

8 OCT 2020

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CH. NO. 30/621.../2020
P. R. AGRAWAL
NOTARY
GOVT. OF INDIA

MEMORANDUM OF UNDERSTANDING

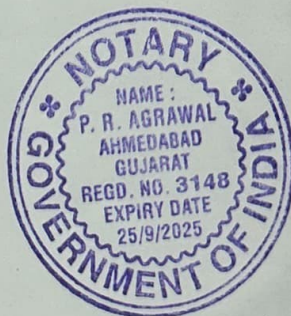
This memorandum of understanding is entered into on this 7TH day of OCTOBER 2020 by and between:

1. Mr. Kishan Gohil, adult, occupation: business, residing at Ahmedabad (hereinafter referred to as "the seller");
2. Mr. Chirag Patel, adult, occupation: business, residing at Ahmedabad (hereinafter referred to as acquirer No.1); AND
3. Mr. Malav Patel, adult, occupation: business, residing at Ahmedabad (hereinafter referred to as acquirer No.2;

(Acquirer No. 1 and acquirer No.2 herein are collectively referred to as "acquirers")

Whereas:

1. The seller herein is the promoter of Modtech Machines Private Limited a company incorporated in the State of Gujarat having its registered office located at Ahmedabad (hereinafter referred to as "Modtech"/"the company") and is holding in his name/in the name of his family members 100% of equity share capital of Modtech.
2. The acquirers herein are the promoters of M & B Engineering Limited, a company incorporated in the State of Gujarat having its registered office located at Ahmedabad.
3. The seller has agreed to sell and the acquirers have agreed to acquire up to 65% of the paid up share capital of Modtech in the form of acquisition of the existing share capital held by the seller in Modtech. This acquisition will be made in two stages, in stage 1 the acquirers have agreed to



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acquire up to 60% of the paid up share capital of Modtech (hereinafter referred to as tranche 1 shares) to be made upon completion of the period of 12 months from the month in which the fresh fund infusion is made by the acquirers in Modtech in the form of unsecured loans as contemplated in this MOU ("tranche 1 period") and balance 5% (hereinafter referred to as tranche 2 shares) to be acquired after the period of completion of the period of further 12 months after the completion of tranche 1 period (hereinafter referred to as tranche 2 period); in accordance with and as contemplated in this MOU.

4. The parties have agreed to set forth the basis of their understanding in the form of this MOU.

IT IS THEREFORE HEREBY AGREED BY AND BETWEEN THE PARTIES AS UNDER:

1. **Transaction Structure:**

The acquisition of shareholding will be by way of a secondary stake purchase from the sellers so that effectively the acquirers will hold 65% stake in the final resultant equity paid up share capital of the company.

2. **Funds infusion:**

- 2.1 As per the immediate funds requirement indicated by the sellers in Modtech for working capital support, an amount up to Rs.5,00,00,000/- (Rupees five crores) will be infused by the acquirers directly in Modtech which will be structured in the form of an Unsecured loan(USL) to be granted by the acquirers to the company either in one or two tranches as per the cash flow requirement of the company, as set forth in clause 4. However, it is clarified and agreed that in case the company requires additional funds during the first tranche period based on its shortfall in working capital or based on the growth plans of the company then the acquirers have agreed to infuse such additional unsecured loans in the company on the basis of mutual agreement



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between the parties, subject to the maximum unsecured loans as may be infused by the acquirers not exceeding an amount of Rs.7,00,00,000/- (Rupees seven crores only).

- 2.2 The USL will be unsecured. However, the seller has agreed to offer by way of collateral security his personal properties being two residential plots of land admeasuring in aggregate about 1000 sq. yds. located at Rajpath Society, B/h. Rajpath Club, Ahmedabad. However, the seller has indicated that since these residential plots of land are at present charged with Kotak Mahindra Bank Ltd., the sellers will get the said properties released from the bank within a maximum period of 60 days from the date of execution of this MOU and then they will be able to create a valid charge/mortgage on the said properties in favour of the acquirers. However, since the sellers are in need of immediate fund infusion in the company, they have agreed to give by way of an interim collateral security the original title deeds in respect of the agricultural land located at the outskirts of Bhavnagar City, whose present market value is around Rs.3,00,00,000/- by way of a simple deposits of the said title deeds with the escrow agent. It is agreed that as soon as the valid mortgage/charge is created in favour of the acquirers on the Rajpath Society residential plots, the original title deeds in respect of the interim collateral security will be released by the escrow agent and will be handed over to the sellers.

The seller has also agreed to pledge up to 60% of the existing shareholding in Modtech in favour of the acquirers as an additional security for the above USL.

- 2.3 The seller will handover the original title deeds in respect of the above interim security being the Bhavnagar Agricultural land and also the original share certificates in respect of the shares of Modtech to be pledged as per clause 2.1 above along with blank transfer forms to the designated escrow agent. The sellers will ensure that the blank transfer forms are periodically replaced so that at any given point of time the said blank transfer forms continue to remain valid throughout the term of this MOU. It is also agreed that as mentioned in Clause 2.2 above, immediately upon creation of the valid





charge/mortgage on the Rajpath Society residential plots, the original title deeds in relation to the Bhavnagar agricultural land will be released by the escrow agent and the same will be handed over to the sellers herein.

- 2.4 The above USL will carry interest at the rate of 12% per annum. This interest will be payable on a quarterly basis.
- 2.5 On completion of the tranche 1 sale transaction, 40% of the USL as may be outstanding as on the date of completion of tranche 1 sales transaction will be repaid by the seller to the acquirers by infusing the required pro rata funds in the company by the sellers in the form of fresh unsecured loans to be contributed by the sellers for this purpose. Such funds shall be infused immediately by the sellers in the company on completion of the tranche 1 sales transaction and on receipt of such fresh USL from the sellers, the company shall forthwith refund the USL to the acquirers herein along with interest accumulated till that date.

It is further agreed that on completion of tranche 1 sales transaction the collateral security given by the sellers to the acquirers in accordance with clause 2.2 shall be released. The escrow agent will also handover the original share certificates in respect of the Pledged shares held as collateral security, for the purpose of effective transfer of such shares in favour of the acquirers against the completion of tranche 1 sales transaction.

- 2.6 The balance USL of the parties will be withdrawn from the company, as per the cash flow position of the company, as may be mutually agreed between the parties.

3.0 **Valuation:**

- 3.1 The equity valuation for the Tranche 1 shares will be made based on the actual performance of Modtech for the 12 months period commencing from next month from the month in which the contribution of USL is made in the company by the acquirers as per clause 2.1 herein, Thus, if the USL is given



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say in the month of October 2020 then the actual performance period will be 12 months commencing from 1st November 2020 and ending with 31st October 2021 ("Valuation period"). The equity Value will be computed by applying a multiple of 8 times to the estimated EBITDA of the said period so as to arrive at the Enterprise Value, and from the enterprise value so arrived at, the Outstanding Debt will be deducted, so as to arrive at the Equity Value. The acquirers have agreed to pay the Tranche 1 consideration for the 60% shareholding proposed to be acquired from the purchasers @ 60 % of the said equity value so arrived at as per this clause 3.1; after making the valuation adjustments, as mentioned in clause 3.2 herein. For the sake of better understanding, the estimated equity value working is given by way of illustration in clause 3.2 herein.

- 3.2 Based on the projections given by the sellers the estimated sales and EBITDA for the aforesaid valuation period is as under:

Net sales : Rs.42 crores
Estimated EBITDA at the rate of 15% : Rs.6.30 crores

The enterprise value is estimated by applying an agreed EBITDA multiple of 8 times to the estimated EBITDA and the equity value has been estimated after deducting the estimated debt from the enterprise value as under:

a)	Estimated EBITDA	Rs.6.30 crores
b)	EBITDA multiple	8 times
c)	Enterprise value	Rs.50.4 crores
d)	Less: Estimated debt as of 30.09.2021 (comprising of secured loans/unsecured loans/ preference shares subscribed to by the sellers and any other unsecured loans in any form whatsoever taken by the sellers in the name of the company and outstanding as of 30.09.2021)	Rs.16.75 crores



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	Therefore the estimated equity value as of 30.09.2021	Rs.33.65 crores
e)	Amount payable to the sellers, for 60% shareholding	Rs 20.19 crores.

3.3 Valuation adjustments:

The above estimated enterprise value and estimated equity value will be subject to valuation adjustments as under:

3.3.1 The actual sales and EBITDA will be worked out on the basis of the audited financial statements to be prepared covering the above valuation period of 12 months which will be audited by the auditors to be nominated by the acquirers for the special audit for this purpose. The parties will endeavour to complete the process of auditing the financial statements and closing of the first tranche transaction within a period of 60 days from the end of the valuation period. However, in case of need the said period can be extended by way of mutual agreement between the parties. It is agreed and clarified that for the purpose of computing the EBITDA as above, only the normal operating EBITDA shall be considered. Thus, any abnormal non operating Income or expense (like profit/loss on sale of Assets or extra developmental costs incurred as per mutual agreement for development of targeted new markets/products/customers) shall be ignored. Similarly, in case of happening of a *Force majeure* event –like say extended lockdown imposed due to Covid 19 Pandemic in wake of second round of the said Pandemic in major markets of the company, if the normal operations of the company are impacted, then the Valuation period as per clause 3.1 may be suitably extended as per the mutual agreement between the parties.

3.3.2 If the actual EBITDA worked out as per the audited financial statements of the valuation period is higher than the estimated EBITDA, the enterprise value and equity value will be worked out as per the above formula based on the actual EBITDA.



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3.3.3 If the actual EBITDA as per the above audited results is lower than the estimated EBITDA then such lower actual EBITDA will be taken into consideration for the purpose of working out the enterprise value and equity value as per the above formula.

3.4 The Valuation for the second tranche shares will be carried out in the same manner as specified in the above clauses 3.1 to 3.3 herein, but based on the performance of the second tranche period.

4.0 On completion of the Tranche 1 transaction the board of directors of Modtech will be reconstituted so that the acquirers will have a right to nominate majority representative directors on board of Modtech.

5.0 At present the plots of land on which the factory premises of Modtech is located are in the personal name of the seller/his relatives. It is agreed that on or before the completion of the first tranche of the transaction herein, the said factory land will be conveyed and transferred in the name of the company by executing a valid sale deed in company's name at Jantri rate. The cost of transaction will be borne by the company. However, it is agreed that the purchase consideration so paid by the company to the sellers will be reintroduced as unsecured loans from the sellers in the company and the said loan in the company will carry an interest at the rate of 12% per annum. The said unsecured loan will be repaid by the company in accordance with the mutual agreement between the parties as per the cash flow position of the company.

6.0 It is also agreed that on completion of tranche 1 transaction, the acquirers will offer collateral securities/corporate guarantees on pro rata basis and to that extent the personal property given by the sellers to the banks will be released.

7.0 In the event, if the sellers are proposing to sell the collateral securities offered to the acquirers herein as mentioned in Clause 2.2 herein viz. either one or both the residential plots located at Rajpath Society, the acquirers will allow



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the sellers to sell the said collateral securities subject to the condition that the seller will agree to inject additional unsecured loans from the sales proceeds of the said properties into the company so as to enable the company to repay, either in part or in full, the unsecured loans introduced by the acquirers in the company on a proportionate basis as per the mutual agreement between the parties.

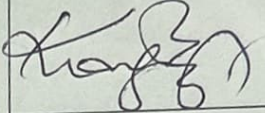
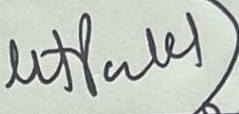
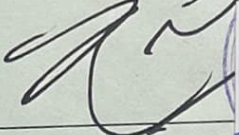
8.0 The acquirers will have all the customary information rights/participation in management rights/rights to appoint their own independent auditors for the purpose of carrying out valuation exercise as per clause 3 herein above.

9.0 The parties will enter into the customary definitive legally binding agreements including, but not limited to Share Purchase Agreement/Shareholders' Agreement, after the acquirers have carried out the required legal/commercial/technical/financial Due Diligence which is customary for such transaction.

10.0 In the event of any dispute arising out of or relating to this MOU the same shall be settled amicably between the parties.

In witness whereof the parties have put their hands on the day and date above written.

Signed by

1.	The seller Kishoresinh H. Goril	
2.	The acquirer No.1 UMRAG H. PATEL	
3.	The acquirer No.2 MALAV G. PATEL	



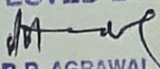
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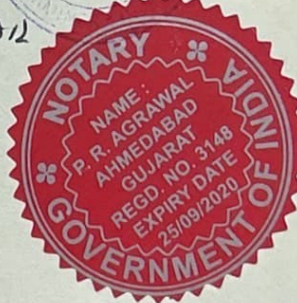
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ATTESTED BY ME


P. R. AGRAWAL
NOTARY
GOVT. OF INDIA

8 OCT 2020



VALIDITY EXTENDED TO 25 SEP 2025

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REVISED MEMORANDUM OF UNDERSTANDING

29th day of January 2021

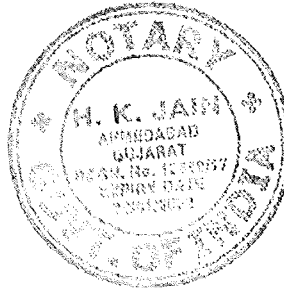
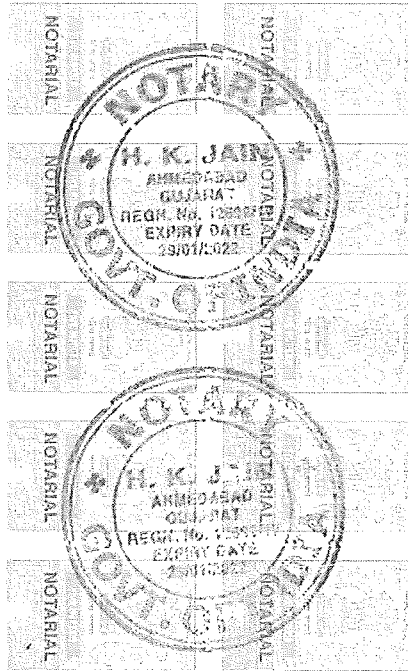
Between

1. Mr. Kishansinh Gohil
2. Mr. Chirag Patel
3. Mr. Malav Patel
4. Modtech Machines Private Limited
5. M & B Engineering Limited

THE KALUPUR CO-OP BANK LTD
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SR. No. A. (426.../2021)

H. K. JAIN
NOTARY
GOVT. OF INDIA

29 JAN 2021

REVISED MEMORANDUM OF UNDERSTANDING

This Revised Memorandum of Understanding is entered into on this 29th day of January 2021
by and between:

1. Mr. Kishansinh Gohil, adult, occupation: business, residing at Ahmedabad, PAN No AERPG1675C (hereinafter referred to as "the seller/Promoter");
2. Mr. Chirag Patel, adult, occupation: business, residing at Ahmedabad, PAN No AEHPP8762P (hereinafter referred to as "acquirer No.1"/"investor No.1");
3. Mr. Malav Patel, adult, occupation: business, residing at Ahmedabad, PAN No AEPPP4861H (hereinafter referred to as "acquirer No.2"/"investor No.2");

4. Modtech Machines Private Limited, a company incorporated under the provisions of Companies Act, 1956 having its registered office located at Survey No. 396, Plot No. 73P, New Ahmedabad Industrial Estate, Bh. Zydus Research Centre, NH 8A, Moraiya (Dist Sanand), Ahmedabad, Gujarat 382213, PAN No AABCM6581G represented by Mr. Kishan Gohil, Director of the Company (hereinafter referred to as the "company"/"Modtech") AND
5. M & B Engineering Limited, a company incorporated under the provisions of Companies Act, 1956 having its registered office located at 51, M B House, Chandrodaya Society, Stadium Road, Ahmedabad, Gujarat 380 014, PAN No AAACM7930Q, represented by Mr. Chirag Patel, Managing Director of the Company, (hereinafter referred to as acquirer or "MBEL")

(Acquirer No. 1/investor No.1 , acquirer No.2/investor No.2 and MBEL herein are collectively referred to as "acquirers"/"investors")

WHEREAS:



1. The seller herein is the promoter of Modtech Machines Private Limited a company incorporated in the State of Gujarat having its registered office located at Ahmedabad (hereinafter referred to as "Modtech"/"the company") and is holding in his name/in the name of his family members 100% of equity share capital of Modtech.
2. The acquirers herein are the promoters of M & B Engineering Limited ("MBEL"), a company incorporated in the State of Gujarat having its registered office located at Ahmedabad.
3. The parties of first three parts herein have entered into a Memorandum of Understanding (MOU) dated 7th October 2020 amongst themselves (hereinafter referred to as the "original MOU") setting forth, inter alia, the basis of their understanding for the acquisition of up to 65% of the paid up share capital of Modtech by the acquirers from the seller herein as set forth in the original MOU.

Thereafter, it has been agreed between the parties that instead of acquisition of the entire 65% of the paid up share capital of Modtech by the acquirers from the seller, the acquirers will now structure the transaction so that 51% of the stake in Modtech will be acquired by way of fresh subscription of equity shares by the acquirers in Modtech as Tranche-1 share subscription; and in the second Tranche the acquirers will acquire balance 14% of the equity shares of Modtech by purchasing the said shares from the seller herein by way of a secondary stake purchase, as set forth in this MOU.

4. The parties herein have agreed to execute this revised MOU so as to record the revised basis of their understanding in writing among themselves.

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NOW THEREFORE THIS REVISED MOU IS EXECUTED ON THIS ^{29th} DAY OF JANUARY 2021 BY AND BETWEEN THE PARTIES HEREIN, AS UNDER:

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1. **Overriding effect of this revised MOU:**

The Provisions of this revised MOU shall override the provisions of the original MOU so as to effectively render the original MOU to be inoperative and infructuous and instead the parties have agreed to be bound by the terms of this revised MOU with effect from the date of execution hereof. Thus, from the date of execution of this MOU the original MOU shall be deemed to have been cancelled and shall be regarded as invalid and inoperative.

2. **Investment in Modtech:**

2.1 The existing issued, subscribed and paid up share capital of Modtech comprises of 1,49,832 equity shares of Rs.100/- each fully paid up aggregating to Rs.1,49,83,200/-.

2.2 The investors herein have agreed to subscribe to the additional share capital by way of fresh subscription of equity share capital in Modtech (hereinafter referred to as "Tranche-1" equity subscription) such that post Tranche-1 equity subscription the affiliate company promoted by the investors viz. MBEL, will hold up to 51% of the expanded issued, subscribed and paid up equity share capital of Modtech on fully diluted basis, in accordance with and as per the terms set forth in this MOU.

2.3 The investors have also agreed to acquire 42,810 equity shares held by the seller herein (hereinafter referred to as "Tranche-2" equity acquisition) on payment of consideration and as per the terms and conditions as set forth in this MOU.

3.0 **Tranche-1 equity subscription:**

In Tranche-1 the company shall offer for subscription 1,55,948 equity shares of Rs.100/- each at a price of Rs.334/- per equity share (Tranche-1 equity shares) to the investors herein and the investors have agreed to subscribe to the said equity shares in the name of their affiliate company MBEL at the said price in accordance with and as per the terms of this MOU. The Tranche-1 equity share price has been arrived at, based on Tranche-1 equity share valuation as specified at clause 3.2 of this MOU.

3.1 On completion of Tranche-1 equity subscription, the shareholding of the investors in the company will be 51% of the issued, subscribed and paid up share capital of the company.

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3.2 Tranche-1 subscription share valuation:

The Tranche-1 share subscription price has been arrived at as per the projections given by the seller covering the period from 01.11.2020 up to 31.10.2021 ("Tranche-1 Valuation Period") of the estimated sales and EBITDA as under:

(Rs. In lacs)

Net sales		2500.00
Estimated EBIDTA		250.00
EBIDTA multiple	7.7 times	
Enterprise Value (Post Money)		1925.00
Less: Debt as at 05.01.2021		
Kotak Working capital	500.00	
Covid loan	118.00	
NBFC Loan	202.00	
Vehicle loan	40.00	
Unsecured loans (excluding USL of M & B)	43.00	
Total Debt		903.00
Equity Value		1022.00
For 51% shareholding		521.22
Say Rs.		520.87

Price per share: Rs.334/-

3.2.1 Subscription methodology:

The Tranche-1 equity share subscription will be made by the investors in the name of their affiliate company MBEL as per the permissible methods – i.e. either in the form of Preferential Allotment of equity shares or in the form of subscription through a Rights issue as may be permitted in accordance with the provisions of the Companies Act, 2013.

3.3. Tranche-2 Equity Acquisition Valuation:

3.3.1 The equity valuation for the Tranche-2 shares will be made based on the actual performance of Modtech for the financial year 2021-22 – i.e. covering the period of 12 months from April 2021 up to March 2022 (Tranche-2 valuation period). The Tranche-2 share acquisition price will be arrived at on the basis of the actual earnings of the Tranche-2 valuation period – applying the agreed multiple of 8 times to the actual EBIDTA so as to arrive at the Enterprise Value and then deducting the debt outstanding as at 31.03.2022, so as to arrive at the Equity Value of the Tranche-2 valuation period. The indicative Enterprise Value and Equity Value for the Tranche-2 valuation period has been illustrated hereunder:

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INDICATIVE	FY 2021-22	
SALES	5500	LACS
EBIDTA	825	LACS
MULTIPLE	8	TIMES
EV	6600	LACS
LESS DEBT (SAY)	2000	LACS
EQUITY VALUE	4600	LACS
VALUE FOR 14% SHARES	644	LACS

3.3.2 The parties agree that the above valuation is just an indicative valuation. However, the actual transaction of acquisition will take place based on the actual computation of the Enterprise Value and Equity Value as per the above formula on the basis of the audited financial results of the Tranche-2 valuation period whereby the actual EBIDTA as per the said audited results will be computed and after applying the EBIDTA multiple of 8 times the actual debts on the books of the company outstanding as on 31.03.2022 as per the said audited financial statements will be deducted (comprising of secured loans as well as unsecured loans outstanding in the books of the company) and based on the actual Equity Value so computed the price per share payable by the acquirers to the seller will be determined and the Tranche-2 equity acquisition transaction will take place by arriving at the consideration based on the determination of actual Equity Value and price per share as per this clause, after making Valuation adjustment, if required to be made, as per clause 5.1.7.2 of this MOU .

4.0 If the acquirers or MBEL have given any short term loans or unsecured loans to the company till the date of completion of Tranche-1 subscription, all such unsecured loans will be treated to be in the nature of "Share Application Money" pending for allotment relating to Tranche-1 equity subscription and accordingly the required adjustment, if any, will be made in the books of accounts of the company as may be permitted by law in this behalf. However, if such adjustments are not possible then the company will have to return such unsecured loans received from the acquirers/MBEL so as to enable the acquirers/MBEL to reintroduce the required Share Application Money for the purpose of Tranche-1 share subscription in the company.

5.0 Board of Directors, Management and other conditions:

5.1 Immediately on completion of Tranche-1 share subscription, the Board of Directors of Modtech will be reconstituted as under:

5.1.1 The total strength of Board of Directors will be 5 (five) directors; out of which 3 (three) directors will be nominated/appointed by the acquirers/MBEL and 2 (two) directors will be the directors nominated/appointed by the seller. One Director out of the required two directors from seller side, will be Mr. Kishansinh Gohil, who will continue as Managing Director and will continue to actively act as such for minimum 3 years from completion of second tranche transaction.

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5.1.2 The Chairman of the Board will be appointed by the acquirers whereas the seller will be appointed as the Managing Director of the company.

5.1.3 All key strategic decisions will be taken by the Board of Directors which will be implemented by the Managing Director in accordance with and as per the guidance and instructions of the Board of Directors.

5.1.4 All the bank accounts will be operated on a joint basis, that is to say one signatory will be appointed from amongst the representative directors of the acquirers and one signatory will be from amongst the representative directors of the seller.

5.1.5 On completion of Tranche-1 share subscription the acquirers will offer the corporate guarantee of MBEL to the bankers of Modtech and so as to enable the seller to release his correspondingly two personal collateral securities in the form of residential plots of land at Rajpath Society which have been given as collateral security/negative lien to the bank. However, the seller will continue to offer the personal guarantees of the existing guarantors and will also continue to offer his personal residential property located at Gokuldham Bungalows as collateral security to the bank. It is agreed that as and when the financial position of the company improves then it will be the endeavour of the parties to release the Gokuldham Bungalow given by the seller herein as collateral security to the bank and also to release the corporate guarantee agreed to be given by MBEL to the bankers of Modtech.

5.1.6 The acquirers are entitled to appoint the key managerial personnel including the CEO and CFO.

5.1.7 The company's existing factory premise is located on the plots of land as per the details given below:

Plot No. / Survey No.*	Owner*	Area*
Plot No. 73/P / 74 – Survey No. 396 P2, New Ahmedabad Industrial Estate, Moraiya, Ahmedabad	Shri Kishansinh Gohil	1098 Sq.Yds
Plot No. 73/P – Survey No. 396 P2P, New Ahmedabad Industrial Estate, Moraiya, Ahmedabad	Shri Kishansinh Gohil	602 Sq.Yds
Kabja Karar for Land Adjacent to Plot no 74	Shri Kishansinh Gohil	1462.50 Sq Yds

5.1.7.1 At present the above plots are owned by the promoter/his relative as mentioned in the above table. The promoter/seller understands and confirms that while working out/arriving at the Enterprise Value for Tranche-1 share equity subscription as well as Tranche-2 share equity purchase the intrinsic value of the above plots of land has already been taken into consideration and the said valuation assumes that the company

will have clear legal ownership of the above plots of land. The seller therefore confirms and undertakes that on or before the completion of the second Tranche share purchase transaction he will ensure that the ownership of the above plots of land will be conveyed to the company by executing a legally valid registered sale deed at a price equivalent of the Registration value (Jantri Value) to the satisfaction of the acquirers. For this purpose it is also agreed that the consideration paid/to be paid by the company for the conveyance of the above plots of land in the name of the company is only for the sake of completing the transaction and it will not be an additional consideration over and above the Enterprise Value/Equity Value agreed for the purpose of Tranche-1 share subscription/ Tranche-2 share purchase as per this MOU. The seller will therefore ensure that on receipt of the said consideration from the company an equivalent amount is re-deposited/brought back by the seller in the company in form of non refundable money by way of his unsecured deposits in the company or in any other acceptable manner such that the said amount will not be withdrawn from the company. Again, the company will not be liable to pay any interest on the said amount to the seller.

5.1.7.2 The parties have further agreed that in case, for any reason the promoter is not in a position to transfer any of the above plots of land in the name of the company as mentioned in this clause, then the second Tranche share purchase valuation will be adjusted and reduced to the extent of the agreed market value of the said plot(s) of land(s) and only the reduced consideration after making the aforesaid adjustment will be payable by the acquirers to the sellers after execution of lease deed as per para 5.1.7.3.

5.1.7.3 In the case where plot(s) of land(s) is not transferred to the company by Promoter, as the present factory building belongs to the Company, where any plot of land is not transferred, promoter will execute a lease deed in favour of Company for 30 years with a lock-in period of 10 years for the said plot which is not transferred, in favour of the company at the prevailing market rent. In this case, only in case of Kabja Karar Land of 1462.50 Sq the investors may agree to waive the adjustment proposed in Para 5.1.7.2 provided a valid Lease deed has been executed as per this clause, to the satisfaction of the Investors.

5.1.8 The parties also agree that the investors will allow the seller to withdraw his unsecured loan of around Rs.42 lacs given in the company in a mutually acceptable gradual manner as per the cash flows of the company. The parties also agree to fix a reasonable remuneration payable to the seller for acting as the Managing Director of the company on mutually acceptable terms.

6.0 The parties will enter into the customary legally binding agreements including, but not limited to Share Purchase Agreement/Shareholders' Agreement, after the acquirers have carried out the required legal/ commercial/technical/ financial Due Diligence which is customary for such transaction. Legally binding agreement will include all customary clauses like Non Competitive clause, right of first refusal, exit clause etc.

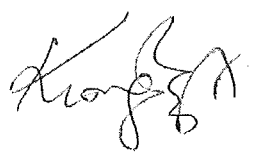
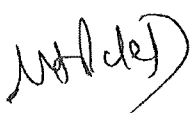
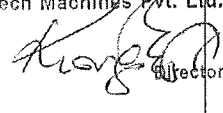
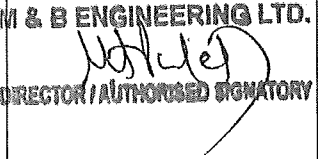
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7.0 In the event of any dispute arising out of or relating to this MOU the same shall be settled amicably between the.

In witness whereof the parties have put their hands on the day and date above written.

Signed by

1.	Kishansinh Gohil The seller	
2.	Chirag Patel The acquirer No.1	
3.	Malav Patel The acquirer No.2	
4.	For Modtech Machines Private Limited Kishansinh Gohil Managing Director	 Director
5.	For M & B Engineering Ltd Chirag Patel Managing Director	 DIRECTOR / AUTHORIZED SIGNATORY

Witness :

1. SANTNY MAGNUM Santny Magnum

2. Kumar B. Shukla Kumar

ATTESTED BY ME

H. K. JAIN
NOTARY
GOVT. OF INDIA

29 JAN 2021

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