

SHARE SUBSCRIPTION AGREEMENT

BETWEEN

THE PROMOTER

AND

LENSKART SOLUTIONS PRIVATE LIMITED (“**INVESTOR**”)

AND

TANGO IT SOLUTIONS INDIA PRIVATE LIMITED (“**COMPANY**”)

5<sup>th</sup> OCTOBER 2020

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**SHARE SUBSCRIPTION AGREEMENT**

This Share Subscription Agreement (“**Agreement**”) is made and entered into this 5<sup>th</sup> day of October 2020 (“**Effective Date**”):

**BY AND BETWEEN:**

1. **THE PROMOTER**, Listed in Part A of **Annexure 1** (hereinafter individually referred to as the “**Promoter**” which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include their respective heirs, successors, legal representatives, administrators, executors and permitted assigns);

**AND**

2. Tango IT Solutions India Private Limited, a company incorporated under the Companies Act, 2013, having **CIN U72200TZ2017PTC029089** and its Registered Office at **Cheran Illam, 1330, Thadagam Road, R S Puram, Kovai 2, Coimbatore TN 641002 IN** (hereinafter referred to as the “**Company**”, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns);

**AND**

3. Lenskart Solutions Private Limited, a company incorporated under the Companies Act, 1956, having CIN as **U33100DL2008PTC178355** and having its registered office at **W-123, Greater Kailash, Part-2, New Delhi – 110048** (hereinafter referred to as “**Investor**”, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns).

**WHEREAS:**

- A. The Company is engaged in the business of data automation, data analytics, business intelligence and artificial intelligence (“**Business**”).
- B. The Company has approached the Investor and has sought capital investment to fund its business expansion & capital expenditures and operating expenditures.
- C. Investor has agreed to subscribe to Shares of the Company against the Subscription Share Consideration (as defined hereinafter) in the manner stated in this Agreement.
- D. The Parties are now entering into this Agreement for the purpose of recording the detailed terms of investment by the Investor in the Company and regulating the relationship of the Promoter, Investor and the Company.

**NOW THEREFORE**, in consideration of the mutual representations, warranties, covenants and agreements set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

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**ARTICLE – I**  
**DEFINITIONS AND INTERPRETATIONS**

**1.1 Definitions**

In addition to the terms defined in the introduction to, recitals of and the text of this Agreement, the following words and terms, whenever used in this Agreement, unless repugnant to the meaning or context thereof, shall have the respective meanings set forth below:

**“Act”** means the Companies Act, 2013 and includes the rules, regulations, circulars, notifications issued thereunder, as amended, substituted, or replaced from time to time.

**“Affiliate”** shall mean, with respect to any entity, any person or other entity that, directly or indirectly, controls, is controlled by, or is under common control with, such entity, where the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise.

**“Agreement”** means this share subscription agreement, the recitals set forth in the preamble herein, and all annexures attached hereto, as well as all amendments, additions, restatements or modifications made hereto and thereto and all other documents incorporated herein or therein by reference, all of which are hereby made an integral part of and will be read as if included within the text of this share subscription agreement;

**“Applicable Law(s)”** means all applicable laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions, judgments, decree, directives, accounting principles or other requirements of any Governmental Authority having jurisdiction over the matter in question whether in effect as of date of this Agreement or thereafter.

**“Confidential Information”** means all information that falls within the types of information which has been designated as confidential by either Party or that ought to be considered as confidential (howsoever it is conveyed or on whatever media it is stored in) including information which relates to the business, affairs, properties, assets, trading practices, services, customers, developments, trade secrets, Intellectual Property rights, know-how, personnel and suppliers of either Party.

**“Closing”** means the consummation of all the actions stipulated under Clause 4.3 and **Annexure 7** on First Closing and Second Closing.

**“Closing Date”** means the First Closing Date and Second Closing Date, as per reference to the context.

**“Encumbrance”** means, as per the reference to the context: (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law, (ii) any proxy, power of attorney or voting agreement; (iii) any adverse claim as to title, possession or use; or (iv) purchase or option agreement or arrangement, right of first refusal, right of first offer; in each case, other than as set out in the Shareholders’ Agreement and the Charter Documents (defined below).

**“Equity Securities”** means equity shares issued by the Company.

**"First Closing"** means the consummation of the transactions on First Closing Date, as provided in Clause 4.3 and Annexure 7 of this Agreement.

**"First Closing Date"** means the date on which First Closing occurs which shall be: (i) the date being twenty one (21) calendar days following the Effective Date; or (ii) such other later date as the Parties may mutually agree upon, which shall be no later than October 27, 2020, unless otherwise agreed by Parties in writing.

**"Force Majeure"** means any event which is outside the reasonable control of the Investor impairing the Investor's ability to perform any of its obligations under this Agreement, including, but not limited to acts of god, fire, flood, lightning, war, revolution, act of terrorism, riot or civil commotion, epidemic, pandemic (including as declared by the World Health Organisation), government lockdown, curfew, quarantine, lock-outs or other industrial action.

**"Fully Diluted Basis"** means the number of Equity Securities of the Company, calculated as if the then issued and outstanding Securities (including stock options), whether or not by their terms then convertible, exercisable or exchangeable, had been converted, exercised or exchanged, as the case may be, in full and to their maximum extent into Equity Securities.

**"Governmental Authority"** means in any applicable jurisdiction or forum, any (a) court, arbitral or other tribunal, (b) governmental or quasi-governmental authority of any nature (including any political subdivision, instrumentality, department, official or entity), or (c) agency, commission, ministry, committee, inspectorate, authority or body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

**"Key Employees"** shall mean and include all directors in full time employment, KMPs defined under the Act, as well as the Promoter.

**"Loss(es)"** mean any direct and actual loss, claim, damage, fine, penalty, interest, Tax and expense (including reasonable attorneys' or other reasonable professional fees, expenses and court costs).

**"Material Adverse Effect"** means any (i) event, occurrence, fact, condition, change, development or effect that is or may be materially adverse to the business, operations, prospects, results of operations (financial or otherwise and including without limitation any material increase in provisions or contingent liability if any, in the latest unaudited financial statements), properties (including intangible properties), assets (including intangible assets) or liabilities of the Company; or (ii) material impairment of the ability of the Company and/or the Promoter to perform its/their obligations hereunder or to consummate the transactions contemplated hereby, or to execute or be bound by the terms and conditions contained in this Agreement or the Shareholders' Agreement.

**"Person"** means any natural person, firm, company, Governmental Authority, joint venture, association, partnership, society, limited liability partnership or other entity (whether or not having separate legal personality).

**"Shares"** or **"Equity Shares"** means 36,834 equity shares of Rs. 543 each issued to Investor by the Company in two tranches i.e. first tranche on First Closing and second tranche on Second Closing, as set forth in clause 2.1 below.

**"Second Closing"** means the consummation of the transactions on Second Closing Date, as provided in Clause 4.3 and Annexure 7 of this Agreement.

“**Second Closing Date**” means the date on which Second Closing occurs which shall be: (i) the date being six (6) months following execution of this Agreement, or (ii) such other later date as the Parties may mutually agree upon, which shall be no later than April 15, 2020, unless otherwise agreed by Parties in writing.

“**Securities**” means the Equity Securities, preference shares (including OCRPS), debentures, bonds, loans, warrants, options or other similar instruments or securities of the Company, which are convertible into or exercisable or exchangeable for or which carry a right to subscribe to or purchase Equity Securities or any instrument or certificate representing a legal or beneficial ownership interest in Equity Securities, including global depositary receipts or american depositary receipts.

“**Shareholders’ Agreement**” means the agreement entered on the First Closing Date between the shareholders of the Company which provides for certain matters relating to the rights of the Investor, Company, Promoter and other existing shareholders including those relating to the management and operations of the Company.

“**Subscription Share Consideration**” or “**Investment**” means the total amount payable by the Investor to the Company as consideration for the Shares issued to the Investor in terms of clause 2.1 (b) and (c) of this Agreement.

“**Tax**” means and includes any income tax, land tax, sales tax, fringe benefits tax, withholding tax, customs duties, excise duties, stamp duty, GST or any other taxes or cess or levies or duties imposed by any Government Authority (including fines, additional tax, interest or penalties) in India.

“**Transaction Documents**” shall mean this Agreement, the Shareholders’ Agreement, employment agreements with the Key Employees, and any other agreement, certificate, document, deed or opinion executed in connection with or pursuant to any such agreements and all agreements, certificates, documents and/or deeds executed to supplement or amend any Transaction Document, as agreed by the Parties.

## 1.2 Interpretations

(a) All references in this Agreement to statutory provisions shall be construed as meaning and including references to any statutory modification, consolidation or re-enactment (whether before or after the date of this Agreement) for the time being in force, all statutory instruments or orders made pursuant to a statutory provision, and any statutory provision of which these statutory provisions are a consolidation, re-enactment or modification.

(b) In construing this Agreement, the singular shall include the plural and vice-versa and gender shall include the masculine or feminine gender (as the case may be) and vice-versa.

(c) The headings of various Articles and Clauses in this Agreement are inserted for convenience only and shall not affect the construction of the relative provisions.

(d) Other terms referred to but not defined in this Agreement shall, unless defined otherwise or unless inconsistent with the context or meaning thereof, bear the same meaning as defined under the Act, prevailing in India and failing that any other relevant, applicable statute/legislation.

(e) References to recitals, Articles, Clauses or Annexures are, unless the context otherwise requires, references to recitals, Articles, Clauses or Annexures to this Agreement.

(f) Any reference to "writing" includes printing, typing, lithography, and other means of reproducing words in permanent visible form.

(g) The terms "include" and "including" shall mean "including without limitation".

(h) Any reference to the transfer of Shares or other Securities shall include reference to any action, which has the effect of creating any third party interest in or over the Shares or other Securities, or the sale, creation of a pledge or a lien, or any other encumbrance or any other security in or over the Shares or other Securities.

(i) Any reference in this Agreement to par or face value in relation to any share or other security shall mean the value expressed on the face of the certificate representing the share or other security, at the relevant point of time, irrespective of the actual price paid for that share or other security by the holder thereof.

(j) Other terms defined elsewhere in this Agreement shall, unless inconsistent with the context or meaning thereof, bear the same meaning as therein defined.

## **ARTICLE – II AGREEMENT AND TERMS OF SUBSCRIPTION**

### **2.1 Amount and Terms of Subscription**

- a) The Investor agrees to subscribe to, and the Company agrees to allot to the Investor, on the terms and conditions contained herein, Shares for the Subscription Share Consideration set forth in sub-clauses (b) and (c) below.
- b) The Investor shall invest a total of Rs. 1,00,00,431 for a value of Rs. 543 per share and be allotted a total of 18,417 Shares of the Company in the first tranche, upon First Closing.
- c) The Investor shall invest a total of Rs. 1,00,00,431 for a value of Rs. 543 per share and be allotted a total of 18,417 Shares of the Company in the second tranche, upon Second Closing.
- d) The paid-up capital of the Company and ownership structure pre investment, and upon First Closing and Second Closing is set forth in **Annexure 2** to this Agreement.

### **2.2 Allotment of Equity Shares**

- a) The Company shall allot the Shares to the Investor simultaneously with the realisation of the Subscription Share Consideration in two tranches and dispatch the certificates in respect of such Shares immediately thereafter.
- b) All the Equity Shares shall be issued in the name of the Investor.
- c) In the event of any delay in issue of the certificates by the Company under any of the above provisions, the Investor shall have the right to rescind this Agreement and recall the Subscription Share Consideration in terms of the Applicable Law.
- d) The Shares shall rank *paripassu* with the existing equity shares with respect to corporate actions, including but not limited to voting rights, dividends, bonus, and rights' shares.

### **2.3 Issue of Shares**

The Investor reserves the right to require the Company to issue the Shares subscribed to by the Investor in Demat form in the event that the shares of the Company become publicly traded. The Company shall amend its Articles of Association for such purpose, where necessary.

**ARTICLE – III**  
**REPRESENTATIONS AND WARRANTIES**

**3.1 Company Warranties**

Subject to **Annexure 3** being the Disclosure Schedule containing disclosures of the Promoter and the Company (hereinafter referred to as the “Disclosure Schedule”), the Company and the Promoter hereby jointly and severally represent and warrant to the Investor in terms of the warranties and representations as detailed below, and acknowledge that the Investor has agreed to execute this Agreement and pursue the contemplated transaction relying entirely upon these warranties and representations in detail. The Company and the Promoter will re-affirm to the Investor the warranties and representations in detail on each of the First Closing and Second Closing subject to appropriate disclosures where any warranty or representation is untrue or incorrect.

The Company and Promoter accordingly represent and warrant to the Investor as on the Effective Date and each of the relevant Closing Date that:

**ORGANISATION AND SHARE CAPITAL**

- (a) The Company is a private company, limited by shares, validly incorporated, in good standing and existing under Applicable Law and has full corporate power and authority to execute, deliver and perform this Agreement.
- (b) The Company has taken all necessary corporate actions required to authorize the execution, performance, and delivery by it of this Agreement and the transactions contemplated hereby.
- (c) This Agreement constitutes a legal, valid and binding obligation on the Company and is enforceable in accordance with its terms and conditions. The execution and delivery by the Company of this Agreement does not, and the performance by the Company of the terms of this Agreement will not:
  - (i) contravene any provision of any Applicable Law; or
  - (ii) contravene with or result in the breach of any agreement, contract or instrument to which it is a Party or to which it may be subject to; or
  - (iii) violate any provision of its Articles of Association and Memorandum of Association (“**Charter Documents**”); or
  - (iv) violate any injunction, judgment, order, decree, ruling, charge, or other restriction of any or court or tribunal.
- (d) The Equity Securities issued by the Company and registered in the Company’s register of members, are fully paid, have been properly and validly issued and allotted, in accordance with Applicable Law and represent the entire allotted and issued share capital of the Company.
- (e) The Charter Documents of the Company last filed with the Registrar of Companies on 22/06/2020 are accurate and still in effect, and no amendments have been made thereafter.
- (f) The Company has not taken any action or failed to take any action, which action or failure would preclude or prevent the Company from conducting its business after the Closing Date in the manner heretofore conducted.

- (g) Except for the transaction contemplated by this Agreement and set forth in Disclosure Schedule in Annexure 3, there are no other share capital, pre-emptive rights, convertible securities, outstanding warrants, options or other rights to subscribe for, purchase or acquire from the Company and there are no contracts or binding commitments providing for the issuance of, or the granting of rights to acquire any share capital of the Company or under which the Company is, or may become, obligated to issue any of its securities.
- (h) Annexure 2 of this Agreement describes the capitalization table setting forth the shareholding of the shareholders as of the Effective Date and Closing Date, and the total number of securities and options issued by the Company.
- (i) There are no Securities issued by the Company other than Equity Securities as set forth in Annexure 2.
- (j) There is no existing fact or circumstance that may have a Material Adverse Effect on the ability of the Company, to conduct their businesses as currently conducted and contemplated to be conducted.
- (k) There has been no event, condition or change that individually or in the aggregate has had or could reasonably be expected in the foreseeable future to have a Material Adverse Effect on the Company.
- (l) No agent, broker, banker, or Person acting in a similar capacity on behalf of or under the authority of the Company is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, on account of any action taken by the Company in connection with the transaction contemplated under this Agreement.
- (m) The Company has not received any financial grant from any government entity or has ever been identified as a public service undertaking or would for any reason be deemed a governmental organ or quasi-governmental body under Applicable Laws.
- (n) The Company is not related to any other enterprise outside of India with which it does any business by way of ownership, management/control, common directors or capital of the other enterprise, either directly, indirectly or through one or more intermediaries. The Company is not maintaining any information or documentation which would substantiate any contract or arrangement entered into with any associated enterprise, the pricing policy, or the functional assets and risk analysis.
- (o) Except for the licenses provided in the Disclosure Schedule in Annexure 3, the Company has all the licenses for the conduct of the business as is now being conducted and can be reasonably expected to obtain all the licenses for the conduct of the business as proposed to be conducted. The licenses currently held by the Company are, and will remain, in full force and effect.
- (p) The Company has no subsidiary or holding or associate company.

#### FINANCIAL STATEMENTS AND ASSETS

- (q) Except as set forth in the Disclosure Schedule in Annexure 3, the Company's latest audited and unaudited financial statements fairly present the financial condition of the Company at the dates of said statements and the results of its operations for the periods covered thereby and have been prepared in accordance with Applicable Laws & generally accepted accounting

principles and practices consistently applied, and consistent with the books and records of the Company.

- (r) The Company has not engaged in any transaction that is not required to be shown or reflected in the financial statements or accounts.
- (s) As of the date of the Company's financial statements, the Company had no liabilities, either accrued or contingent, of a nature required to be reflected in its financial statements in accordance with generally accepted accounting principles, and whether due or to become due, which individually or in the aggregate are reasonably likely to have a Material Adverse Effect on the Company.
- (t) Except as set forth in the Disclosure Schedule in Annexure 3, the statutory books, books of account and other records of the Company are regularly updated and are being maintained in accordance with accounting standards applicable in India and all Applicable Laws on a proper and consistent basis and comprise of true and fair records of all information required to be recorded.
- (u) A complete and accurate listing of all accounts receivable of the Company as of date mentioned above is attached hereto as the schedule of accounts receivable in the Disclosure Schedule.
- (v) A complete and accurate listing of all accounts payable of the Company as of date mentioned above is attached hereto as the schedule of accounts payable in the Disclosure Schedule.
- (w) All of the Company's inventories, materials, and supplies consist of items of quality and quantity, in good condition and usable or saleable in the ordinary course of business. The values of the inventories stated in the financial statements reflect the Company's normal inventory valuation policies and were determined in accordance with generally accepted accounting principles, practices, and methods consistently applied.
- (x) Except as mentioned in the Disclosure Schedule in Annexure 3, there are no claims by the Company pending under the subsisting insurance policies, if any, taken by the Company or by any of its vendors or consultants on its behalf. All premiums due under such policies have been paid and the Company, if any, is otherwise in full compliance with the terms and conditions of all such policies.
- (y) The Company has not undertaken any action, or omitted to take any action, which would render any such insurance policy void or voidable or which could result in a material increase in the premium for any such insurance policy, if taken by the Company.
- (z) Except for the licenses provided in Disclosure Schedule in Annexure 3, the Company is not in breach or violation of any Applicable Laws, which apply to the conduct of its business or any facilities or property owned, leased, operated, or used by the Company. There has never been any fine, or penalty imposed, asserted, or threatened against the Company under any foreign, federal, state, local, or other law or regulation relating to regulatory, labour or Tax matters, and the Company is aware of no current circumstances likely to result in the imposition or assertion of such a fine, or penalty.
- (aa) The attached schedule of leases in the Disclosure Schedule contains an accurate and complete list of all of the Company's leasehold interests in real and material personal property and, if applicable, all liens, mortgages, or other Encumbrances upon each leasehold interest. All

leases to which the Company is a party are currently in full force and effect, and no party thereto is in default.

- (bb) The Company owns the equipment, furniture, fixtures, improvements, and property (including IPR) set forth in attached schedule of assets in the Disclosure Schedule. The Company has good and marketable title to all of such assets and none of the assets of the Company are subject to any mortgage, pledge, lien, conditional sales agreement, security interest, Encumbrance, or other charge except as specifically reflected in the schedule of assets.
- (cc) The Promoter does not own or possess, in his individual or any other capacity, any property or other asset which is material, individually or in the aggregate, to the financial condition, operations or business of the Company.
- (dd) All equipment owned or leased by the Company is in good condition and in working order, except for ordinary wear and tear.
- (ee) Subject to the specific details set forth in Disclosure Schedule in Annexure 3, none of the financial statements have been prepared in a manner which would involve; (a) inconsistencies of accounting practices; (b) the inclusion of abnormal or extraordinary items of income or expenditure; (c) recording of transactions entered into other than on normal commercial terms; and (d) any other factors rendering the profits or losses for all or any of those periods, abnormally high or low.
- (ff) Since 1 April 2019, none of the following events or changes has occurred which would, individually or in the aggregate, have a Material Adverse Effect on the operations (financial or otherwise), business prospects, or assets of the Company on a consolidated basis:
  - i. change in the assets, liabilities, condition (financial or otherwise) or business of the Company from that reflected in the financial statements;
  - ii. damage, destruction or loss, whether or not covered by insurance, adversely affecting the assets, properties, conditions (financial or otherwise), operating results or business of the Company, as such business is presently conducted and proposed to be conducted;
  - iii. satisfaction or discharge of any Encumbrance or payment of any obligation by the Company, except in the ordinary course of business and that is not, individually or in the aggregate, adverse to the assets, properties, condition (financial or otherwise), operating results or business of the Company, as such business is presently conducted and proposed to be conducted;
  - iv. change or amendment to a contract or arrangement by which the Company or any of their assets or properties is bound by or subject to;
  - v. change in any compensation arrangement or agreement with any employee of the Company;
  - vi. loans made by the Company to its employees, officers, or directors other than travel advances made in the ordinary course of business;
  - vii. sale, transfer or lease of, except in the ordinary course of business, or mortgage or pledge of imposition of lien on any of the Company's assets;

- viii. change in the accounting methods or accounting principles or practices employed by the Company;
- ix. acceptance or issuance of inter-company deposits; or
- x. other event or condition of any character that would adversely affect the assets, properties, condition (financial or otherwise), operating results or business of the Company, as such business is presently conducted and proposed to be conducted.

#### WINDING UP AND INSOLVENCY

- (gg) The Company is not insolvent and, has not committed any act which could be regarded as an act of an insolvent company, and is able to pay its debts in the ordinary course of its business. No steps are pending or contemplated or threatened, to the best of the knowledge of the Company, in respect of de-registration, winding-up, liquidation or appointment of receiver for its judicial management.
- (hh) The Company is not in receivership or liquidation and has taken no steps to enter into liquidation, and no petition has been presented for the winding-up of the Company. The Company has no reason to believe that there are circumstances in which a petition or application could be based or filed for the winding-up of or appointment of a receiver in respect of the Company or any part of its assets or properties or undertakings.
- (ii) Neither the Company nor any part of its assets or properties or undertakings is involved in or subject to any voluntary insolvency proceedings nor has it received any notice in relation to any insolvency proceedings.

#### TAXES AND STATUTORY REGISTERS/FORMS/FILINGS

- (jj) The statutory books, minute books, register of members and other registers of the Company, as required under any Applicable Law, have been properly and accurately maintained.
- (kk) The minute books of the Company which have been provided to the Investor contain accurate and complete copies of the minutes of every meeting of the Company's shareholders and the board of directors (and any committee thereof).
- (ll) No resolutions have been passed, enacted, consented to or adopted by the directors (or any committee thereof) or shareholders of the Company, except for those contained in such minute books.
- (mm) The corporate records and statutory filings of the Company have been maintained/undertaken in accordance with all applicable statutory requirements, and are complete and accurate in all respects, and, in the case of the Company, are maintained at the registered office of the Company.
- (nn) All Taxes to be paid by the Company under the Applicable Laws have been paid since its incorporation and, to the best of the knowledge of the Company, there are no outstanding claims or proceedings pending against the Company by any Governmental Authority in relation thereto.
- (oo) Except for the details provided in Disclosure Schedule, all material Tax returns, reports, accounts, computations, statements, assessments, claims, disclaimers, and registrations and

any other necessary information which have, or should have, been submitted by the Company to Governmental Authority for the purposes of Tax have been made on a proper basis, were submitted within applicable time limits and were accurate and complete in all material respects. None of the above is, or so far as the Promoter and Company are aware is likely to be, the subject of any dispute with any Governmental Authority.

- (pp) The Company has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, shareholder, or other third party.
- (qq) There is no dispute or claim concerning any Tax liability of the Company either claimed or raised by any authority in writing.
- (rr) The Company has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency, as may be applicable.
- (ss) No Governmental Authority action is pending and no claim has been made against the Company or, to the knowledge of the Company and the Promoter after due and careful inquiry is pending or threatened, which contests the right of the Company to the Tax exemptions it has taken in the past or its right to continue to take such exemptions or deductions in the future.
- (tt) Except for the details provided in the Disclosure Schedule, all Tax returns and reports of the Company are filed in a timely manner, and are true and correct in all material respects and the Company has paid on time all Taxes and other assessments due.
- (uu) No deficiency assessment or proposed adjustment of income or payroll Taxes of the Company is pending, and the Company has no knowledge, after due inquiry, of any proposed liability for any Tax to be imposed.
- (vv) The Company has not made any elections or declarations under Applicable Laws or regulations (other than elections or declarations that are related solely to methods of accounting, depreciation or amortization) that would have a Material Adverse Effect on the Company, its financial condition, its business as presently conducted or proposed to be conducted or any of its properties or assets.

#### CONTRACTUAL ARRANGEMENTS

- (ww) Each of the contracts and agreements of the Company is valid, is in full force and effect, and is binding upon the Company, as applicable, and neither the Company nor any other party thereto is in breach thereof. True and correct copies of all such contracts have been delivered to the Investor.
- (xx) There are no defaults or claims under any of the customer contracts or other third-party contracts/arrangements.
- (yy) The Company has not indulged in any corrupt practices in dealing with its customers or for getting business from customers.
- (zz) Except for contracts, commitments, plans, agreements and licenses listed in the Disclosure Schedule, the Company is not a party to or bound by any written or oral contract which calls for any of the following: (a) delivery of any goods or services at a cumulative value in excess of INR 50,000 per year, or which obligates the contracting party for a fixed term; (b) loans,

credit, financing agreements, promissory notes, or other evidences of indebtedness (including all agreements for any commitments for future loans, credit or financing), or any other material contract, commitment, or arrangements of any kind; or (c) any guarantee.

- (aaa) Except as set forth in the Disclosure Schedule, the Company has no employment or consulting contracts, deferred compensation agreements or bonus, incentive, profit-sharing, or pension plans currently in force and effect, or any understanding with respect to any of the foregoing.
- (bbb) None of the contracts and agreements entered into by the Company give any right to the customers to terminate the Contract or Agreement upon a change in control of the Company, and if there is a clause, the same has been expressly waived off by the customer.

#### LITIGATION AND IPR

- (ccc) All the patents, copyrights, trademarks, trade secrets, service marks, database right, design right, domain name, moral right, software, source code, software license code or any other property rights (in each case, whether registered or not and including applications for registration, if any) that grant similar rights as the foregoing, anywhere in the world (collectively, the "IPR" or "Intellectual Property") owned by or licensed to or developed by the Company are listed in the Disclosure Schedule which schedule indicates, with respect to each, the nature of the Company's interest therein and the expiration date thereof or the date on which the Company's interest therein terminates (as applicable).
- (ddd) No other Person has an interest in or right or license to use, or the right to license others under, the IPR. There is no infringement of any of the IPR by others, nor is any of the IPR subject to any outstanding order, decree, judgment, stipulation, settlement, lien, charge, Encumbrance, or attachment.
- (eee) No claim or demand has been made and no proceeding has been filed or, to the knowledge of the Company, is threatened to be filed charging the Company with infringement of any patent, trade name, trademark, service mark, or copyright. There are no royalties, fees, or other payments payable by or on behalf of the Company to any Person with respect to any of the IPR.
- (fff) The Company owns or has the right to use, free and clear of any claims or rights of others, all IPR and other information and know-how (if any) used in its business and has executed valid contracts with employees, consultants and vendors to acquire such rights in perpetuity.
- (ggg) The Company is not making any unlawful use of any Confidential Information including any copyrighted materials, know-how, or trade secrets of any third party, including, without limitation, any former employer of any present or past employee of the Company.
- (hhh) The Company has not sold, or received written notice of, any product or group of products, service or type of services which are defective or non-conforming to the warranties, contractual requirements or covenants expressly made with respect to them by the Company to its customers which have not been repaired, replaced, or corrected prior to the date of this Agreement.
- (iii) The Company is not subject to any known or asserted claims for liability/litigation on account of products sold or services rendered, or IPR created on or prior to such date.

- (jjj) Any and all IPR of any kind which has been developed, is currently being developed, or will be developed in the future, by any employee of the Company shall be the sole property of the Company.
- (kkk) The Company has undertaken all requisite security and safeguard measures (technical, administrative or otherwise) to protect the replication, secrecy, confidentiality, and value of all the IPR.
- (lll) The source code/software code and the software that were made by Company's employees constitute a "work made for hire" and no Intellectual Property of a third party that are infringed by the use of the software commercially by the Company.
- (mmm) The Promoter and Company's employees have entered into written agreements with the Company, as applicable, for assigning to the Company all rights in IPR developed in the course of their employment with the Company, as applicable.
- (nnn) There is no Person other than a current employee of the Company that has alone or in concert with others, developed, invented, discovered, derived, programmed or designed the Intellectual Property, or who has knowledge of or access to information about the Intellectual Property.
- (ooo) Each of the current employees of the Company is bound by his or her employment/service agreement or the written policies of the Company for safeguarding confidentiality & privacy of IPR.
- (ppp) The business as currently conducted or contemplated as described in the business plan does not and is not likely to infringe any Intellectual Property rights of any other Person or give rise to (i) a liability pursuant to the Applicable Laws relating to intellectual property rights, or (ii) an obligation to pay any sum in the nature of a royalty and/or license fees by the Company in respect of any such rights which are in full force and effect.
- (qqq) The Company is not a party to any litigation or arbitration or dispute resolution proceeding and that the Company and the Promoter are not aware of any facts likely to give rise to such litigation or arbitration or claims against the Company.
- (rrr) The foregoing actions includes, without limiting its generality, actions pending or threatened involving the prior employment or business interests of Promoter or any of the Company's employees or use by any of them in connection with the Company's business of any information, property or techniques allegedly proprietary to any of the former employers.
- (sss) Neither the Company nor the Promoter is a party to or subject to the provisions of any order, writ, injunction, judgment or decree of any court or governmental agency or instrumentality.
- (ttt) There is no action, suit, proceeding or investigation by the Company or the Promoter currently pending or that the Company or the Promoter intend to initiate.
- (uuu) The Company has not received any letter or notice from the revenue authorities in relation to the international transactions entered into by the Company.

#### OTHER AGREEMENTS

- (vvv) Except for as set forth in Disclosure Schedule in Annexure 3, the Company has no agreement, obligation, or commitment with respect to the election of any individual or individuals to the board of directors.
- (www) Except for as set forth in the Disclosure Schedule in Annexure 3, there are no voting agreements, stock agreements, sweat equity arrangements, stock option plans, share subscription agreements, shareholders agreements or investor rights agreements or other arrangement of a similar nature among the Company's shareholders. Further, the Company has issued the Employee Stock Option Plan 2020 in accordance with Applicable Laws, and that any action taken under this plan shall not dilute or adversely affect the shareholding (or ancillary rights) of the Investor in any manner. None of the employees of the Company have been granted or vested any stock options pursuant to the Employee Stock Option Plan 2020.
- (xxx) No officer or shareholder of the Company, or any affiliate or relative or related party of any such person or the Company, either directly or indirectly, has or has had any of the relationships, has or has had any of the beneficial interest, or entered or proposed to enter any of the transactions referenced in the preceding sentence which could, either individually or in the aggregate be material to the Company.

#### EMPLOYEES AND DIRECTORS

- (yyy) The Company has complied with all Applicable Laws, policies, procedures and agreements relating to employment, terms and conditions of employment and relating to the proper withholding and remission to the proper Tax and other authorities of all sums required to be withheld from employees or persons deemed to be employees under Applicable Laws.
- (zzz) Except for as set forth in the Disclosure Schedule in Annexure 3, the Company has paid in full to all of its respective employees, wages, salaries, commissions, bonuses, benefits and other compensation due and payable to such employees on or prior to the date hereof.
- (aaaa) The Company is not bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral, express or implied, contract, commitment or arrangement with any labour union.
- (bbbb) The Company's relations with their respective employees are good and no such employee has violated any term of his or her employment agreement.
- (cccc) Except as set forth in the Disclosure Schedule in Annexure 3, no power of attorney or authorities have been issued in favour of any officer and/or employee to bind the Company.
- (dddd) Neither the employment by the Company of any of their respective employees nor the engagement by them with any of their respective consultants, constitutes or is likely to constitute a breach of any of such persons' obligations to third parties, including non-competition or confidentiality obligations.

#### MISCELLANEOUS REPRESENTATIONS

- (eeee) The Company has not used any corporate or other funds for any unlawful contributions, payments, gifts, or entertainment, or made any unlawful expenditures in any way relating to any political activity or for making payment to government officials or others, and neither the Company or any affiliated entity or any director, officer, agent, or employee or other person

authorized to act on behalf of the Company, or any affiliated entity, has accepted or received any unlawful contributions, payments, gifts, or expenditures.

- (ffff) The Company has implemented all the requisite internal control processes, and related compliances and policies (including but not limited to HR, financial and accounting principles/policies) in accordance with Applicable Laws.
- (gggg) Each of the warranties and representations in detail is to be construed independently of the others and is not limited by reference to any other representation or warranty.
- (hhhh) Neither this Agreement nor any certificates made or delivered in connection herewith or any information provided by or on behalf of the Company or the Promoter to the Investor is untrue, incorrect, or incomplete in any respect or omits to state a material fact necessary to make the statements herein or therein not misleading, untrue, or incorrect, in view of the circumstances in which they were made.
- (iiii) There is no material fact or information relating to the business, condition (financial or otherwise), affairs, operations, or assets of the Company that has not been disclosed to the Investor in writing by the Company.

### **3.2 Promoter Warranties:**

The Promoter represents and warrants to the Investor as on the Effective Date and each of the Closing Date that:

- (a) It has full power, capacity and authority to execute, deliver and perform this Agreement;
- (b) Neither the execution, delivery nor performance of this Agreement, nor the consummation of the transactions contemplated hereby will violate any Applicable Law; or any injunction, judgment, order, decree, ruling, charge, or other restriction of any or court or tribunal or any other agreement, contract or obligation of the Promoter;
- (c) It is not insolvent, has not committed any act which could be regarded as an act of an insolvent person and is able to pay its debts, if any;
- (d) The Promoter is only a non-executive director in the companies/entities listed in Disclosure Schedule in Annexure 3 and he is not involved in the day to day management or affairs of these companies and/or any other companies or otherwise appointed a director on the board of any other companies;
- (e) Except for as set forth in the Disclosure Schedule in Annexure 3, the Promoter does not have any investment/shareholding exceeding 10% in any of the entities/ companies;
- (f) The Promoter is not an executive director in any company or entity, and does not have any conflicting interest in any entity or company;
- (g) No transaction or action has been undertaken by the Promoter in respect of the Company that may result in any Material Adverse Effect on the business;
- (h) There is no contravention or violation of any law with respect to any accounting or financial matters;

- (i) IPR does not infringe or violate any third-party Intellectual Property rights and is not utilized for any development activities or creation of any third party's Intellectual Property rights; and
- (j) The obligations of the Promoter under this Agreement shall constitute legal, valid and binding obligations on him.

### **3.3 Investor Warranties:**

The Investor represents and warrants to each of the Promoter and the Company as follows:

- (a) It has full power, capacity and authority to execute, deliver and perform this Agreement. This Agreement constitutes its valid and legally binding obligation, enforceable in accordance with its terms and conditions; and
- (b) Neither the execution, delivery nor performance of this Agreement, nor the consummation of the transactions contemplated hereby will violate any applicable law; or any injunction, judgment, order, decree, ruling, charge, or other restriction of any or court or tribunal or any other agreement, contract or obligation of the Investor.

### **3.4 Indemnity**

- a. The Company and the Promoter jointly and severally agree and undertake to indemnify, defend and hold harmless the Investor and its representatives against any and all Losses incurred or suffered by the Investor, arising out of or resulting from any breach or inaccuracies of any of the obligations and/or warranties, or any fraud or misrepresentation by the Promoter and/or the Company, or out of any defaults or claims arising out of previous contractual or business arrangements, or non-compliance of Applicable Laws during the period of this Agreement. .
- b. Notwithstanding any other provision of this Agreement, the Company and the Promoter shall, jointly and severally indemnify and keep indemnified and hold harmless the Investor and its representatives from and against any Losses arising out of the following matters namely:
  - i. Any Loss that may be suffered or arising from the violation of any third-party Intellectual Property rights;
  - ii. Any Loss arising due to non- compliance of Tamil Nadu Shops and Establishment Act 1947 or any other relevant law pertaining to registration of shops and establishments, Professional Tax laws and The Sexual Harassment of Women at Workplace Prevention, Prohibition, and Redressal Act 2013;
  - iii. Any Loss arising due to non-compliance with Tax laws;
  - iv. Any Loss arising due to inappropriate capitalization of fixed assets in the books of accounts, or books of accounts not being maintained in accordance with Applicable Laws;
  - v. Any Loss arising due to the transactions undertaken with Cheran Properties Limited, Cherraans College of Physiotherapy Tuition fee, Cherraans College of Nursing Tuition fee, Cherraans College of Nursing Tuition fee, Cheran Foundation Trust and K C Palaniswamy;
  - vi. Any Loss arising due to any past accounting transactions recorded in books of accounts of the Company;
  - vii. Any Loss arising due to issuance or conversion of existing loans or optionally convertible redeemable preference shares to Equity Securities by the Company;
  - viii. Any Loss arising due to incorrect or inaccurate statutory filings including but not limited to ROC filings made under the Act and related rules/regulations;

- ix. Any Loss arising out of inadequate or non-existent insurance policies to secure the Company and its properties & assets;
- x. Any Loss arising out of payments made in respect of rent/lease arrangements, by the Company without adequate statutory documentation or non-compliance in respect of payment of stamp duty and registration costs in respect of such arrangements;
- xi. Any Loss pertaining to the loan transactions undertaken by the Company; and
- xii. Any Loss arising out of incorrect or inaccurate or inflated valuation of IPR of the Company.

#### **ARTICLE – IV**

#### **CONDITIONS PRECEDENT TO SUBSCRIPTION, CLOSING AND POST CLOSING ACTIONS**

**4.1. Conditions Precedent:** The obligations of the Investor to subscribe to the Shares in the first tranche and second tranche shall be subject to the Company and the Promoter performing all their obligations and undertakings contained in this Agreement besides complying with the subscription procedure stipulated by the Applicable Law, as also compliance with the following conditions precedent (“Conditions Precedent”):

##### **4.1.1 Conditions Precedent for First Closing**

**(a) Processes under Applicable Laws, Finalization of Documents and Completion of Due Diligence**

(i) The Company and Promoter shall have carried out the following:

- Completion of all corporate and statutory processes for subscription of Shares including the documentation, resolutions and approvals for private placement under Companies Act 2013 and related rules & regulations.
- Completion of satisfactory business, financial and legal due diligence of the Company, and any adverse finding/issues basis such due diligence shall be addressed by the Promoter and the Company to the satisfaction of the Investor.
- The Warranties having been true and correct on the date hereof and remaining true and correct on the First Closing Date, in each case and in all respects.
- Delivery to the Investor, the bank account details (of the Company) into which the Subscription Share Consideration is to be wire transferred by the Investor.
- Finalization of the final form of agreement for co-creation/co-development of joint IPR, to the satisfaction of the Investor.
- Finalization of final form of commercial services agreement, to the satisfaction of the Investor.
- Finalization of final form of the Shareholders’ Agreement, to the satisfaction of the Investor.
- Finalization of restated employment agreements for all Key Employees including the Promoter in the format provided in **Annexure 4**.

**(b) No restriction on allotment of Shares**

The Promoter shall not veto or in any way object to or obstruct the allotment of Shares in the Company to the Investor.

**(c) Statutory & Contractual Approval(s) for investment by the Investor**

The Company and the Promoter shall obtain all requisite approvals, waivers and consents from any Person or Governmental Authority and such other approvals / licenses as may be required for allotment of the Shares to the Investor, for carrying out other obligations under this Agreement.

**(d) Amendment of Memorandum and Articles of Association**

The Company shall finalize the necessary amendments to its Charter Documents to reflect the terms and conditions of this Agreement, as required.

**(e) Resolutions**

The Company and the Promoter shall finalize and get the necessary resolutions passed by the board of directors and/or the shareholders of the Company as required by Applicable Law to enable the Investor to make its investment as contemplated in this Agreement, along with all the requisite filings.

**(f) Valuation Certificate**

The Company shall obtain a certificate from an independent merchant banker registered with the Securities and Exchange Board of India justifying the valuation of the Company, on the basis of which price per Share has been set forth in clause 2.1.

**(g) Legal Opinion**

The Company and the Promoter shall provide a legal opinion to the Investor in respect of the compliance of the subscription and allotment of Shares to the Investor by the Company in accordance with the Applicable Laws and such other matters customary for this type of transaction or reasonably required by the Investor, in the manner set forth in **Annexure 5**.

**(h) Resignation of Promoter from Related Entities**

The Promoter shall resign from the directorship of the following companies Real Madras Asset Development Private Limited, Tango Ventures Private Limited, Aglynk Initiative Private Limited & Cherry Holdings Private Limited and share ROC filings of the same with the Investor. The Promoter shall also confirm that there are no dues owed to him by these foregoing entities or by him to these foregoing entities.

**(i) Providing Business Plan**

The Company and the Promoter shall provide the Initial Business Plan to the Investor as defined in the Shareholders' Agreement.

**(j) Completion of pending transfers**

The Company and Promoter shall convert all pending loans and optionally convertible redeemable preference shares (OCRPS) into Equity Securities and complete the filings of all the pending transfers inter-se the Promoter and existing investors, and share the ROC filings of the foregoing transactions with the Investor.

**(k) ESOP Policy**

The Company and the Promoter to finalize the ESOP policy in the form agreed with the Investor and create the ESOP Pool for upto 8.75 percent of the Company's shareholding as set forth in Annexure 2.

**(l) Obtaining NOC in respect of loan transaction**

The Promoter shall obtain the NOC from the following companies/Persons: Cheran Properties Limited, Cherraans College of Physiotherapy, Cherraans College of Nursing, Cheran Foundation Trust and K C Palaniswamy specifying that the companies and Persons have no claims or dues pending or threatened against the Promoter or the Company in respect of the loan provided by these companies/Persons.

**(m) Increase in Authorized Share Capital**

The Company and Promoter shall ensure completion of filings for increase in authorized share capital of the Company upto INR 30,00,000 required for completion of transaction set forth in this Agreement.

**(n) Implementation of POSH Policy**

The Company and the Promoter shall approve the policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and set up the complaints committee as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**(o) Standstill Clause**

Since Effective Date till First Closing, all the Condition Precedents will be complied with by the Company and the Promoter, and there shall not be any operation of the Company out of the ordinary course of business or any change in the financial condition, properties, assets, liabilities, business prospects or operations of the Company which change, by itself or in conjunction with all other such changes, has been or is likely to cause Materially Adverse Effect with respect to the Company; or any purchase, sale, license, or other disposition, or any agreement or other arrangement for the purchase, sale, license, or other disposition, of any part of the Company's properties or assets (including any patents, trademarks and copyrights) other than purchases for and sales from inventory in the ordinary course of business.

**4.1.2 Conditions Precedent for Second Closing**

**(a) Processes under Applicable Laws, Finalization of Documents and Completion of Due Diligence**

The Company and Promoter shall have carried out the following:

- First Closing actions shall be completed, and relevant Post Closing compliances shall have been undertaken to the satisfaction of the Investor.
- Completion of all corporate processes for subscription of Shares.

- The Warranties having been true and correct on the date hereof and remaining true and correct on the Second Closing Date, in each case and in all respects.

**(b) No restriction on allotment of Shares**

The Promoter shall not veto or in any way object to or obstruct the allotment of Shares in the Company to the Investor.

**(c) Statutory & Contractual Approval(s) for investment by the Investor**

The Company and the Promoter shall obtain all requisite approvals, waivers and consents from any Person or Governmental Authority and such other approvals / licenses as may be required for allotment of the Shares to the Investor, or for carrying out other obligations under this Agreement.

**(d) Resolutions**

The Company and the Promoter shall get the necessary resolutions passed by the board of directors and/or the shareholders of the Company as required by Applicable Law to enable the Investor to make its investment as contemplated in this Agreement, along with all the requisite filings.

**(e) Valuation Certificate**

The Company shall obtain a certificate from an independent merchant banker registered with the Securities and Exchange Board of India justifying the valuation of the Company, on the basis of which price per Share has been set forth in clause 2.1.

**(k) Company Processes & Product related developments to be undertaken**

The Company and the Promoter shall undertake/create the following:

1. Customer Count: Daily count of customers entering the Company's service recipient's retail store with 95% accuracy to be undertaken by December 2020.
2. Customer Concentration Heat Map: Integrate into the dashboard a weekly Heatmap with 70% accuracy of customer concentration areas of the stores by January 2021.
3. Average Time spent in Store: Calculate with 90% accuracy the average time the customers spend in the retail stores by February 2021.
4. Group Customer Count: Daily count of all customer groups entering a given store with 70% accuracy to be undertaken by February 2021.
5. Reporting (download as PDF and Excel): Create a functionality to download the numerical data in excel. And create a feature of download of dashboard data in PDF and Excel format by February 2021.
6. Overall Dashboard: Create a dashboard to view footfall of all stores on a per service recipient basis in a single table view by February 2021.
7. Employee Attendance: Create in time & out time feature of each employee of the Company on per day basis and represent the data in a dashboard table view by February 2021.

**(l) Standstill Clause**

Since First Closing till Second Closing, all the Condition Precedents will be complied with by the Company and the Promoter, and there shall not be any operation of the Company out of the ordinary course of business or any change in the financial condition, properties, assets, liabilities, business

prospects or operations of the Company which change, by itself or in conjunction with all other such changes, has been or is likely to cause Material Adverse Effect with respect to the Company.

- 4.2. CP Completion:** The Promoter and the Company shall, immediately upon the satisfaction of their respective Conditions Precedent for First Closing and Second Closing, deliver to the Investor, a certificate, in the form set out in **Annexure 6** hereto (CP Confirmation Certificate), which shall enclose appropriate documentary evidence (to the extent available) to support the statements in the CP Completion Certificate, by October 5, 2020 and March 15, 2021, confirming that the respective Conditions Precedent have been satisfied. For the avoidance of doubt, it is clarified that the Investor shall not make second tranche investment unless all the conditions set forth in 4.1.2 are completed by the Company, subject to any express written waiver provided by the Investor in its sole discretion.
- 4.3. Closing:** The Company shall inter-alia issue the Shares free and clear of any Encumbrance, such that on and with effect from the First Closing Date, the Investor shall become the sole legal and beneficial owner of the Shares issued at First Closing. The Company shall complete the actions set forth in **Annexure 7** on the Closing Date. Subject to the terms and conditions of this Agreement, Second Closing shall take place on Second Closing Date. For the avoidance of doubt, it is clarified that the provisions of Clause 4.3 and Annexure 7 shall apply mutatis mutandis to the Second Closing.
- 4.4. Post-Closing Actions:** After the Closing, the Company and the Promoter shall undertake and complete all items as listed under **Annexure 8** hereto. For the avoidance of doubt, it is clarified that the provisions of Clause 4.4 and Annexure 8 shall apply mutatis mutandis to the Second Closing.

## **ARTICLE V CONFIDENTIALITY**

### **5.1 CONFIDENTIALITY**

- (a) Each of the Parties shall, and shall ensure that its respective Affiliates, employees, directors, successors, assigns and representatives maintain utmost confidentiality, regarding the contents of this Agreement, Confidential Information pertaining to other Parties (including information about the Business, operations, management, affairs and activities of the Company), and business/management affairs of the Parties at all times, except: (a) to the extent that such information is in the public domain other than by breach of this Agreement; (b) to the extent that any such information is later acquired by a Party from a source not known to be obligated to the Party hereto or its Affiliates, to keep such information confidential; (c) to the extent that any of such information was previously known or already in the lawful possession of a Party, prior to disclosure by the other Party hereto; (d) to the extent that any information is independently developed by a Party without reference to any information furnished by other Party hereto, and (e) in so far as it is disclosed to the employees, directors or professional advisers of any Party, provided that such Party shall procure that such persons treat such information as confidential. The Company shall ensure that all the directors are bound by confidentiality and non-disclosure obligations as set forth in this Clause.
- (b) Nothing contained herein shall affect the ability of the Parties to make disclosure to any Governmental Authority including any arbitration tribunal (including a sole arbitrator) in India or otherwise or to any other person under the provisions of any Applicable Law, provided, however, that in all such circumstances (other than in the case of audits or examinations by governmental authorities including, without limitation, by regulatory or self-regulatory bodies in the course of the

Investor's business), the disclosing Party shall give prior notice to the other Parties before making the disclosure, indicating the nature of information that is proposed to be disclosed.

- (c) Further, none of the Parties shall make any announcements to the public or to any third party regarding the arrangement contemplated by this Agreement other than in accordance with this Clause, without the prior written consent of other Parties. However, Parties shall be permitted to make announcements regarding the arrangements contemplated by this Agreement if such announcements are required to be made pursuant to and in compliance with Applicable Law or valid legal process.

## **ARTICLE – VI DURATION AND TERMINATION**

### **6.1 DURATION**

This Agreement shall become effective on the Execution Date and shall be valid and binding until the date of termination of this Agreement in accordance with the provisions hereof (“**Term**”).

### **6.2 TERMINATION**

This Agreement may be terminated:

- (a) By mutual agreement of the Promoter and the Investor in writing; or
- (b) If the Company is wound up by resolution of shareholders or an order of a court; or
- (c) By the Investor upon non-completion of Conditions Precedent for First Closing or Second Closing (subject to waiver by the Investor); or
- (d) By the Investor, upon occurrence of the Force Majeure Event OR Material Adverse Effect.

**6.3** Termination of this Agreement under Clause 6.2. above shall be without prejudice to any accrued rights of the Parties. Further, the termination of this Agreement shall not relieve any Party of any obligation or liability accrued prior to the date of termination.

**6.4** The provisions of Clauses 3 (Warranties & Indemnity), 5.1 (Confidentiality), 7 (Arbitration), 6.4 (Survival) and 8 (Miscellaneous), shall survive the expiry/termination of this Agreement in terms hereof.

## **ARTICLE VII ARBITRATION**

### **7.1 Mutual Resolution of Dispute:**

If any dispute arises between the Parties in respect of the validity, interpretation, implementation or alleged breach of any provision of this Agreement or regarding a question, including the questions as to whether the termination of this Agreement by one party hereto has been legitimate (a “Dispute”), the disputing Parties shall attempt to first resolve such dispute or claim through discussions between senior executives or representatives of the Parties.

### **7.2 Arbitration:**

Any Dispute which is not settled by the disputing Parties through negotiations, after the period of thirty (30) days from the service of a notice of dispute, shall be referred to and finally resolved by arbitration in New Delhi in accordance with the (Indian) Arbitration and Conciliation Act, 1996 or any equivalent law for the time being in force. The Parties shall mutually appoint one arbitrator (the "Arbitration Board"). The language of the arbitration shall be English, and the seat of arbitration shall be at New Delhi.

**7.3 Enforcement:**

Judgement upon any arbitral award rendered hereunder may be entered in any court having jurisdiction, or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.

**7.4 Costs and Nature of Award:**

The arbitral award shall be substantiated in writing and the Arbitration Board shall also have the right to decide on the costs of arbitration proceedings. Any award made by the Arbitration Board shall be final and binding on each of the Parties that are parties to the Dispute.

**7.5 Co-operation:**

Each Party shall co-operate in good faith to expedite (to the maximum extent practicable) the conduct of any arbitral proceedings commenced under this Agreement.

**7.6 Continuing Obligation:**

Subject to the award of the Arbitration Board, neither the existence of any Dispute nor the fact that any arbitration is pending hereunder shall relieve any of the Parties of their respective obligations under this Agreement. Subject to any award of the Arbitration Board, the pendency of a Dispute in any arbitration proceeding shall not affect the performance of the obligations under this Agreement.

**7.7 Jurisdiction:**

Subject to dispute resolution clauses above, the courts at New Delhi, India shall have exclusive jurisdiction in respect of this Agreement.

**ARTICLE – VIII  
MISCELLANEOUS**

**8.1 NOTICE**

Each notice, demand or other communication given or made under this Agreement shall be in writing and delivered or sent to the relevant Party at its address or fax number or email address set out below (or such other address or fax number or email address as the addressee has by five (5) days' prior written notice specified to the other Parties). Any notice, demand or other communication addressed to a Party shall be deemed to have been delivered (a) if delivered in person or by courier, when proof of delivery is obtained by the delivering Party; (b) if sent by post within the same country, on the seventh day following posting; (c) if given or made by fax or email, upon dispatch and the receipt of a transmission report confirming dispatch above and (d) if sent by email, upon sending provided that no failure delivery notice is received by the Sender.

The initial address and facsimile for the Parties for the purposes of the Agreement are:

**If to COMPANY:**

Tango IT Solutions India Private Limited  
1330, Thadagam Road, R S Puram, Coimbatore, Tamil Nadu 641002  
Email: suren@tangotech.co.in

**If to INVESTOR:**

Lenskart Solutions Private Limited  
W-123, Greater Kailash, Part-2, New Delhi – 110048  
Email: peyushb@lenskart.com

**If to PROMOTER:**

Surender Gounder  
209/130 St. Mary's Road, Pooja Pura Apartment, Alwarpet, Chennai, Tamil Nadu, 600018  
Email: suren@tangotech.co.in

## **8.2 ENTIRE AGREEMENT**

This Agreement, together with all Annexures and attachments hereto and the Shareholders' Agreement, represents the entire agreement and understanding among the Parties with respect to the subject matter of this Agreement and are to be read in conjunction. The Transaction Documents supersede any prior agreement or understanding, written or oral, that the Parties had agreed.

## **8.3 GOVERNING LAW**

This Agreement shall be governed and construed in accordance with the laws of India.

## **8.4 INDEPENDENT RELATIONSHIP**

None of the provisions of this Agreement shall be deemed to constitute a partnership among the Parties hereto and no Party shall have any authority to bind or shall be deemed to be the agent of the others in any way.

## **8.5 FURTHER ASSURANCES**

All Parties undertake to co-operate in good faith following execution of this Agreement to ensure that they do such acts and things as may reasonably be necessary for the purpose of giving other Parties the full benefit of all the relevant provisions of this Agreement.

## **8.6 COSTS AND EXPENSES**

The Company and the Investor shall bear their respective costs and expenses in relation to the negotiation, preparation, execution and carrying into effect of the Transaction Documents and all other documents referred to in these which relate to the transactions contemplated under these documents. Further, any stamp duty payable in connection with the issuance of the Shares as contemplated by this Agreement, and stamping of this Agreement and the other Transaction Documents shall be paid by the Company.

## **8.7 AMENDMENTS**

Any modification, amendment, or waiver of any provision of this Agreement shall be effective if and only if it is in writing and signed in person or by an authorised representative of each Party against whom enforcement of such modification, amendment or waiver is sought.

### 8.8 WAIVERS

No failure by a Party to take any action with respect to a breach of this Agreement or a default by any other Party/ies shall constitute a waiver of the first Party's right to enforce any provision of this Agreement or to take action with respect to such breach or default or any subsequent breach or default. Waiver by any Party of any breach or failure to comply with any provision of this Agreement by a Party shall not be construed as, or constitute, a continuing waiver of such provision, or a waiver of any other breach of or failure to comply with any other provision of this Agreement.

### 8.9 COUNTERPARTS

This Agreement may be executed in any number of counterparts, and by each Party on the same or different counterparts, but all of such counterparts shall together constitute one and the same instrument.

### 8.10 PARTIAL INVALIDITY

If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid or unenforceable to any extent for any reason including by reason of any law or regulation or government policy, the remainder of this Agreement and the application of such provision to Persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. Any invalid or unenforceable provision of this Agreement shall be replaced with a provision, which is valid and enforceable and most nearly reflects the original intent of the unenforceable provision.

### 8.11 NO THIRD-PARTY BENEFICIARIES

This Agreement is not intended to create any rights in any person or entity who is not a party to this agreement, and no such rights are created hereunder.

**IN WITNESS WHEREOF**, all the Parties above named have set their hands (in the case of the Company, through their respective authorized officials) to this Agreement on the day, month and year first hereinabove written.

Signed for and on behalf of  
**TANGO IT SOLUTIONS INDIA PRIVATE LIMITED**  
(Company)

DocuSigned by:  
  
9B299777BFAC476...

Signed by  
**MR. SURENDER GOUNDER**  
(Promoter)

DocuSigned by:  
  
9B299777BFAC476...

Name: Surender Gounder  
Designation: CEO

Signed for and on behalf of  
**LENSKART SOLUTIONS PRIVATE LIMITED**  
(Investor)

DocuSigned by:  
  
4FD24862BA9C45B...

Name: Peyush Bansal  
Designation: Director

**ANNEXURE 1**  
**NAME OF THE PROMOTER**

<b>Promoter</b>	<b>Age</b>	<b>Father's Name</b>	<b>PAN</b>
Surender Gounder 209/130 St. Mary's Road, Pooja Pura Apartment, Alwarpet, Chennai, Tamil Nadu, 600018	Aged 34 yrs	s/o K.C. Palanisamy	BCXPG5510R

**ANNEXURE 2**  
**SHAREHOLDING PATTERN OF THE COMPANY**

The capital structure of the Company (pre and post investment by the Investor) would be as under:

<b>Pre investment Cap Table on a Fully Diluted Basis:</b>				
Name of the Shareholder			Equity Share	% Shareholding
<b>Promoter</b>				
Surender Gounder			1,19,538	81.13%
<b>Existing Investors</b>				
Pankaj Kapoor			3,460	2.35%
Siddharth Pisharody			2,500	1.70%
Nachiket M Parmar			2,000	1.36%
Rajagopal Swaminathan			2,946	2.00%
<b>Employees</b>				
Narendra Kumar			2,000	1.36%
Keerthana Baskhar			2,000	1.36%
ESOP			12,892	8.75%
<b>Total</b>			<b>1,47,336</b>	<b>100%</b>
		Paid up capital	13,44,440	
<b>Post Investment Cap Table after First Tranche Investment, upon First Closing:</b>				
Name of the Shareholder			Equity Share	% Shareholding
<b>Promoter</b>				
Surender Gounder			1,19,538	67.26%
<b>Existing Investors</b>				
Pankaj Kapoor			3,460	1.95%
Siddharth Pisharody			2,500	1.41%
Nachiket M Parmar			2,000	1.13%
Rajagopal Swaminathan			2,946	1.66%
<b>Employees</b>				
Narendra Kumar			2,000	1.13%
Keerthana Baskhar			2,000	1.13%
Investor 1 – Lenskart			18,417	10.36%
Investor 2 - RiSo Capital			5,525	3.11%

Gaurav Gulati			6,445	3.63%
ESOP			12,892	7.25%
<b>Total</b>	-	-	<b>1,77,723</b>	<b>100%</b>
		Paid up capital	16,48,310	
<b>Post Investment Cap Table after Second Tranche Investment, upon Second Closing:</b>				
<b>Name of the Shareholder</b>			<b>Equity Share</b>	<b>% Shareholding</b>
<b>Promoter</b>				
Surender Gounder			1,19,538	59.01%
<b>Existing Investors</b>				
Pankaj Kapoor			3,460	1.71%
Siddharth Pisharody			2,500	1.23%
Nachiket M Parmar			2,000	0.99%
Rajagopal Swaminathan			2,946	1.45%
<b>Employees</b>				
Narendra Kumar			2,000	0.99%
Keerthana Baskhar			2,000	0.99%
Investor 1 – Lenskart			36,834	18.18%
Investor 2 - RiSo Capital			5,525	2.73%
Gaurav Gulati			12,890	6.36%
ESOP			12,892	6.36%
<b>Total</b>	-	-	<b>2,02,585</b>	<b>100%</b>
		Paid up capital	1,8,96,930	

**ANNEXURE 3  
DISCLOSURE SCHEDULE**

This Disclosure Schedule (and its schedules and annexures), pursuant to Clauses 3.1 and 3.2 of this Agreement, entered into by and among the Company, the Promoter and the Investor, sets forth all disclosures made against the warranties and representations by the Company and Promoter in detail under this Agreement, and shall qualify the same.

Capitalized terms used herein but not defined shall have the meaning assigned to it under this Agreement, unless the context requires otherwise.

We (i.e. the Company and the Promoter) wish to record the following preliminary matters in relation to this Disclosure Schedule: -

- (a) This Disclosure Schedule may set forth matters by way of abundant caution or for informational purposes. The listing of a matter in this Disclosure Schedule shall imply an obligation to include other matters of a similar nature in the Disclosure Schedule.
- (b) All information contained in this Disclosure Schedule is confidential information of the Promoter, the Company and/or their Affiliates, as the case may be.
- (c) The representations and warranties made to the Investor are contained in relevant clause of the Agreement. Specifically, no information provided in the Disclosure Schedule shall be a representation or a warranty but shall only be interpreted to qualify the representations or warranties made in the Agreement.
- (d) No reference to, or disclosure of, any item or other matter in this Disclosure Schedule shall be (or be construed as) an admission or indication that the item or other matter is material, or out of the ordinary course of business, unless expressly stated otherwise.
- (e) The information disclosed in any numbered or lettered part of the schedules of this Disclosure Schedule shall relate to, supplement and qualify only the representation, warranty or other provision set forth in the corresponding numbered or lettered section or provision of the Agreement and shall not impact the indemnification obligations of the Company or the Promoter.

**DETAILED DISCLOSURE SCHEDULE UNDER CLAUSE 3.1 (COMPANY'S REPRESENTATIONS  
& WARRANTIES)**

**ORGANISATION AND SHARE CAPITAL**

**1. Clause g**

The company has received a commitment from RISO capital fund I LP, a partnership firm incorporated under the laws of Delaware, United States of America having its registered office at PO Box 2714 Saratoga, CA 95070, United States of America for Rs. 30,00,000 to be invested into the equity share capital of the company in terms of the share subscription agreement dated 16.09.2020 entered into between the Company and RISO capital fund I LP.

**2. Clause g**

The Company has received a commitment from Gaurav Gulati, an Indian resident, s/o Jagdish Chander Gulati born 10/05/1978 residing at E-024 DLF Belaire, Across from Genpact DLF Phase 5 Sikanderpur

Ghosi(68), DLF QE Gurgaon, Haryana 122002 for Rs. 70,00,000 to be invested into the equity share capital of the Company in terms of the share subscription agreement dated 28/09/2020 entered into between the Company and Gaurav Gulati.

**3. Clause o**

The Company conducting its Business out of its office located at No 30, Co Operative Colony Rd, Austin Nagar, Alwarpet, Chennai, Tamil Nadu 600018 does not poses the licenses and registrations for the conduct of Business as mentioned in Schedule 1 below.

**FINANCIAL STATEMENTS AND ASSETS**

**4. Clause u**

The details of accounts receivable are provided below in Schedule 2.

**5. Clause v**

The details of accounts payable are provided below in Schedule 3.

**6. Clause q**

The details of inaccurate asset capitalization of physical assets are provided below in Schedule 4.

**7. Clause t**

The details of inaccurate capitalization of physical assets are provided below in Schedule 4.

**8. Clause x**

The physical properties and assets of the Company listed in the schedule of assets in Schedule 5 and located in the corporate office at No 30, Co Operative Colony Rd, Austin Nagar, Alwarpet, Chennai, Tamil Nadu 600018 are not covered by any insurance taken by the Company.

**9. Clause z**

The Company is conducting its Business out of its office located at No 30, Co Operative Colony Rd, Austin Nagar, Alwarpet, Chennai, Tamil Nadu 600018 and does not poses the licenses and registrations for the conduct of Business as mentioned in Schedule 1.

The lease agreement dated 15th June 2020 by and among Dr. R.Velu, aged 80 years residing at 1st Floor, Old No.5, Co-operative Colony, Alwarpet, Chennai – 600 018, and Tango IT Solutions India Private Limited is not registered with the Chennai Registrar office.

**10. Clause aa**

The details of all of the Company's leasehold interests are provided below in Schedule 6.

**11. Clause bb**

The details of all of the equipment, furniture, fixtures, improvements, and property (including IPR) owned by the company are provided below in Schedule 7.

**12. Clause ee**

The details of inaccurate capitalization of physical assets are provided below in Schedule 4.

**TAXES AND STATUTORY REGISTERS/FORMS/FILINGS**

**13. Clause oo**

During the course of business there have been certain delays in filing and payment of TDS and GST returns, which were later rectified. The payments of TDS and GST (along with interest and penalty) along with requisite dates and updates are set forth below in Schedule 8.

**14. Clause tt**

During the course of business there have been certain delays in filing and payment of TDS and GST returns, which were later rectified. The payments of TDS and GST (along with interest and penalty) along with requisite dates and updates are set forth below in Schedule 8.

The Company conducting its Business out of its office located at No 30, Co Operative Colony Rd, Austin Nagar, Alwarpet, Chennai, Tamil Nadu 600018 is not compliant with applicable professional tax laws.

**CONTRACTUAL ARRANGEMENTS**

**15. Clause zz**

The details of commitments are provided below in Schedule 9.

**16. Clause aaa**

The details of consulting and employment contracts and arrangements are provided below in Schedule 10.

**LITIGATION AND IPR**

**17. Clause ccc**

The exhaustive list of all the Intellectual Property of the Company (whether owned, developed by it or licensed to it), including but not limited to any the patents, copyrights, trademarks, trade secrets, service marks, database right, design right, domain name, moral right, software, source code, software license code or any other property rights (in each case, whether registered or not and including applications for registration, if any) that grant similar rights as the foregoing, anywhere in the world is set forth below in Schedule 11.

**OTHER AGREEMENTS**

**18. Clause vvv**

As part of the agreement with the existing angel investors named in the pre-investment capital structure of the company, there is an agreement to provide them with the right to nominate 1 board member upon a new investor investing in the company as per discussions with existing angel investors regarding the proposed

fund raise and investment from Investor.

**19. Clause www**

The company has received a commitment from RISO capital fund I LP, a partnership firm incorporated under the laws of Delaware, United States of America having its registered office at PO Box 2714 Saratoga, CA 95070, United States of America for Rs. 30,00,000 to be invested into the equity share capital of the company in term of the share subscription agreement dated 16.09.2020 entered into between the Company and RISO capital fund I LP.

The Company has received a commitment from Gaurav Gulati, an Indian resident, s/o Jagdish Chander Gulati born 10/05/1978 residing at E-024 DLF Belaire, Across from Genpact DLF Phase 5 Sikanderpur Ghosi(68), DLF QE Gurgaon, Haryana 122002 for Rs. 70,00,000 to be invested into the equity share capital of the Company in terms of the share subscription agreement dated 28.09.2020 entered into between the Company and Gaurav Gulati.

As part of the agreement with the existing angel investors named in the pre-investment capital structure of the company, there is an agreement to provide them with the right to nominate 1 board member upon a new investor investing in the company as per discussions with existing angel investors regarding the proposed fund raise and investment from Investor.

**EMPLOYEES**

**20. Clause zzz**

The details of salary payable to employees is provided below in Schedule 12.

**21. Clause cccc**

The details of power of attorneys granted are mentioned below in Schedule 13.

**DETAILED DISCLOSURE SCHEDULE UNDER CLAUSE 3.2 (PROMOTER'S REPRESENTATIONS & WARRANTIES)**

**22. Clause d**

All the companies in which the Promoter is a director; however, is not involved in the day to day management or affairs of these companies are per DIR-8 filed with ROC set forth below Schedule 14.

**23. Clause e**

The Promoter has shareholding interests exceeding 10% in only family companies mentioned below in Schedule 15.

**INFORMATION SCHEDULES TO THE DISCLOSURE SCHEDULE IN ANNEXURE 3**

**Schedule 1**

**List of licenses and registrations not available with the company:**

- Shops and establishments registration under the relevant Tamil Nadu Shops, and Establishments Act.
- Professional Tax registration with the Chennai corporation.

**Schedule 2**

Schedule of Accounts Receivable as on 31/08/2020	
Accounts Receivable	Nil

**Schedule 3****Schedule of Accounts payable as on 31/08/2020**

<b>Current liabilities</b>	<b>23,49,158</b>
Short-Term Borrowings	6,20,354
BDO India LLP	1,10,700
IC Legal	1,38,750
Jaya Surya Enterprises	4,956
Staff – Reimbursement	12,759
Duties & Taxes – TDS	43,513
Rent Payable	50,874
Salary Payable	11,10,827
Director Remuneration payable - till June'20	2,54,600
ESI Payable	2,000
Advances made to Vijayan & Arun Chartered Accountants	(175)

**Schedule 4****Inaccurate asset capitalization details of the Company are mentioned below:**

Incorrect GST No mentioned on vendor invoice for Desktop Pt

Assets	Date	Voucher No	Vendor Name	Basic Amount
Desktop	01-Mar-19	160	RP Tech India	63,558
GST Amount		Total Amount	GSTIN mentioned on Invoice	
11,441	74,999	33AAACT7955Q1ZN		Actual GSTIN 33AAGCT3124R1 Z2

**FA Capitalised although invoice not in the name of IT solutions india private limited.**

Assets	Date	Voucher No	Vendor Name	Basic Amount	GST Amount	Total Amount	Name mentioned on Performance Invoice
Interiors	05-Dec-19	164	Home Interior Designs	200,000.00	36,000.00	236,000.00	Tango Eye Pvt Ltd
Interiors	26-Dec-19	169	Home Interior Designs	396,529.55	48,692.00	445,221.55	Tango IT Solutions India PTE Ltd

**Invoice not available for FA capitalized**

Date	Voucher No	Expenses	Basic Amount	Remarks
04-Sep-19	94	Hard Disk	9,458	
11-Jun-19	61	Jetson developer Kit Motherboard	37,708	
03-May-19	37	Monitor	12,330	
16-Apr-18	5	Computer	75,436	Purchase through Cr card of Mr. Suren
13-May-18	26	Computer	92,744	Purchase through Cr card of Mr. Suren
23-Oct-18	96	Computer Accessories	51,920	
23-Oct-18	97	Computer Accessories	10,499	
15-Mar-19	166	Computer Accessories	74,999	
			<b>365,094</b>	

**Schedule 5****Schedule of Assets as on 31/08/2020**

Fixed Asset	8,63,166
COLORFUL/DISPLAY CARD/ IG GF RTX 2080	32,081
Computer	1,37,053
Computer Accessories	18,649
Desktop	8,626
Hard Disc	8,144
Interiors	5,86,070
Jetson Developer Kit Motherboard	64,515
Monitor	8,028

**Schedule of IPR as on 31/08/2020**

Type	Description
Trademark application	Class 9 & 42 Trademarks applied through Sagacious IP
Copyright application	Application to Registrar of Copyright for Software copyright through Sagacious IP
Tango Eye Product (to be patented)	Tango Eye Product and know how. This includes end to end video analytics products including modules on retail analytics, efficiency monitoring, safety & security, shelf analytics, inventory analytics, alerting etc.

**Schedule 6****Schedule of Leases as on 31/08/2020**

Name	Deposit Amount	Purpose
Refundable Advance - Coffee Day	25,000	Café Coffee Day Machine

Rental Advance for Office- Velu	330,000	Office Rent
	355,000	

**Schedule 7****Schedule of Assets as on 31/08/2020**

Fixed Asset	8,63,166
COLORFUL/DISPLAY CARD/ IG GF RTX 2080	32,081
Computer	1,37,053
Computer Accessories	18,649
Desktop	8,626
Hard Disc	8,144
Interiors	5,86,070
Jetson Developer Kit Motherboard	64,515
Monitor	8,028

**Schedule of IPR as on 31/08/2020**

Type	Description
Trademark application	Class 9 & 42 Trade marks applied through Sagacious IP
Copyright application	Application to Registrar of Copyright for Software copyright through Sagacious IP
Tango Eye Product (to be patented)	Tango Eye Product and know how. This includes end to end video analytics product including modules on retail analytics, efficiency monitoring, safety & security, shelf analytics, inventory analytics, alerting etc.

**Schedule 8****Delay and Non-compliances in TDS and GST Filing****DELAY IN TDS FILINGS**

FY	Quarter	Form	Due Date of Payment	Actual Payment Date	Tax	Interest	Due date for Filing TDS Return	Actual Date of Filing TDS Return
2017-18	IV	26Q	4/30/2018	6/20/18	55,761	4,603	5/31/18	6/27/18
2018-19	IV	26Q	4/30/2019	7/29/19	58,500	4,975	5/31/19	8/3/19
		24Q	4/30/2019	7/29/19	10,910	602	6/30/19	8/12/19
2019-20	III	26Q	1/7/2020	1/31/20	1,57,600	4,728	1/31/20	2/8/20
		26Q	1/7/2020	2/4/20	21,500	-		
2019-20	III	24Q	1/7/2020	1/31/20	4,000	420	1/31/20	2/8/20
		24Q	1/7/2020	2/4/20	36,000	-		

2019-20	IV	26Q 26Q 26Q	4/30/2020 4/30/2020 4/30/2020	2/4/20 3/7/20 6/23/20	5,500 5,500 38,000	- - 1,140	7/31/20	7/6/20
2019-20	IV	24Q	4/30/2020	6/23/20	4,95,950	15,029	7/31/20	7/6/20

**DELAY IN GST FILINGS**

Month	Late Fee		Date of filing	Due date as per GST
	CGST	SGST		
Nov-17	220	220	11.01.18	20.12.17
Feb-18	90	90	29.03.18	20.03.18
Mar-18	2550	2550	31.07.18	20.04.18
Apr-18	790	790	09.08.18	22.05.18
May-18	540	540	13.08.18	20.06.18
Jun-18	250	250	14.08.18	20.07.18
Jul-18	110	110	04.09.18	24.08.18
Aug-18	320	320	22.10.18	20.09.18
Nov-18	230	230	12.01.19	20.12.18
Feb-19	3650	3650	13.08.19	20.03.19
Mar-19	1150	1150	16.08.19	23.04.19
Apr-19	920	920	20.08.19	20.05.19
May-19	610	610	20.08.19	20.06.19
Jun-19	310	310	20.08.19	20.07.19
Aug-19	250	250	15.10.19	20.09.19
Sep-19	40	40	24.10.19	20.10.19
Dec-19	300	300	01.02.20	20.01.20

**Schedule 9****Schedule of Accounts payable as on 31/08/2020**

<b>Current liabilities</b>	<b>23,49,158</b>
Short-Term Borrowings	6,20,354
BDO India LLP	1,10,700
IC Legal	1,38,750
Jaya Surya Enterprises	4,956
Staff – Reimbursement	12,759
Duties & Taxes – TDS	43,513
Rent Payable	50,874
Salary Payable	11,10,827
Director Remuneration payable - till June'20	2,54,600
ESI Payable	2,000

Advances made to Vijayan & Arun Chartered Accountants	(175)
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**Schedule of contractual commitments as on 31/08/2020**

Fund Raise Expense	6,45,000
Atlaz Business Solutions P Ltd	1,00,000
Sridhar and Co	2,50,000
Arjun and Aditi	1,55,000
Vijayan & Arun	70,000
Valuation	45,000
HR Compliance consultant	25,000

NPCI Work	4,00,000
Thobith Abraham	85,000
Vignesh Chidambaram	85,000
Vigneshwaran AC	80,000
Raja Sekhara Reddy A	1,50,000

**Schedule 10****Employment contracts and arrangements as on 31/08/2020**

Employee		
SR No.	Name	Type of Engagement
1	Surender Gounder	Employment Contract
2	Keerthana Bhaskar	Employment Contract
3	Narendra Kumar R	Employment Contract
4	Narasimma Varman R	Employment Contract
5	Varun Rajavelu	Employment Contract
6	Subashini	Employment Contract
7	Ravi	Employment Contract
8	Guru	Employment Contract
9	Salaisoundrayamathi	Employment Contract
10	Lokesh Kumar	Employment Contract
11	Sneha Peswani	Employment Contract
12	Monish	Employment Contract
13	Noel Abhishek	Employment Contract
14	Pavan	Employment Contract
15	Nithasiva	Employment Contract
16	Srinidhi	Employment Contract
17	Harish pawar	Employment Contract
18	Aarti Kumthekar	Employment Contract
19	Abhishek Chaudhary	Employment Contract
Consultants		
1	Thobith Abraham	Freelancer outsourced for NPCI work

2	Vignesh Chidambaram	Freelancer outsourced for NPCI work
3	Vigneshwaran AC	Freelancer outsourced for NPCI work
4	Raja Sekhara Reddy A	Freelancer outsourced for NPCI work

**Schedule 11****Schedule of IPR as on 30.08.2020**

Type	Description
Trademark application	Class 9 & 42 Trade marks applied through Sagacious IP
Copyright application	Application to Registrar of Copyright for Software copyright through Sagacious IP
Tango Eye Product (to be patented)	Tango Eye Product and know how. This includes end to end video analytics product including modules on retail analytics, efficiency monitoring, safety& security, shelf analytics, inventory analytics, alerting etc.

**Schedule 12****Salary payable as on 31/08/2020 by the Company**

Director Remuneration Payable - till June'20	2,54,600
Salary payable and outstanding	1,100,827
Keerthana B	71,806
Narendrakumar R	152,000
Narasimma Varman R	53,290
Varun Rajavelu	70,000
SnehaPeswani	60,000
Salaisoundrayamathi	50,000
Lokesh Kumar	88,000
Subhashini	42,000
Guru	42,000
Ravi	42,000
Monish	20,000
Abhishek	20,000
Pavan	20,000
Nitha S	20,000
Aarti Kumthekar	15,226
Harish pawar	8,710
Noel Abhishek	54,194
Shrinidhi	20,000
Surender	251,600

**Schedule 13****Details of POA and authority letters issued by the Company**

POA	Description/Purpose
-----	---------------------

18-6-2020	Limited POA to Vivek Singh of Sagacious IP	Surender CEO of Tango IT giving a POA dated 11/06/2020 to Mr. Vivek Singh of Sagacious IP to authorize the said Power of Attorney holder directly or through any agent to take all necessary action/s for the registration and protection of our rights in the said copyright, including but not limited to defend my/our rights, filing of evidence, presentation for hearing before the Registrar, filing documents for change of name/ address, assignment, merger and license agreement and to defend my/ our rights before any administrative and/ or legal entity. The said Power of Attorney holder shall be authorized to act on our behalf no longer than 18/06/2021.
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**Schedule 14****Companies and entities in which the Promoter is a director**

Name of the Company	Date of Appointment	Date of Cessation
Bharath Corp House Limited	11/03/2015	-
Metro City Infrastructure Developers India Private Limited	01/08/2019	-
United Plantation Limited	10/05/2019	-

**Schedule 15****Family companies and entities in which the Promoter has 10% or more shareholding**

SI No	Names of the Companies/ bodies corporate/firms/ association of individuals	Nature of interest or concern/Change in interest or concern	Shareholding	% Shareholding	Date on which interest or concern arose /changed
1	Tango IT Solutions India Private Limited	Director	1,19,538	81.13%	22/06/2017
2	Real Madras Asset Development Private Limited	Shareholder	19,999	99%	14/03/2012
3	Bharath Corp House Limited	Director	13,510	7%	11/03/2015
4	Tango Ventures Private Limited	Shareholder	99,999	99%	21/06/2017
5	Aglynk Initiative Private Limited	Shareholder	50,000	50%	11/12/2017
6	United Plantation Limited	Director	10,95,614	25%	10/05/2019

**ANNEXURE 4**  
**EMPLOYMENT AGREEMENT FORMAT FOR KEY EMPLOYEES**  
**TO BE EXECUTED ON A STAMP PAPER OF REQUISITE VALUE**

**THIS EMPLOYMENT AGREEMENT (hereinafter referred to as the “Agreement”) is made on this \_\_\_\_\_ day of \_\_\_\_\_ 2020.**

**BY AND BETWEEN:**

**A Tango IT Solutions India Private Limited**, a private limited company incorporated under the Companies Act, 1956 and having its registered office at \_\_\_\_\_ (hereinafter referred to as the “**Company**”, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its Subsidiaries, administrators, liquidators, successors and permitted assigns); and

**B Mr./Ms. \_\_\_\_\_** aged about \_\_\_\_\_ years residing at \_\_\_\_\_ hereinafter referred to as the “**Employee**” which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include his liquidators, successors administrators, legal heirs, representatives and permitted assigns).

**WHEREAS:**

- 1** The Company is engaged in the business of \_\_\_\_\_;
- 2** The Founders of the Company, Lenskart Solutions Private Limited and the Company have executed a Share Subscription Agreement and a Shareholders’ Agreement dated \_\_\_\_\_ (hereinafter collectively referred to as the “Shareholders Agreement”).
- 3** One of the terms and conditions contained in the Shareholders’ Agreement is that Mr. \_\_\_\_\_ who has been the \_\_\_[Appropriate Designation to be incorporated] \_\_\_, of \_\_\_the Company since \_\_\_\_\_, executes a fresh Agreement with the Company.
- 4** Consequently, Mr. \_\_\_\_\_ and the Company have mutually agreed to execute this Agreement for the re-appointment of Mr. \_\_\_\_\_ as the \_\_\_[Appropriate Designation to be incorporated] \_\_\_of the Company with effect from \_\_\_\_\_ and for payment of Compensation and Benefits as specified in this Agreement.
- 5** In consideration of the mutual promises, covenants, undertakings and agreements between the Parties hereto and with a view to record the terms and conditions that will govern the appointment of Mr. \_\_\_\_\_ as \_\_\_[Appropriate Designation to be incorporated] \_\_\_ of the Company and for the payment of Compensation and Benefits to the \_\_\_[Appropriate Designation to be incorporated] \_\_\_, the Parties hereby entered into this Agreement on the terms and conditions contained herein.

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

**1 DEFINITIONS , INTERPRETATIONS AND GENERAL COVENANTS**

- 1.1 Definitions:** The Parties to this Agreement hereby unconditionally agree that unless the context otherwise requires, the terms listed below when used in this Agreement shall have the meanings

attached to them. The terms listed below as used in this Agreement may be identified by the capitalization of the first letter of each principal word thereof. In addition to the terms defined below, certain other capitalized terms are defined elsewhere in this Agreement and whenever such terms are used in this Agreement, they shall have their respective defined meanings, unless the context, expressly or by necessary implication, require otherwise.

**1.1.1 Affiliates** in relation to a Party which is a:

- (a) a corporate entity, means collectively, any Entity or Person, which Controls, is Controlled by, or is under the common control of such a Party;
- (b) an individual, means collectively any Entity or Person which is Controlled by such a Party or such a Party's Relative.

"Affiliate" shall mean any Affiliate of the Party or any other Affiliate of any of the Affiliates, referred to individually.

**1.1.2 Agreement** shall mean this Agreement and includes any recitals, schedules, annexures or exhibits that may be annexed thereto and any amendments made thereto in writing and in accordance with the terms of this Agreement.

**1.1.3 Board** means the Board of Directors of the Company.

**1.1.4 Breach** means any act or omission or untrue, inaccurate or misleading statement that constitutes a material breach of an obligation or covenants, by the Employee and includes the failure of the Employee to perform his/her obligations under this Agreement and the term "Breached" would be construed accordingly.

**1.1.5 Cause** shall mean, except to the extent specified otherwise, a finding by the Board that following a written notice to the Employee and a failure of the Employee to cure the same ( provided it is curable) within thirty (30) days after such notice: (a) the Employee has Breached the terms of his/her employment with the Company; or (b) there has been a gross negligence on the part of the Employee; or (c) the Employee has engaged in disloyalty to the Company, including without limitation, Fraud, embezzlement, theft, commission of a felony, or proven dishonesty, in the course of his/her employment or service or association with the Company; or (d) the Employee has engaged in such behaviour materially detrimental to the interests of the Company including but not limited to gross neglect or gross misconduct in the carrying out of the duties or obligations of the Employee; (e) there has been a Material Non-Performance of the Employee as determined pursuant to the performance appraisal system of the Company; and (f) abandonment of services by the Employee.

**1.1.6 Compensation** means the compensation and benefits payable by the Company to the Employee as consideration for the employment as envisaged under this Agreement, as set forth in **Annexure A** and computed on a cost to company basis.

**1.1.7 Control** means shall mean the beneficial ownership, directly or indirectly, of not less than 26% (Twenty Six percent) of the voting securities of such Entity and includes the possession, directly or indirectly, of the power to constitute a majority of the Persons on the board of directors of an entity or to direct or cause the direction of the management policies of the entity whether through the ownership, directly or indirectly, of not less than 26% (Twenty Six percent) of the voting securities of such Person or by contract or otherwise.

**1.1.8 Convenience** means any reason other than for Cause.

- 1.1.9 Disability** shall mean such physical or mental illness or incapacity of the Employee as shall (i) prevent him/her from substantially performing his/her customary services and duties to the Company, and (ii) continue for periods aggregating more than three (3) calendar months in any twelve (12) calendar month period. The Company shall determine whether there is a Disability and it may consult with one or more physicians in making such determination. The Employee shall cooperate with the Company; including being reasonably available for examination by physicians at the Company's request, to determine whether or not the Employee has a Disability. The Employee's failure to cooperate with the Company in a determination of Disability shall be treated as the Employee's voluntary resignation from the Company.
- 1.1.10 Directly or Indirectly** means and includes any direct or indirect action/s on the part of the Employee either by himself or in conjunction with or on behalf of any Person or Entity including through an Affiliate, whether as an employee, consultant, proprietor, partner, director, contractor or otherwise, whether for profit or otherwise.
- 1.1.11 Fraud** shall mean and include the commission of any one or more of the following acts by the Employee in or in relation to the Company which ultimately results in a conviction of the Employee at the first stage of judicial process: (i) an act of dishonesty or deceit; (ii) theft or misappropriation of property including Intellectual Property, Confidential and Proprietary Information of the Company; (iii) an act of criminal deception; (iv) use of false representations; (v) any concealment be it intentional or otherwise; and (v) any other act constituting fraud, misrepresentations or concealment.
- 1.1.12 Group Company** means the Company and any Affiliate of the Company.
- 1.1.13 Group Company Employee** shall mean any confirmed or permanent employee of the Group Company (other than Mr. \_\_\_\_\_ who is a party to this Agreement) working in India or outside India and Persons who are under probation in accordance with the terms of appointment letters issued by the Company and includes each and every consultant or contractor or employees of consultant or contractor who has been appointed by the Company. A Group Company Employee shall continue to be deemed to be as one during the period of (i) any leave of absence approved by the Company, (ii) transfers between locations of the Company and (iii) twelve months following the date of separation of the Company Employee from the Company.
- 1.1.14 Group Company Policy** means any policy or code that has been issued by the Company from time to time and made applicable to the Group Company Employees which the Group Company Employee is under an obligation to comply, which policies and codes includes but is not limited to all or any of the following: (a) business conduct code; (b) approach and commitment to safeguarding all confidential information and intellectual property rights; (c) intellectual property code;(d) confidentiality preservation code; (e) electronic usage policy; and (d) electronic security code; (d) policy for prevention of sexual harassment; (e) leave policy; and (f) conflict of interest policy.
- 1.1.15 Intellectual Property, Confidential and Proprietary Information** means all information and materials relating to the Company which are deemed proprietary and confidential to the Company.
- 1.1.16 Material Non-Performance** means the under-achievement by the Company of the Key Financial and /or Strategic Parameters, by 50% (Fifty Percent) or more of the Annual Business Plan.
- 1.1.17 Loss** means all liabilities (whether known or unknown, matured or unmatured, stated or unstated, fixed or contingent), obligations, damages of any kind, judgments, liens, injunctions, charges, orders, decrees, rulings, demands, claims, losses, assessments, Taxes, fines, penalties, expenses, fees, costs,

and amounts paid in settlement (including reasonable attorneys' and expert witness fees and disbursements in connection with investigating, defending or settling any action or threatened action).

**1.1.18 Person** shall mean and include an individual, a sole proprietorship, an association, syndicate, a corporation, a firm, a partnership, limited liability company, a joint venture, a trust, an unincorporated organization, a joint stock company or entity or organization, a body corporate, a corporation, Governmental Authority or a natural person in his capacity as trustee, executor, administrator, or other legal representative, or company with unlimited liability.

**1.1.19 Relative** shall have the meaning ascribed to it under the Act.

**1.1.20 Restricted Business** shall mean any or all the business pursued by the Group Company in any territory, whether in India or overseas, at the relevant point in time when the term is reckoned by any of the Parties or proposed to be pursued by the Group Company in the immediate future, in respect of which proposal the Employee was aware of or likely to be aware of considering the nature of his duties.

**1.1.21 Restricted Customer** shall mean any customer or client or prospective customer or client of the Group Company at the relevant point in time when the term is reckoned by any of the Parties. The term "prospective customer or client" in this context shall mean any prospective customer or client of the Group Company to whom the Company has, in the course of pursuit of its respective businesses submitted either a proposal or a response for a proposal for consideration by the prospective customer or client during the immediately preceding twelve months from the date of such evaluation as to whether the customer is a prospective customer or client or not.

**1.1.22 Restrictive Covenants** shall mean collectively the restrictive covenants of the Employee in respect of Non Compete, Non Solicitation/Non Hire of Company Employees and Non Solicitation of Restricted Customers.

**1.1.1 Restrictive Period** means either the period: (i) when the Employee hold any shares in the Company or is in the employment of the Company; or (ii) 24 (Twenty Four) calendar months after the date of separation of the Employee from his employment with the Company or sale of the shares held by the Employee in the Company, whichever is later.

**1.1.23 Representative** means the Company's duly authorized accountants, counsel, consultants, officers, directors, employees, agents, proxies and any other advisors and representatives.

**1.1.24 Specific or Injunctive Relief** means the relief which is intended to be obtained by a Party from a court or forum of competent jurisdiction to secure the specific performance by any other Party of any covenants or obligations contained in this Agreement or the ad interim or permanent injunction against the other Party to prevent any continued injury or a Breach or contemplated Breach of such covenants without the necessity of proving actual damage.

**1.1.25 Subsidiary** shall have the same meaning under the Companies Act, 2013.

**1.2 Effective Date of this Agreement:** This Agreement shall come into force with effect from \_\_\_\_\_ ("Effective Date")

**APPOINTMENT, SCOPE, PROBATION , POWERS AND DUTIES**

**2.1** The Company hereby appoints Mr. \_\_\_\_\_ as the Employee of the Company, designated as \_\_\_\_\_ (the "Appointment") to be currently based at \_\_\_\_\_.

- 2.2 The Company may at its sole discretion transfer you to any location in India or overseas or to any other Group Company of the Company.
- 2.3 The Employee shall carry out such functions, exercise such powers and perform such duties as the Company shall from time to time, delegate and entrust to him, and shall comply with all the Group Company Policies as shared from time to time.
- 2.4 The Employee shall faithfully, diligently and honestly and to the best of his ability and power manage all affairs of the Company delegated to him.
- 2.5 The Employee acknowledges that the appointment is offered on the basis of the Employee having furnished to the Company correct information regarding the Employee's academic qualifications, past service/s, and other records and on the Employee's representation that the Employee is free to enter into this Agreement and that by agreeing to the terms hereof the Employee is not in breach of any other agreement which the Employee may have entered into.
- 2.6 The Employee will devote his full business efforts and time to the performance of his duties and responsibilities hereunder and he will not be permitted to take up any assignment or work for another Person/entity.

## **2 COMPENSATION, REIMBURSEMENTS AND BENEFITS**

- 3.1 The Company shall, in consideration of his services agrees to pay the Employee the Compensation as set forth in **Annexure A** attached hereto, subject however, to statutory deductions under applicable laws and any other deductions as advised by you from time to time.
- 3.2 The Company will reimburse the Employee for reasonable actual travel, entertainment or other expenses incurred by the Employee in the furtherance of or in connection with the performance of his duties hereunder and in accordance with the Company's expense reimbursement policy, as in effect from time to time.
- 3.3 The Employee will be eligible for all customary benefits which are usually entitled to the employees of the Company including in respect of leave, medical insurance, etc. and all these would be governed by Company's applicable benefit policy.

## **3 TERMINATION OF THE AGREEMENT AND THE APPOINTMENT**

- 4.1 This Agreement including the employment of the Employee as an employee of the Company, may be terminated on the earlier to occur of any of the following events; (i) the Employee's death; (ii) the termination by Company for Cause; or (iii) by the Board of Directors for Material Non Performance; (iv) by the Company with due notice; (v) the determination by the Company of Disability of the Employee; (vi) the Employee's voluntary resignation from the Company ( hereinafter referred to as the "Employee's Resignation" ; and (vii) the Employee attaining 60 (Sixty) years of age ( hereinafter referred to as the "Employees Retirement").
- 4.2 The termination as referred to in Clause 4.1 above shall take into effect in the following manner: (a) immediately in the case of death or Employees Retirement or determination by the Company of Disability of the Employee, and/or (b) on the expiry of the Notice Period of not less than 6 (Six) calendar months effective from the date of submission of the termination notice by the Company or the Employee, as the case may be (hereinafter referred to as the "Notice Period"), subject however to Clauses 4.3, 4.4 and 4.5 below.

- 4.3 In the event of the Company terminating the employment for Cause, the termination shall take into effect immediately upon issue of the notice of termination and without incurring any obligation or liability towards the termination.
- 4.4 In the event of the Company terminating this Agreement for Convenience with notice, the Company may, at its sole discretion, opt for either providing the Employee to continue in the employment during the Notice Period or alternatively for requiring the Employee to separate from the Company immediately with effect from the date of the notice of termination, on payment by the Company to the Employee of the Compensation for the entire Notice Period.
- 4.5 In the event of the Employee's Resignation from the Company the Employee would be required to continue in the employment during the entire Notice Period, unless the Company agrees to otherwise in writing and subject to such terms and conditions as may be decided by the Company at its sole discretion.
- 4.6 In the event of the termination and/or resignation of Employee, the Employee agrees and acknowledges that he does not have in his possession; (ii) nor has he taken any copies of: (iii) nor has he failed to return to the Company and any Affiliate of the Company any Intellectual Property, Confidential and Proprietary Information or any other business information or information relating to any of its employees, clients, consultants or licensees, either disclosed to him by the Company or during he having access to the same during the course of his employment with the Company, either directly or indirectly in writing, orally or by drawings or observation of parts or equipment, except those information that he is entitled to receive or have received in the capacity of an Employee.

#### **4 RESTRICTIVE COVENANTS**

- 5.1 The Employee shall not, directly or indirectly, own, manage, operate, join, have an interest in, control or participate in the ownership, management, operation or control of, or be otherwise connected in any manner such as being an employee, consultant or agent of any corporation, partnership, proprietorship, trust, estate, association or other business entity which competes with the whole or any part of any business being carried on by the Company or carries on any Restricted Business, during the course of employment in the Company and Restrictive Period.
- 5.2 The Employee shall not in any manner provide or divulge any sensitive or proprietary information of the Company for commercial arrangements during the course of this Agreement and Restrictive Period, including without limitation, any Intellectual Property, Confidential and Proprietary Information, or any other proprietary information in any manner and form whatsoever for the purpose of and/or relating to the rendering, selling, supplying, marketing or distributing of products or services constituting part of the business including rendering any assistance for the purpose of improving, modifying, upgrading or making any betterment to any existing process, know-how, software methodology or technology whatsoever for the purpose of and/or relating to the manufacturing, selling, supplying, marketing or distributing of the same whether or not the same is patented or proprietary or otherwise.
- 5.3 The Employee shall devote his working time, energy and efforts to the activities of the Company and the promotion of the business and shall not take up any executive position or executive responsibilities or executive directorship or similar work in any other entity during the term of this Agreement. The terms of employment and obligations to devote time and effort by the Employee shall be in addition to the covenants, if any in the employment agreement executed by the Employee with the Company.
- 5.4 During the period of employment and Restrictive Period, the Employee shall not, either directly or indirectly solicit or entice away or endeavour to solicit or to entice away or assist any Person or consultant of the Company or solicit or hire or entice away any Group Company Employee.

**5.5** The Employee acknowledges and agrees that the above restrictions are considered reasonable for the legitimate protection of the Business and the goodwill of the Company, and are not harsh or oppressive, but in the event that such restriction shall be found to be void, but would be valid if some part thereof was deleted or the scope, period or area of application were reduced, the above restriction shall apply with the deletion of such words or such reduction of scope, period or area of application as may be required to make the restrictions contained in this clause valid and effective. Notwithstanding the limitation of this provision by any law for the time being in force, the Employee undertakes to, at all times, observe and be bound by the spirit of this Clause 5.

**5 CONFLICT OF INTEREST**

The Employee represents that he/she will at all times avoid conflict between his personal interest and those of the Group Company in all his dealings with all business associates, who are doing or would be seeking to do business with any Group Company.

**6 CONFIDENTIALITY**

The Employee shall keep the terms of this Agreement and all the Confidential Information received during the course of this Agreement, confidential and shall not disclose any such Confidential Information to any third party or Person, unless required by law or any governmental authority.

The Employee further represents that execution of this Agreement and performance of his/her obligations hereunder, will not conflict with, or result in a violation or breach of, any other obligation or agreement to which the Employee is a party, or any judgment, order or decree to which the Employee is subject.

For the purposes of this clause, Confidential Information means and includes all information that falls within the types of information which has been designated as confidential by the Company or that ought to be considered as confidential (howsoever it is conveyed or on whatever media it is stored in) including information which relates to the business, affairs, properties, assets, trading practices, services, customers, developments, trade secrets, Intellectual Property rights, know-how, personnel, Representatives and suppliers of the Company or its Subsidiary.

**7 NOTICES**

All notices, requests, demands and other communications called for hereunder shall be in writing and shall be deemed given (i) on the date of delivery if delivered personally, (ii) one (1) day after being sent by a well established commercial overnight service, or (iii) four (4) days after being mailed by registered or return receipt requested, prepaid and addressed to the parties or their successors at the following addresses, or at such other addresses as the parties may later designate in writing.

If to the Company:

Attn: [Mr. \_\_\_\_\_ ]

If to the Employee  
at the last residential address known by the Company.

**8 SEVERABILITY.**

In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement will continue in full force and effect without said provision.

**9 DISPUTE RESOLUTION, INJUNCTIVE AND ADMINISTRATIVE RELIEF**

**10.1 Arbitration .** If any dispute arises between any of the Parties hereto, during the subsistence of this Agreement or at any time thereafter, in connection with the this Agreement, the dispute shall be settled by an Arbitration by a sole arbitrator mutually appointed by the Parties. The Arbitration proceedings shall be governed by the provisions of the Arbitration and Conciliation Act, 1996. The Arbitration proceedings shall be held in Chennai and shall be conducted in English and governed by the Laws of India.

**10.2 Specific and Injunctive Relief.** Any party may also petition for Specific or Injunctive Relief where either party alleges or claims a breach of Restrictive Covenants or violation of the Confidential Information Agreement or any other agreement between the Employee and the Company regarding Confidential Information. In the event either party seeks Specific or Injunctive relief, the prevailing party shall be entitled to recover reasonable costs and attorneys' fees.

**10 WAIVER OF BREACH.**

The waiver of a breach of any term or provision of this Agreement, which must be in writing, shall not operate as or be construed to be a waiver of any other previous or subsequent breach of this Agreement.

**11 GOVERNING LAW AND JURISDICTION**

This Agreement will be governed by the laws of India and the Parties submit themselves to the exclusive jurisdiction of the Courts of Chennai.

**12 ACKNOWLEDGMENT.**

The Employee acknowledges that he/she has had the opportunity to discuss this matter with and obtain advice from his private legal counsel, has had sufficient time to, and has carefully read and fully understands all the provisions of this Agreement, and is knowingly and voluntarily entering into this Agreement.

**13 COUNTERPARTS.**

This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by their duly authorized officers, as of the day and year first above written.

[COMPANY]

By: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

[EMPLOYEE]

\_\_\_\_\_  
Date: \_\_\_\_\_

[EMPLOYEE]



**ANNEXURE A TO EMPLOYMENT AGREEMENT**  
**DETAIL THE COMPENSATION AND BENEFITS PAYABLE**

The Employees' total compensation and benefits (the total cost to the Company) shall be equivalent to Rs. \_\_\_\_\_ as specifically defined below.

1. Base Salary: Rs. [\_\_\_\_]
2. Bonus: The Employee will be eligible to receive an annual bonus equal to a maximum of [\_\_\_\_] % of the annual base salary.
3. House Rent Allowance: [\_\_\_\_]
4. Leave Travel: [\_\_\_\_]
5. Conveyance: [\_\_\_\_]
6. Provident Fund: [\_\_\_\_]
7. Medical Insurance: [\_\_\_\_]

COMPANY

Sign

EMPLOYEE

Sign

**ANNEXURE 5**  
**LEGAL OPINION TO BE PROVIDED BY COMPANY'S LEGAL COUNSEL**

We have acted as legal counsel to TANGO IT SOLUTIONS INDIA PRIVATE LIMITED (the "Company"), a company registered under the Companies Act, 2013, and the Promoter in relation to the share subscription agreement dated 5<sup>th</sup> October 2020 ("Share Subscription Agreement") entered into between the Company, Promoter and Lenksart Solution Private Limited ("Investor"). In such capacity, we have been requested to provide an opinion as required under Clause 4.1.1 (g) of the Share Subscription Agreement. Pursuant to the Share Subscription Agreement, the Company would be allotting 36,834 Equity Shares – in total to Investor (hereinafter referred to as the "Subscription Shares"). Reference to capitalised terms herein shall have its meaning as stated in the Share Subscription Agreement, unless otherwise expressly defined in this opinion.

We are qualified to practice law in India. Accordingly, we express our opinion in respect of the laws of India.

For the purposes of this opinion, we have examined and relied solely upon the company filings, contracts, approvals, financials, proposed & finalised definitive agreements, secretarial filings and other documents, as necessary ("Documents").

I. In rendering this opinion, we have checked and reviewed:

- (a) genuineness of all signatures and seals on, and the authenticity and completeness of all the Documents, whether provided to us as original or copies;
- (b) that the extracts of resolutions of meetings relied upon for the purpose of this opinion correctly record the proceedings at such meetings and/ or subject matter which they purport to record; that any meetings referred to therein were duly convened, were quorate and were held on the dates therein stated, that those present at any such meetings acted bona-fide throughout;
- (c) the agreements have been signed by the persons purporting to have signed the same;
- (d) conformity to the originals of all the Documents provided to us as copies;
- (e) all statements, warranties, representations, assurance and confirmation made in the Documents and serving as grounds for the conclusions of this opinion are true, accurate and complete except as to matters specifically opined herein;
- (f) wherever applicable, the parties (other than the Investor) are legal entities with legal personality, duly incorporated and validly existing under the laws of the state of their incorporation, as the case may be, and have full power and authority under their respective Memorandum and Articles of Association or constitutional documents to execute and deliver the Agreement and have duly executed and delivered the Agreement, pursuant to due authorisation by their respective Board of Directors or other governing body and fulfilment of other corporate and secretarial procedures, to execute and deliver the Agreement and assume all the obligations envisaged thereunder;
- (g) there are no facts or circumstances in existence and no events have occurred which render any of the Documents, voidable, repudiated, revoked, terminated, frustrated or capable of rescission for the reason of default, fraud, undue influence, coercion, duress or misrepresentation;
- (h) all statements as to matter of fact, financial or technical data contained within the Documents are correct;
- (i) no legal provisions of any jurisdiction other than of India affects the conclusions in this opinion; and

(j) there are no other agreements, letters, resolutions or other arrangements or understandings (formal or informal) or facts or circumstances modifying, amending or superseding, in any manner whatsoever, the terms of the Share Subscription Agreement and the documents disclosed to us as well as the Investor during the DD process.

II. Based on the abovementioned assumptions, subject to the qualifications set forth in paragraphs III, and in reliance upon the certificates rendered by the Company and the Founders, we are of the opinion that:

1. The Company validly exists as a private limited company duly organized and neither the shareholders of the Company have commenced any proceedings for winding up, liquidation, appointment of receiver or any similar proceeding, nor has the Company received any notice for commencement of any proceedings for winding up, liquidation, appointment of receiver or any similar proceeding. The Company has made all necessary filings in connection with the transaction contemplated under the Share Subscription Agreement, which are required to be made until the Closing Date.

(a) The Authorized Share Capital of the Company as of the Closing Date and immediately prior to the allotment of the Subscription Shares to Investor will be Rs. 30,00,000 (Rupees Thirty Lakhs Only) comprising of the following:

<b>Name of the Shareholder</b>	<b>Equity Shares on Fully Diluted Basis</b>
<b>Promoter</b>	
Surender Gounder	1,19,538
<b>Existing Investors</b>	
Pankaj Kapoor	3,460
Siddharth Pisharody	2,500
Nachiket M Parmar	2,000
Rajagopal Swaminathan	2,946
<b>Employees</b>	
Narendra Kumar	2,000
Keerthana Baskhar	2,000
ESOP	12,892
<b>Total</b>	<b>1,47,336</b>
Enterprise Value	8,00,03,448

Paid up capital	13,44,440
Authorized Capital	30,00,000

(b) The Issued, Subscribed and Paid up Share Capital of the Company as of the Closing Date and immediately prior to the to the allotment of the Subscription Shares to Investor will be Rs. 13,44,440 (Rupees Thirteen Lakhs Forty-Four Thousand Four Hundred and Forty Only) comprising of the following:

Name of the Shareholder	Equity Shares
<b>Promoter</b>	
Surender Gounder	1,19,538
<b>Existing Investors</b>	
Pankaj Kapoor	3,460
Siddharth Pisharody	2,500
Nachiket M Parmar	2,000
Rajagopal Swaminathan	2,946
<b>Employees</b>	
Narendra Kumar	2,000
Keerthana Baskhar	2,000
<b>Total</b>	<b>1,34,444</b>
Paid up capital	13,44,440

(c) The Share Capital Structure of the Company as of the Closing Date and immediately prior to the to the allotment of the Subscription Shares to Investor will be as under:

<b>Name of the Shareholder</b>	<b>Type of Equity Shares held</b>	<b>Number of Equity Shares held</b>	<b>Paid up Capital</b>	<b>Percentage to Total Equity</b>
Surender Gounder	Ordinary Equity Shares	1,19,538	11,95,370	81.13%
Surender Gounder Jointly with Narendra Kumar	Ordinary Equity Shares	2,000	20,000	1.36%
Surender Gounder Jointly with KeerthanaBaskhar	Ordinary Equity Shares	2,000	20,000	1.36%
Pankaj Prakash Kapoor	Ordinary Equity Shares	3,460	34,600	2.35%
Siddharth Pisharody	Ordinary Equity Shares	2,500	25,000	1.70%
Nachiket M Parmar	Ordinary Equity Shares	2,000	20,000	1.36%
Rajagopal Swaminathan	Ordinary Equity Shares	2,946	29,460	2.00%
ESOP	Ordinary Equity Shares	12,892		8.75%
Total		1,47,336	13,44,440	100%

(d) Except for the Transaction contemplated by the Share Subscription Agreement, there are no other share capital, pre-emptive rights, convertible Securities, outstanding warrants, options or other rights to subscribe for, purchase or acquire from the Company any share capital of the Company and there are no contracts or binding commitments providing for the issuance of, or the granting of rights to acquire, any share capital of the Company or under which the Company is, or may become, obligated to issue any of its Securities.

2. The execution, delivery and performance by the Company of the Share Subscription Agreement and subsequently the Shareholders Agreement, to which it is a party do not (i) require any approval of any of its shareholders which has not been obtained, or consent, waiver, or approval of, or give any notice, or make any registration or filing with any governmental, regulatory, any other Authority(ii) violate its Memorandum and Articles of Association, any agreement to which Company is a Party or (iii) violate or conflict with any statute, regulation, or judicial order, currently applicable to it.

3. No approval or consent of, or filing with, any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the Republic of India, or any state, of the Republic of India is required to be obtained or made by the Company, in connection with the execution, delivery and performance of the transaction contemplated by the Share Subscription Agreement and the Shareholders Agreement, on the date hereof by the Company.

4. No contract or agreement to which the Company is a party restricts the ability of the Company to fulfill its obligations and responsibilities under the Share Subscription Agreement and the Shareholders Agreement or to carry out the activities and transactions contemplated therein.

5. There is no litigation, proceeding or governmental investigation pending or notice issued against the Company that relates to any of the transactions contemplated by the Share Subscription Agreement and the Shareholders' Agreement.

6. The financials and unaudited accounts of the Company as at 31<sup>st</sup> August, 2020, are true and accurate and are in compliance with all applicable laws and accounting standards.

7. No past or simultaneous share subscription, transfer or similar transaction will have any impact on the capital structure set forth in this Opinion.

8. All financial and Tax filings (including ROC, Traces and GST filings) are complete as on date.

9. The Person or Persons executing and/or delivering the Share Subscription Agreement and the Shareholders' Agreement are fully authorized to execute the same on behalf of the Company.

III. The aforesaid opinion is not subject to any disclaimer or qualifications.

This opinion is addressed only to you and solely in relation to the Agreement and may be relied upon only by you and the Investor and must not be disclosed or transmitted to any other person other than your attorneys, governmental authorities, courts, auditors or as required under applicable laws.

Date:

For and On behalf of  
[name of law firm/lawyer]

**ANNEXURE 6**  
**CP COMPLETION CERTIFICATE**

**To,**  
**Lenskart Solutions Private Limited,**  
**New Delhi**  
**Attention: Peyush Bansal**

Dear Sir / Madam,

Subject: CP Fulfilment Notice under the Share Subscription Agreement dated 5<sup>th</sup> October 2020

1. We refer to the Share Subscription Agreement dated 5<sup>th</sup> October 2020 (SSA) executed amongst Surender Gounder, Tango IT Solutions India Private Limited and Lenskart Solutions Private Limited.
2. Unless the context otherwise requires, capitalised terms used but not defined herein shall have the meanings ascribed to them in the SSA.
3. In accordance with the provisions of the SSA, the Promoter and the Company hereby certify that all the respective Conditions Precedent specified under the SSA have been duly satisfied as on the date hereof. True copies of all the relevant supporting documents are attached herewith for your reference.

**ANNEXURE 7  
CLOSING ACTIONS**

**1. The Promoter and the Company shall ensure the following on the First Closing Date:**

- (a) convene a meeting of its board, at which meeting, the board shall pass appropriate resolutions:
  - (i) allotment of 18,417 Shares to be issued at First Closing and payment of Share Subscription Amount by the Investor.
  - (ii) authorizing an officer of the Company to make appropriate filings with the statutory authorities in relation to the issuance and allotment of 18,417 Shares.
  - (iii) directing the name of the Investor to be entered in the Register of Members of the Company as the registered holder of their respective Shares and a copy of the resolution shall be provided to the Investor certified to be a true copy by a director or the secretary of the Company.
  - (iv) executing the Shareholders' Agreement and adopting the restated Charter Documents.
  - (v) causing a Shareholders Meeting (at short notice) to be immediately convened for the purposes of approving and adopting the restated Charter Documents in accordance with the terms of the Shareholders' Agreement.
  - (vi) appointing director of the Investor & executing/signing the indemnity towards the director & Investor set forth in Annexure 9.
- (b) convene a Shareholders Meeting of the Company where the members of the Company shall pass resolutions approving and adopting the restated Charter Documents;
- (c) provide Shareholder's resolutions passed by the Shareholders as required under applicable Law (including under sections 42 and 62 of the Act) for the issuance and allotment of the Shares;
- (d) provide private placement offer cum application letters in Form PAS-4, and a record of private placement offers in Form PAS-5, as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014;
- (e) provide e-Form MGT-14 as filed with the jurisdictional Registrar of Companies in respect of issuance of the Shares;
- (f) provide a valuation certificate prescribing the subscription price per Share, as required under Applicable Laws; and
- (h) deliver a copy of the aforesaid resolutions (as stated in paras c, d, e and f) to the Investor, certified to be a true copy by a director or the secretary of the Company.

**2. The Promoter and the Company shall ensure the following on the Second Closing Date:**

- (a) convene a meeting of its board, at which meeting, the board shall pass appropriate resolutions:
  - (i) allotment of 18,417 Shares issued at Second Closing and payment of Share Subscription Amount.

- (ii) authorizing an officer of the Company to make appropriate filings with the statutory authorities in relation to the issuance and allotment of 18,417 Shares.
- (iii) directing the name of the Investor to be entered in the Register of Members of the Company as the registered holder of Shares and a copy of the resolution shall be provided to the Investor certified to be a true copy by a director or the secretary of the Company.
- (b) provide shareholders' resolutions passed by the shareholders as required under applicable Law (including under sections 42 and 62 of the Act) for the issuance and allotment of the Shares;
- (c) provide private placement offer cum application letters in Form PAS-4, and a record of private placement offers in Form PAS-5, as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014;
- (d) provide e-Form MGT-14 as filed with the jurisdictional Registrar of Companies in respect of issuance of the Shares; and
- (e) provide a valuation certificate prescribing the subscription price per Shares as required under Applicable Laws.
- (f) deliver a copy of the aforesaid resolutions (as stated in paras b, c, d and e) to the Investor, certified to be a true copy by a director or the secretary of the Company.

**ANNEXURE 8  
POST CLOSING ACTIONS**

**1. The Promoter and the Company shall ensure that within 10 (ten) days of the First Closing Date and Second Closing Date (as may be applicable to each of the Closing):**

- (a) the following forms shall be filed:
  - (i) MGT-14 of the Companies (Management and Administration) Rules, 2014 with respect to the special resolution passed by the shareholders of the Company adopting the Restated Articles of the Company;
  - (ii) PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with respect to the Shares issued and allotted to the Investor; and
  - (iii) DIR -12 of Companies (Appointment and Qualification of Directors) Rules, 2014 with respect to specifying particulars of appointment of Director.
- (b) deliver certified true copy of the forms filed in terms of (a) above.
- (c) deliver signed, stamped original share certificates representing issue of Shares to the Investors.
- (d) arranging the Directors' and Officers' liability insurance of atleast INR 3 crores.

**2. The Promoter and the Company shall ensure within 30 (thirty) days of the First Closing Date:**

- (a) take adequate insurance coverage for securing the business, properties and assets of the Company and provide the details to the Investor.

**3. The Promoter and the Company shall ensure within 90 (ninety) days of the First Closing Date:**

- (a) Apply for registration of IPR under Patents Act 1970, Copyrights Act 1957 and Trademarks Act 1999.
- (b) Obtain registration of IPR on a best effort basis under Patents Act 1970, Copyrights Act 1957 and Trademarks Act 1999. For the avoidance of doubt, it is clarified that the Company and the Promoter shall be obligated to obtain the registration of IPR of the Company under the forgoing regulations pursuant to the terms of this Agreement, in accordance with the applicable regulatory requirements.
- (c) Share the registered copy of the lease deed of the registered office of the Company with the Investor.
- (d) Obtain registration under Tamil Nadu Shops and Establishment Act 1947 & Professional Tax Registration under Tamil Nadu Municipal Laws or other Applicable Laws.
- (e) Obtain or develop a solution/remedy to restrict replication of its software solution and other necessary IPR that is to be protected by the Company.
- (f) Undertake appointment of Head of Finance to the satisfaction of the Investor

## ANNEXURE 9

### INDEMNITY LETTER FORMAT

To,  
Mr. Amit Choudhary and Lenskart Solutions Private Limited

Dear Sir,

1. In consideration of yourself accepting appointment and acting as a director of Tango IT Solutions India Private Limited (the “**Company**”) (hereinafter you are referred to as the “**Director**”), the Company provides the indemnity as follows:

(a) Subject to the Applicable Laws, the Company hereby indemnifies and agrees to keep indemnified the Director, his Relative (who are his legal heirs) as defined under the Companies Act, 2013 and Lenskart Solutions Private Limited (hereinafter collectively referred to as the “**Indemnified Party**”) to the fullest extent permitted by law from and against all liabilities, damages, actions, suits, proceedings, claims, costs, charges and expenses suffered or incurred by or brought or made against the Indemnified Party (including any liability to account to the Company, its subsidiaries or any third party) as a result of any act matter or thing done or omitted to be done by the Director in the course of his being a Director of the Company or any of its subsidiaries, provided that the Indemnified Party shall not be eligible for indemnification hereunder for his/its willful defaults, willful misconduct and fraudulent acts;

(b) the Company hereby indemnifies and agrees to keep indemnified the Indemnified Party to the fullest extent permitted by law from and against any and all liability incurred by the Indemnified Party as a result of the Director acting in the capacity as a director of the Company or any of its subsidiaries in defending any proceedings, whether civil or criminal;

(c) if the Indemnified Party is entitled under any provision of this Share Subscription Agreement to indemnification by the Company for some or a portion of any liabilities, but not for all or the total amount thereof, the Company hereby agrees nevertheless to indemnify the Indemnified Party for the entire portion of such liability to which the Indemnified Party is entitled;

(d) the Company hereby agrees that the indemnification provided under this Letter of Indemnity shall be in addition to any rights to which the Indemnified Party may be entitled under the Company’s (or its subsidiaries’) Memorandum of Association, its Articles of Association, any other of its constituent documents, any agreement, any vote of shareholders or directors or the laws of India, or otherwise;

(e) Subject to Applicable Laws, the Company shall grant the Director, his advisers, agents or consultants, access to the books of the Company and each of its subsidiaries and associated companies, if so requested by the Director, for the purpose of the preparation for any proceedings, whether civil or criminal, arising as a result of his acting as a director of the Company or any of its subsidiaries, whether or not as at such date the Director is still serving as a director of the Company or any of its subsidiaries (as the case may be);

(f) to the extent permissible under law, the Company shall not, and shall procure that its subsidiaries shall not, bring any legal action and no cause of action shall be asserted by or in the right of the Company or its subsidiaries against the Indemnified Party after the expiration of one year from the date of accrual of such cause of action, and any claim or cause of action of the Company or its subsidiaries shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such one year period; provided, however, that if any shorter period of limitations is otherwise applicable under the governing law to any such cause of action, such shorter period shall govern;

(g) the Company shall obtain and maintain a policy or policies of insurance with reputable insurance companies providing the directors of the Company with coverage for losses from wrongful acts and to ensure the Company’s performance of its indemnification obligations under this Agreement to the extent available or provided by the insurance policy; and

(h) to the extent permitted by the insurance companies in India, in all policies of directors’ and officers’ liability insurance, the Director shall be named as an insured in such a manner as to provide the Director the same rights and benefits as are accorded to the most favorably insured of/amongst the Company’s directors.

2. The indemnities given in this Letter shall cover all costs and expenses properly payable by the Director and/or his affiliates in connection with any claim.

3. The Company shall reimburse the Indemnified Party and grant any request for advancement of expenses in connection with any claim under this Letter of Indemnity.
4. In this Letter of Indemnity, words importing any gender include the other genders and words importing the singular include the plural and vice versa.
5. No failure on the part of the Indemnified Party to exercise, and no delay on his or their part in exercising, any right or remedy under this Letter of Indemnity will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies provided in this Letter of Indemnity are cumulative and not exclusive of any rights of remedies (whether provided by law or otherwise).
6. The benefit of any provision of this Letter of Indemnity may be enforced by the Indemnified Party, and, accordingly the benefit of any provision in this Letter of Indemnity may be assigned by the Director without the consent of the Company provided that the insurance policy obtained by the Company permits such assignment.
7. The provisions of this Letter of Indemnity shall be severable and if any term or provision in this Letter of Indemnity shall be held to be invalid, void or unenforceable, in whole or in part, under any enactment or rule of law, such provision or part shall to that extent be deemed not to form part of this Letter of Indemnity but the enforceability of the remainder of this Letter of Indemnity shall not be affected.
8. Furthermore, to the fullest extent legally permissible, the provisions of this Indemnity (including, without limitations, each portion of this Letter of Indemnity containing any provision held to be invalid, void or otherwise unenforceable that is not prima-facie itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held to be invalid, illegal or unenforceable.
9. This Letter of Indemnity shall continue without limitation in time, only so far as the indemnity relates to liabilities, damages, actions, suits, proceedings, claims, costs, charges and expenses relating to Indemnified Party's acts and omissions as a Director of the Company on being perceived as a Director of the Company, notwithstanding that the Director may have ceased to be a director of the Company and/or its subsidiary (as the case may be).
10. The Company hereby confirms and agrees that the choice of legal counsel and whether to proceed with a case shall be at the Indemnified Party's sole and absolute discretion. However, the decision not to proceed with a case shall be taken by the Indemnified Party, only with the consent of the Company.
11. This Letter of Indemnity shall be governed and construed in accordance with the laws of India and courts of New-Delhi shall have non-exclusive jurisdiction to deal with claims arising out of this Letter of Indemnity.

IN WITNESS WHEREOF this Letter of Indemnity has been executed and delivered the day and year first hereinbefore mentioned.

The Common Seal of  
Tango IT Solutions India Private Limited  
was hereunto affixed in the  
presence of:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director/Secretary

DS  
SG

DS  
MK

DS  
AD

DS  
SC

DS  
PB



**J GANESH & CO**  
**CHARTERED ACCOUNTANTS**

No.27, Kamaraj Colony, 3rd Street, Kodambakkam, Chennai - 600 024. Phone : 044 - 2483 3061  
Website : www.caganesh.in Email : caganeshauditor@gmail.com, jganeshandco@gmail.com Mobile : 98432 13061 / 97863 27597

**Cert No. 01/2020**

**VALUATION REPORT**

**TANGO IT SOLUTIONS INDIA PRIVATE LIMITED**

**EQUITY SHARE VALUATION CERTIFICATE**

**Index**

<b><u>Sl No</u></b>	<b><u>Particulars</u></b>	<b><u>Page No</u></b>
1	Background Information of the Asset Valued and company	2
2	Purpose of Valuation	2
3	Identity of the Valuer	2
4	Disclosure of Valuer interest/Conflict	2
5	Date of Appointment, Valuation Date and Date of Report	3
6	Sources of Information	3
7	Procedures adopted in valuation	3
8	Valuation Methodology	3-11
9	Limitations and disclaimers	11
10	Conclusion	12



**Background:**

TANGO IT SOLUTIONS INDIA PRIVATE LIMITED was incorporated on 21<sup>ST</sup> June 2017. The registered office of the Company is situated at Cheran Illam, 1330, Thadagam Road, R S Puram, Coimbatore, Tamilnadu - 641002.

Tango IT Solutions India Private Limited engaged in the business of software solutions for retail analytics, under the brand name "TangoEye". The Board of Directors comprises of Surender Gounder And Baskaran Palanisamy. Tango IT solutions India Private Ltd is a consortium specialization in Data Automation, Data analytics, Business Intelligence, Artificial Intelligence. Our enterprise Data platform will monitor, analyze, predict and notify the financial transaction exceptions. With our AI Technologies we assist financial institutions, Stocks, Clearing houses and investing in business that seek to address a global problem.

**Purpose of Valuation:**

The Company intends to issue shares to certain investors for raising capital for its business operations. In this regard, the Company has appointed Mr.Ganesh J, FCA to provide a report on the fair valuation of the Equity Shares of the Company, as required under Section 62(1)(c) of the Companies Act,2013

**Identity of the Valuer:**

Name: Ganesh J

Qualification: Fellow Chartered Accountant, Registered Valuer ( Securities and Financial Assets)

IBBI Registration Number: IBBI/RV/02/2019/11472 ( Dated 02/05/2019)

Certificate of Practice No: IOVRV00614SFA

Membership Number: IOVRVF/VM/F&SA/5429

CA Membership Number: 230333

Firm Registration Number: 014436S



**Disclosure of Interest:**

I hereby declare that, I have not having interest in whatsoever manner to the concern for which the report is being prepared. I have not hold any shares of the company. I have not involved in Management of the company through direct or indirect manner. I have not been appointed as statutory auditor for the concern.

**Date of Appointment/ Valuation Date and Date of Report:**

Date of Appointment: 01/07/2020

Valuation Date: 30/06/2020

Date of Report: 27/07/2020

**Sources of Information:**

Audited Financials as on 31/03/2019

Provisional Financials for 31/03/2020 and Projected Revenues certified by the management

**Procedures adopted in Valuation:**

On Detailed consideration and evaluation, I came to a conclusion that, adopting Discounted Cash Flow Method will be the Most appropriate method by following the Income Approach.

**Valuation Methodology**

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

- Industry to which the entity belongs
- Past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated
- Extent to which industry and comparable company information are available.



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

### **Market Approach:**

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

The following are some of the instances where a valuer applies the market approach:

- (a) Where the asset to be valued or a comparable or identical asset is traded in the active market;
- (b) There is a recent, orderly transaction in the asset to be valued; or
- (c) There are recent comparable orderly transactions in identical or comparable asset(s) and information for the same is available and reliable.

In some instances, a valuer may consider using other valuation approaches instead of Market approach or in combination with Market approach, such as:

- (a) Where the asset has fewer identical or comparable assets (market comparable);
- (b) The asset to be valued or its market comparables are not traded in the active market;
- (c) Sufficient information on the comparable transaction(s) is not available;
- (d) There is no recent transaction either in the asset or in the market comparables; or
- (e) There are material differences between the asset to be valued and the market comparables, which require significant adjustments.

The following valuation methods are commonly used under the market approach:

- (a) Market Price Method
- (b) Comparable Companies Multiple (CCM) Method and
- (c) Comparable Transaction Multiple (CTM) Method



### **Market Price Method**

- a) A valuer shall consider the traded price observed over a reasonable period while valuing assets which are traded in the active market.
- b) A valuer shall also consider the market where the trading volume of asset is the highest when such asset is traded in more than one active market.
- c) A valuer shall use average price of the asset over a reasonable period. The valuer should consider using weighted average or volume weighted average to reduce the impact of volatility or any one time event in the asset.

### **Comparable Companies Multiple (CCM) Method**

Comparable Companies Multiple Method, also known as Guideline Public Company Method, involves valuing an asset based on market multiples derived from prices of market comparables traded on active market.

The following are the major steps in deriving a value using the CCM method:

- (a) identify the market comparables;
- (b) select and calculate the market multiples of the identified market comparables;
- (c) compare the asset to be valued with the market comparables to understand material differences; and make necessary adjustments to the market multiple to account for such differences, if any;
- (d) apply the adjusted market multiple to the relevant parameter of the asset to be valued to arrive at the value of such asset; and
- (e) if value of the asset is derived by using market multiples based on different metrics/parameters, the valuer shall consider the reasonableness of the range of values.

### **Comparable Transaction Multiple (CTM) Method**

Comparable Transaction Multiple Method, also known as 'Guideline Transaction Method' involves valuing an asset based on transaction multiples derived from prices paid in transactions of asset to be valued /market comparables (comparable transactions).

The price paid in comparable transactions generally include control premium, except where transaction involves acquisition of noncontrolling/minority stake. 31. The following are the major steps in deriving a value using the CTM method:

- (a) identify comparable transaction appropriate to the asset to be valued;



- (b) select and calculate the transaction multiples from the identified comparable transaction;
- (c) compare the asset to be valued with the market comparables and make necessary adjustments to the transaction multiple to account where differences, if any existed;
- (d) apply the adjusted transaction multiple to the relevant parameter of the asset to be valued to arrive at the value of such asset; and
- (e) if valuation of the asset is derived by using transaction multiples based on different metrics or parameters, the valuer shall consider the reasonableness of the range of values and exercise judgment in determining a final value.

### **Discounts and Control Premium**

A valuer shall evaluate and make adjustments for differences between the asset to be valued and market comparables/comparable transactions. The most common adjustment under CCM method and CTM method pertain to 'Discounts' and 'Control Premium'.

'Discounts' include Discount for Lack of Marketability (DLOM) and Discount for Lack of Control (DLOC).

### **Income Approach**

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

This approach involves discounting future amounts (cash flows/income/cost savings) to a single present value.

The following are some of the instances where a valuer may apply the income approach:

- (a) where the asset does not have any market comparable or comparable transaction;
- (b) where the asset has fewer relevant market comparables; or
- (c) where the asset is an income producing asset for which the future cash flows are available and can reasonably be projected.

### **Discounted Cash Flow ('DCF') Method**

The DCF method values the asset by discounting the cash flows expected to be generated by the asset for the explicit forecast period and also the perpetuity value (or terminal value) in case of assets with indefinite life.



The DCF method is one of the most common methods for valuing various assets such as shares, businesses, real estate projects, debt instruments, etc.

This method involves discounting of future cash flows expected to be generated by an asset over its life using an appropriate discount rate to arrive at the present value.

The following are the major steps in deriving a value using the DCF method:

- (a) Consider the projections to determine the future cash flows expected to be generated by the asset;
- (b) analyse the projections and its underlying assumptions to assess the reasonableness of the cash flows;
- (c) choose the most appropriate type of cash flows for the asset viz., pre-tax or post-tax cash flows, free cash flows to equity or free cash flows to firm;
- (d) determine the discount rate and growth rate beyond explicit forecast period; and
- (e) apply the discount rate to arrive at the present value of the explicit period cash flows and for arriving at the terminal value.

#### **Relief from Royalty (RFR) Method**

RFR Method is a method in which the value of the asset is estimated based on the present value of royalty payments saved by owning the asset instead of taking it on lease. It is generally adopted for valuing intangible assets that are subject to licensing, such as trademarks, patents, brands, etc.

The fundamental assumption underlying this method is that if the intangible asset to be valued had to be licensed from a third-party owner there shall be a royalty charge for use of such asset. By owning the said intangible asset, royalty outgo is avoided. The value under this method is equal to the present value of the licence fees / royalty avoided by owning the asset over its remaining useful life.

#### **Multi-Period Excess Earnings Method (MEEM)**

MEEM is generally used for valuing intangible asset that is leading or the most significant intangible asset out of group of intangible assets being valued.

The fundamental concept underlying this method is to segregate the earnings attributable to the intangible asset being valued. Intangible assets which have a finite life can only be used to value using MEEM. The value under this method is equal to the present value of the incremental after-tax cash flows ('excess earnings') attributable to the intangible asset to be valued over its remaining useful life.



## **Cost Approach**

Cost approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

In certain situations, historical cost of the asset may be considered by the valuer where it has been prescribed by the applicable regulations/law/guidelines or is appropriate considering the nature of the asset. Examples of situations where a valuer applies the cost approach are:

- (a) an asset can be quickly recreated with substantially the same utility as the asset to be valued;
- (b) in case where liquidation value is to be determined; or
- (c) income approach and/or market approach cannot be used.

## **Replacement Cost Method**

Replacement Cost Method, also known as 'Depreciated Replacement Cost Method' involves valuing an asset based on the cost that a market participant shall have to incur to recreate an asset with substantially the same utility (comparable utility) as that of the asset to be valued, adjusted for obsolescence.

The physical properties of the new asset may or may not be similar to the one under valuation, but the former asset should bear comparable utility. Obsolescence includes physical deterioration, functional (technological) and economic obsolescence. The term obsolescence connotes a wider meaning than the term depreciation adopted for financial reporting or tax purposes.

The following are the major steps in deriving a value using the Replacement Cost method:

- (a) estimate the costs that will be incurred by a market participant for creating an asset with comparable utility as that of the asset to be valued;
- (b) assess whether there is any loss on account of physical, functional or economic obsolescence in the asset to be valued; and
- (c) adjust the obsolescence value, if any as determined under (b) above from the total costs estimated under (a) above, to arrive at the value of the asset to be valued.



### Reproduction Cost Method

Reproduction Cost Method involves valuing an asset based on the cost that a market participant shall have to incur to recreate a replica of the asset to be valued, adjusted for obsolescence. The following are the major steps in deriving a value using the Reproduction Cost method:

(a) estimate the costs that will be incurred by a market participant for creating a replica of the asset to be valued;

(b) assess whether there is any loss of value on account of physical, functional or economic obsolescence in the asset to be valued; and

(c) adjust the obsolescence value, if any as determined under (b) above from the total costs estimated under (a) above, to arrive at the value of the asset to be valued.

### Method Adopted:

Keeping in mind the context and purpose of the report, we have adopted the DCF method as it captures the growth potential of the business going forward. We have adopted this method to calculate the fair value of the shares of the company based on the financial projections prepared by the management of the company.

### Calculations:

Particulars	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
Net Profit after Tax	-68,64,506	1,55,70,028	4,54,63,386	11,27,19,691	17,62,54,149
Add: Depreciation & Amortization	18,95,172	18,94,763	23,82,152	27,07,078	31,94,468
Cash Operating Profit	-49,69,333	1,74,64,791	4,78,45,538	11,54,26,770	17,94,48,617
Adjustments for :					
Less: Change in Non-cash Working Capital	52,38,210	-1,20,83,233	-4,19,06,184	-7,72,29,088	-14,33,19,846
Less: Capital Expenditure - As per FAR	-16,02,060	-18,93,330	-40,88,015	-38,44,320	-49,00,330
Add: Change in Net Borrowings	-46,39,820	-19,86,506	-	-	-
<b>Net Free Cash Flows to Equity Share holders</b>	<b>-59,73,003</b>	<b>15,01,721</b>	<b>18,51,339</b>	<b>3,43,53,362</b>	<b>3,12,28,441</b>
Discount factor @ 19.03%	0.82	0.67	0.55	0.45	0.37
Present value	-48,83,180	10,03,712	10,11,617	1,53,46,494	1,14,05,129
<b>NPV of Explicit Period</b>					<b>2,38,83,772</b>



Cost Of Equity as per  
CAPM:

Cost of Equity (Ke)	Ke	$R_f + [R_m - R_f] * b$
Risk free rate of return (Rf)	10 year India Government Bond - March 20, 2020	6.26%
Market Return	S&P BSE 200 returns for last 8 years	11.53%
Beta (b)	Beta - Software (System & Application)	0.77
Cost Of Equity as per CAPM		10.32%
Cost Of Equity as per CAPM		<b>10.32%</b>
Adjusted for Risk	Company Specific Risk Premium (CSRP) - 1.5% represented for 1 year of projection - upto 5 year of projection	10.00%
Adjusted for Risk	Small Company Risk Premium (SCRPM)	2.00%
<b>Cost Of Equity as per CAPM</b>		<b>22.32%</b>

Discount Tables	
Discounting Rate	22.32%
Year	Discount factor
Year 1	0.82
Year 2	0.67
Year 3	0.55
Year 4	0.45
Year 5	0.37
Growth Rate	2.50%



<b><u>Terminal value</u></b>	
Free Cash Flow to Equity Shareholders for last year	3,12,28,441
Continuity Value (1+g)	3,20,09,152
Capitalisation factor for Continuity Value	19.82%
<b>Continuity value</b>	<b>16,15,16,365</b>
Discount factor	0.37
Present Value of Terminal Value	5,89,88,378
NPV of Explicit Period	2,38,83,772
NPV of Terminal Value	5,89,88,378
Cash and Bank Balances	1,03,890
<b>Value per share (before DLOM)</b>	<b>8,29,76,040</b>
Discount for Liquidity & Marketability (DLOM) @ 20%	20%
<b>Net Equity Value (Pre Money Valuation)</b>	<b>6,63,80,832</b>
No of Shares	1,22,250
<b>Value per share</b>	<b>543.00</b>
<b>Value per share (Rounded off)</b>	<b>543.00</b>

**Limitations and Disclaimer:**

Discounted cash flow method involves the estimation of cash flows for future period. Based on the experience, capacity and orders in hand, the company have estimated the projected Turnover. However, actuals may change according to the political, economical and industrial risks.



**Conclusion:**

The Value of the equity shares of the company is valued at Rs.6,63,80,832/-. The total number of equity shares outstanding as on 30/06/2020 was 1,22,250 Shares.

Based on this, the Fair Price per Equity Share is estimated at **Rs 543.00/-**

Signature

J Ganesh and Co

Chartered Accountants



Ganesh J



Place: Chennai

Date: 11<sup>th</sup> August 2020

UDIN: **20230333AAAAAP5388**

**J. GANESH & Co**  
**CHARTERED ACCOUNTANTS**  
# 27, KAMARAJ COLONY, 3RD ST.,  
KODAMBAKKAM,  
CHENNAI - 600 024, TN, INDIA  
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**J GANESH & CO**  
**CHARTERED ACCOUNTANTS**

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**Cert No. 01/2021**

**VALUATION REPORT**

**TANGO IT SOLUTIONS INDIA PRIVATE LIMITED**

**EQUITY SHARE VALUATION CERTIFICATE**

**Index**

<b><u>Sl No</u></b>	<b><u>Particulars</u></b>	<b><u>Page No</u></b>
1	Background Information of the Asset Valued and company	2
2	Purpose of Valuation	2
3	Identity of the Chartered Accountant	2
4	Disclosure of Chartered Accountant interest/Conflict	2
5	Date of Appointment, Valuation Date and Date of Report	3
6	Sources of Information	3
7	Procedures adopted in valuation	3
8	Valuation Methodology	3-11
9	Limitations and disclaimers	11
10	Conclusion	12



**Background:**

TANGO IT SOLUTIONS INDIA PRIVATE LIMITED was incorporated on 21<sup>ST</sup> June 2017. The registered office of the Company is situated at Cheran Illam, 1330, Thadagam Road, R S Puram, Coimbatore, Tamilnadu - 641002.

Tango IT Solutions India Private Limited engaged in the business of software solutions for retail analytics, under the brand name "TangoEye". The Board of Directors comprises of Surender Gounder And Baskaran Palanisamy. Tango IT solutions India Private Ltd is a consortium specialization in Data Automation, Data analytics, Business Intelligence, Artificial Intelligence. Our enterprise Data platform will monitor, analyze, predict and notify the financial transaction exceptions. With our AI Technologies we assist financial institutions, Stocks, Clearing houses and investing in business that seek to address a global problem.

**Purpose of Valuation:**

The Company intends to issue shares to certain investors for raising capital for its business operations. In this regard, the Company has appointed Mr.Ganesh J Chartered Accountant to provide a report on the fair valuation of the Equity Shares of the Company, as required under Section 62(1)(c) of the Companies Act,2013

**Identity of the Valuer:**

Name: Ganesh J

Qualification: Fellow Chartered Accountant, Registered Valuer (Securities and Financial Assets)

Membership Number: 230333

**Disclosure of Interest:**

I hereby declare that, I have not having interest in whatsoever manner to the concern for which the report is being prepared. I have not hold any shares of the company. I have not involved in Management of the company through direct or indirect manner. I have not been appointed as statutory auditor for the concern.



**Date of Appointment/ Valuation Date and Date of Report:**

Date of Appointment: 01/05/2021

Valuation Date: 30/04/2021

Date of Report: 01/06/2021

**Sources of Information:**

Audited Financials as on 31/03/2020

Provisional Financials for 31/03/2021 and Projected Revenues certified by the management

**Procedures adopted in Valuation:**

The Valuation Report prepared in line with the International Valuation Standards issued by the International Valuation Council. The valuation report is given under the powers given by the The Companies (Registered Valuers and Valuation) Rules, 2017 issued under The Companies Act, 2013. The above rules and standards prescribe to consider all the methods and adopt the most appropriate method to Value the underlying asset. On Detailed consideration and evaluation, I came to a conclusion that, adopting Discounted Cash Flow Method will be the Most appropriate method by following the Income Approach.

**Valuation Methodology**

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

- Industry to which the entity belongs
- Past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated
- Extent to which industry and comparable company information are available.

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



## **Market Approach:**

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

The following are some of the instances where a valuer applies the market approach:

- (a) Where the asset to be valued or a comparable or identical asset is traded in the active market;
- (b) There is a recent, orderly transaction in the asset to be valued; or
- (c) There are recent comparable orderly transactions in identical or comparable asset(s) and information for the same is available and reliable.

In some instances, a valuer may consider using other valuation approaches instead of Market approach or in combination with Market approach, such as:

- (a) Where the asset has fewer identical or comparable assets (market comparable);
- (b) The asset to be valued or its market comparables are not traded in the active market;
- (c) Sufficient information on the comparable transaction(s) is not available;
- (d) There is no recent transaction either in the asset or in the market comparables; or
- (e) There are material differences between the asset to be valued and the market comparables, which require significant adjustments.

The following valuation methods are commonly used under the market approach:

- (a) Market Price Method
- (b) Comparable Companies Multiple (CCM) Method and
- (c) Comparable Transaction Multiple (CTM) Method

### **Market Price Method**

- a) A valuer shall consider the traded price observed over a reasonable period while valuing assets which are traded in the active market.
- b) A valuer shall also consider the market where the trading volume of asset is the highest when such asset is traded in more than one active market.
- c) A valuer shall use average price of the asset over a reasonable period. The valuer should consider using weighted average or volume weighted average to reduce the impact of volatility or any one time event in the asset.



### **Comparable Companies Multiple (CCM) Method**

Comparable Companies Multiple Method, also known as Guideline Public Company Method, involves valuing an asset based on market multiples derived from prices of market comparables traded on active market.

The following are the major steps in deriving a value using the CCM method:

- (a) identify the market comparables;
- (b) select and calculate the market multiples of the identified market comparables;
- (c) compare the asset to be valued with the market comparables to understand material differences; and make necessary adjustments to the market multiple to account for such differences, if any;
- (d) apply the adjusted market multiple to the relevant parameter of the asset to be valued to arrive at the value of such asset; and
- (e) if value of the asset is derived by using market multiples based on different metrics/parameters, the valuer shall consider the reasonableness of the range of values.

### **Comparable Transaction Multiple (CTM) Method**

Comparable Transaction Multiple Method, also known as 'Guideline Transaction Method' involves valuing an asset based on transaction multiples derived from prices paid in transactions of asset to be valued /market comparables (comparable transactions).

The price paid in comparable transactions generally include control premium, except where transaction involves acquisition of non controlling/minority stake. 31. The following are the major steps in deriving a value using the CTM method:

- (a) identify comparable transaction appropriate to the asset to be valued;
- (b) select and calculate the transaction multiples from the identified comparable transaction;
- (c) compare the asset to be valued with the market comparables and make necessary adjustments to the transaction multiple to account where differences, if any existed;
- (d) apply the adjusted transaction multiple to the relevant parameter of the asset to be valued to arrive at the value of such asset; and
- (e) if valuation of the asset is derived by using transaction multiples based on different metrics or parameters, the valuer shall consider the reasonableness of the range of values and exercise judgment in determining a final value.



## **Discounts and Control Premium**

A valuer shall evaluate and make adjustments for differences between the asset to be valued and market comparables/comparable transactions. The most common adjustment under CCM method and CTM method pertain to 'Discounts' and 'Control Premium'.

'Discounts' include Discount for Lack of Marketability (DLOM) and Discount for Lack of Control (DLOC).

## **Income Approach**

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

This approach involves discounting future amounts (cash flows/income/cost savings) to a single present value.

The following are some of the instances where a valuer may apply the income approach:

- (a) where the asset does not have any market comparable or comparable transaction;
- (b) where the asset has fewer relevant market comparables; or
- (c) where the asset is an income producing asset for which the future cash flows are available and can reasonably be projected.

## **Discounted Cash Flow ('DCF') Method**

The DCF method values the asset by discounting the cash flows expected to be generated by the asset for the explicit forecast period and also the perpetuity value (or terminal value) in case of assets with indefinite life.

The DCF method is one of the most common methods for valuing various assets such as shares, businesses, real estate projects, debt instruments, etc.

This method involves discounting of future cash flows expected to be generated by an asset over its life using an appropriate discount rate to arrive at the present value.

The following are the major steps in deriving a value using the DCF method:

- (a) Consider the projections to determine the future cash flows expected to be generated by the asset;



(b) analyse the projections and its underlying assumptions to assess the reasonableness of the cash flows;

(c) choose the most appropriate type of cash flows for the asset viz., pre-tax or post-tax cash flows, free cash flows to equity or free cash flows to firm;

(d) determine the discount rate and growth rate beyond explicit forecast period; and

(e) apply the discount rate to arrive at the present value of the explicit period cash flows and for arriving at the terminal value.

### **Relief from Royalty (RFR) Method**

RFR Method is a method in which the value of the asset is estimated based on the present value of royalty payments saved by owning the asset instead of taking it on lease. It is generally adopted for valuing intangible assets that are subject to licensing, such as trademarks, patents, brands, etc.

The fundamental assumption underlying this method is that if the intangible asset to be valued had to be licensed from a third-party owner there shall be a royalty charge for use of such asset. By owning the said intangible asset, royalty outgo is avoided. The value under this method is equal to the present value of the licence fees / royalty avoided by owning the asset over its remaining useful life.

### **Multi-Period Excess Earnings Method (MEEM)**

MEEM is generally used for valuing intangible asset that is leading or the most significant intangible asset out of group of intangible assets being valued.

The fundamental concept underlying this method is to segregate the earnings attributable to the intangible asset being valued. Intangible assets which have a finite life can only be used to value using MEEM. The value under this method is equal to the present value of the incremental after-tax cash flows ('excess earnings') attributable to the intangible asset to be valued over its remaining useful life.



## **Cost Approach**

Cost approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

In certain situations, historical cost of the asset may be considered by the valuer where it has been prescribed by the applicable regulations/law/guidelines or is appropriate considering the nature of the asset. Examples of situations where a valuer applies the cost approach are:

- (a) an asset can be quickly recreated with substantially the same utility as the asset to be valued;
- (b) in case where liquidation value is to be determined; or
- (c) income approach and/or market approach cannot be used.

## **Replacement Cost Method**

Replacement Cost Method, also known as 'Depreciated Replacement Cost Method' involves valuing an asset based on the cost that a market participant shall have to incur to recreate an asset with substantially the same utility (comparable utility) as that of the asset to be valued, adjusted for obsolescence.

The physical properties of the new asset may or may not be similar to the one under valuation, but the former asset should bear comparable utility. Obsolescence includes physical deterioration, functional (technological) and economic obsolescence. The term obsolescence connotes a wider meaning than the term depreciation adopted for financial reporting or tax purposes.

The following are the major steps in deriving a value using the Replacement Cost method:

- (a) estimate the costs that will be incurred by a market participant for creating an asset with comparable utility as that of the asset to be valued;
- (b) assess whether there is any loss on account of physical, functional or economic obsolescence in the asset to be valued; and
- (c) adjust the obsolescence value, if any as determined under (b) above from the total costs estimated under (a) above, to arrive at the value of the asset to be valued.

## **Reproduction Cost Method**

Reproduction Cost Method involves valuing an asset based on the cost that a market participant shall have to incur to recreate a replica of the asset to be valued, adjusted for



obsolescence. The following are the major steps in deriving a value using the Reproduction Cost method:

(a) estimate the costs that will be incurred by a market participant for creating a replica of the asset to be valued;

(b) assess whether there is any loss of value on account of physical, functional or economic obsolescence in the asset to be valued; and

(c) adjust the obsolescence value, if any as determined under (b) above from the total costs estimated under (a) above, to arrive at the value of the asset to be valued.

### **Method Adopted:**

Keeping in mind the context and purpose of the report, we have adopted the DCF method as it captures the growth potential of the business going forward. We have adopted this method to calculate the fair value of the shares of the company based on the financial projections prepared by the management of the company.

### **Calculations:**

Particulars	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26
-					
Net Profit after Tax	1,55,70,028	4,54,63,386	11,27,19,691	17,51,29,149	21,04,62,336
Add: Depreciation & Amortization	18,94,763	23,82,152	27,07,078	31,94,468	39,25,551
<b>Cash Operating Profit</b>	<b>1,74,64,791</b>	<b>4,78,45,538</b>	<b>11,54,26,770</b>	<b>17,83,23,617</b>	<b>21,43,87,888</b>
<b>Adjustments for :</b>					
Less: Change in Non-cash Working Capital	-	-	-	-	-
Less: Capital Expenditure - As per FAR	2,87,00,466	4,06,58,929	7,57,32,380	14,15,23,798	17,13,08,496
Add: Change in Net Borrowings	-	-	-	-	-
<b>Net Free Cash Flows to Equity Share holders</b>	<b>1,27,58,723</b>	<b>30,98,595</b>	<b>3,58,50,070</b>	<b>3,18,99,489</b>	<b>3,65,95,047</b>
Discount factor @ 19.03%	0.82	0.67	0.55	0.45	0.37
Present value	1,04,30,790	20,71,022	1,95,89,347	1,42,50,289	1,33,65,100
<b>NPV of Explicit Period</b>					<b>3,88,44,968</b>



**Cost Of Equity as per CAPM:**

Cost of Equity (Ke)	Ke	$R_f + [R_m - R_f] * b$
Risk free rate of return (Rf)	10 year India Government Bond - March 20, 2020	6.26%
Market Return	S&P BSE 200 returns for last 8 years	11.53%
Beta (b)	Beta - Software (System & Application)	0.77
Cost Of Equity as per CAPM		10.32%
<b>Cost Of Equity as per CAPM</b>		<b>10.32%</b>
Adjusted for Risk	Company Specific Risk Premium (CSRP) - 1.5% represented for 1 year of projection - upto 5 year of projection	10.00%
Adjusted for Risk	Small Company Risk Premium (SCRP)	2.00%
<b>Cost Of Equity as per CAPM</b>		<b>22.32%</b>

<b>Discount Tables</b>	
Discounting Rate	22.32%
<b>Year</b>	<b>Discount factor</b>
Year 1	0.82
Year 2	0.67
Year 3	0.55
Year 4	0.45
Year 5	0.37
<b>Growth Rate</b>	<b>2.50%</b>



<b>Terminal value</b>	
Free Cash Flow to Equity Shareholders for last year	3,65,95,047
Continuity Value (1+g)	3,75,09,923
Capitalisation factor for Continuity Value	19.82%
<b>Continuity value</b>	<b>18,92,72,944</b>
Discount factor	0.37
Present Value of Terminal Value	6,91,25,527
NPV of Explicit Period	3,88,44,968
NPV of Terminal Value	6,91,25,527
Cash and Bank Balances	39,33,474
<b>Value per share (before DLOM)</b>	<b>11,19,03,969</b>
<b>Discount for Liquidity &amp; Marketability (DLOM) @ 20%</b>	<b>20%</b>
<b>Net Equity Value (Pre Money Valuation)</b>	<b>8,95,23,175</b>
No of Shares	1,64,831
<b>Value per share</b>	<b>543.13</b>
<b>Value per share (Rounded off)</b>	<b>543.00</b>

### **Limitations and Disclaimer:**

Discounted cash flow method involves the estimation of cash flows for future period. Based on the experience, capacity and orders in hand, the company have estimated the projected Turnover. However, actuals may change according to the political, economical and industrial risks.



**Conclusion:**

The Value of the equity shares of the company is valued at Rs. 8,95,23,175/-. The total number of equity shares outstanding as on 30/04/2021 was 1,64,831 Shares.

Based on this, the Fair Price per Equity Share is estimated at **Rs 543.00/-**

For J GANESH AND CO.

CHARTERED ACCOUNTANTS

FRN 014436S



CA. GANESH J  
M.No. 230333

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Date: 01.06.2021

UDIN: 21230333AAAAMS2715