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Government of Punjab

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Certificate No. : IN-PB39524475538938V  
 Certificate Issued Date : 13-Sep-2023 01:15 PM  
 Certificate Issued By : pbmrimhju  
 Account Reference : NEWIMPACC (SV) pb7084104/ JALANDHAR/ PB-JL  
 Unique Doc. Reference : SUBIN-PBPB708410480577254756264V  
 Purchased by : Sharp Chucks and Machines Limited  
 Description of Document : Article 5 Agreement or Memorandum of an Agreement  
 Property Description : Not Applicable  
 Area of Property : Not Applicable  
 Consideration Price (Rs.) : 500  
 (Five Hundred only)  
 First Party : Sharp Chucks and Machines Limited  
 Second Party : Fedex Securities Private Limited  
 Stamp Duty Paid By : Sharp Chucks and Machines Limited  
 Stamp Duty Amount(Rs.) : 500  
 (Five Hundred only)  
 Social Infrastructure Cess(Rs.) : 0  
 (Zero)  
 Total Stamp Duty Amount(Rs.) : 500  
 (Five Hundred only)



16579



THIS STAMP PAPER FORMS AN INTEGRAL PART OF SELLING SHAREHOLDER'S ESCROW AGREEMENT AMONG SHARP CHUCKS AND MACHINES LIMITED AND SIDPSI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND AND FEDEX SECURITIES PRIVATE LIMITED AND SKYLINE FINANCIAL SERVICES PRIVATE LIMITED



S/Sanghu



RD 0011857890



Stamp Duty

Stamp Duty is levied on the value of the document as per the provisions of the Stamp Act, 1899 and the Stamp Act, 1958.

Stamp Duty is levied on the value of the document as per the provisions of the Stamp Act, 1899 and the Stamp Act, 1958.



INDIA NON JUDICIAL  
Government of Punjab

e-Stamp

Certificate No. : IN-PB39525855371348V  
 Certificate Issued Date : 13-Sep-2023 01:16 PM  
 Certificate Issued By : p0mnimhju  
 Account Reference : NEWIMPACC (SV) pp7084104/ JALANDHAR/ PB-JL  
 Unique Doc. Reference : SUBIN-PBPB708410480579799265240V  
 Paid/Issued by : Sharp Chucks and Machines Limited  
 Description of Document : Article 5 Agreement or Memorandum of an Agreement  
 Property Description : Not Applicable  
 Type of Property : Not Applicable  
 Liquidation Price (Rs.) : 100  
 (One Hundred only)  
 First Party : Sharp Chucks and Machines Limited  
 Second Party : Fedex Securities Private Limited  
 Stamp Duty Paid By : Sharp Chucks and Machines Limited  
 Stamp Duty Amount(Rs.) : 100  
 (One Hundred only)  
 Social Infrastructure Cess(Rs.) : 0  
 (Zero)  
 Total Stamp Duty Amount(Rs.) : 100  
 (One Hundred only)



16581



THIS STAMP PAPER FORMS AN INTEGRAL PART OF SELLING SHAREHOLDERS ESCROW AGREEMENT AMONG SHARP CHUCKS AND MACHINES LIMITED AND SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND AND FEDEX SECURITIES PRIVATE LIMITED AND SKYLINE FINANCIAL SERVICES PRIVATE LIMITED



S/Sanghu



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DATED SEPTEMBER 19, 2023

SELLING SHAREHOLDER'S ESCROW AGREEMENT

BETWEEN

**SHARP CHUCKS AND MACHINES LIMITED**  
(ISSUER COMPANY)

AND

**SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND**  
(SELLING SHAREHOLDER)

AND

**FEDEX SECURITIES PRIVATE LIMITED**  
(LEAD MANAGER)

AND

**SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**  
(REGISTRAR TO THE OFFER AND ESCROW AGENT)





## SELLING SHAREHOLDER'S ESCROW AGREEMENT

This **SELLING SHAREHOLDER'S** Escrow Agreement (hereinafter referred to as the "**Agreement**") on this September 19, 2023 entered into by and among:

**SHARP CHUCKS AND MACHINES LIMITED**, a Company incorporated under the Companies Act, 1956 and having its Registered Office at A-12 Industrial Development Colony, Jalandhar Punjab – 144012 (hereinafter referred to as "**The Company**"/ "**The Issuer**") which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns, of the **FIRST PART**;

AND

**SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND**, (hereinafter referred to as "**Selling Shareholder**" or "**SS**") acting through the investment manager SIDBI Venture Capital Limited, a company incorporated under the Companies Act, 1956 and having its registered office at SIDBI, Swavalamban Bhavan, C-11, G Block, 2nd Floor, Bandra Kurla complex, Bandra (E), Mumbai - 400 051 which expression shall unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and Permitted Assigns, of the **SECOND PART**;

AND

**FEDEX SECURITIES PRIVATE LIMITED**, a company incorporated under the Companies Act, 1956, having its registered office at B7, Jay Chambers, Dayaldas Road, Vile Parle East, Mumbai - 400057 (hereinafter referred to as "**FEDSEC**" or "**Lead Manager**" or "**LM**") which expression shall unless, it be repugnant to the context or meaning, deem to mean and include its successors and permitted assigns of the; of the **THIRD PART**;

AND

**SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**, a Company incorporated under the Companies Act, 1956 and having its registered office at D-153A, First Floor Okhla Industrial Area, Phase – I, New Delhi 110020 (hereinafter referred to as "**Share Escrow Agent**" or "**Registrar**", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns), of the **FOURTH PART**;

In this Agreement:

- (i) **FEDEX SECURITIES PRIVATE LIMITED** is hereinafter referred to as the "**Lead Manager**" or a "**Manager**" or a "**LM**";
- (ii) The Company, the Lead Manages, the Selling Shareholder, the Escrow Agent and the RTA are hereinafter collectively referred to as the "**Parties**" and individually as a "**Party**".



## WHEREAS

- (A) The initial public offer shall now comprise of 29,04,000 Equity Shares ("the Offer), which includes Fresh Issue of 9,75,484 Equity Shares at a price of Rs.58 per Equity Share amounting to Rs. 565.78lakhs and Offer for Sale by the selling shareholder of 19,28,516 equity shares at a price of Rs. 58 per Equity Share amounting to Rs. 1118.54 lakhs in accordance with the Companies Act (as defined herein), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"), and other Applicable Law (as defined herein by the Company and the Selling Shareholder in consultation with the Lead Manager (the "Offer Price").
- (B) The Offer comprises of the Net Offer to the Public of 27,56,000 Equity Shares having face value of Rs.10 ("the Net Offer") and an Offer price of Rs.58 each aggregating to Rs.1598.48 Lakhs and a Market Maker reservation of - 1,48,000 Equity Shares having face value of Rs.10 and an Offer price of Rs. 58 aggregating to Rs.85.84 Lakhs for subscription by the designated Market Maker ("Market Maker Reservation Portion").
- (C) Equity Shares for subscription by the designated Market Maker ("the Market Maker Reservation Portion"). The Net Offer to public shall comprise of Issue to Qualified Institutional Buyers, Non-Institutional Applicants and Retail Applicants.
- (D) The Offer of shares comprises of Offer For Sale of 19,28,516 Equity Shares by the Selling Shareholder at a price of Rs. 58 per Equity Share amounting to Rs. 1118.54 lakhs and a Fresh Issue of 9,75,484 Equity Shares at a price of Rs. 58 per equity share amounting to Rs. 565.78lakhs.
- (E) The Offer of Equity Shares shall be conducted through Fixed Price Process, pursuant to which the Shares are to be offered at the Offer Price of Rs.58 per share.
- (F) The Selling Shareholder has given consent dated 28.06.2023 to offer its shares or part thereof as Offer for Sale shares to be sold to the public. The Selling Shareholder will sign the Draft Prospectus, the Prospectus, this Agreement, any amendments or supplements thereto, and any and all other writings as may be legally and customarily required in pursuance of the Offering and to do all acts, deeds or things as may be required.
- (G) The Company has obtained approval for the Offer pursuant to the Board resolution dated March 28, 2023. The Company passed a special resolution under section 62(1)(c) at the EGM held on April 15, 2023 which collectively authorised the Company's Directors, or any other authorised representatives, for the purpose of the Offer, to issue and sign the Draft Prospectus, the Prospectus, this Agreement, the Memorandum of Understanding, any amendments or supplements thereto, and any and all other writings as may be legally and customarily required in pursuance of the Issuing and to do all acts, deeds or things as may be required.
- (H) In relation to the Offer the Company has approached the LMs to manage the Offer. The LMs has accepted the engagement in terms of the engagement letter.
- (I) The Company has filed the Draft Prospectus dated 30.06.2023 ("Draft Prospectus") National Stock Exchange of India Limited EMERGE ("NSE EMERGE") for review and comments, in accordance with the ICDR Regulations, in connection with the Offer ("Draft Prospectus"). Our Company has received an In- Principle Approval letter dated August 29, 2023 Ref : NSE/LIST/2499 from National Stock Exchange of India Limited for using its name in this Offer Document for listing of our shares on the NSE EMERGE. The Company is in the process of filing the Prospectus, incorporating the comments and observations of NSE with the Registrar of Companies, at Chandigarh ("RoC").





- (J) Subject to the terms of this Agreement, the Selling Shareholder has agreed to authorize Skyline Financial Services Private Limited to act as the Share Escrow Agent and deposit the Offered Shares, as specified in AnnexureA, in the Escrow Demat Account which will be opened by Skyline Financial Services Private Limited with the depository participant. Subject to the terms of this Agreement the Offered Shares are proposed to be credited to the demat account(s) of the Allottees (i) for the successful Bidders, in terms of the Basis of Allotment finalized by the Company in consultation with the Lead Manager and NSE EMERGE which is the designated stock exchange for the Offer (the "Designated Stock Exchange").
- (K) Subject to the terms of this Agreement, the Parties have agreed to perform the respective actions required to be performed by them to operate the Escrow Demat Account (as defined herein below) and transfer the sold shares pursuant to the Offer to the Allottees and to credit any remaining unsold Offered Shares ("Unsold Shares") back to the Selling Shareholder's Demat Account (as defined herein below) as set forth in AnnexureB.
- (L) The Parties have agreed to perform the respective actions required to be performed by them to operate the Escrow Demat Account and transfer the Offered Shares pursuant to the Offer to the Allottees (as defined hereinafter) in the manner stated in the Offer Documents (as defined hereinafter), subject to the conditions of this Agreement.

**NOW, THEREFORE**, in consideration of the premises and mutual agreements and covenants contained in this Agreement each of the Parties hereby agrees as follows:

## 1. DEFINITIONS AND PRINCIPLES OF INTERPRETATION

### 1.1 Definitions

- 1.1 In addition to the defined terms contained elsewhere in this Agreement, the following expressions, as used in this Agreement, shall have the respective meanings set forth below:

"**Affiliate**" with respect to any Party shall mean (i) any other person that, directly or indirectly, through one or more intermediaries, Controls or is Controlled by or is under common Control with such Party, (ii) any other person which is a holding company, subsidiary or joint venture of such Party, and/or (iii) any other person in which such Party has a "significant influence" or which has "significant influence" over such Party, where "significant influence" over a person is the power to participate in the management, financial or operating policy decisions of that person but is less than Control over those policies and that shareholders beneficially holding, directly or indirectly, through one or more intermediaries, a 20% or more interest in the voting power of that person are presumed to have a significant influence over that person. For the purposes of this definition, the terms "holding company" and "subsidiary" have the meanings set forth in Sections 2(46) and 2(87) of the Companies Act, 2013, respectively. In addition, the Promoter, members of the Promoter Group, and Group Companies are deemed to be Affiliates of the Company. The terms "**Promoter**", "**Promoter Group**" and "**Group Companies**" shall have the same meaning set forth in the Offer Documents.

"**Allotment**" shall mean the Offer and allotment of Equity Shares pursuant to the Offer.

"**Agreement**" shall mean this agreement or any other agreement as specifically mentioned.

"**Applicant**" shall mean any prospective purchaser who has made an Application in accordance with the Draft Prospectus and/or the Prospectus.

"**Application**" shall mean an indication to make an Offer during the Application Period by a prospective investor to subscribe to the Offer Shares at the Offer Price, including all revisions and modifications thereto.



**"Basis of Allotment"** shall mean the basis on which the Equity Shares will be Allotted to successful Bidders under the Offer;

**"Bidder"** shall mean any prospective investor who makes a Bid pursuant to the terms of the Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an ASBA Bidder

**"Board of Directors"** shall have the same meaning as defined in the Offer Document.

**"Companies Act"** shall mean the Indian Companies Act, 1956 and Companies Act, 2013 as amended from time to time.

**"Compulsory Market Making Period"** shall mean the Market Making period starting from the listing of shares till a minimum period of three years as prescribed by Regulation 260(1) of the SEBI (ICDR) Regulations. However, it has been provided that in terms of Regulation 277 of the SEBI (ICDR) Regulations, that a company may migrate to the Main Board (in this case being the Main Board of NSE Limited) and hence for the purpose of this agreement, when a company migrates to the main board, there is no requirement of "Market Making" and hence the compulsory Market Making period would be cut short to that extent.

**"Controlling", "Controlled by" or "Control"** shall have the same meaning ascribed to the term "control" under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, or as amended.

**"Controlling Person(s)"** with respect to a specified person, shall mean any other person who Controls such specified person.

**"Depository Participant"** shall mean the depository participant within the meaning of the Depositories Act, 1996, as amended, who have agreements with the Depositories under Section 4(1) of the Depositories Act, 1996, and with whom the Registrar shall enter into agreements under Section 5 of the Depositories Act, 1996 for and on behalf of the Selling Shareholder;

**"Designated Stock Exchange"** shall mean NSE EMERGE. **"Escrow Demat Account"** shall mean the common dematerialized account to be opened by the Share Escrow Agent with the Depository Participant to keep the Offered Shares in escrow, in terms of this Agreement, details of which are set forth in Annexure C;

**"Event of Failure"** shall mean the occurrence of one or more of the following events:

- (a) The Issue Opening Date not taking place for any reason;
- (b) In the event the Offer Document is not filed with the RoC within ten Working Days of credit of the Offered Shares by the Selling Shareholder to the Escrow Demat Account.
- (c) The Offer shall have become illegal or non-compliant with Applicable Law, or, shall have been enjoined or prevented from completion, or otherwise rendered infructuous or unenforceable including or pursuant to any Applicable Law or any order or direction passed by any Governmental Authority having requisite authority and jurisdiction over the Offer;
- (d) Non-receipt of any regulatory approvals in a timely manner in accordance with the Applicable Laws or at all, including, a refusal by NSE EMERGE to grant the listing and trading approval;



*Signature*





- (e) The Selling Shareholder failing to transfer Offered Shares on or before the deposit date, which would result into withdraw and/or cancel the Offer.
- (f) Failure to enter into the Underwriting Agreement on or prior to the RoC Filing, unless extended by the Lead Manager, the Company and the Selling Shareholder, or the Underwriting Agreement (after its execution) or the Offer Agreement or the Engagement Letter being terminated in accordance with its terms or having become illegal or unenforceable for any reason or, non-compliant with Applicable Law or, if its performance has been prevented by SEBI, Governmental Authority, any court or other judicial, statutory or regulatory body or tribunal having requisite authority and jurisdiction in this behalf, prior to the transfer of funds into the Public Offer Account in accordance with the terms of the Agreement;
- (g) Declaration of the intention of the Company and the Selling Shareholder, in consultation with the Lead Manager, to abandon and/or withdraw and/or cancel the Offer at any time including after the Issue Opening Date, in accordance with Applicable Laws; or
- (h) Such other event as may be mutually agreed upon among the Company, Selling Shareholder and the Lead Manager.

**"Draft Prospectus"** shall mean the Draft Prospectus of the Company dated June 30, 2023 filed with NSE in accordance with Section 26 and 28 of the Companies Act for getting approval;

**"Fresh Issue"** shall mean issue of 9,75,484 Equity shares having face value of Rs. 10/- each (the **"Equity Shares"**) in accordance with the Chapter IX SEBI (ICDR) Regulations 2018, (as defined herein) and applicable Indian securities laws at an Offer Price ('Offer Price/Issue Price ') of Rs.58 per share inclusive of Rs 48 per shares towards premium aggregating to Rs. 565.78 lakhs.

**"Indemnified Party"** shall have the meaning given to such term in this Agreement.

**"Indemnifying Party"** shall have the meaning given to such term in this Agreement.

**"Listing Date"** shall mean the date with effect from which the shares issued through this Offer being made by **Sharp Chucks And Machines Limited** are permitted for trading by SME Platform of NSE Limited.

**"LM"** or **"Lead Manager"** shall have the meaning given to such term in the preamble to this Agreement and **"LM"** shall mean the lead manager to the Offer, or **Fedex Securities Private Limited**.

**"Market Maker"** shall mean any person who would hold a valid, registration on the date of opening the Offer.

**"Market Maker Reservation Portion"** shall mean the reserved portion for the Designated Market Makers of 1,48,000 Equity shares of Rs.10/- at aggregating to Rs.85.84 lakhs .

**"Material Adverse Effect"** shall mean, individually or in the aggregate, a material adverse effect on the condition, financial or otherwise, or in the earnings, business, management, operations or prospects of the Company and its subsidiaries, taken as a whole.

**"Memorandum of Understanding"** shall mean the memorandum of understanding dated June 29, 2023 entered between the Company and Lead Manager





"**Net Offer**" shall mean the Offer of equity shares, Shares to be Offered in this Offer comprise a net Offer to the public of 27,56,000 Equity shares of Rs.10/- each at Rs.58 per share each aggregating Rs. 1598.48 lakhs.

"**Non-institutional Applicants**" shall mean all Applicants that are not QIBs or Retail Applicants and who have applied for Equity Shares for an amount more than Rs.200,000;

"**NSE**" shall mean NSE Ltd, a recognised stock exchange having nationwide terminal

"**NSE SME**" shall mean the separate platform for listing of companies which have offered their shares or match the relevant criteria of Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time, opened by the NSE Limited, which received its final approval from SEBI on October, 2011;

"**Offer**" shall mean Offer of 29,04,000 Equity Shares ("the Offer), which includes Fresh Issue of 9,75,484 Equity Shares at a price of Rs. 58 per equity share amounting to Rs. 565.78 lakhs and Offer for Sale by the selling shareholder of 19,28,516 equity shares at a price of Rs. 58 per Equity Share amounting to Rs. 1118.54 lakhs.

"**Offer for Sale**" shall mean sale of 19,28,516 equity shares of Rs.10/- each for Rs.58 each aggregating to Rs.1118.54 lakhs by the Selling Shareholder.

"**Offer Price/Issue Price**" means Rs.58 per share of face value Rs.10/- each.

"**Offer Agreement**" shall mean the Offer Agreement dated June 29, 2023 entered into among our Company and the Lead Manager;

"**Offer Documents**" shall mean the Draft Prospectus and the Prospectus to be filed with NSE EMERGE, and the Registrar of Companies, as applicable, together with all preliminary or final documents thereto;

"**Offered Shares**" shall have the meaning assigned to the said term in Recital A;

"**Party**" or "**Parties**" shall have the meaning given to such terms in the preamble to this Agreement.

"**Prospectus**" shall mean the Prospectus of the Company which will be filed with NSE/ SEBI/ ROC and others in accordance with Section 26 and 28 of the Companies Act before opening the Offer.

"**Retail Applicants**" shall mean individual Applicants (including HUFs and NRIs) who have applied for Equity Shares for an amount not more than Rs.200,000, in any of the application options in the Offer;

"**SEBI**" shall mean the Securities and Exchange Board of India.

"**SEBI (ICDR) Regulations 2018**" shall mean the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended and as applicable to the Offer.



**"Selling Shareholder"** shall mean the SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND offering their shares in this Public Offer

**"Sponsor Bank"** The Banker(s) to the Offer registered with SEBI which is appointed by our Company and Selling Shareholder to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs into the UPI, the sponsor bank in this case being ICICI Bank Limited

**"Stock Exchange"** shall mean NSE SME.

**"Underwriters"** shall mean Fedex Securities Private Limited.

**"Underwriting Agreement"** means the agreement to be entered into between the Underwriters and our Company entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC.

**"Unified Payments Interface"** or **"UPI"** means the unified payments interface, which is an instant payment mechanism, developed by NPCI;

**"UPI ID"** ID created on UPI for single-window mobile payment system developed by the NPCI;

**"UPI Mandate Request"** A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

**"UPI Mechanism"** The bidding mechanism that may be used by a RIB to make a Bid in the Offer in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018;

**"UPI PIN"** Password to authenticate UPI transaction

**"Unsold Shares"** shall have the meaning given to such term in Recital I of this Agreement;

**"UPI Circulars"** shall mean the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent that such circulars pertain to the UPI Mechanism), SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (to the extent applicable to the Offer) along with the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022 and the notice issued by BSE having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard;



*[Handwritten signature]*





"Working Day" shall mean all days on which commercial banks in Mumbai, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI, including the UPI Circulars.

## 1.2 Interpretation

In this Agreement:

- 1.2.1 the descriptive headings of Clauses are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content thereof and shall not be used to interpret the provisions of this Agreement;
- 1.2.2 unless the context otherwise requires, (i) the use of the singular shall include the plural and vice-versa; and (ii) the use of the masculine shall include the feminine and vice versa;
- 1.2.3 unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the following Working Day if the last day of such period is not a Working Day;
- 1.2.4 unless otherwise specified, whenever any payment is to be made or action taken under this Agreement is required to be made or taken on a day other than a Working Day such payment shall be made or action taken on the next Working Day;
- 1.2.5 unless otherwise specified, all references to sections, paragraphs, clauses and Annexures in this Agreement are to sections, paragraphs and clauses in, and Annexures to, this Agreement;
- 1.2.6 reference to any Law includes a reference to such Law as amended or re-enacted from time to time, and any rule or regulation promulgated thereunder;
- 1.2.7 the terms "herein", "hereof", "hereto", "hereunder" and words of similar purport refer to this Agreement as a whole; and
- 1.2.8 references to the word "include" or "including" shall be construed without limitation;
- 1.2.9 references to this Agreement or to any other agreement, deed or other instrument shall be construed as a reference to such agreement, deed or other instrument as the same may from time to time be amended, varied, novated or supplemented;
- 1.2.10 reference to any Party to this Agreement or any other agreement or deed or other instrument shall include its successors or permitted assigns;
- 1.2.11 unless otherwise defined the reference to "days" shall be construed as references to calendar days in the Gregorian calendar;



*S. Singhvi*



1.2.12 any capitalized term not defined in this Agreement shall have the same meaning as that set forth in the Draft Prospectus and the Prospectus.

## 2. APPOINTMENT OF ESCROW AGENT AND ESTABLISHMENT OF ESCROW ACCOUNT

2.1 The Company and the Selling Shareholder hereby jointly and severally appoint the Registrar to act as the Escrow Agent under this Agreement, and the Registrar hereby agrees to act as the Escrow Agent under this Agreement and open and operate the Escrow Demat Account. The Escrow Demat Account shall be operated strictly in the manner set out in this Agreement.

2.2 The Share Escrow Agent shall provide a list of documents required for the opening of the Escrow Demat Account to the Company and the Selling Shareholder immediately upon execution of this Agreement and The Escrow Agent undertakes that it shall open the Escrow Demat Account after the execution of this Agreement within four working days of the date of execution of this Agreement and immediately confirm the details of the Escrow Demat Account to the Company and the Selling Shareholders, in the prescribed form specified in **Annexure A** to this Agreement.

2.3 Immediately, on opening of the Escrow Demat Account, the Share Escrow Agent shall send a written intimation to the Selling Shareholder and the Company (with a copy to the Lead Managers) confirming the opening of the Escrow Demat Account in a format agreed to between the Parties in writing. Such written intimation shall be sent in accordance with the notice clause under this Agreement, such that it is received on the day the Escrow Demat Account is opened.

2.4 Any service fee charged by the Share Escrow Agent for services provided under this Agreement will be inclusive of the applicable GST under the Applicable Laws. The Share Escrow Agent will pay the applicable GST to the applicable Governmental Authority and file periodic returns / statements, within such time and manner as prescribed under the GST under the Applicable Laws and will take all steps to ensure that the Company, as the case may be, receives the benefit of any credit of GST paid to the Share Escrow Agent.

2.5 All expenses with respect to the opening, maintaining and operating the Escrow Demat Account in accordance with the terms of this Agreement will be borne by the Company.

2.6 The Company hereby confirms and agrees to do all acts and deeds as may be necessary to empower the Share Escrow Agent to open and operate the Escrow Demat Account in accordance with this Agreement and Applicable Law. The Selling Shareholder agree, to do all such acts and deeds as may be requested by the Company to empower the Share Escrow Agent to open and operate the Escrow Demat Account in accordance with this Agreement and Applicable Law.

## 3. ESCROW OF OFFER FOR SALE

### 3.1 Deposit of the Offered Shares

The Selling Shareholder shall, at least one working days prior to Issue Opening date, deposit their respective Offered Shares in the Escrow Demat Account ("Deposit Date"). This shall be an irrevocable instruction from the Selling Shareholder to their respective Depository Participants to transfer the relevant Offered Shares to the Escrow Demat Account. The Share Escrow Agent shall provide a written confirmation on the credit of the Offered Shares to the Escrow Demat Account along with a transaction statement to the Selling Shareholder, the Company and the Lead Manager in a format agreed to between the Parties in writing, on the same day and immediately upon credit of such Offered Shares to the Escrow Demat Account. It is hereby clarified that the above-mentioned debit of the Offered Shares from the Selling Shareholder's Demat Account and the credit of such Offered Shares into the Escrow Demat Account shall not be construed as or deemed to be a transfer by the Selling Shareholder in favour of the Share Escrow Agent and/or any other person and the Selling Shareholder shall continue to enjoy all the legal and beneficial rights attached to the Offered Shares. The Share Escrow Agent hereby agrees and undertakes to hold such Offered Shares





credited to the Escrow Demat Account in escrow for and on behalf of and in trust for the Selling Shareholder in accordance with the terms of this Agreement and the Parties shall not, instruct the Depositories to recognize any transfer of such Offered Shares which is not in accordance with the terms of this Agreement.

### 3.2 Opening and Operation of the Escrow Demat Account

- (i) The Selling Shareholder hereby confirms and agrees to do all acts and deeds as may be necessary to empower the Escrow Agent to open and operate the Escrow Demat Account.
- (ii) On the Allotment Date, on receipt of (a) confirmation from the Banker(s) to the Offer, as per the provisions of the Escrow Agreement, of transfer of monies from the SCSBs to the Public Offer Account and (b) resolution of board of directors of the Company, or a committee thereof, approving the Allotment, the Escrow Agent shall instruct the Depository Participant with a copy to the Company and the Selling Shareholder, in the prescribed form specified in **Annexure B** to this Agreement, to debit the Escrow Demat Account and transfer, pursuant to instruction to the Depository Participant and the Depository, the relevant Offered Shares to the Allottees, within the time period as specified in the Prospectus and as prescribed under applicable laws. This provision is an irrevocable instruction from the Selling Shareholders to the Escrow Agent to instruct the Depository Participant to debit the Escrow Demat Account and transfer the relevant Offered Shares to the Allottees upon completion of the events contemplated in this Clause 3.2 (ii).
- (iii) In the event of under-subscription in the Offer, whereby not all the Offered Shares are allocated and/or Allotted after the allocation and Allotment as per the Prospectus, the Offered Shares which remain unallocated in the Escrow Demat Account shall be returned by the Escrow Agent to the Selling Shareholder. For this, the Company shall inform the Escrow Agent with a copy to the Selling Shareholder, in the prescribed form specified in **Annexure C** to this Agreement, of the details of the relevant Offered Shares to be transferred within one (1) Working Day from the date of receipt of letter from the Company, and the Escrow Agent shall, within one (1) Working Day of the receipt of such instruction, Offer written instructions to the Depository Participant with a copy to the Company and the Selling Shareholder, in the prescribed form specified in **Annexure D** to this Agreement, for return of the relevant Offered Shares to respective demat account of the Selling Shareholder.
- (iv) In the event of failure of the Offer for one or more of the following reasons-
  - a) the Prospectus shall not have been filed with the Registrar of Companies prior to the Drop Dead Date for any reason;
  - b) the application process not commencing by the Offer Opening Date, for any reason;
  - c) the Offer shall have become illegal or shall have been enjoined or prevented from completion, or otherwise rendered infructuous or unenforceable, including pursuant to any order or direction passed by any judicial, statutory or regulatory authority having requisite authority and jurisdiction over the Offer;
  - d) the declaration of the intention of the Company and/or the Selling Shareholder to withdraw and/or cancel the Offer at any time, including after the Offer Opening Date, and prior to the meeting of the Board of Directors for approval of Allotment;
  - e) the failure to enter into the Underwriting Agreement or Underwriting Agreement being terminated in accordance with its terms or having become illegal or unenforceable for any reason or, in the event that its performance has been prevented by any judicial, statutory or regulatory authority having requisite authority and jurisdiction in this behalf;



- f) a refusal by a stock exchange to grant the listing and trading approval or non-disposition of an application for a listing and trading approval by a stock exchange within the period specified under applicable laws;
- g) insufficient subscription in the Offer for complying with the applicable requirements relating to minimum public float, under Rule 19(2)(b)(ii) of the SCRR; or

the Company shall provide a notice to the Escrow Agent, with a copy to the Selling Shareholder, in form as prescribed in **Annexure E** to this Agreement, and the Escrow Agent shall, within one Working Day of the receipt of notice from the Company, transfer the Offered Shares standing to the credit of the Escrow Demat Account immediately to the respective Selling Shareholder's demat account, as confirmed by the Selling Shareholder.

For the avoidance of doubt, it is clarified that if the instruction pursuant to this Clause 3.2 (iv) is received after the transfer of relevant Offered Shares to the Allottees, the Company, the Selling Shareholder and the Escrow Agent shall take appropriate steps as necessary to cause the debit of the Offered Shares Allotted to the Allottees pursuant to the Offer from the demat account of such Allottees and credit such equity shares to the Escrow Demat Account and subsequently to respective Selling Shareholder's demat account.

### 3.3 Ownership of the Offered Shares

- (i) The Selling Shareholder shall, until the Allotment Date, continue to be the beneficial owner of the respective Offered Shares, and the Selling Shareholder confirm severally and not jointly, that their respective Offered Shares are and shall, until the Allotment Date, continue to be free and clear of any liens or encumbrances.
- (ii) The Parties agree that during the period that the Offered Shares are held in the Escrow Demat Account, any dividend declared or paid on the Offered Shares shall be to the credit of the Selling Shareholder and, if paid, shall be released into a bank account notified in writing by the Selling Shareholder.
- (iii) Notwithstanding anything stated herein, till such time as the Escrow Demat Account has any Offered Shares, the beneficial interest in such Offered Shares shall be of the Selling Shareholder. The Selling Shareholder shall continue to exercise all rights in relation to their respective Offered Shares, including voting rights attached to such Offered Shares, at all times until such time the relevant Offered Shares are transferred to the demat accounts of the Allottees in accordance with this Agreement. However, if the Offered Shares, or any part thereof, are transferred back to any Selling Shareholder pursuant to this Agreement, the Selling Shareholder shall be deemed to have acquired ownership of such Offered Shares and shall enjoy the rights attached to such Offered Shares, as if no transfer had occurred.
- (iv) The Escrow Agent hereby agrees and undertakes to hold in escrow such Offered Shares credited to the Escrow Demat Account for and on behalf and in trust for the Selling Shareholder in accordance with the terms of this Agreement.
- (v) The Escrow Agent hereby agrees and confirms that it shall have no rights in respect of the Offered Shares other than as provided for in this Agreement. The Escrow Agent hereby agrees and undertakes that it shall not at any time, claim, have, be entitled to or exercise any voting rights or control over the Offered Shares. The Parties agree that during the period of the Offered Shares being held in the Escrow Demat Account, the Selling Shareholder shall be entitled to give any instructions in respect of any corporate actions (not being in the nature of a Transfer, except pursuant to the Offer in accordance with the terms of this Agreement) to be carried out relating to the Offered Shares, such as voting in any shareholders' meetings.

### 3.4 Benefits in relation to the Offered Shares



*S. Singh* 



The Selling Shareholder shall be entitled to receive the benefits arising from any corporate actions taken by the Company as regards the respective Offered Shares until such time as it holds the beneficial interest in the respective Offered Shares, provided however that no corporate action will be given effect of a Transfer, except pursuant to the Offer in accordance with the Prospectus or this Agreement.

### 3.5 Representations and Obligations of the Escrow Agent

3.5.1 The Escrow Agent agrees that it shall be solely responsible for the operation of the Escrow Demat Account and retain the Offered Shares in the Escrow Demat Account until the completion of events described in Clause 3.2 (ii), 3.2 (iii) and/or 3.2(iv) above, as the case may be. The Escrow Agent shall not act on any instructions to the contrary, in relation to the Escrow Demat Account, by any person including the Company or the Selling Shareholder.

3.5.2 The Escrow Agent hereby agrees and undertakes to implement all written instructions provided to it in accordance with the terms of this Agreement.

3.5.3 The Escrow Agent hereby acknowledges and shall ensure that the Escrow Demat Account will not be operated in any manner and for any purpose other than as provided in this Agreement. The Escrow Agent hereby agrees and undertakes not to comply with any instructions which are contrary to the terms of this Agreement.

3.5.4 The Escrow Agent shall instruct the Depositories not to recognize any transfer which is not in accordance with the terms of this Agreement.

3.5.5 The Share Escrow Agent hereby agrees and consents to the inclusion of its name and references to it for the purposes of the Offer, in whole or any part thereof, in the Offer Document and any other material prepared in connection with the Offer which are intended to be filed with NSE EMERGE or any such authority required under Applicable Law.

3.5.6 The Escrow Agent represents, warrants, undertakes and covenants to the Company, the LM and the Selling Shareholder that:

- (i) it has the necessary authority, competence, facilities and infrastructure to act as an escrow agent and to discharge its duties and obligations under this Agreement;
- (ii) it has the necessary authority, approvals, competence, facilities and infrastructure to act as a share escrow agent and to discharge its duties and obligations under this Agreement;
- (iii) this Agreement constitutes a valid, legal and binding obligation on its part, enforceable against it in accordance with the terms hereof;
- (iv) the execution, delivery and performance of this Agreement and any other document related thereto has been duly authorized and does not and will not contravene (i) any Applicable Law, regulation, judgment, decree or order of any Governmental Authority, (ii) its organizational documents, or (iii) any provisions of, or constitute a default under, any other agreement or instrument or undertaking to which it is a party or which is binding on any of its assets; and
- (v) no mortgage, charge, pledge, lien, security interest or other encumbrance shall be created by it over the Escrow Demat Account or the Equity Shares deposited therein. The Offered Shares deposited in the Escrow Demat Account shall not



be considered as assets of the Share Escrow Agent under any circumstances or events, including without limitation during any bankruptcy, insolvency, liquidation or winding up proceedings.

- (vi) the Share Escrow Agent confirms the COVID-19 pandemic has not resulted in any material adverse effect on the Share Escrow Agent;
- (vii) it is solvent; there is no adverse order or injunction or decree, restraining it to carry activities as listed in this Agreement has been passed or made by a court of competent jurisdiction or a tribunal in any proceeding and no petition or application for the institution of any proceeding has been filed before any court of competent jurisdiction or a tribunal for its bankruptcy/insolvency, dissolution, liquidation, winding-up, or for the appointment of a receiver or liquidator over substantially the whole of its assets; and no steps have been taken by it, voluntarily, for its dissolution, liquidation, receivership or winding up.
- (viii) As used herein, the term "solvent" means, with respect to an entity, on a particular date, that on such date, (i) the fair market value of the assets is greater than the liabilities of such entity, (ii) the present fair saleable value of the assets of the entity is greater than the amount that will be required to pay the probable liabilities of such entity on its debt as they become absolute and mature, (iii) the entity is able to realize upon its assets and pay its debts and other liabilities (including contingent obligations) as they mature, or (iv) the entity does not have unreasonably small capital.
- (ix) The Share Escrow Agent undertakes to act with due diligence, care and skill while discharging its obligations under this Agreement and to notify to the Company, the Selling Shareholder, and the Lead Manager in writing promptly if it becomes aware of any circumstance which would render any of the above statements to be untrue or inaccurate or misleading in any respect.

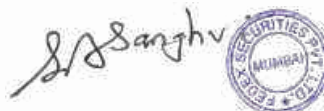
### 3.6 Obligations of the Selling Shareholder

The Selling Shareholder agrees that it shall not, for a period commencing from the date hereof and ending on the Allotment Date, take any steps to directly or indirectly, Transfer any Offered Shares or the legal or beneficial ownership of the Offered Shares or any of its rights or obligations under this Agreement, to any Person.

## 4. OPERATION OF THE ESCROW DEMAT ACCOUNT

### 4.1 On or about the Issue Closing Date:

- (i) The Company shall provide a certified copy of the resolution of the Board of Directors, as the case may be, approving the Allotment, to the Share Escrow Agent, the Selling Shareholder and the Lead Manager.
- (ii) The Company shall inform the Selling Shareholder and, the Share Escrow Agent (with a copy to the Lead Manager) in writing of the issuance of the Corporate Action Requisition Form to the Depositories to debit the sold shares from the Escrow Demat Account and credit such sold shares to the demat account of the Allottees in relation to the Offer in a format agreed to between the Parties in writing along with a copy of the Corporate Action Requisition Form. The Company shall issue instructions, in writing, to the Depositories and the Share Escrow Agent (with a copy to the Selling Shareholder and the Lead Manager) for the crediting of the Final Sold Shares to the respective demat account of the Allottees pursuant to the Offer, in a format agreed to between the Parties in writing





- 4.2 Upon receipt of the instructions, as stated in Clause 4.1(b) from the Company and after duly verifying that the Corporate Action Requisition Form is complete in all respects, the Share Escrow Agent shall ensure debit of the sold shares from the Escrow Demat Account and credit of the sold shares to the respective demat account of the Allottees in relation to the Offer, in terms of the Corporate Action Requisition Form within the time period as specified in the Prospectus and as prescribed under Applicable Law and shall release and credit back to the Selling Shareholder's Demat Account, any Unsold Shares remaining to the credit of the Escrow Demat Account within one (1) Working Day of the completion of transfer of the Final Sold Shares to the demat account of the Allottees. The Share Escrow Agent shall promptly intimate the Company and the Lead Manager of the debit of the Final Sold Shares from the Escrow Demat Account and credit of the Final Sold Shares to the respective demat account of the Allottees, as provided above, in a format agreed to between the Parties in writing.
- 4.3 In the event of an occurrence of an Event of Failure, the Company shall immediately and not later than one (1) Working Day from the date of occurrence of such event, intimate the Selling Shareholder, and the Share Escrow Agent (with a copy to the Lead Manager) in writing, in a format agreed to between the Parties in writing ("Share Escrow Failure Notice"). Provided, further, that upon the occurrence of an Event of Failure, if the Company fails to issue the Share Escrow Failure Notice pursuant to this Clause 4.3 within a period of 1 (one) Working Day from the date of occurrence of such Event of Failure, the Selling Shareholder shall be entitled to issue the Share Escrow Failure Notice (with a copy to the Company and the Lead Manager) in a format agreed to between the Parties in writing ("Selling Shareholder's Share Escrow Failure Notice"). The Share Escrow Failure Notice or the Selling Shareholder's Share Escrow Failure Notice, as the case may be, shall also indicate the credit of the Offered Shares back to the Selling Shareholder's Demat Account and also indicate if the Event of Failure has occurred before or after the transfer of the sold shares to the Allottees in accordance with this Agreement.
- 4.4 Upon receipt of a Share Escrow Failure Notice or a Selling Shareholder's Share Escrow Failure Notice, as the case may be, indicating the occurrence of an Event of Failure prior to the transfer of the Offered Shares to the demat account of the Allottees, (i) the Share Escrow Agent shall not transfer any Offered Shares to any Allottee or any person other than to the Selling Shareholder's Demat Account, and (ii) within one (1) Working Day of receipt of the Share Escrow Failure Notice or the Selling Shareholder's Share Escrow Failure Notice, as the case may be pursuant to Clause 4.3, the Share Escrow Agent shall release and credit back the respective portion of the Offered Shares standing to the credit of the Escrow Demat Account immediately to the Selling Shareholder's Demat Account.
- 4.5 Upon receipt of a Share Escrow Failure Notice or the Selling Shareholder's Share Escrow Failure Notice, as the case may be, indicating the occurrence of an Event of Failure after the transfer of the sold shares to the Allottees, but prior to receipt of final listing and trading of the Equity Shares on NSE EMERGE, the Share Escrow Agent, the Company and the Selling Shareholder, in consultation with the Lead Manager, SEBI, Stock Exchanges, Depositories, as the case may be, shall take appropriate steps, for the reversal of credit of the sold shares, from the respective demat account of the Allottees back to the Escrow Demat Account within one (1) Working Day from the date of receipt of the Share Escrow Failure Notice or the Selling Shareholder's Share Escrow Failure Notice, as the case may be, in accordance with the order / direction / guidance of SEBI / Stock Exchanges / Depositories and subject to Applicable Law.
- 4.6 Immediately upon the credit of any of the sold shares into the Escrow Demat Account in terms of Clause 4.5 of this Agreement, the Company shall instruct the Share Escrow Agent to, and the Share Escrow Agent shall immediately transfer all such Equity Shares constituting the sold shares from the Escrow Demat Account to the Selling Shareholder's Demat Account. For the purposes of this Clause 4.6, it is clarified that the total number of the sold shares credited to the Selling Shareholder's Demat Account shall not be less than the number of Offered Shares originally credited to the Escrow Demat Account by the Selling Shareholder.
- 4.7 The Share Escrow Agent will ensure (in whatsoever manner possible) that the Selling Shareholder receive back the Offered Shares in accordance with Clause 4 of this Agreement.



*S. Singh*



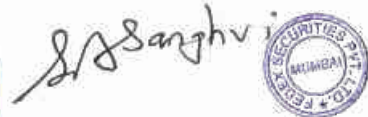
## 5. TERMINATION

### 5.1 Termination

- (i) This Agreement shall terminate upon the completion of the events mentioned in (a) Clause 3.2(ii), (b) Clause 3.2(ii) read with Clause 3.2 (iii), in case of under-subscription in the Offer or Clause 3.2(iv), in case of failure of the Offer, as applicable, in accordance with the terms of the Prospectus and applicable laws.
- (ii) Offer Documents and Applicable Law;
- (iii) on termination of the Offer Agreement, Engagement Letter or the Underwriting Agreement (if and when executed);

### 5.2 Consequences of Termination

- 5.2.1 Upon termination of this Agreement as per Clause 4.1 above, the Company shall confirm the termination of this Agreement to the Escrow Agent. Upon (a) due completion of the actions prescribed in Clause 3.2(ii), Clause 3.2(iii) and/or Clause 3.2(iv), as the case may be, and (b) receipt of confirmation from the Company regarding termination of this Agreement, the Escrow Agent shall inform the Depository and the Depository Participant, in the prescribed form specified in **Annexure F** to this Agreement, with a copy to the Selling Shareholder and the Company, to close the Escrow Demat Account.
- 5.2.2 Notwithstanding the termination of this Agreement, the Escrow Agent shall continue to be responsible for and shall ensure that:
  - (i) the Offered Shares credited in the Escrow Demat Account have been duly transferred to the Allottees, and/or the Selling Shareholders, as per conditions mentioned in Clause 3.2(ii), Clause 3.2(iii) or Clause 3.2(iv), as applicable;
  - (ii) in the event of the occurrence of an Event of Failure, provided that upon such occurrence, the Share Escrow Agent having complied with all its obligations and undertakings under this Agreement. For the purpose of the Clause 5, it is clarified that, on occurrence of an Event of Failure, this Agreement shall be terminated as mutually decided between the Company, the Selling Shareholder and the Lead Managers, provided that the provisions of Clauses 5 shall survive such termination; or
  - (iii) the declaration or occurrence of any event or proceeding of bankruptcy, insolvency, winding up, liquidation or receivership (whether voluntary or otherwise) of or in respect of, or suspension or cessation of business (whether temporary or permanent) by, the Share Escrow Agent. The Share Escrow Agent shall promptly issue a written notice to the Parties, on becoming aware of the occurrence of any of the events or proceedings abovementioned, including any pending, potential or threatened proceeding which would likely result in the occurrence of such event.
  - (iv) This Agreement may be terminated immediately by the Company or the Selling Shareholder, in an event of willful default, bad faith, misconduct, negligence or commission of fraud by the Share Escrow Agent or breach by the Share Escrow Agent of its representations, obligations and undertakings under this Agreement. The Company and the Selling Shareholder, in their discretion, shall reserve a right to allow a period of two (2) Working Days to the Share Escrow Agent from the receipt of written notice of such breach from the Company or Selling Shareholder, during which the Share Escrow Agent, at its own cost, shall take all measures to immediately (and, in any case not later than two days of receipt of written notice of such breach from the Company or Selling Shareholder) rectify and make good such willful default, bad faith, misconduct, negligence or fraud or breach, failing which the Company or the Selling Shareholder





may immediately terminate this Agreement. Such termination shall be operative only once in the event that the Company and the Selling Shareholder, appoint a substitute share escrow agent of equivalent standing, (within seven (7) Working Days of date of termination or such other period as may be determined by the Company and the Selling Shareholder) and such substitute share escrow agent agrees to terms, conditions and obligations similar to the provisions hereof. The share escrow agent shall without any limitation continue to be liable for all actions or omissions until such termination becomes effective and shall be subject to the duties and obligations contained herein until the appointment of a substitute share escrow agent and shall provide all necessary cooperation and support to ensure smooth transition to such substitute share escrow agent and transfer any Offered Shares lying to the credit of the Share Escrow Demat Account in manner specified by the Company and the Selling Shareholder, as applicable. The substitute Share Escrow Agent shall enter into an agreement, substantially in the form and nature of this Agreement (including the execution and delivery of the letter of indemnity to the Lead Manager substantially in a format agreed to between the Parties in writing), with the Company and the Selling Shareholder. Further, for the purposes of entering into such a mutual agreement, the Parties thereto shall not be under any obligation to be guided by the directions of the Share Escrow Agent.

(v)

(vi) the Depository and the Depository Participant take appropriate steps to close the Escrow Demat Account.

(vii) It is clarified that in the event of termination of this Agreement in accordance with this Clause 5.2, the obligations of the Share Escrow Agent shall be deemed to be completed only when the Offered Shares lying to the credit of the Escrow Demat Account are transferred from the Escrow Demat Account to the Selling Shareholder's Demat Account, and the Escrow Demat Account has been duly closed.

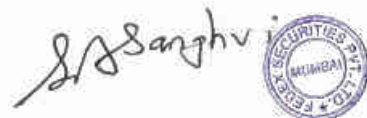
### 5.3 Closure of the Escrow Demat Account

5.3.1 The Escrow Agent shall endeavor to close the Escrow Demat Account within a period of two (2) Working Days from completion of the events outlined in Clause [5.2.1].

5.3.2 Notwithstanding Clause [453.1] above, in the event of the termination of this Agreement in accordance with Clause [5.1], the Escrow Agent shall credit the respective Offered Shares which are lying to the credit of the Escrow Demat Account to the respective Selling Shareholders Demat Accounts within one (1) Working Day of the completion of credit of sold shares in accordance with Clause 3.2(ii) or the receipt by the Escrow Agent of the Share Escrow Failure Notice in accordance with Clause 3.2(iv), as applicable and shall take necessary steps to ensure closure of the Escrow Demat Account, unless the Company, and the Selling Shareholder have instructed it otherwise in writing ("Joint Instruction"), with copies of the same sent to the LM.

5.3.3 In case the Escrow Agent does not receive the Joint Instruction within one (1) Working Day of termination of this Agreement, the Escrow Agent shall credit the respective Offered Shares, which are lying to the credit of the Escrow Demat Account to the Selling Shareholder Demat Accounts in accordance with Clause [5.3.2] above and shall take necessary steps to ensure closure of the Escrow Demat Account. Upon debit and delivery of such Equity Shares which are lying to the credit of the Escrow Demat Account and closure of the Escrow Demat Account, as set out in this Clause [5.3], the Escrow Agent shall be released and discharged from any and all further obligations arising in connection with this Agreement.

### 5.4 Survival



The provisions of this Clause 5.4, and Clauses 5.3 (*Closure of the Escrow Demat Account*), 6(*Indemnity*), 7.1 (*Notices*), 7.4 (*Dispute Resolution, Governing Law and Jurisdiction*), and 7.9 (*Confidentiality*) shall survive the termination of this Agreement.

## 6. INDEMNITY

The Escrow Agent hereby agrees to, and shall keep, the Company, the Selling Shareholder, the LM and their respective Affiliates, directors, officers, agents fully indemnified against any claims, actions, causes of action, suits, demands, damages, claims for fees, costs, charges and expenses (including interest, penalties, attorney's fees, accounting fees, losses arising from difference or fluctuation in exchange rates of currencies and investigation costs) or losses, including pursuant to any legal proceedings instituted against the Company and/or the Selling Shareholder and/or the LM, including their respective affiliates or any other party relating to or resulting from any delay or from its own breach, negligence, fraud, misconduct or willful default if any, in performing its duties, obligations and responsibilities under this Agreement.

## 7. GENERAL

### 7.1 Notices

Any notice or other communication given pursuant to this Agreement must be in writing and (i) delivered personally (ii) sent by tele facsimile or other similar facsimile transmission to such facsimile numbers as designated below or (iii) sent by registered mail or overnight courier, postage prepaid, to the address of the Party specified in the recitals to this Agreement. All notices and other communications required or permitted under this Agreement that are addressed as provided in this Clause 14 will (i) if delivered personally, be deemed given on delivery (ii) if delivered by tele facsimile or similar facsimile transmission, be deemed given when electronically sent; and (iii) if sent by registered mail or overnight courier, be deemed given when sent. In case of all written instructions issued by the Company and/or the Registrar to the Offer and/or the Lead Manager to the Banker to the Offerand Sponsor Bank pursuant to this Agreement, the facsimile of the written instruction may, at first, be sent by tele facsimile, provided that its original is subsequently delivered by (i) or (iii) above.

#### In case of notice to the Company:

**Sharp Chucks And Machines Limited**

**Address: A-12 industrial development colony Jalandhar**

**Tel No: 8054604005**

**Email: edp@sharpchucks.com**

**Contact Person: Mr Ajay Sikka**

#### In case of notice to the Selling Shareholder:

**Mr. Sajit Kumar**

**Address: SIDBI Venture Capital Limited, SIDBI,**

**Swavalamban Bhavan, C-11, G Block, 2<sup>nd</sup> Floor,**

**Bandra Kurla Complex, Bandra (East)**

**Mumbai- 400051**

**Tel No: 022 67531204**

**Email: jof@sidbiventure.co.in**



*S. Singhvi*





**If to the LM:**

**Fedex Securities Private Limited**

**Address:**B7, Jay Chambers, Dayaldas Road,

Vile Parle East, Mumbai - 400057.

**Tel No:**+91 8104985249

**Email:**mb@fedsec.in

**Contact Person:** Saipan Sanghvi

**If to the Registrar to the Offer / Escrow Agent**

**SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**

**Address:**D-153A, First Floor Okhla Industrial Area, Phase-I, New Delhi 110 020, India

**Tel No:**011-40450193-97;

**Email:**ipo@skylinerta.com

**Contact Person:** Mr. Anuj Rana

**7.2 Assignment**

The rights and obligations under this Agreement shall not be assigned by any Party to any Person. Any attempted assignment in contravention of this provision shall be void.

**7.3 Further Assurances**

The Parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement in the manner contemplated herein, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or after the Allotment Date.

**7.4 Dispute Resolution, Governing Law and Jurisdiction**

7.4.1 In the event a dispute arises out of or in relation to or in connection with the existence, validity, interpretation, implementation, termination, alleged breach or breach of this Agreement or the legal relationships established by this Agreement (the "Disputes") the Parties to such Dispute shall attempt, in the first instance, to resolve such Dispute through amicable discussions among such disputing parties. In the event that such Dispute cannot be resolved through amicable discussions within a period of seven (7) working days after the first occurrence of the Dispute, the Parties (the "Disputing Parties") shall, (i) resolve the Dispute through any dispute resolution mechanism and procedures specified by SEBI in accordance with the Securities and Exchange Board of India (Alternative Dispute Resolution Mechanism) (Amendment) Regulations, 2023 ("SEBI ADR Procedures"), if the resolution of the Dispute through the SEBI ADR Procedures is mandatory under Applicable Law, or (ii) if the SEBI ADR Procedures have not been notified by SEBI, or if resolution of the Dispute is not required to be mandatorily undertaken in accordance with the SEBI ADR Procedures under Applicable Laws, by notice in writing to each other, refer the Dispute to binding arbitration to be conducted in



*Saipan Sanghvi*



accordance with the provisions of the Arbitration and Conciliation Act, 1996 as amended (the "Arbitration Act") and in accordance with Clause 7.4.3 below.

7.4.2 Any reference of the Dispute to arbitration under this Agreement shall not affect the performance of terms, other than the terms related to the matter under arbitration, by the Parties under this Agreement or the Engagement Letter.

7.4.3 The arbitration shall be conducted as follows:

- (i) all proceedings in any such arbitration shall be conducted, and the arbitral award shall be rendered, in the English language;
- (ii) all Disputes between the Parties arising out of or in connection with this Agreement shall be referred to or submitted to arbitration in Mumbai, India, which shall be the seat and venue of arbitration;
- (iii) each Disputing Party shall appoint one arbitrator within a period of 15 days from the initiation of Dispute and the two arbitrators shall appoint the third or the presiding arbitrator such that all three arbitrators are appointed within 30 days from the date of reference of the dispute to the arbitration. If there are more than two disputing parties, then such arbitrator(s) shall be appointed in accordance with the provisions of the Arbitration Act, and each of the arbitrators so appointed shall have at least five years of relevant experience in the area of securities and / or commercial laws;
- (iv) the arbitrators shall have the power to award interest on any sums awarded;
- (v) the arbitration award shall be in writing and shall state the reasons on which it was based;
- (vi) the arbitration award shall be final, conclusive and binding on the Parties and shall be subject to enforcement in any court of competent jurisdiction;
- (vii) the Disputing Parties shall bear their respective costs of such arbitration proceedings unless otherwise awarded or fixed by the arbitrators;
- (viii) the arbitrators may award to a Disputing Party its costs and actual expenses (including actual fees and expenses of its counsel);
- (ix) the Disputing Parties shall co-operate in good faith to expedite the conduct of any arbitral proceedings commenced pursuant to this Agreement and the Disputing Parties agree that in the event that the arbitration proceedings have not concluded within a period of twelve months from the date of completion of pleadings as prescribed under the Arbitration Act, the arbitration proceedings shall automatically be extended for an additional period of six months, as permitted under and in terms of the Arbitration Act, without requiring any further consent of any of the Disputing Parties;
- (x) with respect to grant of interim and/or appellate reliefs, brought under the Arbitration Act; and
- (xi) any reference made to the arbitration tribunal under this Agreement shall not affect the performance of the terms, other than the terms relating to the matter under arbitration, by the Parties under this Agreement.
- (xii) This Agreement shall be governed by and construed in accordance with the laws of India.



*S. Singhvi*





(xiii) subject to the foregoing provisions, the courts at Mumbai shall have exclusive jurisdiction in respect of all matters relating to or arising out of this Agreement.

#### 7.5 Supersession

This Agreement supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties relating to the subject matter hereof.

#### 7.6 Amendments

No amendment, supplement, modification or clarification to this Agreement shall be valid or binding unless set forth in writing and duly executed by all of the Parties to this Agreement.

#### 7.7 Successors

The provisions of this Agreement shall ensure to the benefit of and be binding on the Parties and their respective successors (including, without limitation, any successor by reason of amalgamation, scheme of arrangement, merger, de-merger or acquisition of any Party) and legal representatives.

#### 7.8 Severability

If one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect under applicable law, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Agreement, and the remaining provisions of this Agreement shall be given full force and effect.

#### 7.9 Confidentiality

7.9.1 Each Party shall keep all information and other materials passing between it and the other Parties in relation to the transactions contemplated by this Agreement, which was either designated as confidential or which was by its nature, confidential ("Confidential Information"); and shall not divulge such information to any other person or use such Confidential Information other than:

- (i) its select employees, agents or advisors that it reasonably determines need to receive the Confidential Information in connection with the provisions and performance of this Agreement.
- (ii) any person to whom it is required by law or any applicable regulation to disclose such information or at the request of any regulatory or supervisory authority with whom it customarily complies.

7.9.2 In relation to Clause 6.9.1, each Party shall procure/ensure that its employees and other persons to whom the information is provided comply with the terms of this Agreement. In case any Party is required to disclose the Confidential Information, then that Party shall ensure that the other Parties are duly informed about the same.



*S/Sanghu*



7.9.3 Confidential Information shall be deemed to exclude any information:

- (i) which is already in the possession of the receiving Party;
- (ii) which is publicly available or otherwise in the public domain at the time of disclosure to the other Parties;
- (iii) which subsequently becomes publicly known other than through the default of the Parties hereunder.

7.10 **Specific Performance**

The Parties agree that each Party shall be entitled to an injunction, restraining order, right for recovery, suit for specific performance or such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to restrain any other Party from committing any violation or enforce the performance of the covenants, representations, warranties and obligations contained in this Agreement. These injunctive remedies are cumulative and are in addition to any other rights and remedies the Parties may have at law or in equity, including without limitation a right for damages.

7.11 **Specimen Signatures**

All instructions issued by the Company, the Selling Shareholder and the Escrow Agent shall be valid instructions if signed by one representative of each of the Company, the Selling Shareholder and the Escrow Agent, the name and specimen signatures of whom are annexed hereto as **Annexure H**.

7.12 **Execution**

- (i) This Agreement may be executed in counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts shall constitute one and the same instrument.
- (ii) This Agreement may be executed electronically including by delivery of a PDF format copy of an executed signature page with the same force and effect as the delivery of an originally executed signature page. In the event any of the Parties delivers a signature page to this Agreement in .pdf format, such Party shall deliver an originally executed signature page within seven Working Days of delivering such signature page or at any time thereafter upon request; provided, however, that the failure to deliver any such originally executed signature page shall not affect the validity of the signature page delivered in PDF format





IN WITNESS WHEREOF, each of the Parties have caused this Agreement to be duly executed by their duly authorized representatives on the date and year first hereinabove written.

<p><b>For Sharp Chucks And Machines Limited</b></p>  <p><b>Mr. Rajat Kathpalia</b> (Company Secretary and Compliance Officer)</p>	<p><b>For Skyline Financial Services Private Limited</b></p>   <p><b>Mr. Virender Kumar Rana</b> (Director)</p>	<p><b>For Fedex Securities Private Limited</b></p>   <p><b>Mr. Saipan Singhvi</b> Authorized Signatory</p>	<p><b>For SIDBI Trustee Company Limited A/c India Opportunities Fund</b></p>   <p><b>Mr. Sajit Kumar</b> (Authorized Signatory of SIDBI Venture Capital Limited acting as Investment Manager of India Opportunities Fund)</p>
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<p><b>Witness 1:</b></p>     <p>Name: Place:</p>	<p><b>Witness 2:</b></p>     <p>Name: Place:</p>
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ANNEXURE A

Date: [●]

To,

**SHARP CHUCKS AND MACHINES LIMITED**  
**SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND**

Dear Sir,

**Re: Selling Shareholder Escrow Agreement dated \_\_\_\_\_ ("Share Escrow Agreement")**

In terms of clause 2.2 of the Share Escrow Agreement, we confirm that we have opened the share escrow demat account with [●]. The details of the escrow demat account are as follows: -

- **Depository:** [NSDL/CDSL]
- **Depository Participant:** [●]
- **DPID :**[●]
- **Client ID:** [●]
- **Account Name/Number:** [●]

For and on Behalf of Skyline Financial Services Private Limited



Authorised Signatory

Cc: Fedex Securities Private Limited



*S. Sanghvi*  
A circular blue ink stamp for Skyline Financial Services Pvt. Ltd. The text "Skyline Financial Services Pvt. Ltd." is written around the perimeter. A purple ink signature is written across the stamp.



**ANNEXURE B**

To:

NSDL

CDSL

Copy to:

**SHARP CHUCKS AND MACHINES LIMITED  
SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND  
FEDEX SECURITIES PRIVATE LIMITED**

Dear Sir,

Re: Escrow DematAccount Number [●] ("Escrow Demat Account")

We hereby instruct you to transfer on [●], the equity shares of \_\_\_\_\_ Limited (the "Company"), aggregating to [●] Equity Shares, deposited in Escrow Demat Account to the successful allottees in the initial public offering of the Company, as per the annexed list. *[List of successful allottees and relevant details to be annexed to this letter]*

Please acknowledge your acceptance of the instructions on the copy attached to this letter.

For and on behalf of Skyline Financial Services Private Limited



Authorised Signatory



ANNEXURE C

To:

Skyline Financial Services Private Limited

Copy to:

**SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND  
FEDEX SECURITIES PRIVATE LIMITED**

Dear Sir,

Re: Escrow demat account number [●] ("Escrow Demat Account")

Further to your letter to the [*depository participant*] dated [●] for transfer of certain Offered Shares to successful allottees, on account of under-subscription in initial public offering of \_\_\_\_\_ Limited (the "**Company**"), we hereby instruct you to take appropriate actions and instruct [●], the Depository Participant, to transfer the balance [●] equity shares of the Company, deposited in the Escrow Demat Account which remain unallotted in the Offer, in the following manner:

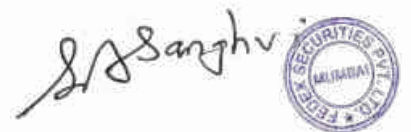
[●] equity shares to be transferred to demat account no. [●];

[*These will be the details of the selling shareholders' account.*]

Capitalized terms not defined herein shall have the same meaning as ascribed to them in the Selling Shareholders Escrow Agreement and the Prospectus, as the case may be.

For and on behalf of **SHARP CHUCKS AND MACHINES LIMITED**

Authorised Signatory





ANNEXURE D

To:

NSDL  
CDSL

Copy to:

**SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND  
FEDEX SECURITIES PRIVATE LIMITED**

Dear Sir,

Re: Escrow demat account number [●] ("Escrow Demat Account")

We hereby instruct you to transfer the balance [●] equity shares of \_\_\_\_\_ Limited, deposited in the Escrow Demat Account in the following manner:

[●] equity shares to be transferred to demat account no. [●];

[These will be the details of the selling shareholders' respective accounts.]


[These will be the details of the selling shareholders' respective accounts. In case of under subscription, where some shares are also allotted to applicants, two instructions will need to be provided by Escrow Agent to DP. One, instruction for shares allotted to successful applicants in form Annexure B, and Two, for balance shares, instruction for returning of shares to selling shareholders in form Annexure D. ]

For and on behalf of Skyline Financial Services Private Limited



Authorised Signatory



*S/Sanghu* 

ANNEXURE E

To,

Skyline Financial Services Private Limited

Copy to:

**SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND  
FEDEX SECURITIES PRIVATE LIMITED**

Dear Sirs,

**Sub: Share escrow failure notice pursuant to Clause 3.2(iv) of the Selling Shareholders Escrow Agreement dated \_\_\_\_\_ (the "Agreement")**

Pursuant to Clause 3.2(iv) of the Selling Shareholders Escrow Agreement, we write to inform you that [*describe the failure of Offer event*].

We hereby instruct you to transfer the [●] equity shares of \_\_\_\_\_ Limited, deposited in the Escrow Demat Account in the following manner:

[●] equity shares to be transferred to demat account no. [●];

[*These will be the details of the selling shareholders' accounts.*]

Capitalised terms not defined herein shall have the same meaning as ascribed to them in the Selling Shareholders Escrow Agreement.

Kindly acknowledge the receipt of this letter.

For and on behalf of SHARP CHUCKS AND MACHINES LIMITED

Authorised Signatory








ANNEXURE F

To:

CDSL

[Depository Participant]

Copy to:

**SHARP CHUCKS AND MACHINES LIMITED  
SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND  
FEDEX SECURITIES PRIVATE LIMITED**

Dear Sir,

Re: Escrow demat account number [●] ("Escrow Demat Account")

This is in furtherance of our instructions to [●] (*depository participant*) dated [●] for transfer of [●] equity shares of \_\_\_\_\_ Limited (the "Company") held in the captioned Escrow Demat Account, to the relevant demat account(s) as mentioned in our letter(s).

*[The abovementioned refers to instructions by Escrow Agent to DP in form Annexure B or Annexure D or Annexure F, as relevant, and details to be appropriately filled in]*

We have received confirmation that pursuant to the transfer as per our instructions, the Escrow Demat Account does not hold any equity shares of the Company as on date. We hereby instruct you close the Escrow Demat Account. In this regard, please find attached the duly filled account closing form as per your requirements.

For and on behalf of Skyline Financial Services Private Limited



Authorised Signatory



*S. S. Sanghvi*

ANNEXURE G

To

Copy to:

**SHARP CHUCKS AND MACHINES LIMITED**  
**FEDEX SECURITIES PRIVATE LIMITED**

Dear Sir,

Re: Clause 3.1 of the Selling Shareholders' Escrow Agreement

Pursuant to Clause 3.1 of the Selling Shareholders' Escrow Agreement, we write to inform you that the Offer Opening Date for the Offer is [●] and, therefore, the Deposit Date is [●].

In accordance with the Selling Shareholders' Escrow Agreement, we request you to transfer [●] Equity Shares to the following Escrow Demat Account:

[details of the Escrow Demat Account]

Capitalised terms not defined herein shall have the meaning ascribed to them in the Selling Shareholder's Escrow Agreement.

For and on behalf of Skyline Financial Services Limited

  
Authorised Signatory



*S/Sanghvi*  




ANNEXURE H

LIST OF AUTHORIZED SIGNATORIES

For the Company	Specimen Signature
Mr. Rajat Kathpalia	
For the Selling Shareholder	
Mr. Sajit Kumar	
For the Escrow Agent	
Mr. Virender Kumar Rana	
<b>For the Lead Manager</b> Mr Saipan Sanghvi	

