand over to the Buyer the complete business of the Firm which includes but not limited to plant and machinery, inventories, debtors, creditors, bank accounts (except cash in hand), manpower, dealers/distributors network, suppliers, technology, licences, permissions, approvals, contracts and agreements in original, and all documents pertaining to movable and immovable properties of the Firm, franchise/distributorship agreements and all other documents related to the business of the Firm and authorizations granted under any law/act for the time being in force on or Handover Date.

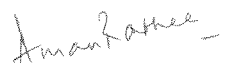
#### PART B: Buyer's Conditions Precedent

- (a) The Buyer having remitted Purchase Consideration in the following manner :
  - I. Rs. 5 (Five) crores within 15 Days from Handover Date.
  - II. Rs 30 (Thirty ) crores on or before 15<sup>th</sup> July, 2018
  - iii. The Balance of the Purchase Consideration On Or Before Closing Date
  
- (b) there having been no material breach of:
  - i. any of the covenants of Buyer contained elsewhere in this Agreement; or
  - ii. any of the representations or warranties of Buyer contained elsewhere in this Agreement;

For ASK Automotive Pvt. Ltd.

  
Managing Director





## SCHEDULE 2

### Standstill Provisions

During the period from the Agreement Date to the Handover Date, Seller shall ensure that:

- (i) the business of the Firm runs in an Ordinary Course consistent with past practice.
- (iii) The Seller shall not sell, lease, transfer or assign any of the assets of the Firm to any third party;
- (iii) The Seller shall not create any Encumbrance over any of the assets of the Firm;
- (iv) The Seller shall not take any action that would make any representation or warranty contained in the agreement, inaccurate or misleading in any respect.
- (v) The Seller shall not enter into any commitment or transaction or do anything in respect of the Firm which is not in the Ordinary Course of Business;

During the Period from Handover Date to Closing Date/Termination Date the Buyer shall ensure that

- (i) the business of the Firm runs in an Ordinary Course consistent with past practice.
- (ii) The Buyer shall not sell, lease, transfer or assign any of the assets of the Firm to any third party;
- (iii) The Buyer shall not create any Encumbrance over any of the assets of the Firm;
- (iv) The Buyer shall not take any action that would make any representation or warranty contained in the agreement, inaccurate or misleading in any respect.
- (v) The Buyer shall not enter into any commitment or transaction or do anything in respect of the Firm which is not in the Ordinary Course of Business
- (vi) The Buyer shall keep separate books of accounts for the business so as to ensure the profits and losses are clearly ascertainable and not load any extra costs of overheads on to the business.

For ASK Automotive Pvt. Ltd.

*Khalne*

Managing Director

*Amanathee*

*Amanathee*

### SCHEDULE 3

#### Seller Representations and Warranties

##### Seller Warranties

1. In consideration of the Buyer agreeing to acquire the business and 100% Economic Interest of the Firm, the Seller warrants to the Buyer that each of the warranties provided herein are true, accurate and not misleading in every respect as of the Agreement Date and as of the Closing Date, which representations and warranties shall survive Closing Date.
2. The Firm and Seller acknowledge that the Buyer is entering into this Agreement in reliance of the warranties. All warranties shall be deemed to be material and to have been relied upon by the Buyer notwithstanding any investigation, due diligence review or inspection made by or on behalf of the Buyer and shall not be affected in any respect by any such investigation, due diligence, review or inspection.
3. Seller warrants that all information which would be material to the Buyer for the purposes of acquiring the business, 100% Economic Interest of the Firm has been made available, all information, which has been provided to the Buyer with respect to the business and assets of the Firm is true, correct and accurate in all material respects and no information has been omitted which would make any information so provided misleading.
4. Each warranty is to be construed independently and is not limited by a provision of this Agreement or by reference to another warranty.
5. Seller hereby represents and warrants to the Buyer that:
  - a. Seller has the power and authority and is entitled under Applicable Laws to execute and deliver this Agreement and that the execution and delivery of this Agreement has been duly authorised and approved and does not require any authorisation of any third party;
  - b. upon execution, this Agreement will be a legal, valid and binding obligation of the Seller, enforceable in accordance with its terms;
  - c. the execution and delivery of this Agreement by Seller, and its promises, agreements or undertakings under this Agreement do not or shall not violate any Applicable Law or any documents, contracts, agreements or any other instruments to which the Seller and the Firm is a party respectively;
  - d. the Seller has taken any action and no other steps have been taken or legal proceedings started by or against them in any court of law for declaring him as insolvent;
  - e. there is no litigation pending or threatened (in writing) against the Seller or the Firm with respect to the business; and
  - f. there is no arrangement or agreement restricting the transaction.

For ASK Automotive Pvt. Ltd.

*Khan*  
Managing Director *Amankamesh*

*Amankamesh*

## SCHEDULE 4

### Buyer Representations and Warranties

The Buyer hereby represents and warrants to the Seller that:

1. it has the power and authority and is entitled under Applicable Laws to execute and deliver this Agreement and that the execution and delivery of this Agreement does not require any Authorization of any third party;
2. upon execution, this Agreement will be a legal, valid and binding obligation of the Buyer, enforceable in accordance with its terms;
3. the execution and delivery of this Agreement by it, and its promises, agreements or undertakings under this Agreement do not or shall not violate any Applicable Law or any documents, contracts, agreements or any other instruments to which it is a party;
4. it has not taken any action and no other steps have been taken or legal proceedings started by or against it in any court of law for declaring it as insolvent or the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of any or all of his assets;
5. There is no litigation pending or threatened (in writing) against it, which if determined adversely would affect its ability to perform its obligations under this Agreement;
6. There is no arrangement or agreement between the Buyer and any other person restricting its ability to perform its obligations under this Agreement.

For ASE Automotive Pvt. Ltd.

*Khalid*  
Managing Director

*Amanbancee*

*Amanbancee*