

**DATED 18<sup>th</sup> October 2022**

**SHARE SUBSCRIPTION AGREEMENT**

**BY AND AMONGST**

**IRM ENERGY LIMITED**

**AND**

**SHIZUOKA GAS CO., LTD.**

*Kuan Kuan*

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[To be updated upon finalization.]

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Karan Khandel

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## SHARE SUBSCRIPTION AGREEMENT

This Share Subscription Agreement is made on this 18<sup>th</sup> day of October, 2022 (“**Execution Date**”),

### BY AND AMONGST

**IRM ENERGY LIMITED**, a company incorporated under the laws of India with company identification number: U40100GJ2015PLC085213 and having its registered office at 4th Floor, Block 8, Magnet Corporate Park, Near Sola Bridge, S.G. Highway Ahmedabad - 380054 (hereinafter referred to as “**Company**”, which expression shall, unless the context otherwise requires, be deemed to mean and include its successors and permitted assigns) of the **FIRST PART**;

**AND**

**SHIZUOKA GAS CO., LTD.**, a company incorporated under the laws of Japan with company registration number 4080001002686 and having its registered office 1-5-38 Yahata, Suruga-ku Shizuoka 422-8688 Japan (hereinafter referred to as “**Investor**”, which expression shall, unless the context otherwise requires, be deemed to mean and include its successors and permitted assigns) of the **SECOND PART**.

The Company and the Investor are individually referred to as a “**Party**” and collectively referred to as “**Parties**”.

### WHEREAS

- A.** The Company is a public limited company and is engaged in the Business (defined hereunder).
- B.** The Investor has, vide a share subscription agreement dated 2 March 2022 (as amended by amendment agreements dated 21 March 2022 and 21 April 2022) (“**Existing SSA**”) subscribed to the Existing SSA Investor Shares (defined hereunder) for the Existing SSA Investment Amount (defined hereunder). Pursuant to the Existing SSA, the Investor holds 615,000 (six hundred and fifteen thousand) Equity Shares, comprising of approximately 2.05% (two point zero five per cent) of the share capital of the Company on a Fully Diluted Basis.
- C.** As of the Execution Date, the authorized share capital of the Company is as set out in **PART A** of **SCHEDULE 1** of this Agreement and the shareholding pattern of the Company as of the Execution Date on a Fully Diluted Basis is as set out in **PART B** of **SCHEDULE 1**.
- D.** The Company is now desirous of raising capital to fund the business operation of the Company. Accordingly, the Company has requested the Investor to invest in the share capital of the Company, and in reliance upon the Company Warranties, covenants and indemnities made by the Company herein, the Investor is now desirous of further investing the Investment Amount (defined below) in the Company’s share capital by subscribing to the Investor Shares (defined below), on the terms and conditions as set out under this Agreement.
- E.** The Parties are desirous of entering into this Agreement to record the terms and conditions governing the subscription by the Investor to the Investor Shares and the rights and obligations of the Parties in relation to the proposed investment as above in the Company.

**NOW THEREFORE IT IS HEREBY AGREED BY AND AMONGST THE PARTIES AND THIS AGREEMENT WITNESSETH AS UNDER:**

### 1. DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions



In this Agreement the following terms, to the extent not inconsistent with the context, shall have the meanings assigned to them herein below:

“**Acceptance Notice**” shall have the meaning ascribed to it in Clause 10.3(a).

“**Act**” means the Companies Act, 2013 and rules framed thereunder including any statutory modification or re-enactment thereof, to the extent in force.

“**Affiliate**” shall mean, in respect of any specified Person, any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified Person.

“**Agreed Form**” shall mean a form agreed upon amongst the Parties, initialed for the purpose of identification, or confirmed by e-mail, by or on behalf of each of them.

“**Agreement**” shall mean this Share Subscription Agreement and shall include any Recitals, Schedules, Annexes or Exhibits that may be annexed to this Agreement and any amendments made to this Agreement by the Parties in writing.

“**Articles**” shall mean the articles of association of the Company, as may be amended from time to time.

“**Assets**” shall mean all assets (whether tangible or intangible), properties (whether moveable or immovable) and rights owned or held by the Company and “**Asset**” means any of them.

“**Authorized Dealer**” shall mean the authorized dealer bank in which the Company maintains its Designated Account.

“**Board**” shall mean the board of directors of the Company in office at the relevant time of determination.

“**Business**” means undertaking or carrying out the business of storage, supply, distribution and sale of natural gas and business relating to or incidental to the laying, operating, maintaining and expanding of the city gas distribution networks.

“**Business Day**” shall mean a day (excluding Saturday and Sundays) on which scheduled commercial banks are open for business in Ahmedabad, India and Shizuoka, Japan.

“**Charter Documents**” means the memorandum of association of the Company and the Articles.

“**Claim Notice**” shall have the meaning ascribed to it in Clause 10.2.

“**Claim Period**” shall have the meaning ascribed to it in Clause 10.10.

“**Closing**” shall mean completion of all the actions contemplated under Clause 6 read with **SCHEDULE 4**.

“**Closing Date**” for the purposes of this Agreement shall be 24 October, 2022, or on such other date as the Parties may mutually agree in writing.

“**Company**” shall have the meaning ascribed to it in the definition of Parties above.

“**Company’s Conditions Precedent**” shall mean the conditions listed in **PART A** of **SCHEDULE 2**.

“**Competitor(s)**” shall mean any Person which is, either engaged in the Business and/or engaged in a business similar to the Business and earning at least 25% (twenty five per cent) of its aggregate revenues from such business activities in India, as evidenced from its audited financial statements for the last consecutive 3 (three) financial years. It is clarified that (i) reference to “any Person” in this definition shall include subsidiaries and Affiliates of such Person; and (ii) in case a Competitor is a natural person then an Affiliate of such Competitor shall also include its Relative.

“**Company Warranties**” shall mean the representations and warranties set out in **SCHEDULE 6**.

“**Conditions Precedent**” shall mean collectively the Company’s Conditions Precedent and the Investor’s Conditions Precedent.

“**Consent**” means any consent, approval, authorization, waiver, permit, license, no-objection or exemption, from or to any Person including Governmental Authorities.

“**Consequential Loss**” shall have the meaning ascribed to it in Clause 10.12.

“**Deed of Adherence**” means a deed of adherence in the form set out in **SCHEDULE 8**.

“**Designated Account**” shall mean the following bank account of the Company, into which the Investor shall remit the Investment Amount in accordance with the terms hereof:

Beneficiary Bank Name and Address	Bank of Baroda, CFS Branch, Ahmedabad- 380009, Gujarat, India
Correspondent Bank	BANK OF BARODA, NEW YORK B I C CODE - B A R B U S 3 3 X X X ABA NO. 0 2 6 0 0 5 3 2 2
Beneficiary Name	IRM Energy Private Limited- Securities Application Money Account
Beneficiary Account No.	2 5 3 8 0 2 0 0 0 0 1 5 8
Beneficiary Bank’s SWIFT Code	B A R B I N B B C R A

“**Dispute Notice**” shall have the meaning ascribed to it in Clause 10.3(b).

“**Encumbrance**” means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, security interest or other encumbrance of any kind, securing or conferring any priority of payment in respect of any obligation of any Person, or any proxy, power of attorney, voting agreement, interest, option, right of first offer or right of first refusal, pre-emption, lock-in, non-disposal obligation or any other transfer restriction in favour of any Person.

“**Equity Shares**” shall mean the ordinary equity shares of the Company of the face value of INR 10 (Indian Rupees ten only) each.

“**Excess Amount**” shall mean the Investment Amount received by the Company on the Closing Date less INR 151,250,000 (Indian Rupees one hundred fifty-one million, two hundred fifty thousand).

“**Existing SHA**” shall mean the company operations and shareholders' agreement dated 7<sup>th</sup> September 2016, executed among Cadila Pharmaceuticals Limited, IRM Trust, Eneritech Distribution Management Private Limited and the Company.

*Karan Kanshal*

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“**Existing SSA**” shall have the meaning ascribed to it in Recital B.

“**Existing Investment Amount**” shall have the meaning ascribed to the term ‘Investment Amount’ in the Existing SSA.

“**Existing Investor Shares**” shall have the meaning ascribed to the term ‘Investor Shares’ in the Existing SSA.

“**Fair Market Value**” shall mean the fair market valuation of the Equity Shares based on a simple average valuation provided by 2 (two) reputed independent valuers, 1 (one) each nominated by the Investor and the Company respectively. The costs and expenses in relation to the independent valuers shall be borne by the Party nominating such independent valuer.

“**Fully Diluted Basis**” shall mean on the basis of the total number of outstanding Equity Shares assuming all convertible Securities (including preference shares) are converted or exchanged (into the maximum number of Equity Shares issuable upon such conversion or exchange, as the case may be) and all rights, options (excluding the conversion rights of the lenders) to subscribe for or acquire shares are exercised and including all Equity Shares reserved or authorised for future issuance or grant under any equity incentive, share option or similar plan of the Company.

“**Fundamental Warranties**” shall mean the Company Warranties specified under paragraphs 1 and 2.1 of **SCHEDULE 6** and the Investor Warranties specified under **SCHEDULE 7**.

“**Governmental Authority**” shall mean any national, state, municipal, local or similar governmental, judicial, regulatory or administrative authority, court, tribunal, including any agency or instrumentality of the government, to the extent they have jurisdiction over the matter in question.

“**Indemnification Event**” shall have the meaning ascribed to it in Clause 10.1.

“**Indemnified Parti(es)**” shall have the meaning ascribed to it in Clause 10.1.

“**Indemnifying Party**” shall have the meaning ascribed to it in Clause 10.1.

“**Indemnity Claim**” means a Claim Notice or a Third Party Claim Notice in respect of an Indemnification Event.

“**INR**”, “**Rupees**” or “**Rs.**” shall mean Indian Rupees, the lawful currency of India for the time being.

“**Investment Amount**” shall mean the INR equivalent of USD 1,894,176 (United States Dollars one million eight hundred ninety-four thousand one hundred seventy-six only), which is the amount to be paid by the Investor to the Company as consideration for the issue and allotment of the Investor Shares, and which will be converted based on the USD to INR conversion rate, as applied by the relevant Authorized Dealer in India on the Closing Date.

“**IPO Long Stop Date**” shall mean the date which is 12 months from the date on which the Securities and Exchange Board of India (the “**SEBI**”) provides final observations to the draft red herring prospectus filed by the Company with SEBI in connection with the Company’s proposed initial public offering of Equity Shares (“**IPO**”) (“**DRHP**”), or such other extended date as may be mutually agreed to in writing amongst the Parties, or such other date at which the Board (including any committee constituted by the Board thereof) decide to abandon or cancel or discontinue or withdraw the DRHP/IPO, whichever is earlier.

**“Investor’s Conditions Precedent”** shall mean the conditions listed in **PART B** of **SCHEDULE 2**.

**“Investor Shares”** means 275,000 (two hundred seventy five thousand) or such adjusted number of Equity Shares of the Company to be issued to the Investor at the Issue Price, as will comprise approximately 0.9088% of the total issued capital on of the Company on a Fully Diluted Basis.

**“Investor Securities”** shall mean the Investor Shares and all other Securities held by the Investor in the Company from time to time.

**“Investor Warranties”** shall mean the representations and warranties set out in **SCHEDULE 7**.

**“Issue Price”** shall mean INR 550 (Indian Rupees five hundred and fifty only) per Investor Share.

**“Law”** shall mean any statute, law, regulation, ordinance, rule, judgment, notification, Order, decree, bye-law of any Governmental Authority.

**“Litigation”** shall mean and include any dispute, claim, demand, suit, proceeding, inquiry or investigation whether civil, criminal or regulatory in nature, pending or threatened (in writing), by or before any court, tribunal, arbitrator or Governmental Authority.

**“Long Stop Date”** shall mean 15 November 2022, or such other date as may be mutually agreed between the Parties which date shall be no later than the Closing Date.

**“Losses”** shall mean all direct and actual losses, damages, liabilities, fines, costs, charges, and including interests and penalties with respect thereto and out of pocket expenses, including reasonable attorney’s fees.

**“Material Adverse Effect”** means any condition, incident, event, circumstance, or situation which may be reasonably expected to:

- (a) individually or in the aggregate, diminish or reduce the asset value of the Company, or the valuation of the Equity Shares by 20% or more; or
- (b) materially and adversely affect the ability of the Company to perform its obligations under this Agreement or to consummate the Transaction.

**“Order”** shall mean any order, injunction, judgment, decree, ruling, writ, assessment or award of a Governmental Authority or an arbitral tribunal having jurisdiction over the matter in question.

**“Person”** shall mean and include an individual, an association, a corporation, a partnership, limited liability company, a joint venture, a venture capital fund, a trust, an unincorporated organization, a joint stock company or other entity or organization, including a Governmental Authority or political subdivision, or an agency or instrumentality thereof and/or any other legal entity.

**“Registrar of Companies”** shall mean the concerned Registrar of Companies/the Ministry of Corporate Affairs.

**“Relative”** shall have the meaning ascribed to it in the Act.

“**Securities**” shall mean the Equity Shares or any securities convertible into Equity Shares, any partially or fully convertible debentures, or any warrants, options, or instruments of the Company, which may enable the holder thereof to acquire Equity Shares and/or any voting rights in the Company.

“**Shareholder**” or “**Shareholders**” shall mean, from time to time, Persons who hold Equity Shares in the Company and in whose name shares are registered in the Company’s register of members or in the records of the depository, collectively, and Shareholder means any one of such parties individually.

“**SIAC**” shall have the meaning ascribed to it in Clause 13.3.

“**SIAC Rules**” shall have the meaning ascribed to it in Clause 13.3.

“**Tax**” or “**Taxation**” means all forms of taxation, duties, levies, fees, imposts and social security charges, including without limitation corporate income tax, wage withholding tax, provident fund, employee state insurance and gratuity contributions, value-added tax, goods and service tax, customs and excise duties, capital tax and other legal transaction taxes, dividend withholding tax, real estate taxes, other municipal taxes and duties, environmental taxes and duties and any other type of taxes or duties in any relevant jurisdiction, together with any interest, penalties, surcharges or fines relating thereto, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction, whether present or future.

“**Third Party**” shall mean any Person other than a Party to this Agreement and any of its respective Affiliates.

“**Transaction**” shall mean the issue and allotment of the Investor Shares to the Investor in accordance with the terms of this Agreement.

“**Transaction Documents**” shall mean this Agreement and any other ancillary document executed in terms of this Agreement for consummation of the Transaction and any other document which may be designated as a Transaction Document by the Parties in writing.

“**Transfer**” shall mean any transfer, including any sale, assignment, creation of Encumbrance on, placing in trust (voting or otherwise), exchange, gift or transfer by operation of Law or in any other way, whether or not voluntarily.

“**USD**” shall mean United States Dollar, the lawful currency of United States of America for the time being.

“**Warranties**” shall collectively mean the Company Warranties and the Investor Warranties.

## 1.2 Interpretation

- (a) Words denoting singular shall include the plural and vice versa and words denoting any gender shall include all genders unless the context otherwise requires.
- (b) References to Recitals, Schedules or Clauses are, unless the context otherwise requires, references to recitals or schedules to, or clauses of this Agreement.
- (c) The Recitals shall be deemed to form part of the Agreement.
- (d) The headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for convenience or information only and shall not form part of the operative provisions of this Agreement or the schedules and shall be ignored in construing the same.



- (e) Reference to a statutory provision is construed as meaning and including references also to any amendment, consolidation, replacement or re-enactment for the time being in force; provided however that with respect to any Warranties provided under this Agreement, the reference to any statutory provision shall be construed to mean the statutory provision in force on the date on which the representation and/or Warranties are made.
- (f) Any reference to “writing” includes printing, typing, lithography and other means of reproducing words in permanent visible form.
- (g) The terms “include” and “including” shall mean “include without limitation”.
- (h) In computing the shareholding of any Party for determining the rights and privileges available to such Party under this Agreement, the Securities held by its Affiliates shall be considered as being held by such Party.
- (i) Any statement in this Agreement by a Person which is qualified by the expression “to the knowledge” or “to the best knowledge” or any similar expression, that statement shall be deemed to mean that it has been made after due and careful enquiry by that Person.
- (j) **Control:** The word “control” (including its correlative meanings, “controlled by”, “controls” and “under common control with”) shall mean, with respect to a company, the right to exercise, directly or indirectly, more than 50% (fifty percent) of the voting rights attributable to the shares of the controlled company or the power to elect or remove more than 50% (fifty percent) of the board of directors of the company, or possession, directly or indirectly, of the power to direct or cause the direction of management or policies of the company, whether through the ownership of voting securities, by operation of Law, by contract, or otherwise; and, with respect to any Person other than a company, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person.

## 2. EXECUTION DATE DELIVERABLES

On the Execution Date:

- 2.1 the Company shall deliver to the Investor, a copy of the resolution of the Board authorizing the execution, delivery and performance of the Transaction Documents; and
- 2.2 the Investor shall deliver to the Company, a certified copy of the extract of the resolution of its board of directors or governing body or other appropriate authority document, authorizing the execution, delivery and performance of the Agreement and other Transaction Documents it is a party to.

## 3. TERM AND EFFECTIVENESS

Notwithstanding anything contained in this Agreement (except Clauses 8 (*Investor's Put Option*) and 9 (*Rights of the Investor*) shall come into force, and be binding on the Parties on the Execution Date, and shall remain valid and binding on the Parties until such time that the Agreement is terminated in accordance with Clause 12 (*Termination*) below. If the IPO is not completed on or prior to the IPO Long Stop Date, Clauses 8 (*Investor's Put Option*) and Clause 9 (*Rights of the Investor*) shall automatically come into effect and be effective immediately after the IPO Long Stop Date and thereafter Clauses 8 (*Investor's Put Option*) and Clause 9 (*Rights of the Investor*) shall remain valid and binding on the Parties from such date immediately after the IPO Long Stop Date until such time that the Agreement is terminated in

accordance with Clause 12 (*Termination*) below.

#### **4. AGREEMENT FOR ISSUE AND SUBSCRIPTION OF INVESTOR SHARES**

- 4.1 Subject to the terms and conditions of this Agreement, and upon fulfilment to the satisfaction of the Investor or waiver thereby, as the case may be, of the Conditions Precedent, and relying upon the Company Warranties, indemnities, covenants and undertakings of the Company set out in this Agreement, the Investor has agreed to subscribe to the Investor Shares for the Investment Amount, and the Company hereby agrees that upon receipt of the Investment Amount and relying upon the Investor Warranties, indemnities, covenants and undertakings of the Investor set out in this Agreement, it shall allot and issue, free and clear of all Encumbrances, the Investor Shares to the Investor. The Investor Shares when issued, shall be pari passu with the Company's existing Equity Shares in all respects including with respect to dividends and voting.
- 4.2 The Investor Shares to be issued and allotted to the Investor, on the terms and conditions set out in this Agreement, shall be issued and allotted as fully-paid Equity Shares. Upon the Closing, the shareholding pattern of the Company on a Fully Diluted Basis shall be as set out in **PART C of SCHEDULE 1**.
- 4.3 The Company shall, within 2 (two) Business days from the date of receipt of the Investment Amount by the Company, provide to the Investor a certificate issued by the Authorized Dealer, in respect of the Investment Amount.
- 4.4 For the avoidance of doubt, it is hereby clarified that the Company shall, subject to applicable Law, within 7 (seven) Business Days from the receipt of the Investment Amount by the Company, remit the Excess Amount (if any) to the Investor, and the Investor shall not have any right to be issued Securities in respect of the Excess Amount received by the Company.
- 4.5 The Excess Amount shall be remitted to the Investor in USD through the Authorized Dealer, at the exchange rate applied by the Authorized Dealer on the date of receipt of the Investment Amount by the Company.
- 4.6 All costs and expenses for remitting the Excess Amount shall be borne by the Company.

#### **5. CONDITIONS PRECEDENT**

- 5.1 The obligation of the Investor to subscribe to the Investor Shares is conditional upon the completion of the Company's Conditions Precedent prior to the Long Stop Date (unless waived in writing, in whole or in part, by the Investor, in its discretion), to the satisfaction of the Investor.
- 5.2 The obligation of the Company to issue and allot the Investor Shares to the Investor is conditional upon the completion of the Investor's Conditions Precedent prior to the Long Stop Date (unless waived in writing, in whole or in part, by the Company, in its discretion), to the satisfaction of the Company
- 5.3 The Parties shall use all reasonable endeavors to procure that all their respective Conditions Precedent are fulfilled on or before the Long Stop Date.

#### **6. CLOSING**

- 6.1 Subject to satisfaction or waiver or deferment of the Conditions Precedent, as applicable, in accordance Clause 5 (*Conditions Precedent*) above, the Closing shall take place on the Closing Date.

6.2 On the Closing Date, the actions as stipulated in **SCHEDULE 4** shall be undertaken by the Parties. Each such action shall be given effect to in the form and order necessary under Law and in the sequence and manner set forth in **SCHEDULE 4**.

6.3 The obligations of the Company and the obligations of the Investor under **SCHEDULE 4** with respect to the Closing are interdependent on each other. The Closing shall not occur unless all of the obligations specified in **SCHEDULE 4** with respect to such Closing are complied with and are fully effective. The Investor, on remitting the Investment Amount on the Closing Date shall be allotted the Investor Shares on the Closing Date and the Company shall simultaneously undertake all related actions as set out in **SCHEDULE 4**.

**6.3A** The Parties agree that notwithstanding anything contained in this Agreement, in the event the Closing does not occur in the manner and time envisaged in this Agreement and after remittance of the Investment Amount, then the Investor may terminate this Agreement and notify the Company to forthwith refund the Investment Amount in full and without any set-off or deductions. The Company shall promptly and no later than 7 (seven) days from the date of such notice refund the Investment Amount in full. The Investor shall, upon such termination of this Agreement, have no obligation to proceed further and shall be relieved and discharged from all its liabilities to the Company.

#### 6.4 **Post-Closing actions**

The Company covenants with the Investor that upon consummation of the Closing, each of the actions set forth in **SCHEDULE 5** shall be undertaken by it within the timelines prescribed therein.

#### 6.5 **Third party consents**

The Company covenants with the Investor that it shall obtain consents from the Union Bank of India, the Bank of Baroda and the Petroleum and Natural Gas Regulatory Board of India (PNGRB) on the issuance of the Investor Shares to the Investor immediately after the closing and, in any event, no later than 11<sup>th</sup> November 2022 ("**Consent Due Date**"). The Company shall provide to the Investor the evidence of the consents mentioned herein immediately after the receipt of relevant documents from the relevant counterparty. In case there is any inadvertent delay in obtaining consents from the mentioned relevant counter parties, the Parties to this Agreement can mutually extend the Consent Due Date ("**Extended Consent Due Date**") in writing. In case that the Company fails to obtain any of the consents listed above by the Consent Due Date or such Extended Consent Due Date, the Company shall compensate the Loss suffered by the Investor pursuant to Clause 10 (the Investment Amount shall be deemed to be a Loss incurred by the Investor notwithstanding the provisions of Clause 10.1A and Clause 10.13).

#### 6.6 **Audit Committee**

The Company covenants with the Investor that it will invite the Investor to its audit committee and allow the Investor's nominee to attend meetings of its audit committee as a special invitee for value addition/suggestions on all new projects of the Company.

### 7. **REPRESENTATIONS AND WARRANTIES**

7.1 The Company, represents, warrants and undertakes to the Investor that each of the Company Warranties are true, accurate and not misleading in any respect as at the Execution Date and the Closing Date, with respect to the facts and circumstances then existing. Each Company Warranty is to be construed independently of the others and is not limited by reference to any other Company Warranty.

7.2 The Investor, hereby represents and warrants that each of the Investor Warranties are true, accurate and not misleading in any respect as at the Execution Date and the Closing Date, with respect to the facts and circumstances then existing.

7.3 Notwithstanding anything to the contrary contained in this Agreement, the Parties agree that for the purposes of the transactions contemplated in this Agreement, there shall be no presumption of knowledge imputed to the Investor or the Company, as applicable. Accordingly, the Investor shall be entitled to completely rely on the Company Warranties and the Company shall be entitled to completely rely on the Investor Warranties. In each case, such reliance shall not be affected by any investigation, due diligence or inspection made or undertaken by or on behalf of the Investor or the Company, as applicable, and such investigation or due diligence shall not, in itself, be a defense to any claims under Clause 10 (*Indemnification Rights*) below.

## 8. RESTRICTIONS ON ISSUANCE AND TRANSFER

### 8.1 Pre-emptive Rights

Subject to Clause 3, in the event the Company decides to issue additional Securities by way of a rights issue, all the existing Shareholders of the Company shall have a pre-emptive right (but not the obligation) to participate in such issuance on the same price, terms and conditions as the Company proposes to offer such Securities, on a pro-rata basis, such that each Shareholder has the opportunity to maintain his/her/its proportionate shareholding in the Company on a Fully Diluted Basis. If an existing Shareholder of the Company chooses not to exercise his/ her/its pre-emptive right to subscribe to the additional Securities offered by the Company, such right of pre-emption shall be first renounced in favour of/offered to the other existing Shareholders of the Company who have exercised their pre-emptive right to subscribe to the additional Securities to the full extent of their entitlement, on a pro-rata basis to their shareholding in the Company.

### 8.2 Lock-in Restriction on the Investor

(a) Subject to Clause 8.5 (*Investor's Put Option*), and except for the limited exceptions for right of Transfer under Clause 8.2(b), the Investor shall not, directly or indirectly, Transfer any Investor Securities held by them in the Company, or any rights, entitlements or beneficial interest therein to any Person (including to a Competitor) until the expiry of a period of the Lock-in Period as stipulated in the Existing SSA ("**Lock-in Period**"), provided that, for avoidance of doubt, all Transfers following expiry of the Lock-in Period shall remain subject to the provisions of Clause 8.4 (*Company's Right of First Offer/Buyback*).

(b) Notwithstanding Clause 8.2(a) above the Investor shall:

- (i) have the right to Transfer all and not part of the Investor Securities to its Affiliate only after obtaining the prior written consent of the Company and such Affiliate executing the Deed of Adherence; and
- (ii) have the right to Transfer all and not part of the Investor Securities to any Person (who shall not be a Competitor) in the event the Company decides to undertake an initial public offering of the Securities of the Company only after obtaining the prior written consent of the Company and such Person executing the Deed of Adherence,

in either case (i) or (ii) above, consent of the Company shall not be unreasonably withheld.

### 8.3 No Transfer to Competitors

The Investor shall not, directly or indirectly, Transfer any of the Investor Securities held by it in the Company or any rights, entitlements or beneficial interest therein to any Competitors without consent of the Company. The Company shall not unreasonably withhold its consent for such Transfer.

#### 8.4 Company's Right of First Offer/ Buy Back

Subject to Clause 8.2 (*Lock-in Restrictions of the Investor*), Clause 8.3 (*No Transfer to Competitors*) and this Clause 8.4 (*Company's Right of First Offer/ Buy Back*), after the expiry of the Lock-in Period, the Investor shall have the right to sell all (and not part) of the Investor Securities held by the Investor ("**Sale Securities**") in the Company to any Person (who shall not be a Competitor unless otherwise consented by the Company) ("**Third- Party Purchaser**"). In the event that the Investor proposes to Transfer all (and not part) of the Sale Securities to a Third-Party Purchaser, then the Company shall have the right of first offer with respect to such Sale Securities ("**Right of First Offer**"). Such Right of First Offer shall be exercisable, in accordance with applicable Law and in the manner set out below:

- (a) The Investor shall issue a written notice ("**ROFO Notice**") to the Company stating therein: (a) the Investor's intention to Transfer the Sale Securities, (b) the class, type, number, amount, percentage (as applicable) and, in reasonable detail, payment conditions (including the Fair Market Value of the Sale Securities that the Investor shall receive as the share price) and all other material terms and conditions of the Sale Securities, and (c) the number of Securities held by the Investor in the Company as on the date of such ROFO Notice.
- (b) Within a period of thirty (30) days from the receipt of the ROFO Notice ("**ROFO Period**"), the Company shall be entitled to respond to the ROFO Notice in writing, stating therein: (a) its offer to purchase all, but not less than all, of the Sale Securities on the same conditions described in the ROFO Notice ("**ROFO Offer Notice**"), (b) the Fair Market Value of such Sale Securities ("**ROFO Price**"), at which the Company shall purchase the Sale Securities. Upon receipt of the ROFO Offer Notice, the Investor shall be bound to (and, as applicable, shall cause its Affiliates to) sell/Transfer the Sale Securities at the Fair Market Value and on the terms and conditions set forth in the ROFO Offer Notice to the Company.
- (c) If the Company declines to purchase all of the Sale Securities by written notice to the Investor (the "**Rejection Notice**"), or fails to provide a ROFO Offer Notice prior to the expiry of the ROFO Period, then, the Company shall be deemed to have refused to exercise its Right of First Offer under this Clause 8.4 (*Company's Right of First Offer/ Buy Back*) and the Investor may sell all of the Sale Securities as set out in the ROFO Notice, with all the rights available to them under this Agreement, to any Third-Party Purchaser (other than a Competitor) ("**Third Party ROFO Sale**"), provided that (i) the sale shall be for all (and not part of) the Sale Securities as set out in the ROFO Notice; (ii) immediately upon and as a condition of the effectiveness of such sale, such Third-Party Purchaser shall execute the Deed of Adherence, and agree to exercise all rights and be bound by all the obligations of the Investor under this Agreement; and (iii) the Third Party ROFO Sale shall be consummated within 90 (ninety) Business Days of the receipt of the Rejection Notice or the expiry of the ROFO Period, in the event the Company fails to provide a ROFO Offer Notice prior to the expiry of the ROFO Period, whichever is earlier.
- (d) In the event that the Investor does not sell the Sale Securities to such Third-Party Purchaser within 90 (ninety) Business Days of the receipt of the Rejection Notice or the expiry of the ROFO Period, in the event the Company fails to provide a ROFO Offer Notice prior to the expiry of the ROFO Period, whichever is earlier, as specified

under this Clause 8.4 (*Company's Right of First Offer/ Buy Back*), then the provisions of and process set out in this Clause 8.4 (*Company's Right of First Offer/ Buy Back*) shall be applicable to any and all other Transfer of the Investor Securities intended by the Investor.

## 8.5 Investor's Put Option

### (a) Right of Put Option

Notwithstanding Clause 8.2 (*Lock-in Restrictions on the Investor*), subject to Clause 3 and upon occurrence of the Put Option Event during the Put Option Period and in the event Closing under this Agreement has already occurred, the Investor shall have the option exercisable at its sole discretion to require the Company to purchase from the Investor, all of the Investor Securities ("**Put Option Shares**") at a purchase price which shall, subject to applicable Laws, in no event be below USD 1,894,176 (United States Dollars one million eight hundred ninety-four thousand one hundred seventy-six only) ("**Put Consideration**") on the terms set out in this Clause 8.5 (*Investor's Put Option*) ("**Put Option**"). For avoidance of doubt, it is hereby clarified that the rights of the Investor under this Clause 8.5 (*Investor's Put Option*) shall cease to exist and fall away upon the expiry of the Put Option Period.

### (b) Exercise and Completion of the Put Option

- (i) The Investor may exercise the Put Option by delivering to the Company an exercise notice in writing ("**Put Exercise Notice**") within a period of 60 (sixty) Business Days after the identification by the Investor of occurrence of a Put Option Event.
- (ii) Upon receipt of the Put Exercise Notice the Company shall be obligated to purchase from the Investor, and the Investor shall sell to the Company, the Put Option Shares.
- (iii) The Put Option Shares shall be sold free of Encumbrances (except for restrictions on Transfer specified under the Charter Documents) together with all rights, benefits and entitlement attaching to the Put Option Shares at the date of the Put Exercise Notice. Further except for representations on authority and capacity and the Investor's title to the Put Option Shares, the Investor shall not be required to provide any other representation, warranties or covenants of any nature.
- (iv) The completion of the sale and purchase of the Put Option Shares following the delivery of the Put Exercise Notice shall take place on the date which is no later than the 90<sup>th</sup> (ninetieth) Business Day after the date of service of the Put Exercise Notice and at completion:
  - A. the Company shall pay or procure the payment of the Put Consideration to the bank account of the Investor, as notified by the Investor to the Company in writing; and
  - B. the Company shall attend to all other formalities for completion of the purchase of the Put Option Shares and the Investor shall execute and provide all documents which are required in relation to the sale of the Put Option Shares to the Company.

### (c) For the purposes of this Clause 8.5 (*Investor's Put Option*):

"**Put Option Event**" means the following events having occurred:

- (i) the Company not having completed the financial closure and being finally awarded a new geographical area from the 11<sup>th</sup> City Gas Distribution bidding round conducted by the Petroleum and Natural Gas Regulatory Board on or prior to 31<sup>st</sup> December 2022 or such other date as extended by PNGRB;
- (ii) the Investor is of the opinion that there is no economic rationality in collaboration with the Company e.g., in the case the value of per Equity Share of the Company falls below the Issue Price and/or Investor and Company are unable to reach an agreement on the condition of additional investment by the Investor;
- (iii) in the event of the occurrence of the Put Option Event stipulated in the Existing SSA;
- (iv) in the event of a default and/or any material breach of this Agreement, the Existing SSA or the other Transaction Documents by the Company; or
- (v) in the event of a change of Control in the Company and/or a material change in the Company's management team. It is hereby clarified that the Company shall, on the occurrence of a change of Control in the Company and/or a material change in the Company's management team, immediately and in no event later than 7 (seven) Business Days from the occurrence of such Put Option Event, inform the Investor in writing of the same.

**"Put Option Period"** means a period of three (3) years from 2<sup>nd</sup> March, 2022.

For the avoidance of doubt, the Parties confirm that Clause 8 will come into effect only from the date immediately after the IPO Long Stop Date in case the IPO is not completed by the IPO Long Stop Date. Clause 8 will not be effective from the Execution Date, and will be deleted from this Agreement from the date of successful completion of the IPO.

## **9. RIGHTS OF THE INVESTOR**

### **9.1 Voting Rights**

The Investor shall have the right to vote pro-rata to its Equity Shares shareholding percentage in the Company.

### **9.2 Information Rights**

Subject to the regulatory provisions, the Company shall, on and from the Closing Date, provide to the Investor:

- (a) A quarterly/yearly comprehensive management information statement and other information as the Board may deem fit; and
- (b) Copies of the Company's most recent quarterly unaudited financial statements within 45 (forty five) days from the end of each quarter.

For the avoidance of doubt, the Parties confirm that Clause 9 will come into effect only from the date immediately after the IPO Long Stop Date in case the IPO is not completed by the IPO Long Stop Date. Clause 9 will not be effective from the Execution Date, and shall automatically stand deleted from this Agreement from the date of successful completion of the IPO anytime until the IPO Long Stop Date. The Company shall not be obligated to provide to any investor any information which the Company is prohibited from providing under Law.

## **10. INDEMNIFICATION RIGHTS**

10.1 Subject to the terms and conditions of this Clause 10 (*Indemnification Rights*), each Party (“**Indemnifying Party**”) hereby agrees to indemnify and hold harmless the other Party and its Affiliates, directors, officers and employees (collectively referred to as “**Indemnified Parties**” and individually as “**Indemnified Party**”) from and against any and all Losses that are incurred by such Indemnified Parties arising out of or relating to any:

- (a) breach, misrepresentation or inaccuracy of any of their respective Warranties;
- (b) breach of any terms of or any of its obligations, undertaking and covenants under, the Transaction Documents; and
- (c) any fraud or willful misconduct.

(each an “**Indemnification Event**”).

**10.1A** The Parties hereby clarify and agree that in the event any Loss is incurred or suffered by the Company as a result of occurrence of any Indemnification Event arising in relation to the Company, then such Loss shall be, notwithstanding the provisions of Clause 10.13, deemed to be a Loss suffered by the Investor as per its pro rata shareholding in the Company on a Fully Diluted Basis at the time of the Loss, and shall also be recoverable in terms of this Clause 10 (*Indemnification Rights*). The Parties hereby clarify and agree that in the event any Loss is incurred or suffered by the Company as a result of occurrence of any Indemnification Event arising in relation to the Investor, then the Investor shall be liable to indemnify the Company as per this Clause 10 (*Indemnification Rights*), for the entire Loss incurred or suffered by the Company and not only to the extent of its pro- rata shareholding.

#### 10.2 **Notice of indemnity claims**

Any Indemnified Party seeking indemnity under Clause 10.1 against any Losses, shall, no later than 30 (thirty) days from the date on which such Indemnified Party becomes aware of an Indemnification Event, issue a written notice to the Indemnifying Parties (“**Claim Notice**”), containing: (a) an estimated amount of any Losses (if such amount is known or such estimate can be determined) incurred or reasonably expected to be incurred by the Indemnified Party; and (b) in reasonable detail a description of the nature of the Indemnity Claim and the cause for the Claim Notice, to the extent of the facts then known by the Indemnified Party. The Indemnified Party shall annex all available supporting documentation to put the Indemnifying Party fairly on notice of the Indemnification Event. Provided that any delay to provide Claim Notice shall not alter the Indemnified Party’s indemnity rights under this Agreement, except to the extent that the Indemnifying Party is materially prejudiced by such delay.

#### 10.3 **Procedure for inter-se claims**

Within 30 (thirty) days after receipt of a Claim Notice, the Indemnifying Parties shall deliver to the Indemnified Parties a written response in which the Indemnifying Parties shall either:

- (a) agree that the Indemnified Parties are entitled to receive the indemnification amount set forth in the Claim Notice (“**Acceptance Notice**”); or
- (b) dispute the Indemnified Parties’ entitlement to indemnification by delivering to the Indemnified Parties a written notice setting forth in reasonable detail each disputed item (“**Dispute Notice**”).

10.4 The indemnification amount set forth in the Claim Notice shall be paid by the Indemnifying Parties to the Indemnified Parties within 30 (thirty) days after the date on which the Acceptance Notice is received by the Indemnified Parties.



10.5 If the Indemnifying Parties fail to take either of the actions set out in Clause 10.3 (*Procedure of inter-se claims*) within the period prescribed in Clause 10.3 (*Procedure of inter-se claims*), then the Indemnifying Parties shall be deemed to have issued the Dispute Notice, and the Dispute Notice will be resolved in accordance with the provisions of Clause 13 (*Governing Law, Jurisdiction and Arbitration*).

10.6 **Procedure for third-party claims**

Within 30 (thirty) days after receipt of a notice of claim ("**Third Party Claim Notice**") which pertains to a claim from a third party ("**Third Party Claim**"), the Indemnifying Parties shall deliver to the Indemnified Parties a written response in which the Indemnifying Parties shall either:

- (a) Accept such Third Party Claim by remitting the amount claimed by the third party within 30 (thirty) Business Days from the date of the Third Party Claim Notice to the third party ("**Third Party Acceptance Notice**"); or
- (b) dispute such Third Party Claim and the Indemnifying Parties shall assume the defense of such Third Party Claim at its own expense and in the manner provided in the remaining provisions of this Clause 10.6(b); provided however that an Indemnified Party may at its own expense, retain a separate counsel to participate in such defense or any negotiations or settlement thereunder. The Indemnifying Parties agree that only in the event the Third Party Claim involves any criminal liability or reputational risk for an Indemnified Party or where the Indemnified Party is made a necessary party to a Third Party Claim, will the Indemnifying Party seek prior written consent before settling, compromising or consenting to the entry of any judgment or compromise or settlement in respect of the Third Party Claim. Notwithstanding anything contained in this Agreement, it is clarified that the Indemnified Parties shall not be required to bear any out of pocket expenses or deposit any amounts that are required to be deposited in case of any Third Party Claim and such amounts shall be borne at all times by the Indemnifying Party. Further, the Indemnified Parties shall be entitled to assume defense in case of a Third Party Claim if the Indemnifying Parties fail to assume the defense of such Third Party Claim, and to recover all Losses suffered or incurred by the Indemnified Parties from the Indemnifying Party in this regard. Provided that the Parties shall, prior to the Indemnified Party assuming defense of a Third Party Claim as set out in this Clause 10.6(b), agree on (i) the upper limit of the legal costs; and/or (ii) the settlement amount to be paid in respect of the Third Party Claim, as may be required to be paid by the Indemnifying Party.

10.7 Any indemnity as referred to above shall be such, so as to place the Indemnified Party in the same position as it would have been in, had there not been any breach and as if the representation and/or warranty under which the Indemnified Party is to be indemnified, had been correct.

10.8 The rights and remedies of the Indemnified Party in respect of any breach, including without limitation breach of any of the Warranties shall not be affected by any act or omission which may otherwise have affected such rights and remedies, except by a specific written waiver by the Indemnified Party.

10.9 The Indemnified Party shall have the right to be indemnified under this Clause 10 (Indemnification Rights) in respect of all Losses suffered by them under this Agreement as arising from time to time.

- 10.10 Claim Period: The Indemnifying Parties shall have no liability in respect of any Indemnification Event unless the Indemnified Parties have raised an Indemnity Claim with respect to such Indemnity Event within the periods from the Execution Date (“**Claim Period**”):
- (a) in case an Indemnification Event under Clause 10.1(a) arises on account of breach of Company Warranties specified at paragraph 6 of **SCHEDULE 6** (“**Tax Warranties**”), for a period commencing from the Closing Date and until expiry of the period of limitation prescribed by Income Tax Act, 1961;
  - (b) in case of an Indemnification Event under Clause 10.1(a) which arises on account of breach of Warranties which are neither Tax Warranties nor Fundamental Warranties, or under Clause 10.1(b), for a period commencing from the Closing Date and until expiry of 3 (Three) years from the Closing Date; and
  - (c) in case of an Indemnification Event under Clause 10.1(a) which relates to Fundamental Warranties, or under Clause 10.1(c), any time after the Closing Date.
- 10.11 For the avoidance of doubt, it is hereby clarified that after the expiry of the relevant Claim Period mentioned above, the Indemnifying Parties shall have no Liability to indemnify any of the Indemnified Parties for Losses to which such Claim Period pertains, provided that, if a *bona fide* Claim Notice or Third Party Claim Notice has been made prior to expiry of the Claim Period, then such Indemnity Claim shall survive the Claim Period. The Indemnifying Parties shall not be liable in respect of an Indemnity Claim unless:
- (a) the liability of the Indemnifying Parties in respect of any individual Indemnity Claim exceeds INR 1,000,000 (Indian Rupees one million only) (“**De-Minimis Amount**”);
  - (b) the aggregate liability of the Indemnifying Parties in respect of all Indemnity Claims not excluded by Clause 10.10(a) above exceeds INR 5,000,000 (Indian Rupees five million only) (“**Basket Amount**”), upon crossing which the Indemnifying Parties shall be liable for all Indemnity Claims subject to the Aggregate Liability set out in Clause 10.12 below.
- 10.12 The aggregate liability (“**Aggregate Liability**”) of the Indemnifying Parties in respect of all claims under this Agreement shall be limited to 100% (one hundred per cent) of the total Investment Amount in INR (for avoidance of doubt, such amount in INR will be recorded in the Foreign Inward Remittance Certificate based on the USD to INR conversion rate as of the Closing Date) less the Excess Amount, if any.
- 10.13 The Indemnifying Parties shall not be liable for any Consequential Losses regardless of whether such liability arises in tort, contract, breach of warranty, indemnification or otherwise. For the purposes of this Agreement, “**Consequential Loss**” means any special, indirect, remote or punitive loss, loss of opportunity, loss of profit or diminution of value or any damages based on any type of multiple, or any Loss which is not a reasonably foreseeable consequence arising from a particular breach or occurrence. The Indemnifying Parties shall not be liable in respect of any Indemnity Claim if and to the extent the Loss would not have arisen but for the entry into force or the modification or a change in applicable Law and/ or the levy or modification of any Tax or Tax rate after the Closing Date, whether or not that change or levy purports to be effective retrospectively in whole or in part.
- 10.14 The Indemnified Parties shall not and is not entitled to recover for breach of, or under, this Agreement, more than once (whether pursuant to a Claim Notice or otherwise): (i) in respect of the same Loss; or (ii) if the Indemnified Party has been compensated in full by or on behalf of the Indemnifying Party for the Loss in respect of the same Loss suffered. It is agreed that no Loss shall be taken into account more than once, with the intent that there will be no double

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counting in connection with any Indemnity Claim, or any duplication of liability or double liability on the Indemnifying Parties.

- 10.15 The Indemnified Parties shall provide all reasonable assistance and cooperation to the Indemnifying Parties to avoid or mitigate any Loss in respect of a matter giving rise to an Indemnity Claim, which in the absence of mitigation or assistance might give rise to a Loss under this Agreement, provided, however, all out-of-pocket costs and expenses pertaining to any such actions, required to be undertaken by the Indemnified Parties shall be borne and paid by the Indemnifying Parties.
- 10.16 The indemnification rights of the Indemnified Parties as per the provisions of Clause 10 (*Indemnification Rights*) shall be: (i) the sole monetary remedy of the Indemnified Parties against the Indemnifying Parties in respect of any Loss incurred or suffered by the Indemnified Parties under the Transaction Documents; and (ii) independent of, and in addition to, such other non-monetary rights and remedies that the Indemnified Parties may have at Law or in equity or otherwise, including the right to seek specific performance, rescission, restitution or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby.
- 10.17 If any indemnity payment required to be paid to Indemnified Parties pursuant to the provisions of this Agreement is subject to receipt of Consent under applicable Law, the Indemnifying Party and Indemnified Party shall be jointly responsible to obtain all such Consents and shall make all applications and take all steps required to obtain such Consents at the cost of the Indemnifying Party. Any time required to obtain the Consent required under applicable Law shall be excluded from the time period for making the indemnity payment.
- 10.18 The Indemnifying Party shall not be held liable in respect any Loss resulting from, or increased by, any voluntary action or omission on the part of the Indemnified Party after the Closing.

10.19 **Tax gross up**

Any indemnity payments made pursuant to this Clause 10 (*Indemnification Rights*) shall be made free and clear of and without deduction for or on account of any Taxes, charges, fees, costs, expenses or duties except as may be required by any applicable Law. If any Taxes or amounts in respect of such charges, fees, costs, expenses or duties must be deducted, or any other deductions must be made, from any amounts payable or paid pursuant to this Clause 10 (*Indemnification Rights*), such additional amounts must be paid by the Indemnifying Party as may be necessary to ensure that the Indemnified Party receives a net amount equal to the full amount which it would have received had payment not been made subject to such Taxes, charges, fees, costs, expenses or duties. In the event the withholding Taxes deposited with the relevant Governmental Authorities by the Indemnifying Party are refunded to the Indemnified Parties, then, the Indemnified Parties shall refund such additional amounts to the Indemnifying Parties. The Indemnified Parties hereby agree to undertake all such acts as are prudently required, in compliance with applicable Laws, to recover the withholding Taxes with respect to such grossed-up amount which are deposited by the Indemnifying Parties with the relevant Governmental Authorities. The Indemnified Parties agree to provide such documents as may be reasonably requested by the Indemnifying Parties, for availing any exemptions / refund of withholding Taxes as available under applicable laws and tax treaties between the countries, while making indemnity payments.

10.20 **Gross-up**

As the Investor will also be a shareholder in the Company, and therefore the Company will be partly owned by the Investor, the liability of the Company in relation to Losses shall be grossed up by an amount (“**Increased Loss**”) such that the share of the Investor’s in the payment of the Increased Loss will be equal to the Loss. The Increased Loss, as such, will be calculated such

that the actual loss divided by the percentage of shareholding of all Shareholders other than the Indemnified Party shall be equal to the Increased Loss. For example, if the percentage of securities held by an Indemnified Party on a Fully Diluted Basis is 10% (ten percent) of the share capital of the company and the loss is for INR 100 (Indian Rupees one hundred only), the Increased Loss that may be claimed by such Indemnified Party from the Company shall be INR 111.11 (Indian Rupees one hundred and eleven and Paise eleven only).

## 11. NOTICES

- 11.1 Any notice, request, waivers or instruction to be given hereunder by any Party to the other shall be in writing and signed by or on behalf of the Party giving it, in English language. Such notice shall be delivered personally, or sent by: (x) email at the email address set forth below, and (y) at least one of registered mail postage prepaid, or reputable overnight prepaid courier, or hand delivery, addressed to the concerned Party at the address set forth below or any other address subsequently notified to the other Parties by notice in writing:

In the case of notices to the Company:	
Attention:	Karan Kaushal, CEO
Address:	4 <sup>th</sup> Floor, Block-8, Magnet Corporate Park, S G Highway, Ahmedabad- 380054, Gujarat, India
Email:	<a href="mailto:karan.kaushal@irmenergy.com">karan.kaushal@irmenergy.com</a>
In case of notices to the Investor	
Attention:	Mr. Daigo Sakakibara  Deputy General Manager  Overseas Business Department, Global Energy Division
Address:	1-5-38 Yahata, Suruga-ku Shizuoka 422-8688 Japan
Email:	<a href="mailto:sg-bsd@shizuokagas.co.jp">sg-bsd@shizuokagas.co.jp</a>

- 11.2 For the purposes of this Clause 11 (*Notices*), a notice shall be deemed to be effective (i) in case sent by registered mail, on the earlier of: (a) receipt by the addressee; or (b) after the expiry of 15 (fifteen) Business Days from the date of dispatch of the mail, provided that the sending Party possesses a certified prepaid mail receipt; (ii) in case delivered by courier, on the earlier of: (a) receipt by the addressee; or (b) after the expiry of 5 (five) Business Days from the date of dispatch of the courier, provided that the sending Party possesses a certified payment challan, and receives a written confirmation of delivery from the delivery service provider; (iii) in case of personal delivery, when delivered to the other Party; and (iv) in case of electronic mail, upon a confirmation of transmission being recorded on the server of the Party sending the communication, unless the Party receives a message indicating failed delivery.

## 12. TERMINATION

- 12.1 This Agreement shall automatically terminate (a) if the Company's Conditions Precedent are neither fulfilled to the satisfaction of the Investor nor waived by the Investor by the Long Stop Date; or (b) if the Investor's Conditions Precedent are neither fulfilled to the satisfaction of the

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*[Signature]*

Company nor waived by the Company by the Long Stop Date; or (c) if the Closing has not occurred on or prior to the Long Stop Date.

- 12.2 This Agreement may be terminated on or prior to the Closing Date by the mutual written consent of the Parties.
- 12.3 This Agreement shall automatically terminate with respect to the Investor upon the Investor ceasing to hold any Equity Shares in the Company.
- 12.4 Subject to this Clause 12 (*Termination*), all rights and obligations of the Parties under this Agreement shall cease immediately upon termination, but termination shall not affect a Party's accrued rights and obligations as on the date of termination, except that if the Agreement is terminated prior to the Closing Date, the Parties shall have no obligation to proceed further and shall be relieved and discharged from all liabilities whether actual or contingent, present or future, quantified or unquantified.
- 12.5 Notwithstanding termination of this Agreement, this Clause 12.5 and provisions which by their nature survive termination, namely Clause 1 (*Definitions and Interpretation*), Clause 10 (*Indemnification Rights*), Clause 11 (*Notices*), Clause 12.5, Clause 13 (*Governing Law, Jurisdiction and Arbitration*), Clause 14 (*Confidentiality*), and Clause 15 (*Miscellaneous*) shall survive the termination of this Agreement.

### **13. GOVERNING LAW, JURISDICTION AND ARBITRATION**

- 13.1 This Agreement, including the arbitration agreement recorded in Clauses 13.2 to 13.4 below, shall be governed by and construed in accordance with Laws of India without regard to applicable conflicts of laws principles. Subject to Clauses 13.2 to 13.4 below, the courts of Mumbai shall have jurisdiction with respect to matters arising out of or in connection with this Agreement.
- 13.2 In the event of a dispute, difference, controversy or claim arising out of or in connection with or relating to any of the matters set out in the Agreement, including any dispute regarding the existence, validity, interpretation or breach of the Agreement any Party who has an interest in the dispute may, at any time while the dispute subsists, give written notice of such dispute in writing to the other Parties to the dispute and refer the dispute to arbitration in accordance with Clause 13.3.
- 13.3 All disputes shall be referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre ("**SIAC**") in accordance with the arbitration rules of the SIAC ("**SIAC Rules**") which rules are deemed to be incorporated by reference into this Clause.
- 13.4 The arbitration tribunal shall consist of 3 (three) arbitrators. The claimant(s) shall nominate 1 (one) arbitrator. The respondent(s) shall nominate 1 (one) arbitrator. The 2 (two) arbitrators thus appointed shall, within 15 (fifteen) days after the appointment of the 2<sup>nd</sup> (second) arbitrator, nominate the 3<sup>rd</sup> (third) arbitrator, who shall be the presiding arbitrator. The language of the arbitration shall be English and all documents submitted (including those submitted as filings, evidence or exhibits) shall be certified English translations if in a language other than English. The legal seat and venue of arbitration shall be Singapore.

### **14. CONFIDENTIALITY**

- 14.1 Each Party agrees that it will not disclose the terms, provisions and conditions of this Agreement, and all information relating to the other Parties received under or pursuant to or in connection with this Agreement including technological know-how, expertise and/or

knowledge provided to the Company by the Investor (“**Confidential Information**”), to any Person other than its Affiliates, directors, officers, employees, attorneys, consultants, lenders, investors and financial advisors, provided that the Confidential Information shall be disclosed on a need to know basis only to such Affiliates, directors, officers, employees, attorneys, consultants, lenders, investors and financial advisors and the same being bound by equivalent confidentiality obligations that are set out in this Clause 14 (*Confidentiality*).

14.2 The obligations of confidentiality under this Clause 14 (*Confidentiality*), shall not apply to any information that:

- (a) has become generally available to the public (other than by virtue of disclosure by the receiving Party);
- (b) may be required in any report, statement or testimony submitted to any Governmental Authority;
- (c) may be required in response to any summons or subpoena or in connection with any Litigation;
- (d) may be required to comply with any Law, Order, regulation or ruling applicable to any Party hereto;
- (e) to the extent that any of such information was previously known or already in the lawful possession of such Party, prior to disclosure by the other Party hereto; or
- (f) to the extent that any information, materially similar to the information has been independently developed by such Party without reference to any information furnished by any other Party hereto.
- (g) may be required to be shared as part of the filing of DRHP by the Company with regulatory bodies and in investor presentations (incl. sharing and or/display of name of the Investor and its logo).

Provided that prior to any disclosure in respect of a request to disclose Confidential Information under the sub-sections above the disclosing Party must, if legally permitted, first notify the other Parties, so that they may take steps to limit the extent of the disclosure. Notwithstanding the foregoing sentence, no such notice shall be required in the case of a routine audit or regulatory or administrative review not specifically related to the Company or the subscriptions for Securities pursuant to this Agreement.

14.3 The obligation of confidentiality as imposed under this Clause 14 (*Confidentiality*) shall continue to bind the Parties for a period of 2 (two) years from the termination of this Agreement.

## 15. MISCELLANEOUS

### 15.1 Reservation of Rights

No forbearance, indulgence or relaxation or inaction by any Party at any time to require performance of any of the provisions of this Agreement shall in any way affect, diminish or prejudice the right of such Party to require performance of that provision and any waiver or acquiescence by any Party of any breach of any of the provisions of this Agreement shall not be construed as a waiver or acquiescence of any continuing, prior or succeeding breach of such provisions, a waiver of any right under or arising out of this Agreement or acquiescence to or recognition of rights other than that expressly stipulated in this Agreement.

## 15.2 **Cumulative Rights**

Subject to Clause 10 (*Indemnification Rights*), all remedies of any Party under this Agreement whether provided herein or conferred by statute, civil law, common law, custom or trade usage, are cumulative and not alternative and may be enforced successively or concurrently. Each Party acknowledges and agrees that the other Parties would be damaged irreparably in the event any provision of this Agreement is not performed in accordance with its specific terms or otherwise is breached and money damages would be inadequate and the Parties would have no adequate remedy at Law. Therefore, the Parties shall, subject to Clause 13 (*Governing Law, Jurisdiction and Arbitration*) hereof, have the right to enforce its rights and the other Party's respective obligations hereunder by seeking specific performance, injunctive and/or other equitable relief in addition to any other remedy to which such Party may be entitled, at Law or in equity.

## 15.3 **Partial Invalidity**

If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to Persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by Law. Any invalid or unenforceable provision of this Agreement shall be replaced with a provision, which is valid and enforceable and most nearly reflects the original legal and economic intent of the unenforceable provision; provided however, that on the revocation, removal or diminution of the Law by virtue of which the provisions of any clause of this Agreement were limited as provided hereinabove, the original provisions would stand renewed and be effective to their original extent, as if they had not been limited by the Law.

## 15.4 **Amendments**

No modification or amendment of this Agreement and no waiver of any of the terms or conditions hereof shall be valid or binding unless made in writing and duly executed by all the Parties. Any waiver, permit, consent or approval of any kind or character on the part of any Party of any breach of default under this Agreement or any waiver on the part of any other Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

## 15.5 **Assignment**

This Agreement and the rights and liabilities, hereunder shall bind and inure to the benefit of the respective successors of the Parties hereto. The Company shall not assign or transfer, nor shall they be entitled to assign or transfer, any of their rights and liabilities hereunder to any other Person without the prior written consent of the Investor. The Investor shall not assign or transfer, nor shall they be entitled to assign or transfer, any of their rights and liabilities hereunder to any other Person, without the prior written consent of the Company.

## 15.6 **Entire Agreement**

This Agreement, any agreements or documents referenced herein and the schedules, annexes and exhibits hereto (which are expressly incorporated herein by this reference), the other Transaction Documents and the Existing SSA constitute the entire understanding and agreement between the Parties with regard to the Transaction and supersede and cancel any prior oral or written agreement, representation, understanding, arrangement, communication or expression of intent relating to the subject matter of the Transaction Documents.

15.7 **Relationship**

Nothing in this Agreement shall, or shall be deemed to, constitute an association or partnership between the Parties nor to constitute any Party as the agent of the other Party for any purpose.

15.8 **Costs**

The stamp duty payable on the issue of the Investor Shares and payable on this Agreement shall be borne by the Company. Subject to the above, each Party shall bear its own costs and expenses incurred by it in connection with the Transaction Documents including the costs of drafting, negotiating and finalizing the Definitive Agreements (including the costs of the legal counsel and other professionals) and other expenses related thereto.

15.9 **Public Announcements**

No Party to this Agreement shall make any disclosure or announcements about the subject matter of this Agreement to any Person (other than a Party) without the prior written consent of the other Party.

15.10 **Execution in Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument. The delivery of signed counterparts by electronic mail in "portable document format" (".pdf") shall be as effective as signing and delivering the counterpart in person.

15.11 **Co-operation**

The Parties shall use their best efforts to cause the Transaction to be consummated, including without limitation, obtaining, making and causing to become effective all approvals of Governmental Authorities and other Persons as may be necessary in order to consummate the Transaction.

15.12 **No Conflict**

The provisions of this Agreement and the other Transaction Documents shall be interpreted in such a manner so as to give effect to all such documents.



**SCHEDULE 1**

**SHAREHOLDING PATTERN OF THE COMPANY**

**PART A**

**AUTHORISED SHARE CAPITAL OF THE COMPANY**

Sr. No	Particulars	Amount (Rs.)
1	5,00,00,000 Equity Shares of Rs.10/- Each	50,00,00,000.00
2	4,00,00,000 Preference Shares of Rs.10/- Each	40,00,00,000.00
	<b>TOTAL</b>	<b>90,00,00,000.00</b>

**PART B**

**SHAREHOLDING PATTERN OF THE COMPANY AS ON EXECUTION DATE ON A FULLY DILUTED BASIS**

Sr. No	Particulars	No. of Shares of Rs. 10 each	Amount (Rs.)
1	<b><u>Equity Share Capital</u></b>		
a	Cadila Pharmaceuticals Ltd	1,49,78,535.00	14,97,85,350.00
b	IRM Trust	55,80,238.00	5,58,02,380.00
c	Enertech Distribution Management Pvt Ltd	86,70,126.00	8,67,01,260
d	Maheswar Sahu	1,40,728.00	14,07,720.00
e	Shizuoka Gas Co Ltd	615000.00	61,50,000.00
f	KMPs and SMPs	60.00	600.00
	Sub-Total (a)	<b>2,99,84,677.00</b>	<b>29,98,46,770.00</b>
2	<b><u>10% Non Cumulative Redeemable Preference Share Capital</u></b>		
a	Cadila Pharmaceuticals Ltd	3,49,99,432.00	34,99,94,320.00
	Sub-Total (b)	<b>3,49,99,432.00</b>	<b>34,99,94,320.00</b>
	<b>GRAND TOTAL</b>	<b>6,49,84,109</b>	<b>64,98,41,090</b>

**PART C**

**SHAREHOLDING PATTERN OF THE COMPANY AS ON CLOSING DATE ON A FULLY DILUTED BASIS**

*[to be attached separately at the time of closing]*

*Karan Kanshal*

## SCHEDULE 2

### CONDITIONS PRECEDENT

#### PART A: COMPANY'S CONDITIONS PRECEDENT

1. Each of the Company Warranties shall have been true and correct in all respects on and as of the Execution Date and as of the Closing Date.
2. The valuation report(s) from a Category I SEBI Registered Merchant Banker and/or a Chartered Accountant who is a registered valuer in terms of the Act, for the purposes of determining the fair market value of the Investor Shares shall have been obtained.
3. The Board shall have passed appropriate resolutions approving: (a) the issuance of the Investor Shares to the Investor on a private placement basis through a preferential allotment under Section 62(1)(c) of the Act; (b) recording the name of the Investor as the offeree of the Investor Shares; (c) the draft offer letter in Form PAS-4 along with the draft application form in relation to the aforesaid preferential allotment; and (d) convening a general meeting of Shareholders to obtain approval for issuance of Investor Shares.
4. The Shareholders shall have passed a special resolution at a general meeting approving the issuance of the Investor Shares to the Investor to obtain approval for issuance of Investor Shares (in accordance with Sections 42 and 62 of the Act).
5. The Company shall specifically file the Form MGT-14 with respect to the resolutions for issuance of Investor Shares, and provided the Investor with payment challans evidencing the abovementioned form.
6. The Company shall have delivered to the Investor a certified true copy of the resolutions passed in accordance with paragraphs 3 and 4 above, along with all requisite supporting documents and other proof evidencing compliance, to the satisfaction of the Investor.
7. The Company shall have issued the offer letter in Form PAS-4 in Agreed Form (in writing or in electronic mode) along with the application form(s) mandated by Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, read with Rule 14(1)(b) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, to the Investor in regard to the Investor Shares.
8. The Company shall have made relevant filings with the Registrar of Companies in regard to the board resolution and special resolution passed for approving the offer of Investor Shares.
9. On and since the Execution Date till the Closing Date, there having been no event(s) or condition(s) that constitutes or would reasonably be expected to constitute a Material Adverse Effect.
10. The Company shall have finalized the resolutions to be passed at Closing in the format as acceptable to the Investor.
11. The Company and the Investor having agreed on the contents of the form FC-GPR and the format of documents to be submitted along with the form FC-GPR to be filed by the Company with the Reserve Bank of India as contemplated hereunder.
12. The Company shall have ensured that all documents required to be filed under applicable Law (including but not limited to Form FC-GPR (in Single Master Form)) and Form PAS-3 in

respect of issuance to the Investor are prepared and kept ready for submission to each of the relevant authorities, as applicable.

13. During the period between the Execution Date and the Closing Date, the Company shall have (a) undertaken the Business in the ordinary course consistent with past practice in the manner and scope carried on as at the Execution Date and in compliance with applicable Laws; (b) taken all steps to preserve the Company's present Business organization; (c) taken all reasonable steps to preserve the material Assets, including maintaining insurance coverage at the same levels and on the same terms as those policies as are in effect as of the Execution Date; (d) maintained in effect all of the Company's licenses and Consents; and (e) managed the Company's working capital (including the timing of collection of accounts receivables and of the payment of accounts payable and the management of inventory) in the ordinary course of business.

**PART B: INVESTOR'S CONDITIONS PRECEDENT**

1. Each of the Investor Warranties shall have been true and correct in all respects on and as of the Execution Date and as of the Closing Date.
2. The Investor having procured all necessary Consent(s) required by it to execute this Agreement and to perform and consummate the Transaction contemplated herein.
3. The Company and the Investor having agreed on the contents of the form FC-GPR and the format of documents to be submitted along with the form FC-GPR to be filed by the Company with the Reserve Bank of India as contemplated hereunder.

## SCHEDULE 4

### CLOSING ACTIONS

1. The Investor shall issue necessary payment instructions for the wire transfer of the Investment Amount to the Designated Account and provide a copy of such wire transfer instruction to the Company.
2. Immediately upon receipt of the Investment Amount, the Company shall cause the Board to hold a meeting and pass appropriate resolutions:
  - (a) approving the allotment of the Investor Shares to the Investor;
  - (b) authorizing the making of all necessary applications, reporting and filings in connection with the issue and allotment of the Investor Shares to the Investor (including, all relevant filings with the Registrar of Companies);
3. The Company shall deliver to the Investor the following:
  - (a) certified true copies of the resolutions passed in accordance with paragraph 2 above;
  - (b) updated copies of the relevant statutory registers of the Company recording the issuance and allotment of the Investor Shares to the Investor.
4. The Company shall deliver to the Investor, a certified true copy of the benpos statement of the Company reflecting the name of the Investor as the holder of the Investor Shares, provided that if the Company is unable to provide a benpos statement on the Closing Date reflecting that the relevant Investor Shares are credited to the Investor's account, the Company shall issue duly signed and stamped letter of allotment to the Investor on the Closing Date and provide the benpos statement to the Investor within 7 (seven) Business Days after the Closing Date.

## SCHEDULE 5

### POST CLOSING ACTIONS

1. Within 30 (thirty) days from the Closing Date:
  - (a) the Company shall file Form FC-GPR in the Single Master Form with the Authorized Dealer;
  - (b) the Company shall deliver to the Investor, a certified true copy of Form PAS-3 (duly filed with the Registrar of Companies), Form PAS-4 and PAS-5 in connection with the issue and allotment of the Investor Shares; and
  - (c) the Company shall deliver to the Investor, a certified true copy of Form MGT-14 filed with the Registrar of Companies in relation to the Board resolution (where applicable) and special resolution passed *inter alia* for the purposes of issuing and allotting the Investor Shares.
2. Within 30 (thirty) days from the Closing Date and where the Investor Shares are in physical form, the Company shall deliver to the Investor the duly stamped, and signed share certificates representing the Investor Shares.
3. The Company shall have maintained a record of private placement in Form PAS-5.

## SCHEDULE 6

### COMPANY WARRANTIES

#### 1 EXISTENCE, AUTHORITY AND CAPACITY

- 1.1 The Company is duly organized, validly existing under the Laws of India. The Company has the requisite power and authority and has taken all corporate actions to execute, perform and deliver the Transaction Documents, and to perform its obligations thereunder. The Company has the requisite power and authority to own and operate its Assets and carry on its Business as it is being conducted and is duly registered and authorized to do Business in India. Subject to applicable Laws, the Transaction Documents when executed, will constitute legal, valid and binding obligations of the Company and shall be enforceable against the Company in accordance with their respective terms.
- 1.2 The execution, delivery and the performance, by the Company of this Agreement and the respective obligations in relation to the transactions contemplated herein will not (as applicable):
- (a) other than matters for which the Company is to procure Consents as a Company's Conditions Precedent, breach or constitute a default under the Charter Documents of the Company;
  - (b) other than matters for which the Company is to procure Consents as a Condition Precedent, conflict with or result in any breach or violation of any of the terms and conditions of, or constitute (or with notice or lapse of time or both constitute) a default under, any instrument, contract or other agreement or arrangement (oral or written) to which the Company is a party or by which the Company is bound;
  - (c) other than matters for which the Company is to procure Consents as a Condition Precedent, give any third party a right to terminate or modify, or result in the creation of any Encumbrance under, any agreement, licence or other instrument (oral or written) to which the Company is a party or by which the Company is bound;
  - (d) result in a violation or breach of or default under any applicable Law;
  - (e) constitute an act of bankruptcy, preference, insolvency or fraudulent conveyance under any bankruptcy act or other applicable Law for the protection of debtors or creditors;
  - (f) other than the Consents required to be obtained by the Company from the Union Bank of India, the Bank of Baroda and the Petroleum and Natural Gas Regulatory Board of India, require the Company to obtain any Consent, from any Governmental Authority; and
  - (g) violate any Order, decree or judgement against, or binding upon, the Company or upon its respective securities, properties or businesses.
- 1.3 The Person executing this Agreement on behalf of the Company has the authority to so on behalf of the Company.
- 1.4 The issue and allotment of the Investor Shares along with the execution, delivery and the performance, by the Company of this Agreement are each in accordance with applicable Laws.

- 1.5 The Company has not received any written notice of action, suit, proceeding or investigation having been filed against it for its bankruptcy, corporate insolvency resolution process, winding-up, liquidation, insolvency, arrangement with creditors or similar relief by which the affairs, business or Assets of the Company are managed by a Person appointed for the purpose by a Governmental Authority nor, to its knowledge, have any such actions been threatened to be filed against the Company. No order for receivership, bankruptcy or arrangement with creditors, voluntary or involuntary, or for appointment of an administrator/ receiver, liquidator, resolution professional, custodian or any similar or analogous officer has been made or appointment granted in respect of the Company.
- 1.6 The Company has not received any notice or threat in writing, nor are there any claims or proceedings before any court or tribunal, which could reasonably be expected to join, restrict or prohibit the issue and allotment of the Investor Shares to the Investor, as contemplated by this Agreement.

## 2 INVESTOR SHARES

The issuance of the Investor Shares in terms hereof, on the Closing Date, shall result in the vesting of the title and ownership of the Investor Shares with the Investor free from any Encumbrance and immediately upon completion of Closing, the Investor shall have valid and marketable title to and shall be the sole owner of the Investor Shares.

- 2.1 Except as provided as Conditions Precedent or actions forming part of Closing, no Consents for the issue and allotment of the Investor Shares to the Investor are required to be made or obtained by the Company.
- 2.2 All the Investor Shares shall be duly authorized, non-assessable, legally and validly issued and allotted and fully paid up on the Closing Date. All the rights and entitlements of the Investor Shares is *pari passu* with the existing Equity Shares of the Company in all respects.
- 2.3 The Business of the Company is such that 100% (one hundred per cent) foreign direct investment is permissible in the Company under the automatic route in accordance with the extant foreign exchange control Laws of India including the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder.

## 3 CAPITAL STRUCTURE

- 3.1 The capital structure and shareholding pattern of the Company, on a Fully Diluted Basis, as of the Execution Date is as stated in **PART B** of **SCHEDULE 1** and the capital structure and shareholding pattern of the Company, on a Fully Diluted Basis, after the issue and allotment of the Investor Shares in terms of this Agreement on the Closing Date, shall be as stated in **PART C** of **SCHEDULE 1**.

3.2

- (a) Other than as contemplated in the Existing SHA and Existing SSA signed between the Company and Investor, there are no outstanding rights, plans, options, warrants, calls, conversion rights, re-purchase rights, redemption rights and, other than the Existing SHA, there are no contracts, arrangements or commitments of any character (either oral or written, firm or conditional) obligating the Company to issue, sell, purchase, repurchase or otherwise acquire, any Securities of the Company or obligating the Company to grant, extend or enter into any such contract, arrangement or commitment nor are there any rights to receive dividends or other distributions in respect of any such securities; and



- (b) Other than the Existing SHA and Existing SSA, there are no agreements, voting trusts, understandings or commitments to which the Company is a party in respect of any of the Securities of the Company or to create, issue or transfer shares for the conversions of any loan or borrowing into Securities of the Company.

#### **4 OPERATION OF BUSINESS**

- 4.1 No Material Adverse Effect has occurred since the Execution Date and as at the Closing Date.
- 4.2 All licences, consents, authorisations, orders, warrants, confirmations, permissions, certificates, approvals, registrations and authorities ("**Licences**") necessary for the carrying on the Business of the Company have been obtained and are in full force and effect, and there are no circumstances which might lead to the suspension, alteration or cancellation of any such Licences, nor is there any agreement which limits the business scope or geographical fields so that the Company is bound to carry on its business only within such limitation (such as non-compete agreement with a third party).
- 4.3 The Company has not otherwise taken any action that would cause it to be in violation of any applicable Law relating to the prevention of bribery, corruption, fraud or similar or related activities in India ("**Anti-Bribery Laws**"). There are not any known or suspected Anti-Bribery Laws compliance issues that could result in the prospective liability of the Company.

#### **5 LITIGATION**

- 5.1 The Company is not involved whether as claimant or defendant or other party in any claim, legal action, proceeding, suit, litigation, prosecution, investigation, enquiry, mediation or arbitration other than any frivolous or vexatious claims or as claimant in the collection of debts arising in the original and usual course of its business.

#### **6 TAXATION MATTERS**

- 6.1 All Taxes required to be deducted by the Company, from any payments made or deemed to be or treated as made by the Company, have been duly deducted and filings with respect to the same have been done and completed as per the terms of applicable Law, and advance payments paid as are required by Law in all material respects.
- 6.2 There are no outstanding claims relating to Taxes or any Tax returns of the Company pending as of the Execution Date and no audits or investigations in relation to Tax are pending against the Company.

#### **7 MATERIAL CONTRACTS**

- 7.1 Except for the Transaction Documents and the Existing SHA the Company is not a party to any contract, arrangement or understanding or by which it is bound and which (i) grants direct or indirect management, operational or voting rights or economic interest in the Company to any third Person including any power of attorney with respect to the foregoing; (ii) is a non-competition contract restricting in any way the Business activities of the Company; (iii) contravenes or is invalidated by any restrictive trade practices, fair trade, consumer protection or similar Law; (iv) provides for the sharing of the revenue of the Company with any third party except in the ordinary course of its Business and as approved by the Board or any other competent authority; or (v) relates to the use of the Assets of the Company by another Person (collectively, "**Key Arrangements**").
- 7.2 The Company has validly executed all contracts and agreements with all its customers, vendors and/or suppliers ("**Contracts**") including payment of adequate stamp duty, and is in compliance

with its obligations, representations or warranties contained in the Contracts, and to the best of its knowledge, there is no reason for termination of such Contracts.

- 7.3 There are no year-end commissions, incentives, discounts payable by the Company except in the ordinary course of its Business and as approved by the Board or any other competent authority.

## **8      INSOLVENCY**

- 8.1 No Order has been made and no resolution has been passed for the winding up of the Company or for a provisional liquidator to be appointed in respect of the Company and no petition has been admitted and no meeting has been convened for the purpose of winding up of the Company. No receiver has been appointed in respect of all or any of the Assets of the Company.

## **9      ACCURACY AND ADEQUACY OF INFORMATION**

- 9.1 All information contained in this Agreement and all other information which has been given in writing, communicated or made available by the Company to the Investor or their respective agents, employees or professional advisers in the course of the negotiations leading to this Agreement] was when given and remains true and accurate in all respects and not misleading and the Company is not aware of any material fact or matter or circumstances intentionally hidden or omitted to the Investor which renders any such information untrue, inaccurate or misleading.

## SCHEDULE 7

### INVESTOR WARRANTIES

The Investor hereby represents and warrants that:

- (a) it has the power and authority to execute and deliver this Agreement and the Transaction Documents and is not prohibited from entering into this Agreement and the Transaction Documents;
- (b) it has obtained all necessary Consents required to enter into and perform this Agreement and no other Consents of any regulatory/governmental authority or any other Person are required to be obtained by it for the execution, delivery and performance of this Agreement;
- (c) the execution of this Agreement and Transaction Documents has been duly authorized by the Investor and this Agreement together with the Transaction Documents, once executed, will be a legal, valid and binding obligation of the Investor and enforceable in accordance with its terms subject to generally applicable bankruptcy/insolvency Laws and general principles of equity; and
- (d) (x) the execution, delivery and performance of this Agreement and the Transaction Documents, (y) the consummation of the transactions contemplated by this Agreement and the Transaction Documents, or (z) the compliance with the provisions of this Agreement and the Transaction Documents, will not:
  - (i) conflict with or breach any Law or its constitutional documents; or
  - (ii) violate or breach a provision of, or constitute a default (or an event which, with notice or lapse of time or both would constitute a default) under, any of the terms, covenants, conditions or provisions of any, contract, agreement or other instrument, commitment or obligation to which it is a party, so as to render the transactions envisaged under this Agreement void or unenforceable.
- (e) The Investor has immediately made available on an unconditional basis the necessary cash resources to meet its obligations under this Agreement.
- (f) The Investor does not require any approval of any Governmental Authority including in accordance with the Indian foreign exchange regulations and /or approval required under Press Note No. 3 (2020 Series) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry on 17 April 2020 for the purpose of consummating the transactions contemplated under this Agreement.

*Kranke*

*[Signature]*

## SCHEDULE 8

### FORMAT OF DEED OF ADHERENCE

**THIS DEED OF ADHERENCE (“Deed”)** is made on *[insert date of execution]* by:

- 1 *[insert name of Transferee]*, a company incorporated in *[state country of incorporation]* with its registered office at *[insert address of registered office]* (hereinafter referred to as “**Transferee**”, which expression shall, unless the context otherwise requires, be deemed to mean and include its successors and permitted assigns);

**AND**

- 2 *[insert name of Transferor]*, a company incorporated in *[state country of incorporation]* with its registered office at *[insert address of registered office]* (hereinafter referred to as “**Transferor**”, which expression shall, unless the context otherwise requires, be deemed to mean and include its successors and permitted assigns);

**AND**

- 3 **IRM ENERGY LIMITED**, a company incorporated under the laws of India with company identification number CIN: U40100GJ2015PTC085213 with its registered office at 4th Floor, Block 8, Magnet Corporate Park, Near Sola Bridge, S.G. Highway Ahmedabad - 380054 (hereinafter referred to as “**Company**”, which expression shall, unless the context otherwise requires, be deemed to mean and include its successors and permitted assigns).

#### **BACKGROUND:**

- (A) On the [●] day of [●], the Company and the Transferor (therein referred to as the “Investor”) entered into a Share Subscription Agreement (the “**Agreement**”) to which a format of this Deed is attached as Schedule 9.
- (B) The Transferee wishes to have Transferred to it [●] shares (the “**Shares**”) in the capital of the Company from the Transferor and in accordance with the Agreement (a copy of which has been given to the Transferee) has agreed to enter into this Deed.
- (C) Under the terms of the Agreement, it is a condition for the Transfer of the Shares, that the Transferee executes this Deed.

#### **NOW THEREFORE THIS DEED OF ADHERENCE WITNESSETH AS FOLLOWS:**

In consideration of the Transferor having Transferred its Securities to the Transferee, the Transferee hereby agrees and undertakes as follows:

1. This Deed is supplemental to the Agreement.
2. In this Deed, capitalised words and expressions have the meanings given in the Agreement unless otherwise provided herein.
3. The Transferee hereby confirms that a copy of the Agreement and the Articles of the Company have been made available to it and hereby covenants with the Company to observe, perform and be bound by all the terms which are capable of applying to the Transferee and as if it had been originally named in the Agreement as an Investor/Party and the Agreement shall be construed accordingly. The Transferee shall be deemed to be a Shareholder with effect from



the date on which the Transferee is registered as a member of the Company and agrees to be bound by the terms that were applicable to the Transferor and will be entitled to the same rights as that of the Transferor.

4. The Transferee hereby covenants that it shall do nothing that derogates from the provisions of the Agreement and/or the Articles.
5. The Transferee further confirms and recognises that the Company shall not be bound to give effect to any act or voting rights exercised by the Transferee which are not in accordance with the Agreement.
6. The Transferee represents and warrants to the Company that:
  - (a) It is a Person competent to execute and deliver, and to perform its obligations under, this Deed.
  - (b) The execution and delivery by it of this Deed and the performance of its obligations hereunder do not and will not violate any provision of any regulations or any agreement to which it is a party or by which it or any of its properties are bound.
  - (c) No authorization or approval of any Governmental Authority is required to enable it to lawfully perform its obligations hereunder.
7. ***[This clause is only to be included where the Transferee is an Affiliate of the Transferor]***  
The Transferee and the Transferor recognise that the Transfer of Securities has been permitted on the sole ground that the Transferee is an Affiliate of the Transferor. The Transferee and the Transferor covenant that in the event that the Transferee ceases to be an Affiliate of the Transferor, prior to such cessation, the Transferee shall Transfer to the Transferor, and the Transferor shall acquire from the Transferee, all Securities in the Company as may be held by the Transferee. Pending such acquisition, all beneficial interest in such Securities shall vest in the Transferor with immediate effect, and the Transferor shall, and the Transferee shall not, be entitled to exercise all rights attached to or otherwise arising out of the holding of the Securities.
8. For the purpose of Clause 11 (*Notices*) of the Agreement, the notice details of the Transferee shall be as follows:

Attention:	[●]
Address:	[●]
Email:	[●]

9. This Deed shall be governed by, and construed in accordance with, the laws of India.

**IN WITNESS OF WHICH** this Deed has been entered into on the date stated first above.

For and on behalf of [●]

Name:

Designation:

For and on behalf of [●].

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Name:

Designation:

For and on behalf of **IRM Energy Limited**

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Name:

Designation:

**EXECUTED** by the parties as an Agreement on the day first mentioned above.

For and on behalf of **IRM Energy Limited**



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Name: Karan Kaushal

Designation: CEO

For and on behalf of **Shizuoka Gas Co., Ltd.**



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Name: Hiroyuki Kishida

Designation: Representative Director and President

**AMENDMENT AGREEMENT DATED NOVEMBER 28, 2022**

**TO THE SHARE SUBSCRIPTION AGREEMENT DATED OCTOBER 18, 2022,**

**AMONG**

**IRM ENERGY LIMITED**

**AND**

**SHIZUOKA GAS CO., LTD.**

*Karan Kandel*

*[Signature]*



This amendment agreement dated November 28<sup>th</sup>, 2022 (the "**Amendment Agreement**") to the share subscription agreement dated October 18, 2022 is made on November 28<sup>th</sup>, 2022 (the "**Execution Date**"), by and among:

1. **IRM ENERGY LIMITED** (formerly known as *IRM Energy Private Limited*), a public limited company incorporated under the laws of India and whose registered office is located at 4th Floor, Block 8, Magnet Corporate Park, Near Zydus Hospital, S.G. Highway, Ahmedabad, Gujarat - 380 054, India (the "**Company**");

**AND**

2. **SHIZUOKA GAS CO., LTD.**, a company incorporated under the laws of Japan with registration number 4080001002686 and whose registered office is located at 1-5-38 Yahata, Suruga-ku Shizuoka 422-8688 Japan (the "**Investor**").

In this Amendment Agreement, the Company and the Investor are collectively referred to as the "**Parties**" and individually a "**Party**".

#### **WHEREAS:**

1. The Parties have executed the share subscription agreement dated October 18, 2022 ("**Share Subscription Agreement**") to set forth and record the terms and conditions governing the subscription of Equity Shares by the Investor in the Company and with respect to the Parties' respective rights and obligations and other matters incidental thereto.
2. The Company is considering, subject to necessary approvals and market conditions, an initial public offering of its equity shares (the "**Equity Shares**"), and proposed listing of the Equity Shares on BSE Limited and National Stock Exchange of India Limited (together, the "**Stock Exchanges**") (the "**IPO**" or "**Offer/Issue**") in accordance with the Companies Act, 2013, including any rules and regulations notified thereunder, each as amended ("**Act**") the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**") and other applicable Law. In this regard, the Parties agree that Section 6.6 of the Share Subscription Agreement is required to be waived to ensure compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and other applicable Law to ensure that the Investor does not hold any special rights in the Company which is not available to other shareholders of the Company.
3. Accordingly, the Parties are entering into this Amendment Agreement with the objective of issuing and recording a waiver by the Parties to certain terms under the Share Subscription Agreement, being subject to the conditions hereinafter set forth.

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

#### **1. DEFINITIONS, INTERPRETATION AND EFFECTIVENESS**

- 1.1 Unless the context otherwise requires, capitalized terms used in any part of this Amendment Agreement, to the extent not inconsistent with the context thereof or otherwise defined herein, shall have the same meanings as ascribed to such terms in the Share Subscription Agreement.
- 1.2 The rules of interpretation applicable in the Share Subscription Agreement shall apply *mutatis mutandis* to this Amendment Agreement.
- 1.3 The provisions of this Amendment Agreement shall come into effect and be binding on and from the Execution Date till such time as this Amendment Agreement is terminated in accordance with Clause 4 of this Amendment Agreement.

#### **2. AMENDMENTS TO THE SHARE SUBSCRIPTION AGREEMENT**

- 2.1 The following definitions shall be included to Clause 1.1 (*Definitions*) of the Share Subscription Agreement.

*"Completion of the IPO" shall mean the date on which the Equity Shares of the Company are listed and commence trading on the Stock Exchanges pursuant to the IPO.*

Karan Khandel

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2.2 Except to the extent specifically amended by this Amendment Agreement, all other terms of the Share Subscription Agreement, shall remain unaltered and shall continue in full force and effect. In case of any conflict between the terms of this Amendment Agreement and the Share Subscription Agreements, unless specified to the contrary in this Amendment Agreement, this Amendment Agreement shall prevail *vis-à-vis* the contents mentioned therein.

### 3. WAIVER

3.1 In order to facilitate the IPO, each of the Parties waives their rights and obligations under Clause 6.6 (*Audit Committee*) of the Share Subscription Agreement, which allows the Investor's nominee to attend meetings of the Audit Committee of the Company.

3.2 In terms of Clause 14 (*Confidentiality*) and Clause 15.9 (*Public Announcements*) of the Share Subscription Agreement, the Parties consent, solely in order to facilitate the IPO, to the inclusion of its name, logo, description of details of the Share Subscription Agreement, the information contained in this Amendment Agreement (in part or full), in the offer documents and other documents, including presentations, publicity material and media releases as may be required in connection with the IPO, including in the draft red herring prospectus, red herring prospectus and prospectus (collectively "**Offer Documents**") to be filed with the Registrar of Companies, Gujarat at Ahmedabad ("**RoC**"), the Securities and Exchange Board of India ("**SEBI**"), and the stock exchanges, as applicable, and international supplements of the foregoing for distribution to investors outside India, as approved by the Board (or any committee thereof) and required under Law and consent to attach a copy of the Share Subscription Agreement and this Amendment Agreement to the copy of the Offer Documents which will be filed with the RoC in relation to the IPO and to include copies of the Share Subscription Agreement and this Amendment Agreement as material contracts for inspection, in each case, to the extent required under applicable Law.

3.3 The Parties hereby acknowledge and agree that any and all previous non-compliances under the Share Subscription Agreement are waived, and this Amendment Agreement read with the Share Subscription Agreement documents the complete understanding among all Parties.

### 4. TERM AND TERMINATION

4.1 Notwithstanding anything contrary contained herein, this Amendment Agreement shall become effective and binding on the Parties on, and from, the Execution Date and shall continue in full force and effect until the earlier of any of the following events (such date, the "**Termination Date**"):

- (i) this Amendment Agreement being terminated by mutual written agreement of all Parties;
- (ii) upon the de-listing of the Company from the Stock Exchanges at any time after Completion of the IPO; or
- (iii) in the event the listing and commencement of trading of Equity Shares pursuant to the IPO is not completed on or prior to the IPO Long Stop Date.

4.2 Notwithstanding anything contained herein, this Amendment Agreement shall stand immediately and automatically terminated with effect from Termination Date without any further action by any Party. In case of termination of this Amendment Agreement, the Parties agree that all the provisions of the Share Subscription Agreement: a) as they existed immediately prior to the execution of this Amendment Agreement shall immediately and automatically stand reinstated and be deemed to have been in force and shall continue to be in force, without any further action or deed required on the part of any Party and b) deemed to have been in force during the period between Execution Date and the date of termination of this Amendment Agreement, without any break or interruption whatsoever (except for the waiver granted under Clause 3 above).

4.3 The termination of the Share Subscription Agreement and this Amendment Agreement shall be without prejudice to the accrued rights and obligations of the Parties under the Share Subscription Agreement, as amended by this Amendment Agreement, as of the date of termination and nothing herein shall relieve any Party from its obligations or from any liability under the Share Subscription Agreement, save for any waiver provided under this Amendment Agreement.

Karan Kanchal



**5. REPRESENTATIONS AND WARRANTIES**

**5.1** Each Party represents and warrants, severally and not jointly, and with respect to itself, to the other Parties hereto that:

- (a) it is duly constituted, incorporated and existing under the laws of the jurisdiction of its constituted, incorporation and that the execution and delivery by it of this Amendment Agreement has been duly authorized by all necessary corporate or other action;
- (b) the execution, delivery and performance of this Amendment Agreement by it will not violate any provision of its organizational or governance documents; and
- (c) this Amendment Agreement and any other document to be executed by it pursuant or in connection with this Amendment Agreement will, when executed by it, constitute its valid and binding obligations, in accordance with their respective terms.

**6. GOVERNING LAW AND DISPUTE RESOLUTION**

The Parties hereby agree that the provisions of Clause 13 (*Governing Law, Jurisdiction and Arbitration*) of the Share Subscription Agreement shall apply mutatis mutandis to this Amendment Agreement.

**7. COUNTERPARTS**

This Amendment Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. The delivery of signed counterparts by facsimile transmission or electronic mail in "portable document format" (.pdf) shall be as effective as signing and delivering the counterpart in person. In the event any of the Parties delivers a pdf format signature page of a signature page to this Amendment Agreement, such Party shall deliver an originally executed signature page at any time thereafter upon request; provided, however, that the failure to deliver any such originally executed signature page shall not affect the validity of the signature page delivered by in pdf format.

**8. MISCELLANEOUS**

**8.1** This Amendment Agreement shall not be modified or suspended except in writing and duly executed by or on behalf of all Parties to this Amendment Agreement.

**8.2** As of and from the Execution Date, this Amendment Agreement forms an integral part of the Share Subscription Agreement, and when read with the Share Subscription Agreement contains the whole agreement among the Parties relating to the transactions contemplated by this Amendment Agreement read with the Share Subscription Agreement and supersedes all previous agreements between the Parties. Save as agreed in this Amendment Agreement, all other terms and conditions of the Share Subscription Agreement shall remain unchanged and shall continue to remain in full force and effect and binding on the Parties.

**8.3** In case of any conflict between the terms of this Amendment Agreement and the Share Subscription Agreement, unless specified to the contrary in this Amendment Agreement, this Amendment Agreement shall prevail *vis-à-vis* the contents mentioned herein.

*[Remainder of this page intentionally kept blank]*

IN WITNESS WHEREOF, this Amendment Agreement has been executed by the Parties or their duly authorized signatories the day and year first written above.

*This signature page forms an integral part of the Amendment Agreement executed between IRM Energy Limited and Shizuoka Gas Co., Ltd.*

**SIGNED FOR AND ON BEHALF OF IRM ENERGY LIMITED**



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

Name:

Designation:

IN WITNESS WHEREOF, this Amendment Agreement has been executed by the Parties or their duly authorized signatories the day and year first written above.

*This signature page forms an integral part of the Amendment Agreement executed between IRM Energy Limited and Shizuoka Gas Co., Ltd.*

**SIGNED FOR AND ON BEHALF OF SHIZUOKA GAS CO., LTD.**



**Authorized Signatory**

Name: Hirotaka Kaneda

Designation: Senior Operating Officer

Senior General Manager, Global Energy Division