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**INDIA NON JUDICIAL**  
**Government of Gujarat**  
**Certificate of Stamp Duty**

**Certificate No.** : IN-GJ41082508947618Y  
**Certificate Issued Date** : 10-Aug-2026 03:45 PM  
**Account Reference** : CSCACC (GV)/ gjcsceg07/ GJ-AHRAV1128/ GJ-AH  
**Unique Doc. Reference** : SUBIN-GJGJCSCEG0772976932108582Y  
**Purchased by** : KHERIA AUTOCOMP LIMITED  
**Description of Document** : Article 5(h) Agreement (not otherwise provided for)  
**Description** : FOR AGREEMENT  
**Consideration Price (Rs.)** : 0  
(Zero)  
**First Party** : KHERIA AUTOCOMP LIMITED  
**Second Party** : SMC CAPITALS LIMITED  
**Stamp Duty Paid By** : KHERIA AUTOCOMP LIMITED  
**Stamp Duty Amount(Rs.)** : 1,000  
(One Thousand only)



FH 0018415717

**Statutory Alert:**

1. The authenticity of this Stamp certificate should be verified at 'www.shcilestamp.com' or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority

**UNDERWRITING AGREEMENT**

**FOR INTIAL PUBLIC OFFER (IPO) OF  
KHERIA AUTOCOMP LIMITED**

**BETWEEN**

**KHERIA AUTOCOMP LIMITED  
(ISSUER COMPANY)**

**AND**

**SMC CAPITALS LIMITED  
(BOOK RUNNING LEAD MANAGER AND UNDERWRITER)**



**THIS UNDERWRITING AGREEMENT (HEREINAFTER REFERRED TO AS THE "AGREEMENT") MADE AT AHMEDABAD, GUJARAT ON THIS WEDNESDAY, AUGUST 12, 2026 ENTERED BETWEEN:**

**KHERIA AUTOCOMP LIMITED**, a company registered under provisions of the Companies Act, 1956, as amended ("Companies Act") and having its registered office at Plot No. B6, B7 & B8, Tata Vendor Park, Revenue Survey No.1, Village. Northkot Pura, Sanand, Gujarat, India, 382170 (hereinafter referred to as "**KAL**" or "**Issuer**" or 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, of the **FIRST PART**;

**AND**

**SMC CAPITALS LIMITED**, a company incorporated under Companies Act, 1956 and having SEBI registration number INM000011427, registered office at 11/6B, 1st Floor, Shanti Chambers Pusa Road, New Delhi-110 005, India, and having its Corporate Office at A-401/402, Lotus Corporate Park, Off Western Express Highway, Jai Coach Signal, Goregaon (East), Mumbai – 400 063, India (hereinafter referred to as "**SMC**" or "**Book Running Lead Manager**" and "**Underwriter**", 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**;

**In this Agreement:**

- (i) The Company, the Book Running Lead Manager and Underwriter will collectively be referred to as the "**Parties**" and individually as a "**Party**".

**WHEREAS:**

- A. The Company proposes to undertake an initial public offering of up to 46,00,000 Equity Shares having face value of ₹ 10/- each of the Company ("**Equity Shares**" the offering "**Issue**"), in accordance with the Companies Act (as defined hereunder), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"), and other Applicable Laws (as defined hereunder), at such price as may be determined through the book building process ("**Book Building Process**") as prescribed under the SEBI ICDR Regulations by the Company in consultation with the Book Running Lead Manager (the "**Issue Price**").
- B. The Issue of equity shares shall be conducted through the Book Building Process pursuant to Schedule XIII of the SEBI (ICDR) Regulations, 2018, as amended.
- C. The Company has obtained approval for the Issue pursuant to the Board Resolution dated July 26, 2025. The Company passed a special resolution under section 62(1)(c) of Companies Act, 2013 at the Extra Ordinary General Meeting held on July 30, 2025 which has collectively authorized the Company's Board of Directors, or any other authorized representatives, for the purpose of the Issue, to issue and sign the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus, this Agreement, the Issue Agreement (as defined hereunder), the Registrar and Share Transfer Agreement, any amendments or supplements thereto, and any and all other writings as any be legally and customarily required in pursuance of the Issue and to do all acts, deeds or things as may be required.
- D. The Company has obtained in-principal approval letter from of NSE Limited ("**NSE**") for insertion of its name in the Red Herring Prospectus and Prospectus and shall be applying for listing of its Equity Shares on the NSE EMERGE Platform of NSE.
- E. One of the requirements of issuing shares to the public in accordance with the Chapter IX of the SEBI (ICDR) Regulation 2018, as specified in Regulation 260 of the said Regulations is that the Issue shall be 100% underwritten and that the Book Running Lead Manager shall underwrite at least 15% of the total Issue.
- F. The Company has appointed **SMC CAPITALS LIMITED** ("**SMC**") to manage the issue as the Book Running Lead Manager and **SMC** has accepted the Issue Agreement dated September 24, 2025, as amended subject to the terms and conditions set forth therein. The Company has also approached Book Running Lead Manager to act as the Underwriter for this issue and therefore, Book Running Lead Manager in effect underwrite 100% of the total issue including the Market Making Portion", wherein Book Running Lead Manager as per Regulation 260 of SEBI ICDR Regulations, 2018, the Book Running Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its



own account. Book Running Lead Manager has accepted such proposal and confirmed that there is no conflict of interest arising from such transaction or arrangement.

G. The Company has understood the preliminary arrangements in place and agreed to such appointment and these parties have now therefore agreed to enter into this Agreement for the relevant business.

H. Hence, SMC shall act as the Underwriter to the Issue and all the parties herein have therefore agreed to enter into this Agreement for the purpose of underwriting and amongst the other things as required under Regulation 14 of SEBI (Underwriter) Regulations, 1993.

**NOW THEREFORE IT IS HEREBY AGREED BY AND AMONG THE PARTIES HERETO AS FOLLOWS:**

## **1. DEFINITIONS AND INTERPRETATIONS**

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 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 respective meanings set forth in Sections 2(46) and 2(87) of the Companies Act, 2013, respectively. In addition, the Promoter and the members of the Promoter Group shall be deemed to be Affiliates of the Company. The terms **"Promoters"** and **"Promoter Group"** shall have the meanings given to the respective terms in the Issue Documents.

**"Allot" or "Allotment" or "Allotted"** shall mean unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.

**"Agreement"** shall mean this agreement including all amendments thereto.

**"Applicant"** shall mean any prospective Investor who has made an application in accordance with the Draft Red Herring Prospectus/ Red Herring Prospectus and/or the Prospectus.

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

**"Application Form"** shall mean the form used by an Applicant, including an ASBA Applicant, to make an Application and which will be considered as an application for Allotment in terms of the Prospectus.

**"Applicable Law"** means any applicable law, statute, bye-law, rule, regulation, guideline, direction, circular, order, notification, regulatory policy (including any requirement under, or notice of, any Governmental Authority), equity listing agreements of the Stock Exchanges (as hereafter defined), compulsory guidance, rule, order, judgement or decree of any court or any arbitral authority, or directive, delegated or subordinate legislation in any applicable jurisdiction, inside or outside India, including any applicable securities law in any relevant jurisdiction, the SEBI Act, the SCRA, the SCRR, the Companies Act, the SEBI ICDR Regulations, the Listing Regulations, the FEMA, the consolidated foreign direct investment policy issued by the Department of Industrial Policy and Promotion, Government of India and the guidelines, instructions, rules, communications, circulars and regulations issued by Department for Promotion of Industry and Internal Trade (**"DPIIT"**) and the Government of India (**"GoI"**), the Registrar of Companies, SEBI, the Reserve Bank of India (**"RBI"**), the Stock Exchanges or by any other governmental, statutory or regulatory authority or any court or tribunal and similar agreements, rules, regulations, orders and directions each as amended from



time to time in force in other jurisdictions where there is any invitation, offer of the Equity Shares in the Issue.

**“ASBA” or “Application Supported by Blocked Amount”** shall mean an application, whether physical or electronic, used by ASBA Bidders to make a Bid by authorizing an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using UPI, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism.

**“ASBA Account”** shall mean a bank account maintained by ASBA Bidders with an SCSB, as specified in the Bid cum Application Form in which funds will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by a Bidder (other than a Bid by an Anchor Investor) and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked upon acceptance of a UPI Mandate Request made by UPI Bidders using the UPI Mechanism

**“ASBA Bidders”** shall mean All Bidders except Anchor Investors.

**“ASBA Form” or “Bid cum Application”** shall mean an application form (with or without UPI ID, as applicable), whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.

**“Bid”** shall mean an indication to make an Issue during the Bid/Issue Period by ASBA Bidders pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Issue Period by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto, in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly.

**“Bid Amount”** shall mean the highest value of optional Bids indicated in the Bid cum Application Form and in the case of Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Individual Bidder and mentioned in the Bid cum Application Form and payable by the Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.

**“Bid cum Application form”** shall mean form used by a Bidder, to make a Bid and which will be considered as the application in terms of Red Herring Prospectus.

**“Bidder”** means any prospective investor who makes a Bid pursuant to terms of the Red Herring Prospectus and the Bid cum Application Form.

**“Bid/Issue Closing Date”** shall mean any such date on completion of the application hours after which the Collection Banker will not accept any application of the Issue, which shall be the date notified in a widely circulated English national newspaper and a Hindi national newspaper and a regional newspaper.

**“Bid/ Issue Opening Date”** shall mean any such date on which the Collection Banker shall start accepting applications for the Issue, within the application hours which shall be the date notified in a widely circulated English national newspaper and a Hindi national newspaper and a regional newspaper.

**“Bid/ Issue Period”** shall mean the period between the Bid/Opening Date and the Bid/Closing date (inclusive of both dates) and during which prospective Applications can submit their Applications.

**“Book Building Process/Method”** shall mean the book building route as provided in the SEBI (ICDR) Regulations as amended from time to time.

**“BRLM”** shall mean the Book Running Lead Manager to the Issue i.e. SMC Capitals Limited.

**“Closing Date”** shall mean the date of allotment of the Equity Shares by the Company, in accordance with the Prospectus, which date will not be later than 90 days after the application



opening date, unless otherwise mutually agreed in writing between the BRLM and the Company.

**"Companies Act"** shall mean the Companies Act, 1956 and the Companies Act, 2013, along with the rules framed there under to the extent notified as amended from time to time.

**"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.

**"Draft Red Herring Prospectus"** shall mean Draft Red Herring Prospectus dated September 30, 2025, filed with NSE EMERGE Platform of NSE in accordance with section 32 of the Companies Act, 2013 for getting in-principal listing approval.

**"Fresh Issue"** shall mean fresh issue component of the Issue comprising of an issuance by our Company of up to 46,00,000 Equity Shares at ₹ 10/- per Equity Share.

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

**"Issue Agreement"** shall mean agreement dated September 24, 2025, entered between our Company and the BRLM, pursuant to which certain arrangements have been agreed to in relation to the Issue.

**"Issue Documents"** shall mean and include the Draft Red Herring Prospectus, the Red Herring Prospectus, Application Forms (including Abridged Prospectus), the Prospectus and the corrigendum and the addendum, if any, issued in regard to the Issue and as and when approved by the Board of Directors of the Company and filed with NSE EMERGE platform of NSE, RoC and SEBI (as and when applicable);

**"Issue Price"** means the final price at which Equity Shares will be Allotted to successful Bidders other than Anchor Investors in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus

**"Mandate Letter"** shall mean a letter dated October 04, 2024, executed between the Company and BRLM.

**"Market Maker" or "Designated Market Maker"** shall mean any person who is registered as a Market Maker with the NSE EMERGE Platform of NSE. SMC Global Securities Limited shall be the sole Market Maker for the purpose of the Issue.

**"Market Maker Reservation Portion"**, shall mean the reserved portion for designated Market Maker as per SEBI (ICDR) Regulations, 2018.

**"Market Making Agreement"** shall mean the Agreement executed between the Company and SMC Global Securities Limited, wherein SMC Global Securities Limited's obligation as the Market Maker to the Issue have been set out.

**"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.

**"Net Issue"** shall mean the Issue of Equity Shares in this Issue excluding reserved portion for Market Maker Reservation.

**"Non-institutional Applicants"** shall mean all Applicants, other than QIBs or Individual Applications and who have applied for Equity Shares for an amount more than ₹ 2,00,000.

**"NSE"** shall mean National Stock Exchange of India Limited a recognized stock exchange having nationwide terminals.



*Free*

**"NSE EMERGE Platform"** shall mean the separate platform for listing companies which have issued shares or match the relevant criteria of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, opened by NSE.

**"Individual Investors" or "Individual Bidders" or "RIBs"** shall mean bidders (including HUFs and Eligible NRIs) whose Bid Amount for Equity Shares in the Issue was more than ₹ 2 lakhs in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).

**"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 the NSE/SEBI/RoC for the Issue in accordance with Sections 26 and 32 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, after getting in-principle listing approval but before opening of the Issue.

**"Public Issue"** shall mean total Issue up to 46,00,000 Equity Shares of face value of ₹ 10/- each for cash at price of ₹ 10/- per Equity Share.

**"Public Issue Account"** shall mean the bank account to be opened with the Public Issue Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and ASBA Accounts on the Designated Date

**"Qualified Institutional Buyers" or "QIBs"** Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of the SEBI (ICDR) Regulations, 2018.

**"Red Herring Prospectus"** shall mean the Red Herring Prospectus to be filed by our Company in accordance with Section 32 of the Companies Act 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue including any addenda or corrigenda thereto.

**"Registrar"** shall mean KFIN Technologies Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Mumbai – 400070, Maharashtra and corporate office is situated at Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Rangareddi Hyderabad 500 032, Telangana, India

**"RoC"** shall mean Registrar of Companies, Gujarat.

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

**"SEBI Act"** shall mean the Securities and Exchange Board of India Act, 1992, as amended.

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

**"Stock Exchange"** shall mean NSE EMERGE Platform of NSE.

**"Underwriter(s)"** shall mean Book Running Lead Manager i.e. SMC Capitals Limited.

1.2 In this Agreement, unless the context otherwise requires:

- a) words denoting the singular shall include the plural and vice versa;
- b) Words denoting a person shall include an individual, corporation, company, partnership, trust or other entity;
- c) Headings and bold typeface are only for convenience shall be ignored for the purpose of interpretation;
- d) References to the word "include" or "including" shall be construed without limitation;



- e) Reference to this Agreement or to any other Agreement, deed or other instrument shall be construed as a reference to such agreement, deed, or instrument as the same may from time to time be amended, varied, supplemented or noted;
- f) A reference to an article, section, paragraph or schedule is unless indicated to the contrary, reference to an article, section, paragraph or schedule of this Agreement;
- g) Reference to a statute or statutory provision shall be construed as a reference to such provision as from time to time amended, consolidated, modified, extended, re-enacted or replaced.
- h) Reference to any party to this Agreement or to any other Agreement, deed or other instrument shall, in the case of an individual, include his or her legal heirs, executors or administrators and in other case include its successors or permitted assigns;
- i) Reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- j) Capitalized terms used in this Agreement and not specifically defined herein shall have the meanings given to such terms in the Draft Red herring prospectus, Red Herring Prospectus and the Prospectus.

1.3 The Parties acknowledge and agree that the Schedules attached hereto form an integral part of this Agreement.

## 2. UNDERWRITING:

On the basis of the representations and warranties contained in this Agreement and subject to its terms and conditions, the Underwriter hereby agree to underwrite and/or procure subscription for the Issued Shares in the manner and on the terms and conditions contained elsewhere in of this Agreement and subject to Regulation 260 of SEBI (ICDR) Regulation, 2018 and Schedule VI Part A to the SEBI (ICDR) Regulation, 2018 as mentioned below:

2.1 Following will be the underwriting obligation of the Underwriter:

| Details of the Underwriter                                                                                                                                                                                                                | No. of shares Underwritten | Amount Underwritten<br>(₹ in Lakhs) *                                   | % of the Total Issue Size Underwritten |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------------------------------------------------------------|----------------------------------------|
| <b>SMC Capitals Limited</b><br>A-401/402, Lotus Corporate Park, Off W.E. Highway,<br>Jai Coach Signal, Goregaon (East).<br>Mumbai - 400063.<br>Tel: +91 22-66481806<br>Investor Grievance Email id:<br>investor.grievance@smccapitals.com | up to<br>46,00,000         | Will be determined post finalisation of Issue Price on the Pricing Date | 100.00                                 |

\* Subject to finalisation of basis of allotment.

2.2 The Company shall before delivering to the Registrar of Companies (herein after referred as "RoC") make available to the Underwriter a copy of Red Herring Prospectus and Prospectus, which shall be as modified in the light of the observations made by Stock Exchange while issuing the in-principle approval letter. The Underwriter shall before executing its obligations under this Agreement satisfy itself with the terms of the Issue and other information and disclosure contained therein.

2.3 The Red Herring Prospectus and Prospectus in respect of Issue shall be delivered by the Company to the RoC for registration in accordance with the provisions of the Companies Act, 2013, as amended from time to time. The Company agrees that, if after filing of the Red Herring Prospectus and Prospectus with the RoC any additional disclosures are required to be made in the interest of the investors in regard to any matter relevant to the Issue, it shall incorporate the same in the prospectus along with such requirements as may be stipulated by the Stock Exchange, SEBI, RoC or the Book Running Lead Manager and compliance of such requirements shall be binding on the Underwriter, provided that such disclosures are certified by Stock Exchange or SEBI as being material in nature and for the purpose of the contract of underwriting;



*[Handwritten Signature]*

- 2.4 the question whether or not such subsequent disclosures are material in nature, the decision of Stock Exchange or SEBI shall be final and binding on both the parties
- 2.5 The subscription list for the Issue shall open not later than six months from the date of this Agreement or such extended period(s) as the Underwriting may agree to in writing. The subscription list shall be kept open by the Company for a minimum period of 3 (three) working days and if required by the Underwriter, the same may be kept open upto a maximum period of 10 (ten) working days, failing which the Underwriter shall not be bound to discharge the underwriting obligations under this Agreement.
- 2.6 All the applications made by any applicant except by Market Maker in its account shall be construed to be part of the "Net Issue" applications.
- 2.7 With regard to the Market Maker Reservation Portion, it is compulsory that the Market Maker subscribe to the specific portion of the Issue set aside as "Market Maker Reservation Portion" as it needs to be subscribed in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations, 2018, as amended.
- 2.8 The application bearing the stamp of the Underwriter or as the case may be the sub-underwriter whether made on their own behalf or otherwise shall be treated in the same manner as the applications received directly from the members of the public and, in the event of the Issue being oversubscribed, such applications shall be treated on par with those received from the public and under no circumstances, the application bearing the stamp of the Underwriter or the sub-underwriter shall be given any preference or priority in the matter of allotment of the issued Shares.
- 2.9 There is no provision for interchangeability of the underwriting obligations i.e. SMC shall have to underwrite their respective obligations as stated in Clause 2.1 of this Agreement all the applications made by any applicant except by SGSL in its "Own" account shall be constructed to be part of the "Net Issue" applications. In case of shortage in any of the specific portions, the other Underwriter shall not be liable for any damages or losses as long as it has completed its individual obligations stated in Clause 2.1 of this Agreement.
- 2.10 With respect to the Market Maker Reservation Portion, it is compulsory that the Market Maker subscribe to the specific portion of the Issue set aside as "Market Maker Reservation Portion" as it needs to be subscribed in its own account in order to claim compliance with the requirements of the SEBI (ICDR) Regulations, 2018 as amended from time to time. However, if in any situation there is a shortage in the same upon the closure of the Issue, then the shortage shall have to be met by SGSL by arranging for additional application in its "OWN" account and SGSL shall not be allowed to procure applications from the Public at large in order to meet such shortages.
- 2.11 Only SMC i.e. the Underwriter for the "Issue" shall be entitled to arrange for sub-underwriting of its underwriting obligation on its own account with any person or persons on terms to be agreed upon between them. Notwithstanding such arrangement, SMC shall be primarily responsible for sub-underwriting and any failure or default on the part of the sub-underwriter to discharge their respective sub-underwriting obligations, shall not exempt or discharge the underwriter of its underwriting obligation under this Agreement.
- 2.12 If the Net Issue is undersubscribed, SMC being the sole Underwriter for such portion shall be solely responsible to subscribe/procure subscription to the unsubscribed shares. However, provided that such obligation shall not exceed the amount and number of shares as mentioned in sub clause 2.1 above.
- 2.13 The said underwriting obligations for the Underwriter in case of shortage shall be discharged in the manner mentioned below:
- a) The Company shall within 30 (thirty) days after the date of closure of subscription list communicate in writing to the Underwriter, the total number of shares remaining unsubscribed, the number of shares required to be taken up by the Underwriter or subscription to be procured therefore by the Underwriter.



- b) The Company shall make available to the Underwriter, the manner of computation of underwriting obligation and furnish a certificate in support of such computation from the Company's Auditors.
- c) The Underwriter on being satisfied about the extent of devolvement of the underwriting obligation, shall immediately and in any case not later than 30 (thirty) days after receipt of the communication under sub-clause (a) above, in the manner specified in Clause 2.11 and elsewhere in this Agreement, make or procure the applications to subscribe to the shares and submit the same together with the application moneys to the Company in its Public Issue Account opened specifically for this Issue.
- d) In the event of failure of the any of the Underwriter to make the application to subscribe to the shares as required under clause (c) above, the Company shall be free to make arrangement(s) with one or more persons to subscribe to such shares without prejudice to the rights of the Company to take such measures and proceedings as may be available to it against such Underwriter including the right to claim damages for any loss suffered by the Company by reason of failure on the part of such Underwriter to subscribe to the shares as aforesaid.

### 3. REPRESENTATIONS AND WARRANTIES BY THE UNDERWRITER:

**3.1 Net Worth and Liquid Net worth of the Underwriter:** The Underwriter hereby, declares that it satisfies the net worth/capital adequacy requirements specified under the SEBI (Merchant bankers) Rules and Regulations, 1992 or the bye laws of the stock exchange of which the Underwriter is a member and that it is competent to undertake the underwriting obligations mentioned in Clause 2 hereinabove.

The Underwriter further confirms that, pursuant to the amendments to the SEBI (Merchant Bankers) Regulations, 1992 introducing requirements relating to satisfy underwriting obligation with **liquid net worth**, it is in the process of taking necessary steps to align and ensure compliance with the said liquid net worth requirements within the timelines and in the manner as may be prescribed or permitted by SEBI from time to time. The Underwriter confirms that such process of alignment shall not in any manner affect or impair its ability to perform its obligations under this agreement.

**3.2 Registration with the SEBI:** The Underwriter i.e SMC Capitals Limited hereby declares that the underwriter being a Merchant Banker (Book Running Lead Manager) is entitled to carry on the business as an underwriter without obtaining a separate certificate under the SEBI (Merchant Banker) Regulations, 1992 framed under SEBI Act.

**3.3** The Underwriter hereby, confirms to the Company that they are responsible and liable to the Company, for any contravention of the SEBI Act, rule or regulation thereof. The Underwriter, further confirm that it shall abide with their duties, functions, responsibilities and obligations under the SEBI (Merchant Bankers) Regulations, 1992.

**3.4** In addition to any representations of the Underwriter under the Registration Documents filed with the NSE EMERGE Platform of NSE, the Underwriter hereby, represents and warrants that:

- a. it has taken all necessary actions to authorize the signing and delivery of this Agreement;
- b. the signing and delivery of this Agreement and the compliance with this Agreement does not violate any law, rule, regulation or agreement, document or instrument binding on or applicable to the Underwriter;
- c. it will comply with all of its respective obligations set forth in this Agreement;
- d. it shall ensure compliance with the applicable laws and rules laid down by the SEBI and Stock Exchange w.r.t underwriting in general and underwriting in shares of the Company in specific;
- e. it shall follow fair trade price practices and abide by the code of conducts and ethical standards specified by SEBI, Stock Exchange and other related associations from time to time;



- f. That all actions required to be taken, fulfilled or things required to be done (including, but without limitation, the making of any filing or registration) for the execution, delivery and performance by the Underwriter of its obligations under this Agreement and performance of the terms thereof have been taken, fulfilled or done and all consents, authorizations, orders or approvals required for such execution, delivery and performance have been unconditionally obtained and remain in full force and effect;
- g. Unless otherwise expressly authorized in writing by the Company, neither the Underwriter nor any of its Affiliates nor any of its respective directors, employees or agents, has made or will make any verbal or written representations in connection with the Issue other than those representations made pursuant to the terms and conditions set forth in this Agreement or contained in the Issue Document(s) or in any other document, the contents of which are or have been expressly approved or provided for in writing for the Issue purpose by the Company.

3.5 The Underwriter, acknowledge that it is under a duty to notify the Company and the Stock Exchange immediately in case it becomes aware of any breach of its representation or a warranty.

#### 4. REPRESENTATIONS AND WARRANTIES BY THE COMPANY:

4.1 **Warranty as to statutory and other approvals:** The Company has been duly incorporated and is validly existing as a public limited company under the laws of the Republic of India and no steps have been taken or proposed to be taken for its winding up, liquidation or receivership under the laws of the Republic of India and has all requisite corporate power and authority to own, operate and lease its properties and to conduct its business as described in the Issue Documents and to enter into and perform its obligations under each of the Issue Documents. The Company is duly qualified or licensed to transact business in each jurisdiction in which it operates, except to the extent that a failure to be so would amount to a Material Adverse Change.

4.2 The Company warrants that all consents, sanctions, clearances, approvals, permissions, licenses, etc., in connection with the Issue as detailed in the Red Herring Prospectus and Prospectus or required for completing the prospectus have been obtained or will be obtained and the same shall remain effective and in force until the allotment of all the shares are completed.

4.3 In addition to any representations of the Company under the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus, the Company hereby represent and warrant that:

- a. it has taken all necessary actions to authorize the signing and delivery of this Agreement;
- b. the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus, comply or will comply, as the case may be, in all material respects with the Companies Act, SEBI Regulations, the rules and regulations of the Stock Exchanges and applicable Laws;
- c. the Company has been duly incorporated and are validly existing as a corporation in good standing under the laws of India to conduct their business as described the Draft Red herring prospectus, Red Herring Prospectus and Prospectus. No steps have been taken by the Company for their winding up, liquidation, initiation of proceedings or have not received notice under the Sick Industrial Companies (Special Provisions) Act, 1985 or receivership proceedings under the laws of India.
- d. (i) its Promoter and Promoter Group have not subscribed to any shares in the Issue, (ii) it has not provided and will not provide any financing to any person for subscribing to the Issue; and (iii) it has not provided any financing for the purposes of fulfilment of underwriting obligations, if any.
- e. allotment shall be carried out in accordance with all laws and regulations in India at the time of such Allotment;
- f. Each of the Issue Document have been duly authorised, executed and delivered by, and are valid and legally binding obligations of, the Company and is enforceable against the Company in accordance with their respective terms



- g. the signing and delivery of this Agreement and the compliance with this Agreement does not violate any law, rule, regulation or agreement, document or instrument binding on or applicable to the Company;
  - h. it will comply with all of its respective obligations set forth in this Agreement;
  - i. it has not given any misstatement or information, and / or not given any statement or information which it has ought to have given.
- 4.4 In addition to above the Company hereby represents and warrants that:
- a. it shall ensure compliance with the applicable laws and rules laid down by the SEBI and Stock Exchange with respect to the role of the Company in the Underwriting process in general and underwriting process;
  - b. it shall follow fair trade price practices and abide by the code of conducts and ethical standards specified by SEBI, Stock Exchange and other related associations from time to time.
  - c. except for the disclosures that would appear in the Red Herring Prospectus or Prospectus or any supplement thereto to be approved by the Board of Directors or its Committee (a) the Company is not in default of the terms of, or there has been no delay in the payment of the principal or the interest under, any indenture, lease, loan, credit or other agreement or instrument to which the Company is party to or under which the Company's assets or properties are subject to and (b) there has been no notice or communication, written or otherwise, Issued by any third party to the Company, with respect to any default or violation of or seeking acceleration of repayment with respect to any indenture, lease, loan, credit or other agreement or instrument to which the Company is a party to or under which the Company's assets or properties are subject to, nor is there any reason to believe that the issuance of such notice or communication is imminent.
  - d. except as otherwise disclosed/described in the Issue Documents, the Company is not (i) in violation of its articles of association, (ii) Issue Documents, in default (and there has not been any event that has occurred that with the giving of notice or lapse of time or both would constitute a default) in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company is a party or by which it may be bound, or to which any of the property or assets of the Company is subject, or (iii) in violation or default (and there has not been any event that has occurred that with the giving of notice or lapse of time or both would constitute a default) of any Law, judgment, order or decree of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company.
  - e. except as disclosed in the Issue Documents, (i) No labour dispute with the employees of the Company exists; and (ii) the Company is not aware of any existing labour disturbances by the employees of the Company's principal customers, suppliers, contractors or subcontractors; which would result in a Material Adverse Change.
  - f. except as disclosed in the Issue Documents, the Company has legal, valid and transferable title to all immovable property owned by it and legal and valid title to all other properties owned by it, in each case, free and clear of all mortgages, liens, security interests, claims, restrictions or encumbrances, otherwise secured to any third party except such as do not, singly or in the aggregate, materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company; and all of the leases and subleases material to the business of the Company under which such properties are held are in full force and effect, and the Company has not received any notice of any material claim that has been asserted that is adverse to the rights of the Company under any of the leases or subleases mentioned above, or affecting the rights of the Company to the continued possession of the leased or subleased premises under any such lease or sublease, except in each case, to hold such property or have such enforceable lease would not result in a Material Adverse Change.
  - g. the Company has accurately prepared and timely filed, except where a delay or omission is not material in the opinion of the Book Running Lead Manager, all tax returns, reports



and other information which are required to be filed by or with respect to it or has received extensions with respect thereof. Except as would not have a Material Adverse Change in the opinion of the Book Running Lead Manager, the Company has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such tax, assessment, fine or penalty that is being contested in good faith and by appropriate proceedings, to the extent such tax, assessment, fine or penalty is disclosed in the Issue Documents. No indebtedness (actual or contingent) and no contract or series of similar contracts (other than employment contracts) is outstanding between the Company and (i) any Director or key managerial personnel of the Company, or (ii) such Director's or key managerial personnel's spouse or parents or any of his or her children, or (iii) any company, undertaking or entity in which such Director holds a controlling interest.

- h. all transactions and loans, liability or obligation between the Company on the one hand and (i) entities that Control or are Controlled by, or are under common Control with, the Company, (ii) entities over which the Company has a significant influence or which has a significant influence over the Company, (iii) persons owning an interest in the voting power of the Company that gives them significant influence over the Company, (iv) management personnel having authority and responsibility for planning, directing and Controlling the activities of the Company (including relatives of such management personnel, directors and senior management of the Company) and (v) entities in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (iii) or (iv) or over which such a person is able to exercise significant influence (including entities owned by directors or major shareholders of the Company and entities that have a member of key management personnel in common with the Company) on the other hand (a) have been and are, or will be, as the case may be, fair and on terms that are no less favourable to the Company than those that would have been obtained in a comparable transaction by the Company with an unrelated person and (b) are, or will be, adequately disclosed in all material respects in the Issue Documents and (c) are, or will be, as the case may be, to the Company's knowledge, legally binding obligations of and fully enforceable against the persons enumerated in (i) to (v) above.
- i. the financial statements of the Company included in the Issue Documents, to the extent required, have been prepared in accordance with and in conformity with Indian GAAP, the Companies Act, the applicable provisions of the SEBI ICDR Regulations and any other applicable regulations.
- j. other than as disclosed in the Issue Documents, no transaction tax, Issue tax, stamp duty or other issuance or transfer tax or duty or withholding tax is payable by or on behalf of the Underwriter in connection with the Issue, subscription, allocation, distribution or delivery of the Equity Shares as contemplated by this Agreement or in connection with the execution, delivery and performance of each of the Issue Documents (other than tax incurred on the Underwriter's actual net income, profits or gains in connection with the Issue).
- k. The Company acknowledges and agrees that (i) the issuance of the Equity Shares pursuant to this Agreement, is an arm's-length commercial transaction between the Company and the Underwriter, (ii) in connection with the Issue contemplated hereby and the process leading to such transaction the Underwriter are and have been acting solely as a principal and is not the agent or fiduciary of the Company, or its stockholders, creditors, employees or any other party, (iii) the Underwriter have not assumed or will not assume an advisory or fiduciary responsibility in favour of the Company with respect to the Issue contemplated hereby or the process leading thereto (irrespective of whether the Underwriter has advised or is currently advising the Company on other matters) and the Underwriter has no obligation to the Company or with respect to the Issue contemplated hereby except the obligations expressly set forth in this Agreement, (iv) the Underwriter and their Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of each of the Company, and (v) the Underwriter has not provided any legal, accounting, regulatory or tax advice with respect to the Issue contemplated hereby and the Company has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate. The Company has waived to the full extent as permitted by applicable law any claims they may have against the Underwriter arising from an alleged breach of fiduciary duty in connection with the issuing of the Equity Shares except where such fiduciary duty



is acknowledged by the Underwriter and/or is cast upon the Underwriter as per applicable law.

- l. all descriptions of the governmental approvals, authorizations and other third-party consents and approvals described in the Issue Documents are accurate descriptions in all material respects, fairly summaries the contents of these approvals, authorizations and consents and do not omit any material information that affects the import of such descriptions. There are no governmental approvals, authorizations or consents that are material to the presently proposed operations of the Company or would be required to be described in the Issue Documents under Indian law or regulatory framework of SEBI that have not been so described. Except as described in the Issue Documents and the Company (i) is in compliance with any and all applicable Indian, state and local Laws relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws"), (ii) have received all permits, licenses or other approvals required by any applicable Environmental Laws and (iii) are in compliance with all terms and conditions of any such permit, license or approval; there are no pending or, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Law against the Company. Except as disclosed in the Issue Documents, there are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any contingent liabilities to third parties).
  - m. any statistical and market-related data included in the Issue Documents are based on or derived from sources that the Company believes to be reliable and accurate.
  - n. the operations of the Company are and have been conducted at all times in compliance with all applicable financial recordkeeping and reporting requirements and applicable anti-money laundering statutes of jurisdictions where the Company conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Anti-Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental agency, authority or body, or any arbitrator involving the Company with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.
- 4.5 The Company represents and undertakes that neither (a) the Company and its Promoter, directors and Affiliates, nor (b) the companies with which any of the Affiliates, Promoter and directors of the Company are or were associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other regulatory or administrative authority or agency or have proceedings alleging violations of securities laws initiated or pending against them by such authorities or agencies.
- 4.6 The Company acknowledges that it is under a duty to notify the Underwriter and the Stock Exchange immediately in case it becomes aware of any breach of a representation or a warranty and / or decides to withdraw the Issue on the same day of taking such decision.

## 5. CONDITIONS TO THE UNDERWRITERS' OBLIGATIONS:

- 5.1 The several obligations of the Underwriter under this Agreement are subject to the following conditions:
- a. Subsequent to the execution and delivery of this Agreement and prior to the Issue Closing Date there shall not have occurred any regulatory change, or any development involving a prospective regulatory change or any order or directive from SEBI, the Stock Exchange or any other governmental, regulatory or judicial authority that, in the judgment of the Underwriter, is material and adverse and that makes it, the judgment of the Underwriter, impracticable to carry out underwriting.
  - b. Subsequent to the execution and delivery of this Agreement and prior to the Bid/ Issue Closing Date all corporate and regulatory approvals required to be obtained by the



Company for the Issue, having been obtained by the Company and completion of due diligence as may be required by the Underwriter and the absence of a materially adverse finding consequent to such due diligence;

- c. Subsequent to the execution and delivery of this Agreement and prior to the Issue Closing Date there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business, management, properties or operations of the Company and its subsidiaries, taken as a whole, that, in the judgment of the BRLM, is material and adverse and that makes it, in the judgment of the BRLM, impracticable to market the Issue or to enforce contracts for the sale of the Issue on the terms and in manner contemplated in the Issue Document and to the satisfaction of the Book Running Lead Manager.
  - d. If the Underwriter is so notified or become aware of any such filing, communication, occurrence or event, as the case may be, that makes it impracticable to carry out its Underwriting obligations, it may give notice to the Company to the effect, with regard to the Issue of Equity Shares, this Agreement shall terminate and cease to have effect, subject as set out herein.
  - e. The representation and warranties of the Company contained in this Agreement shall be true and correct on and as of the Bid/ Issue Closing Date and that the Company shall have complied with all the conditions and obligations under this Agreement and the Agreement for Issue Management; on its part to be performed or satisfied on or before the Closing Date.
  - f. The Underwriter shall receive evidence satisfactory to it that the Equity Shares have been approved in-principal for listing on the NSE EMERGE Platform of the NSE and such approvals are in full force and effect as of the closing date.
  - g. Prior to the Issue Closing Date, the BRLM, the Company shall have furnished to the Underwriter such further information, certificates, documents and materials as the Underwriter shall reasonably request in writing.
- 5.2 If any conditions specified in 5.1 shall not have been fulfilled as and when required to be fulfilled, this Agreement may be terminated by the of the Underwriter by written notice to the Company any time on or prior to the Issue Closing Date; provided, however, that this Clause 5.2, Clauses 3, 4, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 and 20 shall survive the termination of this Agreement.
- 5.3 The Equity Shares held by the Promoter of the Company shall be locked-in in accordance with the SEBI ICDR Regulations.

## 6. FEES, COMMISSIONS AND EXPENSES

- 6.1 The Company shall pay underwriting commission as per the terms mentioned in Issue Agreement and Mandate Letter.
- 6.2 The Company shall not bear any other expenses or losses, if any, incurred by the Underwriter in order to fulfil their respective obligations, unless the same is incurred by the Underwriter with prior consent of the Company.

## 7. INDEMNITY

- 7.1 The Company agrees to indemnify and hold harmless the Underwriter, their Affiliates, directors, officers, employees, representatives, advisors, and agents and each person who controls the Underwriter as follows:

- 7.1.1 against any and all loss, liability, claim, damage, costs, charge and expense, including without limitation, any legal or other expenses reasonably incurred in connection with investigating, defending, disputing or preparing such claim or action, whatsoever, as incurred, arising out of or based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any of the Issue Documents (or any amendment or supplement thereto) or the omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the



circumstances under which they were made, not misleading; or (ii) any breach of the representations, warranties or covenants contained in this Agreement;

- 7.1.2 against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body commenced, or of any claim whatsoever arising out of or based upon (i) any such untrue statement or omission or any such alleged untrue statement or omission; provided that any such settlement is effected with the written consent of the Company; or (ii) any breach of the representations, warranties or covenants contained in this Agreement; provided that any such settlement is effected with the written consent of the Company; and
- 7.1.3 against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by the Underwriter as the case may be), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever arising out of or based upon (i) any such untrue statement or omission or any such alleged untrue statement or omission; to the extent that any such expense is not paid under 7.1.1 or 7.1.2 hereof; or (ii) any breach of the representations, warranties or covenants contained in this Agreement; to the extent that any such expense is not paid under 7.1.1 or 7.1.2 hereof; provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by the Underwriter expressly for use in the Issue Documents (or any amendment thereto). The Company acknowledges that the legal name, SEBI registration number, registered office address and contact details of the Underwriter and details regarding their net worth constitutes the only information furnished in writing to the Company by the Underwriter expressly for use in the Issue Documents. This indemnity agreement will be in addition to any liability which the Company may otherwise have.
- 7.1.4 In case any proceeding (including any governmental or regulatory investigation) is instituted involving any person in respect of which indemnity is sought pursuant to clauses 7.1.1 or 7.1.2 hereof, such person (the "**Indemnified Party**") shall promptly notify the person against whom such indemnity may be sought (the "**Indemnifying Party**") in writing (provided that the failure to notify the Indemnifying Party shall not relieve it from any liability that it may have under this Clause 7 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defences) by such failure; and provided further that the failure to notify the Indemnifying Party shall not relieve it from any liability that it may have to an Indemnified Party otherwise than under this clause) and the Indemnifying Party, upon request of the Indemnified Party, shall retain counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party and any others the Indemnified Party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed in writing to the retention of such counsel; (ii) the Indemnifying Party has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Party; (iii) the Indemnified Party shall have reasonably concluded that there may be legal defences available to it that are different from or in addition to those available to the Indemnifying Party; or (iv) the named parties to any such proceeding (including any impleaded parties) include both the Indemnifying Party and the Indemnified Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the Indemnifying Party shall not, in respect of the legal expenses of any Indemnified Party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such Indemnified Parties and that all such fees and expenses shall be reimbursed as they are incurred. The Indemnifying Party shall not be liable for any settlement of any proceeding affected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Party agrees to indemnify the Indemnified Party from and against any loss or liability by reason of such



settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by (ii) and (iii) of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (a) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (b) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement.

- 7.1.5 To the extent the indemnification provided for in Clauses 7.1.1 or 7.1.2 is unavailable to an Indemnified Party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Party under such paragraph, in lieu of indemnifying such Indemnified Party thereunder shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Underwriter only with reference to information relating to the Underwriter and furnished to the Company in writing by the Underwriter in writing expressly for use in any of the Issue Documents, or any amendments or supplements thereto, it being understood and agreed by the Company that the only such information provided by the Underwriter to the Company is the name, SEBI registration number, registered office address and contact details of the Underwriter and details regarding their net worth. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then each Indemnifying Party shall contribute to such amount paid or payable by such Indemnified Party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company and the Underwriter in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company and the Underwriter shall be deemed to be in the same proportion as the total net proceeds from the Equity Shares offered in the Issue purchased under this Agreement (before deducting expenses) received by the Company bear to the total underwriting fees received by the Underwriter with respect to the Equity Shares purchased under this Agreement, in each case pursuant to and as disclosed in the Prospectus and this Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.
- 7.1.6 The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above, shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this clause, the Underwriter shall not be required to contribute any amount in excess of the amount by which the total price at which the Equity Shares underwritten by it and distributed to the subscribers of the Equity Shares offered in the Issue exceeds the amount of any damages which the Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.
- 7.1.7 No Indemnifying Party shall, without the prior written consent of the indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such proceeding.
- 7.1.8 The remedies provided for in this Clause 7 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any Indemnified Party at law or in equity.



A handwritten signature in black ink.

- 7.1.9 The indemnity provisions contained in this Clause 7 and the representations warranties and other statements of the Company contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Underwriter or any person controlling the Underwriter or by or on behalf of the Company, their officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Equity Shares.

## 8. TERMINATION

- 8.1 This Agreement shall be in force from the date of execution until the allotment of securities in this Issue and fulfilment of the obligations of the Underwriter as set-out in this Agreement.
- 8.2 Notwithstanding anything contained herein, the Underwriter shall have the option of terminating this Agreement by giving a prior written notice to the Company, to be exercised by him at any time prior to the opening of the Issue as notified in the prospectus of terminating this Agreement under any or all of the following circumstances:
- If any representations/statements made by the Company to the Underwriter and /or in the application forms, negotiations, correspondence, the prospectus (including Draft Red Herring Prospectus) or in this letter/agreement are or are found to be incorrect;
  - A complete breakdown or dislocation of business in the major financial markets, affecting major cities of India;
  - Declaration of war or occurrence of insurrection, civil commotion or any other serious or sustained financial, political or industrial emergency or disturbance affecting the major financial markets of India.
- 8.3 Notwithstanding anything contained in Clause 8.1 and 8.2 above, in the event of the Company failing to perform all or any of the covenants within time limits specified wherever applicable under this letter/agreement of underwriting, the of the Underwriter shall inform the Company with adequate documentary evidence of the breach/non-performance by registered post/speed post/courier and acknowledgement obtained therefore, whereupon such Underwriter shall be released from all or any of the obligations required to be performed by it.
- 8.4 The provisions of Clauses 5.2, 3, 4, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 and 20 shall survive the termination of this Agreement.

## 9. NOTICES

Any notices or other communication given pursuant to this Agreement must be in writing and (a) delivered personally, or (b) sent by tele facsimile or other similar facsimile transmission, (c) sent by registered mail, postage prepaid, to the address of the Party specified in the recitals to this Agreement, or to such fax number as may be designated in writing by such Party. All notices and other communications required or permitted under this Agreement that are addressed as provided in this Clause 9 will (i) if delivered personally or by overnight courier, be deemed given upon delivery; (ii) if delivered by tele facsimile or other similar facsimile transmission, be deemed to be given when electronically confirmed; and (iii) if sent by registered mail, be deemed given when received.

- I. In the case of a notice to Underwriter, then deliver it at:

|                                  |                                                                                                       |
|----------------------------------|-------------------------------------------------------------------------------------------------------|
| <b>Name of Underwriter/ BRLM</b> | <b>SMC Capitals Limited</b>                                                                           |
| <b>Address:</b>                  | A-401/402, Lotus Corporate Park, Off W.E. Highway, Jai Coach Signal, Goregaon (East), Mumbai - 400063 |
| <b>Attention:</b>                | Suhas Satardekar, Vice President – Equity Capital market                                              |
| <b>Tel:</b>                      | +91-22-66481818                                                                                       |
| <b>Email</b>                     | <a href="mailto:suhas.satardekar@smccapitals.com">suhas.satardekar@smccapitals.com</a>                |



II. In the case of a notice to the Company, then deliver it at:

|                        |                                                                                                                    |
|------------------------|--------------------------------------------------------------------------------------------------------------------|
| <b>Name of Company</b> | <b>Kheria Autocomp Limited</b>                                                                                     |
| <b>Address</b>         | Plot No. B6, B7 & B8, Tata Vendor Park, Revenue Survey No.1, Village. Northkot Pura, Sanand-382170, Gujarat, India |
| <b>Attention</b>       | Vinay Kheria, Managing Director                                                                                    |
| <b>Tel:</b>            | +91 9624405645                                                                                                     |
| <b>Email</b>           | <a href="mailto:vinay@kheria.com">vinay@kheria.com</a>                                                             |

#### 10. TIME IS THE ESSENCE OF THE AGREEMENT

All obligations of the Company and the Underwriter are subject to the conditions that time wherever stipulated, shall be of the essence of the Agreement. Consequently, any failure on the part of the Company or the Underwriter to adhere to the time limits shall unless otherwise agreed between the Company and the Underwriter, discharge the Underwriter and/or Company of their obligations under the Underwriting Agreement. This Agreement shall be in force from the date of execution and will expire on completion of allotment for this Issue.

#### 11. SEVERAL OBLIGATIONS

The Company and the of the Underwriter acknowledges and agrees that they are all liable on a several basis to each other in respect of the representations, warranties, indemnities, undertakings and other obligations given, entered into or made by each of them in this Agreement.

#### 12. MISCELLANEOUS OBLIGATIONS

The Agreement shall be binding on and insure to the benefit of the Parties hereto and their respective successors. The Underwriter shall not assign or transfer any of its respective rights or obligation under this Agreement or purport to do so without the consent of the Company. The Company shall not assign or transfer any of their respective rights or obligation under this Agreement or purport to do so without the consent of the Underwriter.

#### 13. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of the Republic India and subject to Clause 14 below, the courts of competent jurisdiction at Mumbai shall have exclusive jurisdiction for adjudicating any dispute arising out of this Agreement.

#### 14. ARBITRATION

14.1 In the event a dispute arises out of or in relation to or in connection with the validity interpretation, implementation or alleged breach of this Agreement (the "**Dispute**"), the Parties (the "**Disputing Parties**") shall attempt in the first instance to resolve such dispute through friendly consultations between the Disputing Parties. If the dispute is not resolved through friendly consultations within seven (7) business days after commencement of discussions (or such longer period as the Disputing Parties may agree to in writing) then either of the Disputing Parties may by notice in writing to each other, refer the dispute for resolution by binding arbitration in accordance with the Arbitration and Conciliation Act, 1996, (the "**Arbitration Act**") and its rules framed there under and any re-enactments, modifications and amendments thereto.

14.2 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, the Issue Agreement and the Mandate Letter.

14.3 The arbitration shall be conducted as follows:

14.3.1 all claims, disputes and differences between the Parties arising out of or in connection with this Underwriting Agreement shall be referred to or submitted for arbitration in Mumbai and shall be governed by the laws of India;

14.3.2 all proceedings in any such arbitration shall be conducted in the English language;



- 14.3.3 the Underwriter shall appoint one arbitrator and the Company shall appoint one arbitrator. The two arbitrators so appointed shall appoint one more arbitrator so that the total number of arbitrators shall be three. In the event of a Party failing to appoint an arbitrator or the arbitrators failing to appoint the third arbitrator as provided herein, such arbitrator(s) shall be appointed in accordance with the Arbitration Act;
- 14.3.4 the arbitrators shall have the power to award interest on any sums awarded;
- 14.3.5 notwithstanding the power of the arbitrators to grant interim relief, the Disputing Parties shall have the power to seek appropriate interim relief from the courts of Mumbai, India, which shall have non-exclusive jurisdiction;
- 14.3.6 the arbitration award shall state the reasons on which it was based;
- 14.3.7 the arbitration award shall be final, conclusive and binding on the Parties and shall be subject to enforcement in any court of competent jurisdiction;
- 14.3.8 the Disputing Parties shall equally bear all the costs of such arbitration proceedings unless otherwise awarded or fixed by the arbitrators;
- 14.3.9 the arbitrators may award to a Disputing Party that substantially prevails on merits, its costs and actual expenses (including actual fees of its counsel); and
- 14.3.10 the Parties shall bear their respective costs incurred in the arbitration, unless the arbitrators otherwise awards or orders, and shall share the costs of such arbitration proceedings equally unless otherwise awarded or fixed by arbitral tribunal;
- 14.3.11 the Disputing Parties shall co-operate in good faith to expedite, to the maximum extent practicable, the conduct of any arbitral proceedings commenced pursuant to this Agreement.

## 15. AMENDMENT

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

## 16. SEVERABILITY

If any provisions or any portion of a provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provisions or the applicable part of such provision and the remaining part of such provision and all other provisions of this Agreement shall continue to remain in full force and effect.

## 17. COUNTERPARTS

This Agreement may be executed in separate counterparts; each of which when so executed and delivered shall be deemed to be an original, but all the counterparts shall constitute one and the same agreement.



## 18. CUMULATIVE REMEDIES

The rights and remedies of each of the parties and each indemnified person under Clause 7 and 8 pursuant to this Agreement are cumulative and are in addition to any other rights and remedies provided by general law or otherwise.

## 19. ILLEGALITY

If any provision in this Agreement shall be held to be illegal, invalid 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 Agreement but the legality, validity and enforceability of the remainder of this Agreement shall not be affected. In case any provision of this Agreement conflict with any provision of law including SEBI (ICDR) Regulations, and / or any other norms to be issued by SEBI, in force on the date of this Agreement or any time in future, the latter shall prevail.

## 20. ASSIGNMENT

No party may assign any of its rights under this Agreement without the consent of the party against whom the right operates. No provision of this Agreement may be varied without the consent of the Book Running Lead Manager and the Company.

The undersigned hereby certifies and consents to act as Underwriter, to the aforesaid Issue and to their name being inserted as Underwriter in the Draft Red herring prospectus, Red Herring Prospectus, Prospectus and Issue related documents which the Company and intends to issue in respect of the proposed Issue and hereby authorize the Company to deliver this Agreement to SEBI (for record purpose), ROC and the Stock Exchange.

**IN WITNESS WHEREOF, THE PARTIES HAVE ENTERED THIS AGREEMENT ON THE DATE MENTIONED ABOVE.**

|                                                                                                                                                                                                                                                                              |                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>For and on behalf of<br/><b>Kheria Autocomp Limited</b></p> <p><i>Tara Chand Kheria</i></p> <p><b>Tara Chand Kheria</b><br/>Chairman and Non-Executive Director<br/>DIN: 00165643</p>  | <p><b>Witness</b><br/>Name: <i>Vinay Kheria</i><br/>Address: <i>701 Safal Purnam<br/>Satellite, Ahmedabad.</i></p> <p>Signature: <i>Vinay Kheria</i></p> |
| <p>For and on behalf of<br/><b>SMC Capitals Limited</b></p> <p><i>Suhas Satardekar</i></p>  <p><b>Suhas Satardekar</b><br/>Vice President – Equity Capital Markets</p>                    | <p><b>Witness</b><br/>Name: <i>ANUJ NANAVATI</i><br/>Address:</p> <p>Signature: <i>[Signature]</i></p>                                                   |