

**Date:** 11<sup>th</sup> February 2026

To,

The board of directors

**Tejassvi Aaharam Limited**

No.: 99/6, Sneha Sadan Apartments, Nungambakkam High Road, Tirumurthy Nagar

Nungambakkam

Chennai - 600034

Tamil Nadu

India

**Valuation of the equity shares of Tejassvi Aaharam Limited as on 30<sup>th</sup> September 2025 for the purpose of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.**

On your request vide appointment letter dated 20<sup>th</sup> January 2026, we have undertaken the valuation assignment of the equity shares of Tejassvi Aaharam Limited (hereinafter referred to as "the Company") as on 30<sup>th</sup> September 2025 (hereinafter referred to as "the Valuation Date") for the purpose specified in paragraph 1 below.

**1. Valuation assignment**

- 1.1 We were requested to determine the fair value of the equity shares of the Company as on the Valuation Date for the purpose of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- 1.2 We have carried out the valuation of the equity shares of the Company for the above purpose.
- 1.3 The information contained herein is intended only for the sole use and information of the Company and only in connection with the above purpose. Any person intending to provide finance/ invest in the business/ shares of the Company or otherwise deal with the Company shall do so after carrying out its own due diligence procedures and after seeking its own professional advice to ensure that it is making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof can be done only with our prior permission in writing.

**2. Sources of information**

We have relied upon the following information, details, representations and explanations relating to the Company, provided to us by the management of the Company for carrying out this valuation assignment:

- The equity shares of the Company are listed on the Bombay Stock Exchange.
- The going concern assumption of the Company is in jeopardy. The statutory auditor of the Company had questioned the going concern assumption of the company in their auditors report for FY25 and the financial position of the Company has deteriorated since then.
- Audited financial statements of the Company for FY25.
- Limitedly reviewed interim financial statements (comprising income statement and balance sheet) of the Company for H1FY26.
- The details of abnormal, non-recurring, extraordinary, non-operating items of income, expenditure, assets & liabilities, contingent liabilities, pending cases & other related developments and such other information & explanations relating to the Company, as provided by the management of the Company.

### 3. Limitations

- 3.1 Our report is subject to the limitations in our scope detailed hereinafter. As such it should be read in totality, and not in parts, and in conjunction with the relevant documents referred to herein.
- 3.2 Our report is specific to the purpose and date of valuation mentioned in this report. It may not be valid for any other purpose and/ or on any other date.
- 3.3 Our work is neither, nor it should be construed as, our opinion on/ or certification of compliance by the Company with the provisions of any law including corporate, foreign exchange, taxation and capital market [Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011] related laws or as regards to any legal implications or issues arising thereon.
- 3.4 Our work does not constitute any confirmation of the Company's claim to the title of any asset (tangible and/ or intangible) and any liens & encumbrances thereon.
- 3.5 This report is issued on the clear and specific understanding that the management of the Company has drawn our attention to all material information concerning the operations and financial position of the Company and any other matter, which may, in our opinion, have any impact on our opinion on the fair value of the equity shares of the Company, including any significant changes that have taken place or are likely to take place in the operations and/ or the financial position of the Company.
- 3.6 Our work does not constitute any audit or certification of any financial statements of the Company. Accordingly, we do not express any opinion on the accuracy or completeness of any financial information referred to in this report.
- 3.7 We assume no responsibility to update this report for events and circumstances occurring after the date of this report.
- 3.8 A valuation of this nature involves application of globally accepted valuation method, exercise of professional judgment and consideration of various factors including those related to, and arising from, the prevailing capital market trends in general and industry trends in particular and is based on subjective individual interpretation.

### 4. Valuation methodology

- 4.1 We have adopted the book value method for the valuation of the equity shares of the Company, which, in our opinion, best estimates the fair value of the equity shares of the Company (since the going concern assumption of the Company is doubtful, applying other valuation methods [relative valuation method and discounted cash flows method] is not appropriate). Though the equity shares of the Company are listed on the Bombay Stock Exchange, they are not frequently traded and the market price of the equity shares of the Company as on the Valuation Date (INR 14.66 per equity share) has not been considered.
- 4.2 The book value method involves determination of the fair value of an asset/ liability/ business/ enterprise based on its book value on the valuation date.

### 5. Fair value

- 5.1 The fair value of the equity shares of the Company is derived as per the book value method.

5.2 On the basis of the above, and on the basis of information and explanations provided to us, in our opinion, the fair value of the equity shares of the Company, as per the book value method, as on the Valuation Date is INR (9.35) per equity share (face value: INR 10.00 per equity share; fully paid up; refer Annexure I: Valuation of equity shares). However, since the value of fully paid up equity shares of a company limited by shares cannot be negative, we ascribe a fair value of INR nil per equity share (face value: INR 10.00 per equity share; fully paid up) to the equity shares of the Company.

We confirm that we are independent of the Company, its promoters, directors and proposed allottees, and there is no conflict of interest in carrying out this valuation assignment.

Digitally signed by KUNAL LAXMINARAYAN KALANTRI

Date: 2026.02.11 22:13:25 +05'30'

Kunal L. Kalantri

Registered valuer - Securities or financial assets

Registration no.: IBBI/RV/05/2018/10209

## Annexure I: Valuation of equity shares

Tejassvi Aaharam Limited

Valuation of equity shares as on the Valuation Date

Book value method

(INR lakh except equity share data)

Particulars	
Cash & cash equivalents	0.95
Other current assets	505.46
<b>Total assets</b>	<b>506.41</b>
Borrowings	442.02
Current liabilities & provisions	718.67
<b>Total liabilities</b>	<b>1,160.69</b>
<b>Book value</b>	<b>(654.28)</b>
No. of equity shares	70,00,000
<b>Book value per equity share</b>	<b>(9.35)</b>

## Annexure II: Reproduction of relevant laws

### Securities and Exchange Board of India (Substantial Acquisition of Shares and takeovers) Regulations, 2011

(2) In the case of direct acquisition of shares or voting rights in, or control over the target company, and indirect acquisition of shares or voting rights in, or control over the target company where the parameters referred to in sub-regulation (2) of regulation 5 are met, the offer price shall be the highest of, –

(a) the highest negotiated price per share of the target company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer;

(b) the volume-weighted average price paid or payable for acquisitions, whether by the acquirer or by any person acting in concert with him, during the fifty-two weeks immediately preceding the date of the public announcement;

(c) the highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, during the twenty-six weeks immediately preceding the date of the public announcement;

(d) the volume-weighted average market price of such shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period, provided such shares are frequently traded;

Provided that the price determined as per clause (d) shall not apply in the case of disinvestment of a public sector undertaking by the Central Government or a State Government, as the case may be:

Provided further that this proviso shall apply only in case of a change in control in the public sector undertaking.

(e) where the shares are not frequently traded, the price determined by the acquirer and the manager to the open offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies; and

(f) the per share value computed under sub-regulation (5), if applicable.

# TEJASSVI AAHARAM LIMITED

## A. BACKGROUND

- i. Tejavssvi Aaharam Limited (TAL) [formerly known as Sterling Spinners] was incorporated on 20<sup>th</sup> September, 1994 and is currently engaged in the business of trading of food products.
- ii. The Company is evaluating the Valuation of the equity shares of Tejavssvi Aaharam Limited as on 30th September 2025 for the purpose of issue of equity shares under section 42 and section 62(1)(c) of the Companies Act, 2013 read with rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.
- iii. In this regard, Kunal L. Kalantri, Registered Valuer (RV) with IBBI Registration IBBI/RV/05/2018/10209 has been engaged to do valuation and derive the Fair value of Equity shares of Tejavssvi Aaharam Limited (TAL) under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 and as per the pricing guidelines of The FEMA Act, 1999.
- iv. The Valuation Report along with Certificate is our deliverable for this engagement.
- v. The Valuation date is 30<sup>th</sup> September 2025 - ('Valuation Date').

## B. ABOUT THE COMPANY

- i. The Target Company was incorporated on September 20, 1994, under the Companies Act 1956 in the name and style of "Sterling Spinners Limited" vide Certificate of Incorporation dated September 20, 1994, issued by Registrar of Companies, Tamil Nadu. The name of the Target Company was changed to its present name as "Tejavssvi Aaharam Limited" and a fresh Certificate of Incorporation pursuant to such change in name was issued on October 16, 2015, by Registrar of Companies, Chennai, Tamil Nadu. The name of Target company remains unchanged for the past three years as of the date hereof.
- ii. The Registered Office of the Target Company is situated at No. 99/6, Sneha Sadan Apartments, Nungambakkam High Rd, Tirumurthy Nagar, Nungambakkam, Chennai - 600034; Email: cosectal@gmail.com, Website: www.talchennai.in.
- iii. The Corporate Identification Number ("CIN") of the Target Company is L15549TN1994PLC028672.
- iv. The objects of the Target Company as per its Memorandum of Association include:
  - a) To manufacture, process, prepare, preserve, can, refine, pack, bottle, buy, sell and act as a wholesalers, retailers, exporters, importers, principals and agents in food, processed foods, proteins, health foods, instant and fast foods of all kinds, spices, masalas, pickles, cereals, all forms of organic, inorganic foods and multi grains, fresh juices, squashes, ready to cook, ready to eat, pasta products and consumable provisions of every description for human consumption.
  - b) To purchase, produce, refine, prepare, import, export, sell and generally deal in wheat and all its bye-products, rice, pulses, grams, maize, barley, millets and all bye-products thereof and food products generally and in connection therewith, to acquire, contract hold and operate flour mills, hulling mills, Pasta manufacturing units and other food manufacturing and processing units, other mills and other works.
  - c) To carry on the business of Manufacturer, processors, producers, makers, importers, exporters, fabricators, buyers, sellers, suppliers, stockists, agents, merchants, distributors and concessionaries of and dealers in biscuits, cookies, bread and other bakery products, confectioneries, sweet meats etc,
- v. Presently, the authorized share capital of the Target Company is ₹25,00,00,000 (Rupees Twenty-Five Crores only) comprising ₹10,00,00,000 (Rupees Ten Crores only) Equity Share Capital divided into 1,00,00,000 (One Crore) equity shares of face value ₹10/- (Rupees Ten only) each and ₹15,00,00,000 (Rupees Fifteen Crores only) Preference Share Capital divided into 15,00,000 (Fifteen Lakh) preference shares of face value ₹100/- (Rupees One Hundred only) each.

## TEJASSVI AAHARAM LIMITED

- vi. As on date of this DPS, the issued and paid-up share capital of the Target Company comprises 70,00,000 (Seventy Lakh) equity shares of face value ₹10/- (Rupees Ten only) each aggregating to ₹7,00,00,000 (Rupees Seven Crores only), representing 100% of the issued and paid-up equity share capital, and 14,78,660 (Fourteen Lakh Seventy-Eight Thousand Six Hundred and Sixty) non-convertible, non-cumulative preference shares of face value ₹100/- (Rupees One Hundred only) each aggregating to ₹14,78,66,000 (Rupees Fourteen Crores Seventy-Eight Lakhs Sixty-Six Thousand only), representing 100% of the issued and paid-up preference share capital.
- vii. As on date, the composition of the Board of Directors of the Target Company is as follows:

Sr. No	DIN	Name	Designation	Date of Appointment
1	09098986	Chinnathambi Vinothkumar	Non-Executive Independent Director	22/06/2021
2	09291452	Thangavelu Dhana Lakshmi	Non-Executive Independent Director	24/08/2021
3	00580728	Sridharan Santhoshkumar	Non-Executive - Non-Independent Director	09/10/2024
4	00580772	Sethuraman Dhilipkumar	Non-Executive - Non-Independent Director	09/10/2024

### C. INDUSTRY OVERVIEW

The food products industry constitutes one of the most significant segments of the consumer goods sector, encompassing the manufacturing, processing, packaging, preservation, branding, trading, and distribution of staple foods, packaged foods, bakery products, ready-to-eat products, and other value-added consumables.

The industry spans the entire value chain—from sourcing agricultural raw materials to processing, storage, logistics, marketing, and retail distribution. It plays a critical role in ensuring food security, enhancing shelf life, reducing post-harvest losses, and delivering safe, standardized, and branded food products to domestic and international markets. Participants include food processors, branded packaged food companies, private label manufacturers, exporters, distributors, and organized retailers.

With rising urbanization, increasing disposable incomes, evolving consumption patterns, and growing preference for convenience foods, the industry has been witnessing structural transformation from unorganized and loose commodity trade toward branded, packaged, and higher-margin food products.

The given industry is expected to demonstrate:

- Sustained long-term growth, supported by population growth and rising per capita consumption
- Increasing formalization and consolidation, driven by regulatory compliance and supply chain modernization

## TEJASSVI AAHARAM LIMITED

- Growth in branded and value-added products, enhancing margins and differentiation
- Expansion of health-focused and premium offerings, including fortified, organic, and functional foods

While demand fundamentals remain structurally strong, profitability may continue to be influenced by raw material price volatility, supply chain disruptions, regulatory changes, and competitive intensity.

### D. FINANCIALS SUMMARY

(₹ in lakhs except EPS)

Profit and Loss Statement				
Profit & Loss Statement	Unaudited Financial Statements for Six months ended September 30, 2025	Audited Financial Statements for the Financial Year ending March 31		
		2025	2024	2023
Revenue from Operations	3,779.21	1,792.45	-	-
Other Income	-	-	-	-
<b>Total Revenue</b>	<b>3,779.21</b>	<b>1,792.45</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>				
(a) Cost of Materials Consumed	3,776.19	-		-
(b) Purchase of Stock –in-Trade	-	1,762.72		-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-		-
(d) Employee benefits expenses	17.19	34.31	25.48	20.98
(e) Finance Costs	27.34	48.58	41.62	34.89
(f) Depreciation	-	-	-	-
(g) Other Expenses	11.84	19.48	16.59	18.45
<b>Total Expenses</b>	<b>3,832.56</b>	<b>1,865.09</b>	<b>83.69</b>	<b>74.32</b>
<b>Profit/ Loss before Extraordinary</b>	<b>(53.36)</b>	<b>(72.64)</b>	<b>(83.69)</b>	<b>(74.32)</b>

## TEJASSVI AAHARAM LIMITED

items and tax				
<b>Profit before Tax</b>	<b>(53.36)</b>	<b>(72.64)</b>	<b>(83.69)</b>	<b>(74.32)</b>
<b>Tax Expenses</b>	-	-	-	-
(a) Current tax expenses for current year	-	-	-	-
(b) Adjustment of Current tax relating of prior periods	-	-	-	-
(c) Deferred Tax(credit)	-	-	-	-
Total tax expense	-	-	-	-
<b>Profit/ (loss) for the year from continuing Operations</b>	<b>(53.36)</b>	<b>(72.64)</b>	<b>(83.69)</b>	<b>(74.32)</b>
<b>Earnings per share (₹)</b>				
<b>Basic and Diluted Earnings per Share</b>	<b>(0.76)</b>	<b>(1.04)</b>	<b>(1.20)</b>	<b>(1.06)</b>

(₹ in lakhs)

Balance Sheet				
Balance Sheet Statement	Unaudited Financial Statements for half year ended September 30, 2025	Audited Financial Statements for the Financial Year ending March 31		
		2025	2024	2023
<b>Equity and Liabilities</b>				
Shareholder's Fund				
(a) Equity Share capital	700	700	700	700
(b) Other Equity	(1354.28)	(1,300.92)	(1,228.28)	(1,144.58)
<b>Total</b>	<b>(654.28)</b>	<b>(600.92)</b>	<b>(528.28)</b>	<b>(444.58)</b>
<b>Non-Current Liabilities</b>				

## TEJASSVI AAHARAM LIMITED

(a) Borrowings	442.02	423.38	388.48	356.35
<b>Current Liabilities</b>				
(a) Borrowings	287.32	224.84	131.48	83.14
(b) Trade Payable				
(c) total outstanding dues of creditors other than micro enterprises and small enterprises	4.50	4.50	1.80	1.97
(d) Other Current Liabilities	12.35	8.41	8.16	5.16
<b>Total current liabilities</b>	<b>718.67</b>	<b>300.72</b>	<b>141.89</b>	<b>90.26</b>
<b>Total (Equity and Liabilities)</b>	<b>506.42</b>	<b>123.18</b>	<b>2.05</b>	<b>2.04</b>
<b>Assets</b>				
Non –Current Assets		-	-	-
<b>Current Assets</b>				
(a) Cash and Cash Equivalent	0.95	12.95	0.32	0.74
(b) Trade Receivables	422.78	69.62	-	-
(b) Other current assets	82.69	40.61	1.73	1.30
<b>Total</b>	<b>506.42</b>	<b>123.18</b>	<b>530.32</b>	<b>446.62</b>

For TEJASSVI AAHARAM LIMITED

  
**SETHURAMAN DHILIPKUMAR**  
 DIRECTOR  
 DIN: 00580772



**Date:** 11<sup>th</sup> February 2026

To,

The board of directors

**Tejassvi Aaharam Limited**

No.: 99/6, Sneha Sadan Apartments, Nungambakkam High Road, Tirumurthy Nagar

Nungambakkam

Chennai - 600034

Tamil Nadu

India

**Valuation of the equity shares of Tejassvi Aaharam Limited as on 30<sup>th</sup> September 2025 for the purpose of issue of equity shares.**

On your request vide appointment letter dated 20<sup>th</sup> January 2026, we have undertaken the valuation assignment of the equity shares of Tejassvi Aaharam Limited (hereinafter referred to as "the Company") as on 30<sup>th</sup> September 2025 (hereinafter referred to as "the Valuation Date") for the purposes specified in paragraph 1 below.

## 1. Valuation assignment

- 1.1 We were requested to determine the fair value of the equity shares of the Company as on the Valuation Date for the purpose of issue of equity shares (A) under section 42 and section 62(1)(c) of the Companies Act, 2013 read with rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and rule 13 of the Companies (Share Capital and Debentures) Rules, 2014; and (B) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.
- 1.2 We have carried out the valuation of the equity shares of the Company for the above purposes.
- 1.3 The information contained herein is intended only for the sole use and information of the Company and only in connection with the above purposes. Any person intending to provide finance/ invest in the business/ shares of the Company or otherwise deal with the Company shall do so after carrying out its own due diligence procedures and after seeking its own professional advice to ensure that it is making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof can be done only with our prior permission in writing.

## 2. Sources of information

We have relied upon the following information, details, representations and explanations relating to the Company, provided to us by the management of the Company for carrying out this valuation assignment:

- The equity shares of the Company are listed on the Bombay Stock Exchange.
- The statutory auditor of the Company had questioned the going concern assumption of the company in their audit report for FY25 and the financial position of the Company has deteriorated since then.
- Audited financial statements of the Company for FY25.
- Limitedly reviewed interim financial statements (comprising income statement and balance sheet) of the Company for H1FY26.
- The details of abnormal, non-recurring, extraordinary, non-operating items of income, expenditure, assets & liabilities, contingent liabilities, pending cases & other related developments and such other information & explanations relating to the Company, as provided by the management of the Company.

### 3. Limitations

- 3.1 Our report is subject to the limitations in our scope detailed hereinafter. As such it should be read in totality, and not in parts, and in conjunction with the relevant documents referred to herein.
- 3.2 Our report is specific to the purposes and date of valuation mentioned in this report. It may not be valid for any other purpose and/ or on any other date.
- 3.3 Our work is neither, nor it should be construed as, our opinion on/ or certification of compliance by the Company with the provisions of any law including corporate [specifically section 42 and section 62(1)(c) of the Companies Act, 2013 read with rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and rule 13 of the Companies (Share Capital and Debentures) Rules, 2014], foreign exchange, taxation and capital market [Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018] related laws or as regards to any legal implications or issues arising thereon.
- 3.4 Our work does not constitute any confirmation of the Company's claim to the title of any asset (tangible and/ or intangible) and any liens & encumbrances thereon.
- 3.5 This report is issued on the clear and specific understanding that the management of the Company has drawn our attention to all material information concerning the operations and financial position of the Company and any other matter, which may, in our opinion, have any impact on our opinion on the fair value of the equity shares of the Company, including any significant changes that have taken place or are likely to take place in the operations and/ or the financial position of the Company.
- 3.6 Our work does not constitute any audit or certification of any financial statements of the Company. Accordingly, we do not express any opinion on the accuracy or completeness of any financial information referred to in this report.
- 3.7 We assume no responsibility to update this report for events and circumstances occurring after the date of this report.
- 3.8 A valuation of this nature involves application of globally accepted valuation method, exercise of professional judgment and consideration of various factors including those related to, and arising from, the prevailing capital market trends in general and industry trends in particular and is based on subjective individual interpretation.

### 4. Valuation methodology

- 4.1 We have adopted the book value method for the valuation of the equity shares of the Company, which, in our opinion, best estimates the fair value of the equity shares of the Company (since the going concern assumption of the Company is doubtful, applying other valuation methods [relative valuation method and discounted cash flows method] is not appropriate). Though the equity shares of the Company are listed on the Bombay Stock Exchange, they are not frequently traded and the market price of the equity shares of the Company as on the Valuation Date (INR 14.66 per equity share) has not been considered.
- 4.2 The book value method involves determination of the fair value of an asset/ liability/ business/ enterprise based on its book value on the valuation date.

### 5. Fair value

- 5.1 The fair value of the equity shares of the Company is derived as per the book value method.

5.2 On the basis of the above, and on the basis of information and explanations provided to us, in our opinion, the fair value of the equity shares of the Company, as per the book value method, as on the Valuation Date is INR (9.35) per equity share (face value: INR 10.00 per equity share; fully paid up; refer Annexure I: Valuation of equity shares). However, since the value of fully paid up equity shares of a company limited by shares cannot be negative, we ascribe a fair value of INR nil per equity share (face value: INR 10.00 per equity share; fully paid up) to the equity shares of the Company.

Since the fair value of the equity shares of the Company is INR nil per equity share, no control premium has been ascribed over and above the fair value determined above, despite the fact that the proposed preferential issue results in a change in control of the Company.

Note that the Valuation Date has been decided by the management of the Company (based on the latest available financial information of the Company) and shall not be construed as the 'Relevant Date' for the purpose of pricing under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

We confirm that we are independent of the Company, its promoters, directors and proposed allottees, and there is no conflict of interest in carrying out this valuation assignment.

**Digitally signed by KUNAL LAXMINARAYAN KALANTRI**

**Date: 2026.02.11 22:12:38 +05'30'**

Kunal L. Kalantri

Registered valuer - Securities or financial assets

Registration no.: IBBI/RV/05/2018/10209

## Annexure I: Valuation of equity shares

**Tejassvi Aaharam Limited**

Valuation of equity shares as on the Valuation Date

Book value method

(INR lakh except equity share data)

<b>Particulars</b>	
Cash & cash equivalents	0.95
Other current assets	505.46
<b>Total assets</b>	<b>506.41</b>
Borrowings	442.02
Current liabilities & provisions	718.67
<b>Total liabilities</b>	<b>1,160.69</b>
<b>Book value</b>	<b>(654.28)</b>
No. of equity shares	70,00,000
<b>Book value per equity share</b>	<b>(9.35)</b>

## Annexure II: Reproduction of relevant laws

### Companies Act, 2013

#### Section 42 - Offer or Invitation for Subscription of Securities on Private Placement

(1) A company may, subject to the provisions of this section, make a private placement of securities.

(2) A private placement shall be made only to a select group of persons who have been identified by the Board (herein referred to as "identified persons"), whose number shall not exceed fifty or such higher number as may be prescribed [excluding the qualified institutional buyers and employees of the company being offered securities under a scheme of employees stock option in terms of provisions of clause (b) of sub-section (1) of section 62], in a financial year subject to such conditions as may be prescribed.

(3) A company making private placement shall issue private placement offer and application in such form and manner as may be prescribed to identified persons, whose names and addresses are recorded by the company in such manner as may be prescribed:

Provided that the private placement offer and application shall not carry any right of renunciation.

Explanation I. — "private placement" means any offer or invitation to subscribe or issue of securities to a select group of persons by a company (other than by way of public offer) through private placement offer-cum-application, which satisfies the conditions specified in this section.

Explanation II. — "qualified institutional buyer" means the qualified institutional buyer as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time, made under the Securities and Exchange Board of India Act, 1992.

Explanation III. — If a company, listed or unlisted, makes an offer to allot or invites subscription, or allots, or enters into an agreement to allot, securities to more than the prescribed number of persons, whether the payment for the securities has been received or not or whether the company intends to list its securities or not on any recognised stock exchange in or outside India, the same shall be deemed to be an offer to the public and shall accordingly be governed by the provisions of Part I of this Chapter.

(4) Every identified person willing to subscribe to the private placement issue shall apply in the private placement and application issued to such person alongwith subscription money paid either by cheque or demand draft or other banking channel and not by cash:

Provided that a company shall not utilise monies raised through private placement unless allotment is made and the return of allotment is filed with the Registrar in accordance with sub-section (8)..

(5) No fresh offer or invitation under this section shall be made unless the allotments with respect to any offer or invitation made earlier have been completed or that offer or invitation has been withdrawn or abandoned by the company:

Provided that, subject to the maximum number of identified persons under sub-section (2), a company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed.

(6) A company making an offer or invitation under this section shall allot its securities within sixty days from the date of receipt of the application money for such securities and if the company is not able to allot the securities within that period, it shall repay the application money to the subscribers within fifteen days from the expiry of sixty days and if the company fails to repay the application money within the aforesaid period, it shall be liable to repay that money with interest at the rate of twelve per cent. per annum from the expiry of the sixtieth day:

Provided that monies received on application under this section shall be kept in a separate bank account in a scheduled bank and shall not be utilised for any purpose other than—

(a) for adjustment against allotment of securities; or

(b) for the repayment of monies where the company is unable to allot securities.

(7) No company issuing securities under this section shall release any public advertisements or utilise any media, marketing or distribution channels or agents to inform the public at large about such an issue.

(8) A company making any allotment of securities under this section, shall file with the Registrar a return of allotment within fifteen days from the date of the allotment in such manner as may be prescribed, including a complete list of all allottees, with their full names, addresses, number of securities allotted and such other relevant information as may be prescribed

(9) If a company defaults in filing the return of allotment within the period prescribed under sub-section (8), the company, its promoters and directors shall be liable to a penalty for each default of one thousand rupees for each day during which such default continues but not exceeding twenty-five lakh rupees.

(10) Subject to sub-section (11), if a company makes an offer or accepts monies in contravention of this section, the company, its promoters and directors shall be liable for a penalty which may extend to the amount raised through the private placement or two crore rupees, whichever is lower, and the company shall also refund all monies with interest as specified in sub-section (6) to subscribers within a period of thirty days of the order imposing the penalty.

(11) Notwithstanding anything contained in sub-section (9) and sub-section (10), any private placement issue not made in compliance of the provisions of sub-section (2) shall be deemed to be a public offer and all the provisions of this Act and the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 shall be applicable].

## Companies Act, 2013

### Section 62 - Further Issue of Share Capital

1) Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:—

1[(i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days 8[or such lesser number of days as may be prescribed] and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;]

(ii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;

(iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not dis-advantageous to the shareholders and the company;]

(b) to employees under a scheme of employees' stock option, subject to 2&5[special resolution] passed by company and subject to such conditions as may be prescribed; or

(c) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report 6 [of a registered valuer, subject to the compliance with the applicable provisions of Chapter III and any other conditions as may be prescribed]

(2) The notice referred to in sub-clause (i) of clause (a) of sub-section (1) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue.]

(3) Nothing in this section shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

(4) Notwithstanding anything contained in sub-section (3), where any debentures have been issued, or loan has been obtained from any Government by a company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the company and the Government pass such order as it deems fit.

(5) In determining the terms and conditions of conversion under sub-section (4), the Government shall have due regard to the financial position of the company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.

(6) Where the Government has, by an order made under sub-section (4), directed that any debenture or loan or any part thereof shall be converted into shares in a company and where no appeal has been preferred to the Tribunal under sub-section (4) or where such appeal has been dismissed, the memorandum of such company shall, where such order has the effect of increasing the authorised share capital of the company, stand altered and the authorised share capital of such company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.]

## **Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.**

### **Regulation 161 - Relevant Date**

"relevant date" means in case of preferential issue of equity shares the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue.

Explanation: Where the relevant date falls on a weekend or a holiday, the day preceding the weekend or the holiday will be reckoned to be the relevant date.

### **Regulation 163(3) - Specified securities may be issued on a preferential basis for consideration other than cash**

Specified securities may be issued on a preferential basis for consideration other than cash, provided that consideration other than cash shall comprise only swap of shares pursuant to a valuation report by an independent registered valuer, which shall be submitted to the stock exchange(s) where the equity shares of the issuer are listed.

### **Regulation 165 - Pricing of infrequently traded shares**

Where the shares of an issuer are not frequently traded, the price determined by the issuer shall take into account the valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies: Provided that the issuer shall submit a certificate stating that the issuer is in compliance of this regulation, obtained from an independent registered valuer to the stock exchange where the equity shares of the issuer are listed.

### **Regulation 166A - Other conditions for pricing**

Any preferential issue, which may result in a change in control or allotment of more than five per cent. of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price:

Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable:

Provided further that if any proposed preferential issue is likely to result in a change in control of the issuer, the valuation report from the registered valuer shall also cover guidance on control premium, which shall be computed over and above the price determined in terms of the first proviso.

Provided further that the valuation report from the registered valuer shall be published on the website of the issuer and a reference of the same shall be made in the notice calling the general meeting of shareholders.

# TEJASSVI AAHARAM LIMITED

## A. BACKGROUND

- i. Tejavssvi Aaharam Limited (TAL) [formerly known as Sterling Spinners] was incorporated on 20<sup>th</sup> September, 1994 and is currently engaged in the business of trading of food products.
- ii. The Company is evaluating the Valuation of the equity shares of Tejavssvi Aaharam Limited as on 30th September 2025 for the purpose of issue of equity shares under section 42 and section 62(1)(c) of the Companies Act, 2013 read with rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.
- iii. In this regard, Kunal L. Kalantri, Registered Valuer (RV) with IBBI Registration IBBI/RV/05/2018/10209 has been engaged to do valuation and derive the Fair value of Equity shares of Tejavssvi Aaharam Limited (TAL) under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 and as per the pricing guidelines of The FEMA Act, 1999.
- iv. The Valuation Report along with Certificate is our deliverable for this engagement.
- v. The Valuation date is 30<sup>th</sup> September 2025 - ('Valuation Date').

## B. ABOUT THE COMPANY

- i. The Target Company was incorporated on September 20, 1994, under the Companies Act 1956 in the name and style of "Sterling Spinners Limited" vide Certificate of Incorporation dated September 20, 1994, issued by Registrar of Companies, Tamil Nadu. The name of the Target Company was changed to its present name as "Tejavssvi Aaharam Limited" and a fresh Certificate of Incorporation pursuant to such change in name was issued on October 16, 2015, by Registrar of Companies, Chennai, Tamil Nadu. The name of Target company remains unchanged for the past three years as of the date hereof.
- ii. The Registered Office of the Target Company is situated at No. 99/6, Sneha Sadan Apartments, Nungambakkam High Rd, Tirumurthy Nagar, Nungambakkam, Chennai - 600034; Email: cosectal@gmail.com, Website: www.talchennai.in.
- iii. The Corporate Identification Number ("CIN") of the Target Company is L15549TN1994PLC028672.
- iv. The objects of the Target Company as per its Memorandum of Association include:
  - a) To manufacture, process, prepare, preserve, can, refine, pack, bottle, buy, sell and act as a wholesalers, retailers, exporters, importers, principals and agents in food, processed foods, proteins, health foods, instant and fast foods of all kinds, spices, masalas, pickles, cereals, all forms of organic, inorganic foods and multi grains, fresh juices, squashes, ready to cook, ready to eat, pasta products and consumable provisions of every description for human consumption.
  - b) To purchase, produce, refine, prepare, import, export, sell and generally deal in wheat and all its bye-products, rice, pulses, grams, maize, barley, millets and all bye-products thereof and food products generally and in connection therewith, to acquire, contract hold and operate flour mills, hulling mills, Pasta manufacturing units and other food manufacturing and processing units, other mills and other works.
  - c) To carry on the business of Manufacturer, processors, producers, makers, importers, exporters, fabricators, buyers, sellers, suppliers, stockists, agents, merchants, distributors and concessionaries of and dealers in biscuits, cookies, bread and other bakery products, confectioneries, sweet meats etc,
- v. Presently, the authorized share capital of the Target Company is ₹25,00,00,000 (Rupees Twenty-Five Crores only) comprising ₹10,00,00,000 (Rupees Ten Crores only) Equity Share Capital divided into 1,00,00,000 (One Crore) equity shares of face value ₹10/- (Rupees Ten only) each and ₹15,00,00,000 (Rupees Fifteen Crores only) Preference Share Capital divided into 15,00,000 (Fifteen Lakh) preference shares of face value ₹100/- (Rupees One Hundred only) each.

## TEJASSVI AAHARAM LIMITED

- vi. As on date of this DPS, the issued and paid-up share capital of the Target Company comprises 70,00,000 (Seventy Lakh) equity shares of face value ₹10/- (Rupees Ten only) each aggregating to ₹7,00,00,000 (Rupees Seven Crores only), representing 100% of the issued and paid-up equity share capital, and 14,78,660 (Fourteen Lakh Seventy-Eight Thousand Six Hundred and Sixty) non-convertible, non-cumulative preference shares of face value ₹100/- (Rupees One Hundred only) each aggregating to ₹14,78,66,000 (Rupees Fourteen Crores Seventy-Eight Lakhs Sixty-Six Thousand only), representing 100% of the issued and paid-up preference share capital.
- vii. As on date, the composition of the Board of Directors of the Target Company is as follows:

Sr. No	DIN	Name	Designation	Date of Appointment
1	09098986	Chinnathambi Vinothkumar	Non-Executive Independent Director	22/06/2021
2	09291452	Thangavelu Dhana Lakshmi	Non-Executive Independent Director	24/08/2021
3	00580728	Sridharan Santhoshkumar	Non-Executive - Non-Independent Director	09/10/2024
4	00580772	Sethuraman Dhilipkumar	Non-Executive - Non-Independent Director	09/10/2024

### C. INDUSTRY OVERVIEW

The food products industry constitutes one of the most significant segments of the consumer goods sector, encompassing the manufacturing, processing, packaging, preservation, branding, trading, and distribution of staple foods, packaged foods, bakery products, ready-to-eat products, and other value-added consumables.

The industry spans the entire value chain—from sourcing agricultural raw materials to processing, storage, logistics, marketing, and retail distribution. It plays a critical role in ensuring food security, enhancing shelf life, reducing post-harvest losses, and delivering safe, standardized, and branded food products to domestic and international markets. Participants include food processors, branded packaged food companies, private label manufacturers, exporters, distributors, and organized retailers.

With rising urbanization, increasing disposable incomes, evolving consumption patterns, and growing preference for convenience foods, the industry has been witnessing structural transformation from unorganized and loose commodity trade toward branded, packaged, and higher-margin food products.

The given industry is expected to demonstrate:

- Sustained long-term growth, supported by population growth and rising per capita consumption
- Increasing formalization and consolidation, driven by regulatory compliance and supply chain modernization

## TEJASSVI AAHARAM LIMITED

- Growth in branded and value-added products, enhancing margins and differentiation
- Expansion of health-focused and premium offerings, including fortified, organic, and functional foods

While demand fundamentals remain structurally strong, profitability may continue to be influenced by raw material price volatility, supply chain disruptions, regulatory changes, and competitive intensity.

### D. FINANCIALS SUMMARY

(₹ in lakhs except EPS)

Profit and Loss Statement				
Profit & Loss Statement	Unaudited Financial Statements for Six months ended September 30, 2025	Audited Financial Statements for the Financial Year ending March 31		
		2025	2024	2023
Revenue from Operations	3,779.21	1,792.45	-	-
Other Income	-	-	-	-
<b>Total Revenue</b>	<b>3,779.21</b>	<b>1,792.45</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>				
(a) Cost of Materials Consumed	3,776.19	-		-
(b) Purchase of Stock –in-Trade	-	1,762.72		-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-		-
(d) Employee benefits expenses	17.19	34.31	25.48	20.98
(e) Finance Costs	27.34	48.58	41.62	34.89
(f) Depreciation	-	-	-	-
(g) Other Expenses	11.84	19.48	16.59	18.45
<b>Total Expenses</b>	<b>3,832.56</b>	<b>1,865.09</b>	<b>83.69</b>	<b>74.32</b>
<b>Profit/ Loss before Extraordinary</b>	<b>(53.36)</b>	<b>(72.64)</b>	<b>(83.69)</b>	<b>(74.32)</b>

## TEJASSVI AAHARAM LIMITED

items and tax				
<b>Profit before Tax</b>	<b>(53.36)</b>	<b>(72.64)</b>	<b>(83.69)</b>	<b>(74.32)</b>
<b>Tax Expenses</b>	-	-	-	-
(a) Current tax expenses for current year	-	-	-	-
(b) Adjustment of Current tax relating of prior periods	-	-	-	-
(c) Deferred Tax(credit)	-	-	-	-
Total tax expense	-	-	-	-
<b>Profit/ (loss) for the year from continuing Operations</b>	<b>(53.36)</b>	<b>(72.64)</b>	<b>(83.69)</b>	<b>(74.32)</b>
<b>Earnings per share (₹)</b>				
<b>Basic and Diluted Earnings per Share</b>	<b>(0.76)</b>	<b>(1.04)</b>	<b>(1.20)</b>	<b>(1.06)</b>

(₹ in lakhs)

Balance Sheet				
Balance Sheet Statement	Unaudited Financial Statements for half year ended September 30, 2025	Audited Financial Statements for the Financial Year ending March 31		
		2025	2024	2023
<b>Equity and Liabilities</b>				
Shareholder's Fund				
(a) Equity Share capital	700	700	700	700
(b) Other Equity	(1354.28)	(1,300.92)	(1,228.28)	(1,144.58)
<b>Total</b>	<b>(654.28)</b>	<b>(600.92)</b>	<b>(528.28)</b>	<b>(444.58)</b>
<b>Non-Current Liabilities</b>				

## TEJASSVI AAHARAM LIMITED

(a) Borrowings	442.02	423.38	388.48	356.35
<b>Current Liabilities</b>				
(a) Borrowings	287.32	224.84	131.48	83.14
(b) Trade Payable				
(c) total outstanding dues of creditors other than micro enterprises and small enterprises	4.50	4.50	1.80	1.97
(d) Other Current Liabilities	12.35	8.41	8.16	5.16
<b>Total current liabilities</b>	<b>718.67</b>	<b>300.72</b>	<b>141.89</b>	<b>90.26</b>
<b>Total (Equity and Liabilities)</b>	<b>506.42</b>	<b>123.18</b>	<b>2.05</b>	<b>2.04</b>
<b>Assets</b>				
Non –Current Assets		-	-	-
<b>Current Assets</b>				
(a) Cash and Cash Equivalent	0.95	12.95	0.32	0.74
(b) Trade Receivables	422.78	69.62	-	-
(b) Other current assets	82.69	40.61	1.73	1.30
<b>Total</b>	<b>506.42</b>	<b>123.18</b>	<b>530.32</b>	<b>446.62</b>

For TEJASSVI AAHARAM LIMITED

  
**SETHURAMAN DHILIPKUMAR**  
 DIRECTOR  
 DIN: 00580772



**Date:** 12<sup>th</sup> February 2026

To,  
The board of director  
**Tejassvi Aaharam Limited**  
No.: 99/6, Sneha Sadan Apartments  
Nungambakkam High Road, Tirumurthy Nagar  
Nungambakkam  
Chennai - 600034  
Tamil Nadu  
India

To,  
The board of directors  
**Funk Foods Private Limited**  
Old No.: 4/ New No.: 7, Crescent Avenue  
Kesavaperumal Puram  
R. A. Puram  
Chennai - 600028  
Tamil Nadu  
India

## Share exchange ratio between the equity shares of Funk Foods Private Limited and Tejassvi Aaharam Limited.

On the request of the board of directors of Funk Foods Private Limited vide appointment letters dated 20<sup>th</sup> January 2026, we have undertaken the valuation assignment of the equity shares of Funk Foods Private Limited as on 30<sup>th</sup> September 2025 (hereinafter referred to as "the Valuation Date").

Based on our valuation report dated 11<sup>th</sup> February 2026 of the equity shares of Funk Foods Private Limited as on the Valuation Date and the issue price of the equity shares of Tejassvi Aaharam Limited (as provided by the board of directors of Tejassvi Aaharam Limited), the share exchange ratio between the equity shares of Funk Foods Private Limited and Tejassvi Aaharam Limited as on the Valuation Date is 1 equity share (face value: INR 100.00 per equity share; fully paid up) of Funk Foods Private Limited for every 15.1950 equity shares (face value: INR 10.00 per equity share; fully paid up) of Tejassvi Aaharam Limited.

Particulars	
Funk Foods Private Limited (Fair market value; INR)*	151.95
Tejassvi Aaharam Limited (issue price; INR)**	10.00
<b>Share exchnage ratio (x)</b>	<b>15.1950</b>

\* Refer our valuation report dated 11<sup>th</sup> February 2026 of the equity shares of Funk Foods Private Limited as on the Valuation Date.

\*\* As per representation by the board of directors of Tejassvi Aaharam Limited

Digitally signed by KUNAL LAXMINARAYAN KALANTRI

Date: 2026.02.12 21:44:00 +05'30'

Kunal L. Kalantri  
Registered valuer - Securities or financial assets  
Registration no.: IBBI/RV/05/2018/10209

## SCHEDULE IV

### Shareholding Pattern- Post Transfer of Share Capital of the COMPANY

<b>No.</b>	<b>Shareholder</b>	<b>Number of Shares</b>	<b>% of Shares</b>
1.	Tejassvi Aaharam Limited	<b>33,67,041</b>	100%
2.	Mr. Prasanna Natarajan*	<b>1</b>	0%
<b>TOTAL</b>		<b>33,67,042</b>	100%

\*Nominee shareholder on behalf of Tejassvi Aaharam Limited

**Form of [.] - CP Confirmation Certificate from the Sellers and the Company.**

Dated: [.]

This certificate is issued by the Company and the Sellers ("*Issuing Parties*") pursuant to the Share Purchase Agreement dated [.] ("*Agreement*") entered into between the Sellers, the Company and the Purchaser. All capitalized terms that are not defined herein shall have the same meaning as set out in the Agreement.

The Company and the Sellers hereby, jointly and severally, certify that all the Sellers Conditions Precedent under Clause 3.1.1 to 3.1.7 of the Agreement, which are required to be complied with by the Company and the Sellers have been fully satisfied and the certified true copies of the documents evidencing satisfaction of such Sellers Conditions Precedents have been delivered to the Purchaser. The details of the same is as follows:

<b>Clause No.</b>	<b>Conditions Precedent</b>	<b>Documents shared in support</b>
3.1.1.,3.1.2	Seller Authorization, Authorization	<ul style="list-style-type: none"><li>• Resolution for Authorizations for execution, delivery, performance of the Agreement and other related ancillary documents.</li></ul>
3.1.3, 3.1.4, 3.1.7, 3.1.5	Sellers Warranties, No Litigation, Payment of Statutory Dues, No Material adverse effect	<ul style="list-style-type: none"><li>• As on signing date there is no litigation and pending dues as confirmed by the Board.</li><li>• The authorized representative has given seller warranties which form part of part A schedule V.</li></ul>

For [.]

Authorized Signatory

## Form of [.] - CP Confirmation Certificate of the Purchaser

Dated:

This certificate is issued by the Purchaser ("*Issuing Parties*") pursuant to the Share Purchase Agreement dated [.] ("*Agreement*") entered into between the Sellers, the Company and the Purchaser. All capitalized terms that are not defined herein shall have the same meaning as set out in the Agreement.

The Purchaser hereby certifies that all the Purchaser Conditions Precedent under Clause 3.4.1 to 3.4.4 of the Agreement, which are required to be complied with by the Purchaser have been fully satisfied and the certified true copies of the documents evidencing satisfaction of such Purchaser Conditions Precedents have been delivered to the Sellers and the Company. The details of the same is as follows:

<b>Clause No.</b>	<b>Conditions Precedent</b>	<b>Documents shared in support</b>
3.4.1.	Purchaser Authorization	<ul style="list-style-type: none"><li>• Resolutions approving the acquisition of Sale Shares</li><li>• Resolution for Authorizations for execution, delivery, and performance of the Agreement.</li></ul>
3.4.2.	Purchaser Valuation Certificate	<ul style="list-style-type: none"><li>• Valuation certificate for Consideration Shares from a registered valuer.</li></ul>
3.4.3.	In-principle approval	<ul style="list-style-type: none"><li>• In-principle approval from the Stock Exchange is awaited as on signing date.</li></ul>
3.4.4.	Demat Account	<ul style="list-style-type: none"><li>• Demat account opening process initiated awaited for activation.</li></ul>

For [.]

Authorized Signatory

[.]

## Schedule III

### Part A

#### Sellers Warranties:

Except to the extent Disclosed by the Company and Sellers in the Disclosure Letter, the Sellers, jointly and severally represents and warrants to the Purchaser that the following statements are complete, true, accurate and correct as of the Execution Date and shall be deemed to be true and correct as of the Closing Date:

#### 1. Power and Authority

- 1.1. The Sellers have the power and authority to enter into and perform its obligations under this Agreement. The Sellers have taken all requisite corporate action, wherever applicable and required, to authorize the execution, delivery and performance of this Agreement.
- 1.2. The execution and delivery of this Agreement by the Sellers, and the observance and performance of the terms and provisions of this Agreement on its part to be observed and performed and the completion of the transactions contemplated herein:
  - 1.2.1. do not constitute a violation of Applicable Laws;
  - 1.2.2. Would not result in the creation of an Encumbrance on any of the Sale Shares, except any interest that is created in terms of this Agreement.
- 1.3. This Agreement will, when executed, constitute valid and binding obligations on the Sellers in accordance with its terms.
- 1.4. There is no private or governmental action, suit, proceeding, claim, arbitration or investigation pending before any Governmental Authority, foreign or domestic, which is ongoing, or in relation to which a notice has been received by the Sellers (*whether by way of counter claim or appeal or otherwise*), that may restrain, prevent or make illegal the performance of the obligations of the Sellers, or consummation of the transactions contemplated by this Agreement.

## 2. Sale Shares

- 2.1. The Sellers are the absolute legal, beneficial and registered owner of the Sale Shares. The Sellers have a valid title to the Sale Shares, with full right and authority to sell, transfer and convey the Sale Shares to the Purchaser under this Agreement, including all of the legal and beneficial interest in the Sale Shares, free from all Encumbrances and without the consent of any third party. At the Closing, the Purchaser will acquire a valid and marketable title to the Sale Shares, free from all Encumbrances.
- 2.2. The Sellers have the right, authority and power under Applicable Laws to sell, assign and transfer the Sale Shares to the Purchaser as set forth in this Agreement and the Company and the Sellers have not, nor has anyone on their behalf done, committed or omitted any act, deed, matter or thing whereby the Sale Shares can be forfeited, extinguished or rendered void or voidable.
- 2.3. At the Closing, the Sale Shares will not be subject to any Encumbrance including pre-emptive rights, rights of first refusal or other similar rights pursuant to any existing agreement or commitment of the Company and/or the Sellers.
- 2.4. There are no voting trusts, shareholders agreements, proxies or other agreements in effect with respect to the voting, transfer rights of the Sale Shares.
- 2.5. The Sale Shares held by the Sellers comprise 100% (*hundred percent*) of the share capital of the Company on a fully diluted basis and have been legally and validly acquired and are each fully paid or credited as fully paid and there are no other securities comprising the total paid up capital of the Company.

## 3. No Insolvency

- 3.1. No insolvency or bankruptcy proceeding has been commenced, or to the best knowledge is pending or to the best knowledge threatened, against the Sellers, wherever applicable.

## 4. No Claims

- 4.1. No Person has any agreement or option or any right (*including any contingent right*) or privilege (*whether pre-emptive or contractual*) capable of becoming an agreement or option for the purchase from the Sellers of the Sale Shares.

5. Litigation

- 5.1. There are no pending or to the best knowledge threatened claims, suit, arbitration or other legal proceeding or official investigation against the Sellers nor are the Sellers subject to any decree, or injunction, or judicial, administrative or arbitral order or decision, or any agreement or other instrument which restricts or would restrict or give rise to or serve as the basis for a cause of action to restrict the execution of this Agreement by the Sellers or the performance of the obligations by the Sellers under this Agreement or the consummation of the transaction contemplated under this Agreement.

6. Authorizations

The Sellers have received all the requisite Authorizations from all Governmental Authorities/regulatory authorities that may be required for the sale of the Sale Shares to the Purchaser.

7. Tax proceedings

- 7.1. No Tax proceeding initiated, pending or subsisting against the Sellers that can adversely affect the transfer of the Sale Shares under any Applicable Laws has been served on the Sellers, and further there are no Tax proceedings, inquiries or investigations against the Sellers under any Applicable Laws.

8. No Order

- 8.1. No order of any Governmental Authority is in effect, restraining or prohibiting or otherwise impairing or prejudicing the transaction contemplated under this Agreement.

**Mr. Prasanna Natarajan**

**(DIN : 01684876)**

**Date:**

**Place: Chennai**

## **Schedule III**

### **Part B**

#### **Business Warranties**

The Sellers and the Company represents and warrants to the Purchaser that:

1. **Share Capital**

- 1.1. All of the Shares are fully paid or credited as fully paid and shall be free and clear of any and all Encumbrances. The Company has not reduced or agreed to reduce its share capital or carried out any transaction for reduction of capital.

2. **Information**

- 2.1. The Sellers and the Company have disclosed to the Purchaser all the relevant facts relating to the Business in the context of the Purchaser's purchase of the Sale Shares in accordance with the terms of this Agreement.
- 2.2. There is no fact known to the Sellers nor has any event occurred or is likely to occur pertaining to the Company, its Business and/ or the transaction contemplated under this Agreement which constitutes or would constitute a Material Adverse Effect.
- 2.3. All material information which, according to the particular nature of the Company and of the Sale Shares, is necessary in the opinion of the Company and the Sellers, to enable the Purchaser and its professional advisers to make an informed assessment of the assets, liabilities, financial position, profits, Losses and prospects of the Company and of the rights attaching to the Sale Shares, has been disclosed to the Purchaser.

3. **Organization, Power and Corporate Matters**

- 3.1. The Company has been duly incorporated and organized, and is validly existing in good standing, under the laws of India and authorized to do business in India. The Company has the requisite corporate power and authority to own and operate its assets and properties and to carry on its Business as proposed to be conducted.
- 3.2. All legal and procedural requirements and other formalities concerning the Charter Documents have been duly and properly complied with in all respects.
- 3.3. All of the statutory books including the minute books, register of members and other registers of the Company, as required under the Applicable Laws, have been properly and accurately maintained in all respect and are up-to-date in all respect and contain full and accurate records of all matters required to be entered under Applicable Laws.
- 3.4. The Company has all necessary power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by it of this Agreement, and the consummation by it of the transactions contemplated hereby have been or will be duly and validly authorized by all requisite action on its part.
- 3.5. The copies of the constitutional and corporate documents of the Company provided to the Purchaser and/or its representatives are true, complete and correct and not misleading in any respect.
- 3.6. The Company has not given a power of attorney or any other authority (*express, implied or ostensible*), which is still outstanding or effective to any Person to enter into any contract or commitment or to do anything on their behalf, other than any authority to relevant employees to enter into routine trading contracts in the normal course of their duties and authorities to agents or trade mark agents for routine prosecution or maintenance of such intellectual property of the Company as is registered.
- 3.7. There is no fact or circumstance relating to the affairs of the Company which has not been disclosed to the Purchaser or any of its advisers and which if disclosed might reasonably have been expected to influence the decision of the Purchaser to purchase the Sale Shares on the terms contained in this Agreement.

4. Subsidiaries and Interests in other entities

4.1. The Company does not have any subsidiaries

4.2. The Company does not have any direct or indirect equity interest, whether by share ownership or otherwise, in any corporation, firm, association, trust, partnership, joint venture or other business enterprise and does not own investment securities of any kind. The Company has not executed any agreement or arrangements entitling or requiring the Company to acquire or make any interest or investment by any means.

5. Authorizations and Compliance with Applicable Laws

5.1. The Company has all necessary Authorization to carry on its Business under Applicable Laws and is not in any violation of any Applicable Laws or regulation or any Authorization which has been granted to the Company, which may result in any liability or criminal or administrative sanction on the Company or that would lead to a Material Adverse Effect. The Company has complied with all terms and conditions contained in the Authorization obtained by the Company for its Business.

5.2. The Company has not received any notice that it is in violation of, or in default with respect to, any statute, regulation, order, decree or judgment of any court or any Governmental Authority, and is not aware of any circumstances, facts or matters whereby any such notice could be issued.

5.3. There are no show cause notices, investigation, enquiry or proceeding and/ or actions by any Governmental Authority pending against the Company under any Applicable Laws and/or the Sellers have received any written notice, order or other form of communication from any Person.

5.4. None of the Authorization obtained by the Company have been breached or the Company has not done or omitted to do anything which could result in suspension, modification or revocation or which would lead to the Authorization not being renewed.

5.5. None of the directors, officers, agents, employees or other Persons acting on behalf of the Company and/or Sellers have been party to the use of any of the assets of the Company for

unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity or to the making of any direct or indirect unlawful payment to government officials or employees from such assets; or to the making of any unlawful or undisclosed payment.

6. No conflict

6.1. The execution, delivery and performance of this Agreement by the Company, including the consummation of the transaction contemplated under this Agreement does not and will not:

6.1.1. constitute a breach of any agreement, arrangement or understanding, oral or written, entered into by the Company with any third Person that would affect the performance of their respective obligations under this Agreement;

6.1.2. require any consent from any third Person;

6.1.3. require any notice, filing, report or intimation to be made or given to any Person or Government Authority;

6.1.4. create or impose any Encumbrance of any nature whatsoever upon any asset or property of the Company;

6.1.5. constitute a default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of the Company, or to a loss of any benefit to which the Company is entitled, under any provision of any agreement or other instrument binding upon the Company relating to the Business;

6.1.6. conflict with or result in a violation, contravention or breach of any of the terms, conditions or provisions of the charter/constitutional documents of the Company;

6.1.7. conflict with, or violate any Authorisation obtained by or applicable to the Company or result in any termination, revocation, cancellation, suspension, modification or non-renewal thereof;

6.1.8. constitute an act of bankruptcy, preference, insolvency or fraudulent conveyance under any bankruptcy act or other Applicable Laws for the protection of debtors or creditors in respect of the Company;

6.1.9. breach or otherwise violate Applicable Laws or any order, writ, judgment, injunction or decree issued by any Governmental Authority.

7. Title to and Condition of Assets

7.1. The Company is the legal and beneficial owner of each of the assets.

7.2. Each of the assets is used exclusively for and by the Company.

7.3. The assets are free from Encumbrances and there is no agreement or commitment to give or create any Encumbrance over or affecting the assets and no claim has been received from any person to be entitled to any such Encumbrance.

7.4. All of the properties are in the exclusive possession or under the control of the Company, and none of which are vacant, and no other Person is in or entitled to use, occupation or possession of any of the properties of the Company. The Company has the right and is entitled to use and occupy the properties, free from any Encumbrances, on the terms contained in the respective lease/ license agreements under which they are obtained.

7.5. All the documents to which the Company is a party, or which form part of the leasehold interest to the leased immovable property possessed by the Company or which the Company may need to enforce or produce as evidence in any court of law have been duly stamped and registered in accordance with Applicable Laws.

7.6. The Company is in compliance with and is not in breach of any of the leases, licenses, or other documents governing the right of the Company to use or occupy any of its leased immovable property.

7.7. The immovable property of the Company, are not subject to the payment of any outgoings (*except the usual rent, taxes, rates, maintenance and services charges payable to the respective authorities*), nor is there any Person in any unlawful possession or occupation of, or who has or claims any right or easement of any kind in respect of such property or any part of it, adverse to the interest, right or title of the Company.

- 7.8. The assets are in good operating condition, ordinary wear and tear excepted.
- 7.9. There are no circumstances which (*with or without taking other action*) would entitle any third party to exercise a right of entry to or take possession of all or any part of the immovable property, or which would in any other way affect or restrict the continued possession, enjoyment or use of any of the immovable property.
- 7.10. The assets of the Company and the facilities and services to which the Company has a contractual right include all rights, properties, assets, facilities and services necessary for carrying on of the Company's Business in the manner in which it is presently carried on.
- 7.11. All the investments made by the Company have been stated in the Accounts and reflect their value as stipulated in accordance with Applicable Laws, and no fresh investments have been made thereafter. All such investments, if any, have been duly authorised by all necessary action on the part of the Company, and requisite filings, to the extent required, have been made and such investments have been made on an arm's length basis.

8. Contracts and Transactions

- 8.1. Each contract or purchase order entered into by the Company has been duly authorized, executed and delivered by the Company and the respective counterparties and constitutes a valid and binding obligation of each party thereto, enforceable against each party thereto in accordance with its terms and applicable stamp duty on all such contracts has been duly paid. No party (*including the Company*) is in breach of any contract or has indicated any intention to serve a notice of default or terminate any such contract prior to the expiration of its term.
- 8.2. The Company have been in compliance with all terms and conditions under all of the agreements, work orders, and guarantees entered into by the Company with its customers and vendors and there is no pending suit, litigation, cause of action, order, claim, judgment, action or notice received by the Company in relation to non-compliance of the same. There are no additional claims from any customer or vendor, under any agreement/work order, other than what has been recorded in the financial statements of the Company.
- 8.3. The Company is not a party to or subject to any contract, transaction, arrangement,

understanding or obligation which (i) is not in the ordinary course of business; (ii) is not on an arm's length basis; (iii) restricts its freedom to carry on its Business in any part of the world in such manner as it thinks fit.

- 8.4. All contracts under which the Company operates its Business are valid and subsisting in accordance with the terms of the contract, except the expiry or termination of the contract occurring in the ordinary course of business.
- 8.5. The Company has entered into formal written arrangements/ agreements with all the existing customers and suppliers of the Company in the ordinary course of business.
- 8.6. There are no outstanding, accrued or to the best knowledge threatened liabilities, Losses, claims, notices or proceedings in respect of any other agreement.

## 9. Financing

- 9.1. The Company has not availed any secured or unsecured loans of any nature, i.e., there are no loan/credit agreements, etc. availed of by the Company.
- 9.2. There are no borrowings (*including any outstanding obligations for the payment or repayment of money*) or liabilities, whether present or future, actual or contingent other than as disclosed in the financial statements.
- 9.3. There are no outstanding amounts payable by the shareholders to the Company as on the Execution Date and the Closing Date.
- 9.4. As on the Execution Date of this Agreement and as on the Closing Date:
  - 9.4.1. no resolution has been passed to wind up the Company;
  - 9.4.2. no resolution has been passed and no meeting has been held to appoint a liquidator for the Company; and

9.4.3. no class of the Company's creditors have entered into any scheme or arrangement with respect to the liabilities of the Company.

10. Debts owed to the Company

10.1. Except as appearing in the Accounts, there are no debts owing to the Company. None of the debts owed to the Company are subject to any Encumbrances, counter-claims or set-off.

10.2. The Company has taken all corporate actions and approvals where necessary, prior to the granting of any loans and advances to any Person.

11. Guarantees

11.1. The Company has not guaranteed or is otherwise liable or potentially liable for the debts or obligations of any other Person. There are no guarantees, suretyships, shortfall support undertakings, indemnities or similar commitments (*whether secured or unsecured*) or securities, pledges, mortgages or any other form of charge given by the Company, for and on behalf of any Person, or in respect of which obligations or liabilities (*whether actual or contingent*) are still outstanding. The Company has not provided any letter of comfort or made any representation or given any undertaking to any person in respect of the obligations or solvency of any person or in support of, or as an inducement to or otherwise in connection with the availing of financial assistance from any party.

12. Employees

12.1. The Company has complied in all material respects with all applicable employment laws, including employee benefit legislations, and no claim is pending or to the best knowledge threatened against the Company in this regard, and no notice has been received by the Company.

12.2. The Company has no collective bargaining agreements, arrangements or other similar understanding with any trade union, staff association or other body representing the employees or workmen of the Company, and no labour union has requested or sought to represent any employees, workmen, representatives or agents of the Company.

- 12.3. The Company has no liability or claim from or against any of their respective employees or temporary employees and has made all payments with respect to all accruals including but not limited to any claims relating to gratuity dues, remuneration, any paid leaves etc.
- 12.4. The Company has made all contributions in accordance with Applicable Laws in relation to the payment of employee benefits and contributions, including but not limited to provident fund, employees' state insurance, etc.
- 12.5. Other than the amounts recorded in the Accounts, there are no additional amounts payable to or owed by any of the employees of the Company.
- 12.6. The Company has not received any notice of termination or resignation nor has the Company given or intends to give any notice of termination to any of its employees, except in ordinary course of business.

13. Industrial Disputes

- 13.1. The Company is not involved in, and there are no circumstances reasonably likely to give rise to, any strike or industrial or trade dispute or any dispute or negotiation regarding a claim with any trade union.

14. Tax

- 14.1. The Company has kept and preserved all records and information as may be needed to enable it to deliver correct and complete returns to all relevant Tax authorities as required under Applicable Laws.
- 14.2. There are no pending exposures or litigations or claims with any Governmental Authority with respect to Taxes of the Company.
- 14.3. The Company has duly paid or adequately provided for in the books of accounts all Taxes payable for the period prior to Closing and has complied with all Applicable Laws relating to all Taxes to the extent to which it is required to comply with such Tax laws.

- 14.4. The Company has not at any time entered into or been party to any transactions, schemes or arrangements which either:
- 14.4.1. were entered into solely or wholly or mainly with a view to avoiding, reducing, postponing or extinguishing any actual or potential liability to Tax;
  - 14.4.2. could be reclassified for the purposes of Tax under any legislation, enactment or other law or otherwise by any Governmental Authority; or
  - 14.4.3. which could result in any claim or proceeding against the Company or used as evidence against it in any proceedings pertaining to Tax avoidance, either against the Company or any other Person.
- 14.5. All returns, computations, notices, deductions, withholdings and information which are or have been required to be made or given by the Company for any Taxation purposes have been made on a proper and timely basis and are correct and none of them is subject of any dispute with the Tax Authorities and all Taxes have been deducted and filings with respect to the same have been done and completed in accordance with Applicable Laws. There are no liabilities of Taxes in respect of which a claim or notice has been received by the Company, and all such notices have either been replied to or have been complied with by the Sellers.
- 14.6. No relief (*whether by way of deduction, reduction, set-off, exemption, postponement, repayment or allowance or otherwise*) from, against or in respect of any Taxation has been claimed and/or given to the Company which could or might be effectively withdrawn, postponed, restricted, clawed back or otherwise lost as a result of the transactions contemplated by this Agreement and/or as a result of any act, omission, event or circumstance arising or occurring at or at any time before the transactions contemplated by this Agreement.
- 14.7. There are no Encumbrances with respect to the Company that arose in connection with any failure (*or alleged failure*) to pay any Tax, which is presently or past due.

15. Dividends and Distributions

15.1. All dividends or other distributions of profits declared, made or paid by the Company since inception have been declared, made and paid in accordance with Applicable Laws, its charter/constitutional documents and any agreement which imposes a restriction on the Company to distribute dividend.

16. Accounts

16.1. The Accounts of the Company:

16.1.1. have been prepared in accordance with Applicable Laws;

16.1.2. give a true and fair view of the assets, liabilities and state of affairs of the Company and of the profits or Losses for the period concerned;

16.1.3. as on the Accounts Date:

- (i) make adequate provision for actual liabilities;
- (ii) disclose all material contingent liabilities;
- (iii) make provision reasonably regarded as adequate for all bad and doubtful debts.

16.2. The profits and losses of the Company have not been materially affected by changes or inconsistencies in accounting treatment, by any non-recurring items of income or expenditure, by transactions of an abnormal or unusual nature or entered into otherwise than on normal commercial terms.

16.3. Since the Accounts Date:

16.3.1. there has not occurred any Material Adverse Effect;

16.3.2. there has been no material adverse change in the financial position of the Company;

16.3.3. the Company has maintained accounts receivable, inventory, loans and advances (*current*

*or non-current*), accounts payable and other working capital accounts in a manner consistent with the ordinary course of business;

- 16.3.4. the Company has not declared, made or paid any dividend or other distribution to its members;
- 16.3.5. the Company has not redeemed or purchased or agreed to redeem or purchase any of its share capital except as provided in this Agreement;
- 16.3.6. the Company has not incurred any borrowings or incurred any indebtedness;
- 16.3.7. not made any change to the employment terms or increased the base salary or bonus payable to any of its employees (*except for changes in compensation in the ordinary course of business*);
- 16.3.8. not made or revoked any election with regard to Taxes or filed any amended Tax returns;  
or
- 16.3.9. not committed to do any of the foregoing.
- 16.4. There are no set-off arrangements between the Company and any other Person.
- 16.5. The net assets of the Company as of the Closing Date will not be materially and prejudicially different from the levels in the balance sheet of the Company as on the Accounts Date.
- 16.6. There are no material existing liabilities, whether actual or contingent, of the Company other than (i) liabilities disclosed or provided for in the Accounts; or (ii) liabilities incurred in the ordinary course of business since the Accounts Date.
- 16.7. The existing sundry debtors and loans and advances outstanding at Closing are recoverable and realizable at least at the value stated in the financial statements of the Company.

17. Litigation, Claims and Proceedings

- 17.1. The Company is not currently engaged in any litigation, arbitration or other dispute resolution process, or administrative or criminal proceedings, or official investigations or inquiries concerning Business or officers of the Company, whether as claimant, defendant or otherwise. For the sake of abundant clarity, the reference to officers in this representation, shall relate to the officers in their official capacity.
- 17.2. The Company is not engaged in or is proposing to engage in any litigation (*whether as plaintiff, defendant or otherwise*). No Claims or litigation is pending or is to the best knowledge threatened against the Company.
- 17.3. The Company is not the subject of any investigation, enquiry or enforcement proceedings by any Governmental Authority or other body, no investigations, enquiries, or enforcement proceedings are pending or to the best knowledge threatened to give rise to any such investigation, enquiry or enforcement proceedings.

18. Operations

- 18.1. There has been no damage, destruction or loss, whether or not covered by insurance, which has or is reasonably likely to have a Material Adverse Effect.

19. Current Operations

- 19.1. As on the Execution Date, there are no existing, and no potential, facts or circumstances that may have a Material Adverse Effect on the ability of the Company to conduct its business as currently conducted.

20. Insurance

- 20.1. The Company has maintained adequate insurance cover against risks normally insured against by companies carrying on a similar business, and in particular has maintained all insurance required by statute and has insured its assets against those risks to their full replacement value free from any deduction or excess as provided for in the policy

documents.

- 20.2. All such insurance policies are in full force and effect and are not void or voidable, no claims are outstanding, and no event has occurred that might give rise to any claim.
- 20.3. In respect of all such insurances (i) all premiums have been duly paid to date; (ii) all of the policies are in full force and effect and no act, omission, misrepresentation or non-disclosure by or on behalf of the Company has occurred which makes any of these policies voidable, nor has there been any breach of the terms, conditions and warranties of any of the policies that would entitle insurers to decline to pay all or any part of any claim made under the policies; and (iii) there are no special or unusual limits, terms, exclusions or restrictions in any of the policies.
- 20.4. All insurance policies taken by the Company are adequate for the purposes of the Business in full force and effect and nothing has been done or omitted to be done which could make any policy of insurance void or voidable and there is no claim outstanding under any such policy.

## 21. Intellectual Property Rights

- 21.1. The Company is the absolute owner, valid licensee, sole registered proprietor or authorised user, as the case may be, of Intellectual Property Rights or rights with respect thereto necessary for its Business as is now being operated. The Company possesses the Intellectual Property Rights and other documentation and materials necessary for or used to operate the Business.
- 21.2. The Company has not disclosed, delivered or otherwise made available, and the Company does not have a duty or obligation (*whether present, contingent or otherwise*) to disclose, deliver or otherwise make available, any intellectual property rights or any similar rights for the Business or any part thereof to any Person.
- 21.3. All Intellectual Property Rights used, held or owned by the Company is (i) valid, subsisting and enforceable, (ii) currently in compliance with any and all formal legal requirements necessary to maintain the validity and enforceability thereof and (iii) not subject to any outstanding order adversely affecting the Company's use thereof or rights thereto, or that

would impair the validity or enforceability thereof. There is no action or claim pending, asserted against the Company concerning any intellectual property rights or the ownership, validity, registrability, enforceability or use of, or licensed right to use, any intellectual property of the Company, or contesting or challenging the ownership, validity, registrability or enforceability of, or the Company's right to use, any of its intellectual property. The Company has enforced and currently enforces quality control measures adequate to maintain the validity and enforceability of any and all trademarks and complied with its duty of disclosure and similar duties under applicable Governmental Authorities with respect to all applications for registration included in the intellectual property and have made no material misrepresentations in any such applications.

- 21.4. The Company has not entered into any agreement, arrangement or understanding (*whether legally enforceable or not*) for the assigning, licensing, or otherwise permitting the use or exploitation, of the Intellectual Property Rights or which prevents, restricts or otherwise inhibits the Company's freedom to use and exploit the Intellectual Property Rights.
- 21.5. The carrying on of the Business as presently constituted does not require any licenses or consents from, or the making of royalty or similar payments to, any third party and the Company is not engaged in any activities which infringe any Intellectual Property Rights belonging to any Person.
- 21.6. The Company, the operation of the Business and the use of the Intellectual Property Rights do not, and have not, infringed, misappropriated or otherwise contravened the rights of any other Person. There is no proceeding, asserted against the Company concerning any of the foregoing, nor has the Company received any notification that a license under any other Person's rights is or will be required. No Person is engaging, or has engaged, in any activity that infringes, misappropriates or otherwise violates or conflicts with any Intellectual Property Rights of the Company. There is no proceeding asserted by the Company against any other Person concerning any of the foregoing.
- 21.7. No employee of the Company is in default or breach of any term of any employment agreement, non-disclosure agreement, or any agreement relating to the protection, ownership, development, use or transfer of Intellectual Property Rights with the Company. To the extent that any Intellectual Property Rights has been conceived, developed or created for the Company by any other Person, the Company has executed valid and enforceable written agreements with such Person (*or have instituted legally-binding rules or policies that have equivalent effect*) with respect thereto transferring to the Company the

entire and unencumbered right, title and interest therein and thereto by operation of law or by valid written assignment.

21.8. The Company has not granted or is obligated to grant any Person any exclusive rights in, to or under, or any right to sublicense, any Intellectual Property Rights.

21.9. The Company has not entered into any contract or is otherwise obligated to indemnify any other Person against any claim of infringement, misappropriation or other violation of or conflict with the proprietary rights of any third party.

22. Information Technology Matters

22.1. The use of the computer systems of the Company does not infringe the Intellectual Property Rights of any third party. The Company has exclusive control of the operation of its computer systems and of the storage, processing and retrieval of all data stored on its computer systems and any Intellectual Property Rights in such data are owned solely by it.

22.2. All databases, ideas, inventions (*whether patentable or not*), invention disclosures, improvements, technology know-how, show-how, trade secrets, formulas, systems, processes, designs, methodologies, works of authorship, content, graphics, technical drawings, statistical models, algorithms, modules, computer programs, technical documentation, business methods, work product, proprietary information and documentation relating to any of the foregoing used or employed by the Company in relation to its Business or resulting from the Business are Intellectual Property Rights and/or the Company has obtained valid license(s)/permission(s) to use these in compliance with Applicable Laws.

23. Related Party Transactions

23.1. All related party transactions entered into by the Company with Related Parties are in compliance with Applicable Laws.

24. Solvency.

- 24.1. No voluntary arrangement has been proposed or reached with any creditors of the Company. No bankruptcy or insolvency proceeding has commenced or is pending, contemplated or to the best knowledge threatened against the Company. No receiver, manager, provisional liquidator, assignee or other administrative or judicial officer has been appointed or to the best knowledge threatened to be appointed to manage the affairs or properties or assets of the Company and no application for appointment of such receiver or other administrative or judicial officer has been filed or is pending. The Company is able to pay its debts as and when they fall due.
- 24.2. No reorganization affecting the Company or any of its assets or properties is pending. The Company has not entered into a scheme of arrangement or composition with, or reconstruction arrangement of any assignment for the benefit of its creditors;
- 24.3. No action to seize, or take possession of, the assets or properties of the Company has been taken;
- 24.4. There are no transactions (*including those contemplated by this Agreement*) in relation to the Company or any of its properties which are at undervalue, in fraud of or against the interests of creditors thereby capable of being set aside, stayed, reversed, avoided or affected in whole or in part by any insolvency proceedings (*whether or not such insolvency proceedings have commenced*);
- 24.5. No distress, distraint, charging order, execution or other process has been levied or applied for in respect of the whole or any part of any of the properties, assets and/or undertaking of the Company.