

भारतीय गैर न्यायिक
भारत INDIA

रु. 500



FIVE HUNDRED
RUPEES

पाँच सौ रुपये

सत्यमेव जयते

Rs. 500

INDIA NON JUDICIAL

दिल्ली DELHI

245234

THIS STAMP PAPER FORMS PART OF THE SHARE
SUBSCRIPTION AGREEMENT DATED DECEMBER 4,
2007 EXECUTED BETWEEN INDIVISION INDIA
PARTNERS, INTERARCH BUILDING PRODUCTS
PRIVATE LIMITED, AND THE PROMOTERS.

"PROMOTERS" SHALL MEAN:

1. MR. ARVIND NANDA;
2. MR. GAUTAM SURI;
3. TAIPAN ASSOCIATES PRIVATE LIMITED; and
4. IGS HOLDINGS PRIVATE LIMITED.



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1. MR. ARVIND NANDA;
2. MR. GAUTAM SURI;
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SHARE SUBSCRIPTION AGREEMENT

This Share Subscription Agreement (this "**Agreement**") executed on this 4th day of December, 2007 by and between:

- (1) **Indivision India Partners**, Mauritius, a public company limited by shares with limited life incorporated under the provisions of the Companies Act, 2001 of Mauritius and having its registered office at C/o International Financial Services Limited, IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius (hereinafter referred to as "**Investor**", which expression shall mean and include its successors and permitted assigns);
- (2) **Interarch Building Products Private Limited**, a company incorporated under the laws of India and having its registered office at A-1/6, Vasant Vihar, New Delhi 110 057, (hereinafter referred to as the "**Company**", which expression shall mean and include its successors and permitted assigns); and
- (3) The Persons set out in **Schedule-I** (hereinafter collectively referred to as the "**Promoters**", which expression shall include their respective successors and permitted assigns).

(The Investor, the Company and the Promoters are hereinafter referred to individually as "**Party**" and collectively as "**Parties**").

WHEREAS:

- (A) The Company is engaged in the business of designing, manufacturing, fabricating and installation of pre-engineered structures, metal roofing, claddings and metal ceilings ("**Business**").
- (B) The authorized capital of the Company is Rs. 10,00,00,000 (Rupees Ten Crore) divided into 10,00,000 (ten lakh) Shares of Rs. 100 (Rupees Hundred) each. The issued and paid-up capital of the Company is Rs. 6,50,03,000 (Rupees Six Crore Fifty Lakhs Thirty Thousand) divided into 6,50,030 (six lakh fifty thousand thirty) Shares of Rs. 100 (Rupees Hundred) each. As on the date of this Agreement, 6,50,030 (six lakh fifty thousand thirty) Shares representing 100% of the Share Capital of the Company are held by the Existing Shareholders as set out in **Schedule-II**.
- (C) The Company proposes to increase its issued capital by way of issue of fresh capital to the Investor and in this behalf, the Investor, the Promoters and the Company have agreed to enter into this Agreement, pursuant to which the Investor has, relying on the Report and the Warranties (both as defined hereinafter) agreed to subscribe to and the Company has agreed to issue and allot, to the Investor, the Investor Shares (as defined hereinafter) subject to the terms hereof.
- (D) The Parties now desire to record the terms and conditions for the investment by the Investor in the Company.

NOW THEREFORE, in consideration of the representations, warranties, and covenants contained herein, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless the context otherwise requires or unless otherwise defined or provided for herein, words and expressions shall have the same meaning as attributed to them in the Shareholders Agreement. In this Agreement, the following words and expressions shall have



the following meanings:

"**Accounts**" shall mean the provisional, unaudited balance sheet and profit and loss account of the Company for the period April 1, 2007 to September 30, 2007;

"**Agreement**" shall mean this Share Subscription Agreement, together with the Schedules attached hereto, as may be amended from time to time;

"**AZB Report**" shall mean the legal due diligence report dated August 23, 2007 prepared by AZB & Partners at the behest of the Company in relation to the Transaction;

"**Charter Documents**" shall have the meaning assigned to it in the Shareholders Agreement;

"**Closing**" shall have the meaning assigned to it in Article 4.1.1;

"**Closing Date**" shall have the meaning assigned to it in Article 4.1.1;

"**Conditions Precedent**" or "**CP**" shall have the meaning assigned to it in Article 3.1;

"**Disclosed**" shall mean collectively the Report and the Disclosure Letter;

"**Disclosure Letter**" shall mean the disclosure letter in the Agreed Form provided by the Company and the Promoters to the Investor simultaneously with the execution of this Agreement;

"**Existing Shareholders**" shall mean the Persons set out in **Schedule-II** of this Agreement;

"**Environmental Clearances**" shall have the meaning assigned to it in **Schedule III**;

"**Financial Statements**" shall have the meaning assigned to it in **Schedule III**;

"**INR**" or "**Rupees**" or "**Rs.**" shall mean Indian rupees, being the lawful currency of India;

"**Intellectual Properties**" shall have the meaning assigned to it in **Schedule III**;

"**Investor Shares**" shall mean the aggregate of all the Shares issued and allotted by the Company to the Investor (or its nominees) on the Closing Date pursuant to Article 4.1.3(a) of this Agreement;

"**Long Stop Date**" shall mean December 10, 2007 or such later date as may be mutually agreed, in writing, between the Parties;

"**Material Adverse Change**" shall mean any change which will materially and adversely affect: (i) the assets, Business, liabilities, financial condition, results or operations of the Company, (ii) the ability of the Company to perform its obligations under this Agreement, or (iii) the status and validity of any contracts required for the Company to carry on the Business;

"**PWC Report**" shall mean the financial due diligence report dated August 22, 2007 prepared by PWC at the behest of the Company in relation to the Transaction;

"**Report**" shall mean and include collectively the AZB Report & PWC Report;

"**Shareholders Agreement**" shall mean the shareholders agreement of even date to be entered into between the Investor, the Company and the Promoters;



"Shares" shall mean the equity shares of the Company currently having par value of Rs. 100 (Rupees Hundred) per equity share in the Share Capital;

"Subscription Consideration" shall mean the amount of Rs. 100,00,00,000 (Indian Rupees One Hundred Crore);

"Transaction" shall mean the allotment of the Investor Shares to the Investor by the Company;

"Transaction Documents" shall mean the Shareholders Agreement, this Agreement and the other documents to be executed pursuant to this Agreement and the Shareholders Agreement; and

"Warranties" shall mean the representations and warranties of the Promoters and the Company as set forth in Schedule-III.

1.2 Interpretation

Unless the context of this Agreement otherwise requires:

- (a) Words of any gender are deemed to include those of the other gender;
- (b) Words using the singular or plural number also include the plural or singular number, respectively;
- (c) The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words refer to this entire Agreement or specified Articles of this Agreement, as the case may be;
- (d) The term "Article" refers to the specified Article of this Agreement;
- (e) The words "directly or indirectly" mean directly or indirectly through one or more intermediary Persons or through contractual or other legal arrangements, and "direct or indirect" shall have the correlative meanings;
- (f) Heading and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- (g) Reference to any legislation or law or to any provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision;
- (h) Reference to the word "include" shall be construed without limitation;
- (i) The Schedules hereto shall constitute an integral part of this Agreement;
- (j) Time is of the essence in the performance of the Parties' respective obligations. If any time period specified herein is extended, such extended time shall also be of the essence;
- (k) References to the knowledge, information, belief or awareness of any Person shall be deemed to include the knowledge, information, belief or awareness of such Person after examining all information and making all inquiries and investigations which would be expected or required from a Person of ordinary prudence;

- (1) Any reference to a document in Agreed Form is to a document in a form agreed between the Company and the Investor and initialled for the purpose of identification by or on behalf of each of them (in each case with such amendments as may be agreed by or on behalf of the Parties).

2. SUBSCRIPTION TO THE INVESTOR SHARES

- 2.1. Subject to the terms of this Agreement and based on the Warranties, the Investor hereby agrees to subscribe to and the Company hereby agrees to issue and allot to the Investor (or its nominees), the Investor Shares.

3. CONDITIONS PRECEDENT

- 3.1. The obligation of the Investor to subscribe to the Investor Shares is subject to the fulfilment of the following conditions and delivery and execution of the following items in relation to the Company, ("**Conditions Precedent**"), in a form and manner satisfactory to the Investor, unless any one or more of the following is specifically waived in writing by the Investor:

- (a) The Company shall have passed all Shareholders' and Board resolutions as required in Law for executing, delivering and implementing the provisions of the Transaction Documents to be completed on Closing Date, including issuance of the Investor Shares on the Closing Date in accordance with the terms of this Agreement;
- (b) The Investor shall have passed all shareholders' and board resolutions and obtained all approvals and consents as required in Law for executing, delivering and implementing the provisions of the Transaction Documents to be completed on Closing Date, including subscription of the Investor Shares on the Closing Date in accordance with the terms of this Agreement;
- (c) The Parties agreeing to the proposed amendments to the Charter Documents substantially in the format annexed at **Schedule-IV**. The Company shall within 2 (two) Business Days from Closing, submit the amended Charter Documents to the stamping authority for purposes of filing the amended Charter Documents with the Registrar of Companies;
- (d) All of the Warranties (considered collectively), and each of the Warranties (considered individually) as set forth in **Schedule-III** hereof shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date. The Promoters and the Company shall have performed and complied with all, and not be in breach or default under any agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with in terms of this Agreement;
- (e) Completion of all the activities set out in Schedule-VII.

3.2 Conditions Precedent Confirmation:

- 3.2.1 The Promoters and the Company shall take all steps necessary to promptly and expeditiously fulfil the Conditions Precedent (as applicable) and shall inform the Investor of actions and steps being taken in this behalf, as is reasonably practicable.
- 3.2.2 Within 2 (two) Business Days of fulfilment (or waiver by the Investor, as the case may be) of all the Conditions Precedent required to be fulfilled (other than by the Investor), the Company

shall inform the Investor of the fulfillment of the Conditions Precedent.

2. CLOSING

4.1. Closing:

4.1.1 Within 4 (four) Business Days following the intimation by the Company of the fulfillment of the Conditions Precedent (as applicable) to the Investor or at such other time as the Parties may agree in writing ("Closing Date"), the Parties shall consummate the transactions contemplated in this Article 4.1 ("Closing") at a place mutually agreed to between the Parties.

4.1.2 All transactions contemplated by this Agreement to be consummated at Closing shall be deemed to occur simultaneously and no such transaction shall be deemed to be consummated unless all such transactions are consummated.

4.1.3 At Closing:

- (a) The Investor by way of wire transfer shall remit the Subscription Consideration;
- (b) Subject to the receipt of the Subscription Consideration, the Board shall allot to the Investor 1,00,000 (one lakh) Investor Shares and deliver to the Investor, the allotment letter evidencing the same;
- (c) The Board and the committees of the Board of the Company shall be reconstituted and the nominees of the Investor shall be appointed as Directors in the manner provided for in the Shareholders Agreement;
- (d) Immediately after the Closing Date, the Share Capital of the Company will be as follows:

S. No.	Party	No. of shares held	% Holding (approx)
1.	Investor	1,00,000	13.33
2.	Existing Shareholders	6,50,030	86.67
	Grand Total	7,50,030	100.00

4.1.4 Within 30 (thirty) days of the Closing Date, the Company shall deliver to the Investor, a copy of the register of members of the Company as at the date immediately prior to the Closing Date and as at the date immediately after the Business Day referred to in Article 4.1.3 above, certified by one of its Directors to be true, complete and correct.

4.2 Applicable period for completion of Closing:

4.2.1 The Promoters and the Company shall use their best efforts to ensure that the Conditions Precedent required to be fulfilled by Closing shall be fulfilled by the Long Stop Date. If any of such conditions shall not have been fulfilled or waived in writing by the Investor, by the Long Stop Date, the Investor may, at its sole option, without prejudice to its respective rights hereunder and under applicable Law:

- (a) Agree to defer the Closing to a later date; or
- (b) Proceed to the Closing, so far as practicable and to the extent permitted by Law; or



- (c) Terminate this Agreement in accordance with Article 9.2.

In the case of termination, no Party shall have any rights or claims against the other, save for those that expressly survive termination of this Agreement in accordance with the provisions of Article 9.3.

4.3 Transfer of assets

- 4.3.1 The Company and/or the Promoters shall take all necessary steps to ensure that the assets specified in **Schedule – V** of this Agreement are acquired by the Company by March 31, 2008 for an amount not exceeding INR 3,25,00,000 (Indian Rupees Three Crore Twenty Five Lakhs), inclusive of all expenses. The Promoters agree that M/s Intertec (a partnership concern of Mr. Arvind Nanda and Mrs. Shobhna Suri) will not engage in the Business after March 31, 2008.

5. REPRESENTATIONS AND WARRANTIES OF THE PROMOTERS AND THE COMPANY

- 5.1 **Warranties:** The Promoters and the Company hereby jointly and severally represent, warrant and undertake to the Investor as set forth in **Schedule-III**. The Promoters and the Company acknowledge that the Investor in entering into this Agreement, is relying on such representations, warranties and undertakings.
- 5.2 **Change in Warranties:** The Company and/or the Promoters shall give the Investor prompt notice of any event, condition or circumstance occurring from the date hereof that they are aware of which would constitute a material violation or breach of any of the Warranties as of any date from the date hereof or that would constitute a material violation or breach of any terms and conditions contained in this Agreement and/or any other Transaction Documents. This shall not however prejudice the right of the Investor to terminate this Agreement pursuant to Article 9.1(b) or affect the indemnity as set out in Article 8.
- 5.3 **Independent Warranties:** Each of the representations and warranties shall be construed as a separate representation, warranty, covenant or undertaking, as the case may be. Further each warranty shall be limited by any disclosure set out in the Report and, or the Disclosure Letter.

6. REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

- 6.1. The Investor hereby represents and warrants to the Promoters and the Company as follows:
- (a) It is duly incorporated and validly existing under the Laws of its incorporation and has all necessary corporate power, authority and capacity to enter into this Agreement and undertake the transactions contemplated herein;
- (b) The execution of this Agreement has been duly authorized and constitutes valid and legally binding obligations of the Investor, enforceable in accordance with its terms and the performance thereof will not (i) violate any provision of the organisational or governance documents of the Investor; (ii) require the Investor to obtain any consent or approval or action of any governmental authority in its country of organisation or any other Person pursuant to any instrument, contract or other agreement to which the Investor is a party or by which the Investor is bound, other than any such consent, approval, that has already duly been obtained or made, except as specified in this Agreement; (iii) conflict with or result in any material breach or violation of any of the terms and conditions of, or constitute (or with notice or lapse of time or both constitute) a default under, any instrument, contract or other agreement to which the Investor is a party or by which the Investor is bound; (iv) violate any order, judgment

or decree against, or binding upon, the Investor or upon its respective securities, properties or businesses; or (v) violate any Law or regulation of the Investor's country of organisation or any other country in which it maintains its principal office;

- (c) There are no judicial or administrative actions, proceedings or investigations pending or overtly threatened against the Investor, which would have a Material Adverse Change on its capacity to perform its obligations under this Agreement and the other Transaction Documents;
- (d) All approvals that are required for the purpose of execution and implementation of this Agreement and for the consummation of the Transaction (including approvals from any Governmental Authorities and the board resolution of the Investor) have been obtained by the Investor on or prior to the Closing Date. The Investor further confirms that except for the board resolution of the Investor, no other approvals are required by the Investor for the purpose of execution and implementation of this Agreement and for the consummation of the Transaction.

7. COVENANTS

7.1. The Promoters and the Company from the date of this Agreement upto the Closing Date shall:

- (a) Promptly supplement or amend the information given in this Agreement with respect to any matter which comes to the knowledge of the Company or the Promoters (i) which may arise hereafter and which would have been required to be set forth or described in this Agreement, or (ii) which makes it necessary to correct any information in this Agreement or in any representation or warranty of the Promoters in relation to the Company which may be rendered inaccurate thereby. This shall not however prejudice the right of the Investor to terminate this Agreement pursuant to Article 9.1(b);
- (b) Subject to requisite confidentiality obligations, cause the Company to provide the Investor and/or its duly authorized employees, representatives and agents with reasonable access, upon reasonable prior written notice and during normal business hours, to all of the Company's assets, books, records and the personnel designated for this purpose by the Company provided that any such activities of such representatives shall not in any manner disrupt the day-to-day activities of the Company.

7.2. The Promoters and the Company shall ensure that from the date of this Agreement upto the Closing Date, the Company shall carry on its Business:

- (a) in the ordinary and normal course;
- (b) consistent with past practice and existing policies;
- (c) so as to comply with all Laws;
- (d) using best endeavours to preserve the goodwill of its business; and
- (e) using best endeavours to maintain the profitability and value of its business.

7.3. The Promoters and the Company confirm and shall ensure that from the date of this Agreement upto the Closing Date:

- (a) There has not been and there shall be no change in the management or constitution of the Board of Directors of the Company.



- (b) They have not and shall not enter into any agreement or arrangement with any third party which provides such third party with any direct or indirect rights relating to the governance of the Company save as otherwise contemplated in the Transaction Documents.

7.4 The Promoters hereby confirm that as on the date of this Agreement, the Company has terminated all discussions or agreements with any other Person in relation to the issue of the Shares of the Company and that no Person (other than the Investor under this Agreement) has any right or entitlement granted either by the Promoters and/or the Company to subscribe to Shares in the Company. The Promoters and the Company shall procure their Affiliates to, at any time on or after the date hereof and upto the consummation of all transactions contemplated under this Agreement, refrain from taking, directly or indirectly, any action to seek or encourage any offer or proposal from any Person to subscribe to the Shares or any other securities of the Company or reach any agreement or understanding (whether or not such agreement or understanding is absolute, revocable, contingent, conditional, oral, written, binding or otherwise).

7.5 From the date of execution hereof and upto the consummation of all transactions contemplated under this Agreement, save as otherwise contemplated in the Transaction Documents, the Promoters and the Company shall not, either directly or indirectly through any Affiliates:

- (a) Alter the Charter Documents in any manner;
- (b) Change its authorized or issued share capital, including allotting, issuing, redeeming, vary or repurchasing or agreeing to allot, issue, redeem, vary or repurchase the share capital or derivative securities (or option or right to subscribe for the same), future equity requirements including without limitation the terms, timing and final pricing of any IPO, or follow on offering or any offer for sale with regards the Company;
- (c) Materially change the nature or scope of the Business or purpose of the Company;
- (d) Change the composition of the Board of the Company, including any increase or decrease in the number of directors;
- (e) Reduce its share capital;
- (f) Merge or amalgamate with any other company;
- (g) Sell or otherwise dispose of the whole or a significant part of its undertaking, property or assets;
- (h) Change the name of the Company;
- (i) Creating or adopting any new or additional equity option plan for the Company;
- (j) Acquire any share capital or other securities of any body corporate or incorporate or set up a subsidiary or associated company;
- (k) Make any advance or loan or providing any credit to any person, by the Company except in the ordinary course of business;
- (l) Give any guarantee, indemnity or security in respect of the obligations of any person, by the Company except in the ordinary course of business;



- (m) Form or enter into joint venture, consortium, partnership or similar arrangement with any other person or business, by the Company except in the ordinary course of business;
- (n) Make any arrangement with its creditors, by the Company except in the ordinary course of business;
- (o) Change / appointment of auditors of the Company;
- (p) Change the financial year for preparation of audited accounts of the Company;
- (q) Except as provided under Article 3.1 of this Agreement, change the salaries/ compensation paid to the Directors of the Company;
- (r) Incur any additional indebtedness which is not in the ordinary course of business;
- (s) Enter into any new lease agreements;
- (t) Make any material deviation in operations and strategies, borrowings or guarantees, capital expenditure, investments, divestments, pre-payment of loans or varying or entering into material contracts compared to the business plan of the Company as shared with the Investor;
- (u) Create a committee or sub-committee of the Board of the Company or change the scope and powers or composition of any committee or sub-committee of the Board;
- (v) Create any Encumbrance over the whole or any part, of any shareholder's share capital or of the Company's undertaking, property or assets except in the ordinary course of business;
- (w) Approve its audited accounts and/or any make any changes in the accounting principles or tax policies or practices to prepare the Company's accounts;
- (x) Conduct any affiliated or related party transactions, agreements or arrangements between the Company and the existing Directors or their Affiliates other than transactions with M/s Intertec;
- (y) Declare any dividend;
- (z) Except for recovery of unpaid trade debtors, commence any arbitration or litigation of any kind; and
- (aa) Take any major decisions relating to the conduct (including the settlement) of material legal or arbitration proceedings to which the Company is a party; for the said purpose material means a potential liability or claim of more than Rs. 10,00,000 (Indian Rupees Ten Lakhs).

7.6 The Company and the Promoters hereby covenant and undertake that, within 30 (thirty) days of the Closing Date, they shall intimate/file with the appropriate Governmental Authorities in the manner required with respect to the Transaction, including but without limitation, allotment of the Investor Shares pursuant to this Agreement and the consequent changes in the shareholding structure of the Company, and provide duly acknowledged copy(ies) of such intimation/filings to the Investor. Without prejudice to the generality of the foregoing, the Company shall and the Promoters shall cause the Company to file the following:




- (a) Form No. 2 of the Companies (Central Government's) General Rules and Forms, 1956 with the Registrar of Companies;
 - (b) Form No.32 of the Companies (Central Government's) General Rules and Forms, 1956 with the Registrar of Companies with respect to the appointment of the Directors nominated by the Investor; and
 - (c) Form FC-GPR prescribed under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2002 with the Reserve Bank of India.
- 7.7 The Company and the Promoters hereby undertake and covenant that any activity relating to the Business of the Company undertaken after the Closing shall be performed within the Company or its wholly owned subsidiaries.
- 7.8 The Company and the Promoters hereby undertake, agree and covenant that no Shares of the Company or any other instruments by whatever nomenclature it may be designated, will be offered to any Person on terms better than the terms offered to the Investor without the prior written consent of the Investor.
- 7.9 The Company and the Promoters hereby undertake, agree and covenant that all transactions with Affiliates of the Company and the Promoters, including investments/loans to the Affiliates shall be conducted on an arms-length basis.

7A. CONDITIONS SUBSEQUENT

- 7A.1 In addition to the covenants set out in Article 7.6 above, the Company and the Promoters shall also ensure that:
- (a) The Company shall within a period of 3 (three) months from the Closing Date, appoint a firm of reputed chartered accountants as the internal auditors of the Company for the financial year 2008-09;
 - (b) The Company shall implement the ESOP plan as stated in the Shareholders Agreement within 12 (twelve) months from the Closing Date;
 - (c) The Company shall have procured a D&O insurance for the Directors for such sums as it may be necessary having consideration to the Business of the Company within a period of 6 (six) months from the Closing Date;
 - (d) The Company shall procure a key man insurance policies for Mr. Arvind Nanda & Mr. Gautam Suri for such sums as may be necessary within a period of 90 (ninety) days from the Closing Date;
 - (e) The Company shall appoint an internationally reputed firm of auditors from amongst the following 4 (four) firms KPMG, E&Y, PwC or Deloitte or any other firm mutually agreed as the statutory auditors for the Financial Year 2008-09;
 - (f) The assets specified in **Schedule – V** of this Agreement shall be acquired by the Company by March 31, 2008 in accordance with Article 4.3.
- 7A.2 The Company shall make all reasonable efforts to complete activities set out in **Schedule – VIII**.



8. INDEMNIFICATION

8.1. Indemnification by the Company:

The Company agrees to indemnify, defend and hold harmless the Investor and/or its Affiliates (to the extent any such Affiliate has subscribed to the Investor Shares) (collectively, the "Investor Indemnified Entity") from and against any and all Claims incurred by the Investor Indemnified Entity, as a result of any breach of any representation, warranty, covenant or agreement made or failure to perform (whether in whole or part) any obligation required to be performed by the Company in terms of this Agreement. Any Claim for indemnity pursuant to this Agreement shall be made by the Investor Indemnified Entity by notice in writing to the Company.

8.2. Process:

- (a) In the event any Investor Indemnified Entity becomes aware of any matter that it believes is covered under Article 8.1 and such matter involves (i) any Claim made against the Investor Indemnified Entity, the Company or (ii) the commencement of any action, suit, investigation, arbitration or similar proceeding against the Investor Indemnified Entity or the Company, the Investor Indemnified Entity shall promptly notify the Company of such Claim setting out the amount due to the Investor Indemnified Entity under this Article 8.2. The indemnity to the extent mentioned in Article 8.1 shall be made good by the Company to the Investor Indemnified Entity, at the sole discretion of the Investor, within 60 (sixty) days of the Investor Indemnified Entity, the Company being required to make any payments or incurring any loss or liability in relation to any Claims after having given the Company an opportunity to defend such Claim in terms hereof if such Claim is as a result of any action, suit, investigation, arbitration or similar proceeding against the Investor Indemnified Entity, the Company by any third Person.
- (b) In the case of any Claim or proceeding made against the Company which is covered by the indemnity set forth in Article 8.1, then the Company may, if it so desires, by notice to the Investor Indemnified Entity, decide to defend such Claim on its own, but in consultation with the Investor Indemnified Entity. For the avoidance of doubt, it is hereby clarified that in such an event, the Company shall have the right to control the defence, negotiation or settlement of such Claim or proceeding.
- (c) In the case of any Claim or proceeding made against the Investor Indemnified Entity, which is covered by the indemnity set forth in Article 8.1, then the Company also have the right, at its option and expense, to participate in the defence of such Claim, but not to control the defence, negotiation or settlement thereof (which control shall at all times rest with the Investor Indemnified Entity, unless the Company has a defence or counterclaim in relation to such Claim which the Investor Indemnified Entity is not entitled to assert, to the extent necessary to assert and maintain such defence or counterclaim) and the Company furnishes satisfactory evidence of their financial ability to indemnify the Investor Indemnified Entity, in which case the Company may assume such control through counsel of its choice (which counsel shall be satisfactory to the Investor Indemnified Entity) at its own expense; provided that the Investor Indemnified Entity shall continue to have the right to be represented, at the expense of the Company, by counsel of its choice in connection with the defence, negotiation or settlement of such Claim. If the Company does not assume control of the defence of such Claim, the entire defence, negotiation or settlement of such Claim by the Investor Indemnified Entity shall be deemed to have been consented to by, and shall be binding upon, the Company as fully as though the Company alone had assumed the defence thereof and a judgement had been entered in such Claim in respect of

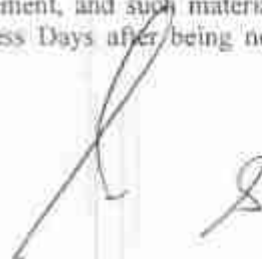
such settlement or judgement. The Parties to this Agreement agree to cooperate fully with each other in connection with the defence, negotiation or settlement of any Claim.

- (d) The Company's obligation to indemnify pursuant to this Article shall arise immediately upon the Company and/or the Investor Indemnified Entity incurring any liability pursuant to a Claim irrespective of any defence or right of appeal available to it. The failure of the Investor Indemnified Entity to notify the Company of a Claim shall not relieve the Company of any indemnification responsibility under this Article unless such failure materially prejudices the ability of the Company to defend such Claim.
- (e) The Investor Indemnified Entity shall procure that all reasonable steps are taken and all reasonable assistance is given to avoid or mitigate any losses, which in the absence of mitigation might give rise to a liability in respect of any claim for indemnity under this Article.
- (f) The Warranties set out in **Schedule-III** shall survive and continue to be in full force and effect for a period of 1.5 years (one year six months) from the date hereof. For the purpose of indemnification under this Article 8, a Claim shall have been asserted, incurred or accrued within the expiry of the relevant period set out above.
- (g) Notwithstanding anything to the contrary, the Company shall not be liable to make payments of any Claims to the Investor Indemnified Entity under this Article 8 unless and until the cumulative aggregate amount of the Claims under this Article 8 exceeds Rs. 50,00,000 (the "**Aggregate Liability Threshold**"). Once the aggregate claims of the Investor Indemnified Entity against the Company exceeds the Aggregate Liability Threshold, the Company shall become liable to pay such Claims in full, including claims that are less than the Aggregate Liability Threshold, provided that, in calculating such Claims any individual Losses, that are less than Rs. 5,00,000 (the "**De Minimis Claims**") shall be excluded in their entirety and the Company shall have no liability to the Investor Indemnified Entity for any such De Minimis Claims. Provided further that where the Company is liable to indemnify the Investor Indemnified Entity under this Article 8, the aggregate liability of the Company shall not in any event exceed an amount which is 100% of the Investors Investment Amount.
- (h) In case the Company fails to make good to the Investor Indemnified Entity, the indemnity amount due under Article 8 of this Agreement, then the Promoters shall be liable to make good the indemnity amount due to the Investor Indemnified Entity within 90 (ninety) days of such demand being made by the Investor Indemnified Entity by notice in writing. Provided that the Promoters liability under this Article 8.2 (h) shall under no circumstances exceed Rs. 25,00,00,000.

9. TERMINATION

9.1. Termination Provisions: This Agreement may, subject always to Article 9.2 hereunder, be terminated prior to the Closing as follows:

- (a) Upon the mutual written agreement of the Parties; or
- (b) At the election of the Investor if the Promoters or the Company has materially breached any Warranties or any other material covenant or agreement of the Promoters or the Company contained in this Agreement, and such material breach cannot be or is not cured within 60 (sixty) Business Days after being notified in



writing of the same in accordance with Article 10. A termination under this Article will be without prejudice to the rights and remedies of the Investors as set out in the Shareholders Agreement for termination arising out of an Event of Default or a breach of the Transaction Documents.

- (c) At the election of the Promoters, if the Closing does not occur within 5 (five) days of the intimation by the Company to the Investor of the fulfillment of the Conditions Precedent.

9.2. Long Stop Date. This Agreement may be terminated, and the transactions contemplated hereby abandoned, by the Investor, at its sole discretion, if Closing has not occurred on or prior to the Long Stop Date as contemplated in Article 4.2.1(c).

9.3. Survival.

- (a) If this Agreement is terminated in accordance with Articles 9.1 or 9.2, it shall become void and be of no further force and effect, except for the provisions of, Article 10 (Notices), Article 11 (Confidentiality), Article 12 (Governing Law) and Article 13 (Dispute Resolution); provided, however, that such termination shall, unless otherwise agreed in writing by the Parties, be without prejudice to the rights of any Party in respect of a material breach of this Agreement prior to such termination.
- (b) If this Agreement is terminated in accordance with Article 9.1(b), it shall become void and be of no further force and effect, except for Article 5 (Representations and Warranties of the Promoters and the Company) and Article 8 (Indemnification) Article 10 (Notices), Article 11 (Confidentiality), Article 12 (Governing Law) and Article 13 (Dispute Resolution); which shall continue to survive; provided, however, that such termination shall, unless otherwise agreed in writing by the Parties, be without prejudice to the rights of any Party in respect of a material breach of this Agreement prior to such termination.

10. NOTICES

Notices, demands or other communication required or permitted to be given or made under this Agreement shall be in writing and delivered personally or sent by prepaid post with recorded delivery, or by telex or legible telefax addressed to the intended recipient at its address set forth below, or to such other address or telex or telefax number as any Party may from time to time duly notify to the others:

If to the **Company**:

Name	:	Interarch Building Products Private Limited
Address	:	B-30, Sector 57, Noida 201301 Uttar Pradesh
Attention	:	Chief Executive Officer
Fax	:	0120 - 2581017
Telephone	:	0120 - 2581029



If to the **Investor**:

Name : Indivision India Partners
Address : C/o International Financial Services Limited
IFS Court, Twenty Eight, Cybercity, Ebene,
Mauritius

Attention : Mr. Kapil Dev Joory
Fax : +2304674000
Telephone : +2304673000

If to the **Promoters**:

Name : Mr. Arvind Nanda
Address : 6 Dera Mandi Road
Mandi Village
Mehrauli
New Delhi 110 047

Fax : 0120-2581017
Telephone : 011-26651573

Name : Mr. Gautam Suri
Address : A-1/6, Vasanti Vihar,
New Delhi 110 057

Fax : 0120-2581017
Telephone : 011-26142216

Any such notice, demand or communication shall, unless the contrary is proved, be deemed to have been duly served at the time of delivery in the case of service by delivery in person or by post, and on receipt of transmission in the case of service by telex or telefax. All notices to the Company will also be copied to the Promoters.

11. CONFIDENTIALITY

- 11.1 Each Party shall keep all information relating to the other Party, information relating to the Transaction and the Transaction Documents (collectively referred to as the "Information") confidential. Except as provided in this Article 11, the Parties agree to hold in confidence and not use, disclose or reveal to any third Person, Information disclosed to it by the other Parties. None of the Parties shall issue any public release or public announcement or otherwise make any disclosure concerning this Agreement, the other Transaction Documents and/or the Transaction, without the prior approval of the other Parties; provided however, that nothing in this Agreement shall restrict either the Company and/or the Promoters from disclosing any information as may be required under applicable Law. For the purposes of this Article 11.1, the Company and the Promoters shall be deemed as one Party.
- 11.2 Nothing in this Article 11 shall restrict any Party from disclosing Information for the following purposes:
- (a) Insofar as the disclosure is approved by the Parties;
 - (b) To the extent that such Information comes into or is already in the public domain other than by breach of this Agreement;



- (c) To the extent that such information is required to be disclosed by any applicable Law, or required to be disclosed to any Governmental Authority to whose jurisdiction such Party is subject;
- (d) Insofar as such disclosure is reasonably necessary to such Party's employees, directors or professional advisers, provided that such Party shall procure that such employees, directors or professional advisers treat such information as confidential. For the avoidance of doubt it is clarified that disclosure of information to such employees, directors or professional advisers shall be permitted on a strictly "need-to-know basis".

In the event that Closing does not occur, the confidentiality obligations contained in this Article 11 shall continue to bind the Investor for a period of 1 (one) year from the date of execution of this Agreement. Further, if the transaction contemplated hereby is not consummated, each Party shall destroy or return to the other Party all copies of any materials or other written information furnished to it by such other Party, including its agents, employees, representatives and Affiliates. In such event, each Party shall also furnish an undertaking to the other Party stating that it has returned all such confidential information and/or has destroyed all the copies thereof in its possession, if so requested by the other Party.

12. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of India and courts at New Delhi shall have exclusive jurisdiction.

13. DISPUTE RESOLUTION

- 13.1 Notice. In the event any Party is in breach of any of the terms of this Agreement, another Party may serve written notice to require the Party in breach to cure such breach within 30 (thirty) Business Days of the receipt of such written notice thereof.
- 13.2 Amicable Resolution. In the case of any dispute or claim arising out of or in connection with or relating to this Agreement, or the breach (where such breach has not been cured by the Party in breach within 30 (thirty) Business Days of a written notice thereof), termination or invalidity hereof, the Parties shall attempt to first resolve such dispute or claim through good faith discussions.
- 13.3 Arbitration. If the dispute is not resolved through such discussions within 30 (thirty) Business Days after one Party has served a written notice on the other Party requesting the commencement of discussions, then such dispute shall be referred at the request in writing of any Party to the dispute to binding arbitration in accordance with the Arbitration and Conciliation Act, 1996 of India, as amended from time to time. For the purpose of such arbitration, the Promoters and the Company shall jointly appoint one arbitrator, and the Investor shall appoint 1 (one) arbitrator. The 2 (two) arbitrators shall then jointly appoint a third arbitrator, who shall serve as Chairman. All arbitration proceedings shall be conducted in the English language and the place of arbitration shall be New Delhi. The arbitrators shall decide any such dispute or claim strictly in accordance with the governing law specified in Article 12. The Parties shall cooperate and use their best endeavours to procure that the arbitral proceedings are concluded within 30 (thirty) days. The arbitrators' decision shall be taken by a simple majority vote. Judgement upon any arbitral award rendered hereunder may be entered in any court having jurisdiction, or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.
- 13.4 Good Faith. Each Party shall co-operate in good faith to expedite (to the maximum extent practicable) the conduct of any arbitral proceedings commenced under this Agreement.



- 13.5 **Costs.** The costs and expenses of the arbitration, including, without limitation, the fees of the arbitrator(s), shall be borne equally by each Party to the dispute or claim and each Party shall pay its own fees, disbursements and other charges of its counsel, except for the fees and costs in respect of the presiding arbitrator which shall be borne equally by the Parties. The arbitrator(s) would have the power to award interest on any sum awarded pursuant to the arbitration proceedings and such sum would carry interest, if awarded, until the actual payment of such amounts.
- 13.6 **Final and Binding.** Any award made by the arbitrator(s) shall be reasoned and in writing and shall be final and binding on each of the Parties that were parties to the dispute. The Parties further agree and undertake to take all action including exercising its votes at a board and/or general meeting as may be necessary to fully and effectually implement the decision of the arbitrators. Provided that nothing shall preclude either Party from seeking interim relief from any court having jurisdiction to grant the same.

14. MISCELLANEOUS

- 14.1 **No Partnership.** The Parties expressly do not intend hereby to form a partnership, either general or limited, under any jurisdiction's partnership law. The Parties do not intend to be partners one to another, or partners as to any third party, or create any fiduciary relationship among themselves, solely by virtue of their status as Shareholders.
- 14.2 **No Agency.** No Party, acting solely in its capacity as a Shareholder, shall act as an agent of the Company or have any authority to act for or to bind the Company, except as authorised by the Board in accordance with the terms and conditions of this Agreement.
- 14.3 **Independent Rights.** Each of the rights of the Parties hereto under this Agreement are independent, cumulative and without prejudice to all other rights available to them, and the exercise or non-exercise of any such rights shall not prejudice or constitute a waiver of any other right of the Party, whether under this Agreement or otherwise.
- 14.4 **Counterpart.** This Agreement may be executed in any number of originals or counterparts, each in the like form and all of which when taken together shall constitute one and the same document, and any Party may execute this Agreement by signing any one or more of such originals or counterparts.
- 14.5 **Variation.** No variation of this Agreement shall be binding on any Party unless such variation is in writing and signed by or on behalf of the Party.
- 14.6 **No Assignment.** Subject to the provisions of this Agreement, this Agreement is personal to the Investor, the Company and the Promoters and shall not be capable of assignment by any Party without the prior written consent of the other Parties. Notwithstanding the aforesaid, the Investor may assign any of its Shares or rights under this Agreement to any of its Affiliate(s), subject to such Affiliate executing a Deed of Adherence in the manner provided for in the Shareholders Agreement, provided that in the event that Affiliate ceases to be an Affiliate of the Investor, then the Investor shall cause such Person to promptly re-Transfer such Shares or the rights under this Agreement held by it either to the Investor or to an Affiliate of the Investor ("**Permitted Transferee**"). The Shares Transferred by an Investor to a Permitted Transferee shall be included for the purposes of computing the Investor's shareholding under this Agreement.
- 14.7 **Waiver.** No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof, and no waiver shall be effective unless made in writing and signed by an authorised representative



of the waiving Party.


- 14.8: Severability. Each and every obligation under this Agreement shall be treated as a separate obligation and shall be severally enforceable as such and in the event of any obligation or obligations being or becoming unenforceable in whole or in part. To the extent that any provision or provisions of this Agreement are unenforceable the Parties shall endeavour to amend such articles as may be necessary to make the provision or provisions valid and effective. Notwithstanding the foregoing any provision which cannot be amended as may be necessary to make it valid and effective shall be deemed to be deleted from this Agreement and any such deletion shall not affect the enforceability of the remainder of this Agreement not so deleted provided the fundamental terms of the Agreement are not altered.
- 14.9: Entire Agreement. This Agreement, its Annexures and Schedules constitute the whole agreement between the Parties relating to the subject matter hereof and supersedes any prior arrangements whether oral or written, relating to such subject matter. No Party has relied upon any representation or warranty in entering this Agreement other than those expressly contained herein.

IN WITNESS WHEREOF, the Parties have entered into this Agreement the day and year first above written.

Signed and delivered for and on behalf of
Interarch Building Products Private Limited

By : 
Name : Arvind Nanda
Title : Director, CEO.

Signed and delivered for and on behalf of
Indivision India Partners

By : 
Name : Mr Fareed Zareefan
Title : Director

Signed and delivered for and on behalf of
The Promoters


Arvind Nanda


Gautam Suri


Jaipar Associates Private Limited

By
Name
Title

Arvind Navale
Director.



IGS Holdings Private Limited

By
Name
Title

Gautam Saha
Director



SCHEDULE-I

List of Promoters

1. Mr. Arvind Nanda
2. Mr. Gautam Suri
3. Taipan Associates Private Limited
4. IGS Holdings Private Limited



SCHEDULE-II

Existing Shareholders holding 100% of the Share Capital of the Company

S. No.	Name of shareholder	No. of shares held	% Holding (approx.)
1.	Arvind Nanda	2,95,260	45.42
2.	Gautam Suri	2,97,265	45.73
3.	Taipan Associates Private Limited	29,000	4.46
4.	Ishaan Suri	895	0.14
5.	Ishaan Suri/Gautam Suri	600	0.092
6.	IGS Holdings Private Limited	26,250	4.04
7.	Uma Nanda	700	0.01
8.	Shobhna Suri	5	0.00
9.	K.L.Nanda	55	0.01
	Grand Total	6,50,030	100.00



SCHEDULE-III

Warranties

1. As on the date of execution and on the Closing Date, the Company and the Promoters hereby jointly and severally represent and warrant to the Investor as set out herein below, that except as Disclosed:
- 1.1 Authority and Capacity**
- 1.1.1 The Company has been duly incorporated and organized and validly exists under the Laws of India.
- 1.1.2 Subject to applicable Law and necessary consents and approvals to be procured in relation to the performance of the obligations of the Company under this Agreement and which are disclosed herein, all of which consents and approvals have been obtained, the Company and each of the Promoters have the legal right, power and authority to enter into, deliver and perform this Agreement and this Agreement, when executed, will constitute valid and binding obligations and be enforceable against the Company and the Promoters in accordance with its terms.
- 1.1.3 In the reasonable opinion of the Company, there has been no Material Adverse Change in the Business and operations of the Company and that it has no notice of any action or investigation or other proceedings of any nature, by any Governmental Authority or any other person which would restrain, prohibit or otherwise challenge the Transaction or would be likely to have a Material Adverse Change on the Company or its Business and operations.
- 1.2 Corporate Matters**
- (a) The business and affairs of the Company are being conducted in accordance with the Charter Documents of the Company and the Company has delivered true and correct copies of the Charter Documents to the Investor, and the Company and the Promoters have complied with all the provisions of the Charter Documents and in particular have not entered into any *ultra vires* transaction which in the reasonable opinion of the Company has had or is likely to have a Material Adverse Change on the Company. All legal and procedural requirements concerning the Act and the Charter Documents have been duly complied with in all material respects.
- (b) The Investor Shares to be issued under this Agreement to the Investor have been duly authorized by all necessary corporate action and all necessary consents, approvals, orders or authorisations required to be obtained by the Company for such issue have been obtained, and to the extent necessary, are in full force and effect, and will be when paid for and issued in accordance with the terms of this Agreement.
- (c) The Company has not, nor has anyone on its behalf done, committed or omitted any act, deed, matter or thing whereby the Investor Shares can be forfeited, extinguished or rendered void or voidable. Neither the Company nor the Promoters nor anyone acting on behalf of Company and/or the Promoters have entered into or arrived at any agreement and/or arrangement, written or oral, with any Person in respect of the Investor Shares, which will render the issue and allotment of the Investor Shares in violation of such agreements.
- (d) Subject to the consents, approvals and government approvals disclosed herein, to be procured in relation to the performance of the obligations of the Company under this Agreement, the Investor Shares shall be validly issued and the Investor shall be



entitled (save and except on account of its own acts, deeds and things) to all rights accorded to a holder of such shares in the Company. Upon the issue and allotment of the Investor Shares, the Investor shall be the sole legal and beneficial owner of the Investor Shares free from any Encumbrance or Claim or demand of any description whatsoever.

- (e) There are no stock options granted and outstanding, warrants issued and outstanding, outstanding rights or agreements or schemes for the subscription or purchase from the Company of any shares in the capital stock of the Company or any securities convertible into or ultimately exchangeable or exercisable for any Shares of the Company (including conversion of any loan taken by the Company or pre-emption rights under any other agreement) and no Shares currently outstanding are subject to any pre-emptive rights, rights of first refusal or other rights pursuant to any existing agreement or commitment of the Company.
- (f) The Company has not bought back, repaid or redeemed or agreed to buy back, repay or redeem any of its issued Share Capital or otherwise reduced or agreed to reduce its Share Capital or purchased any of its own Shares or carried out any transaction having the effect of a share buy-back or reduction of capital.
- (g) Except as Disclosed the Company has maintained:
 - 1) all corporate records including all the statutory registers, such as registers of shareholders, transfer, directors etc. as required by Law;
 - 2) all records and minutes of all meetings and resolutions which have been passed by the Board and Shareholders of the Company;
 - 3) the Board meetings and the general meetings of the Company have been validly held in accordance with the provisions of the Act and all actions and resolutions relating to each such meeting were taken and passed respectively in accordance with the provisions of the Act.
 - 4) the Company has duly and timely filed all annual returns with the Registrar of Companies
 - 5) all the information contained in the various registers, records and minutes book provided in respect of matters described in Clauses 1.2 (e) and (f) is current, true, complete and accurate in all respects.
- (h) The Board of Directors of the Company are duly elected and validly appointed as per the provisions of the Act and the Charter Documents.
- (i) Except as Disclosed, the Company is complying with all material requirements of the Act and its Charter Documents for validly conducting the meetings of their respective boards and members and have duly reflected the proceedings of the meetings in the respective minutes.
- (j) Except as Disclosed, the Company has no subsidiaries and does not own any direct or indirect equity, voting or ownership interest in any company, partnership or other legal entity.

1.3 Accounts and Records

- (a) Except as Disclosed, the books of accounts of the Company have been, in all material

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respects, been accurately and properly maintained.

- (b) Except as Disclosed, the Company has not advanced any sum to any Person, firm or company etc. where the amount is in excess of INR ~~₹~~ 2,50,00,000 individually and/or in excess of INR ~~₹~~ 5,00,00,000 in the aggregate.
- (c) The Company has delivered to the Investor true and complete copies of the audited financial statements for the year ending 31 March 2007 ("Financial Statements") and the Accounts.
- (d) Except as Disclosed, the financial statements have been prepared in accordance with Indian generally accepted accounting principles and truly and fairly present the financial position, assets and liabilities (whether accrued, absolute, contingent or otherwise) of the Company at the dates indicated. All liabilities of the Company have either been discharged by the Company or have been adequately provided for in the books of accounts by the Company or have been disclosed in the books of accounts.
- (e) To the best of the Company's and the Promoters' knowledge, there are no Claims that may arise, accrue and/or attach to the Investor or any Affiliate of the Investor as a result of the consummation of the Transaction contemplated by this Agreement, or as a result of the Investor owning any Share Capital of the Company, where such Claim arises solely due to any action of the Company.

1.3.1 Guarantees or Letters of Comfort

Except as Disclosed, the Company has not provided any guarantee or letter of comfort or made any representation or given any undertaking to any Person in respect of the obligations or solvency of any Person or in support of or as an inducement to or otherwise in connection with the availing of financial assistance from any party except in the ordinary course of business.

1.4 Claims & Borrowings

- (a) Except as Disclosed, there are no other Claims (other than trade credit) including any outstanding obligations for the repayment of money, in respect of circumstances existing upto Closing, actual or contingent, of the Company except for the Claims incurred in the ordinary course of business not exceeding INR ~~₹~~ 1,00,00,000 in the aggregate.
- (b) The outstanding debt of the Company, including off-balance sheet contingent liabilities as of ~~₹~~ is INR ~~₹~~ 66,00,00,000.
 September 30, 2007
- (c) Except as Disclosed, the Company has not accepted any deposits (as the term is understood under the Act) for any Person.
- (d) All the borrowings made by the Company, if any, have been duly authorized by all necessary corporate action / necessary consents, approvals, orders, authorizations and the requisite filings / registrations in this regard have been duly complied with and all borrowings have been Disclosed.
- (e) Except as Disclosed, there are no Encumbrances or other security interests or any other agreements or arrangements having a similar effect, created over any present or future properties, assets or revenues of the Company whether tangible, intangible or real, of the Company.

- (f) Except as Disclosed, no demand or other notice requiring the payment or repayment of money before its normal or originally stated maturity has been received by the Company under any financing and/or security documents.

1.5 Taxation Matters

- (a) Except as Disclosed, and to the best of the Company's and the Promoter's knowledge, since the date of incorporation of the Company, the Company has paid all taxes as and when due and no liability for tax has accrued to the Company.
- (b) The Company has duly and timely filed all necessary information, notices, computations and returns with the appropriate governmental authority or any other relevant public authority in respect of taxes including instalments on account of taxes that are due and payable by the Company for the period up to the date of this Agreement.
- (c) Except as Disclosed, there is no unresolved/pending correspondence or dispute with any public authority. No fiscal authority has at any time carried out, or is at present conducting any investigation into all or any part of the business or affairs of the Company.
- (d) Except as Disclosed, the Company has not received any notices of assessment since the date of the Report.
- (e) Except as Disclosed and to the best of the Company's and the Promoters' knowledge there are no actions, suits, proceedings, investigations, audits or claims now pending in respect of any taxes and there are no matters under discussion, audit or appeal with any governmental authority relating to taxes that have any adverse impact on the Company's ability to consummate the Transaction contemplated herein or that has the effect of creating any charge or lien on the Investor Shares or any assets of Company in favour of a Governmental Authority.
- (f) The Company has duly and timely withheld applicable withholding taxes on amounts paid or credited by it to or for the account or benefit of any Person, including, without limitation to, any of its employees, officers and directors and any non-resident person and has duly and timely remitted same to the appropriate Governmental Authority.
- (g) The Company has made provisions for payment of any tax that is payable or which the Company might be liable to pay and represents that there are no liens for taxes on the assets of the Company.

1.6 Legal / Litigation Matters

- (a) Except as Disclosed, the Company is in material compliance with all the laws, rules and regulations of India applicable to the Business of the Company. To the best of the Company's and the Promoter's knowledge, the Company and the Promoters have not committed or omitted to do any act or thing the commission or omission of which is in contravention of any legislation which in the reasonable opinion of the Company and the Promoters would result in a Material Adverse Change in the Business.
- (b) Except as Disclosed, the Company has all the Permits necessary for the conduct of its Business as currently conducted and the licenses and approvals are valid and existing as of date of this Agreement and shall continue to be valid after the consummation of the Transaction pursuant to or under this Agreement.



"Permits" means all approvals, registrations, permits, consents, licenses and authorizations issued or granted by Governmental Authority, statutory or local authorities to the Company and which are required as at the Closing Date to operate the Business, including without limitation excise licenses, EPCG licenses, factory license, etc. but excluding environmental clearances.

- (c) Except as Disclosed, the Company is not in breach of or in default under any Permits nor is the Company and/or the Promoters aware of any event or circumstance or any intention or proposal under which any of those Permits are likely to be revoked, terminated or cancelled or (where applicable) not renewed in the ordinary course.
- (d) Except as Disclosed and to the best knowledge of the Company and/or the Promoters, there are no actions, suits, proceedings, claims, show-causes or investigations pending, or threatened in writing against or affecting the Company, at Law before any court, quasi-judicial authority, arbitrator or arbitral tribunal, Governmental Authority, commission, board, agency or instrumentality which in the reasonable opinion of the Company and the Promoters results in a Material Adverse Change and the Company is not in default of any order, writ, injunction or decree of any court or other governmental department, commission, board, bureau, agency or instrumentality.
- (e) The Company is not a party to or subject to any judgment, order or decree in any action or proceeding brought by any governmental agency or any other party enjoining it in respect of, or the effect of which is to limit, restrict, regulate or prohibit any business practice or the conduct of day to day business of the Company which in the reasonable opinion of the Company and the Promoters results in a Material Adverse Change.
- (f) There are no actions, suits, proceedings or claims pending or threatened in writing against the Company or the Promoters with respect to the assets of the Company, or wherein an unfavourable decision or finding would render unlawful the transactions contemplated by this Agreement.
- (g) No notice or intimation has so far been served upon the Company by a dealer of the Company which has informed the Company that the said dealer is subject to litigation concerning products of the Company sold/distributed by such dealer.
- (h) Except as Disclosed, no notice has so far been served upon the Company which is pending for imposing any charges, fines, levies, and penalties by any government or regulatory authority.
- (i) The Company does not believe that any Governmental Authority will issue orders which will prevent the Company from carrying on its operations.

1.7 Employees, directors etc.

- 1.7.1 All material facts and matters relating to the employees and workmen (including generally the terms of employment or engagement) have been disclosed to the Investor. Except for the employee benefits as Disclosed, there are no other benefits that are being provided to the employees and/or the workers.
- 1.7.2 The Company has no collective bargaining agreements, arrangements and other similar understanding with any trade union, staff association or other body representing the employees or workmen of the Company. There have not been and there are no strikes or other labour disputes involving the Company nor are such strikes or similar actions pending or threatened in writing by or against the Company.



1.7.3 Except as Disclosed, the Company has, in relation to each of its employees/workers and (so far as relevant) to each of its former employees/workers:

- (a) complied in all material respects with its obligations under relevant Laws, including without limitation, Payment of Gratuity Act 1972, Employees Provident Fund and Miscellaneous Provisions Act, 1952, and the Payment of Bonus Act, 1965, Contract Labour (Regulation and Abolition) Act, 1970 and the Minimum Wages Act, 1948 etc and all other statutes and regulations relevant to its relations with each employee/workers or the conditions of service of the employee/worker and has maintained adequate and suitable records regarding the service of the employee/worker.
- (b) discharged or adequately provided for in all respects its obligations to pay all salaries, wages, commissions, gratuity payments, provident fund payments, bonuses, overtime pay, holiday pay, sick pay, leave encashments and other benefits of or connected with employment up to the date of this Agreement.
- (c) complied in all respects with all its obligations concerning the health and safety at work of each of the employees/worker.
- (d) Except as Disclosed, no amount is due to any employee or former employee of the Company which is in arrears for over 30 (thirty) days.
- (e) The Company is not involved in and there are no present circumstances which in the reasonable opinion of the Promoters is likely to give rise to any labour dispute under the Industrial Disputes Act, 1947.
- (f) No employee of the Company:
 - 1) has been given an unexpired notice terminating his contract of employment in the last 30 (thirty) days; or
 - 2) has been offered any employee stock option; or
 - 3) has a contractual right to a share in the profit or revenue of the Company in terms of his employment contract; or
 - 4) is under notice of dismissal.

1.8 Environmental Matters

1.8.1 Except as Disclosed, all the material environmental clearances and permissions required for the conduct of the Business and operations of the Company (the "Environmental Clearances") have been procured and are valid and existing and will continue to be in full force and effect on Closing Date. The Company is in compliance with and not in material breach of any of the environmental Laws, including without limitation, the Environmental Clearances.

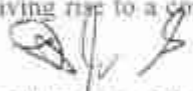
1.8.2 In the reasonable opinion of the Company and the Promoters, there are no facts or circumstances existing at the Closing Date indicating that any Environmental Clearances would or might be revoked or not renewed or varied in any material respects.



1.9 **Business**

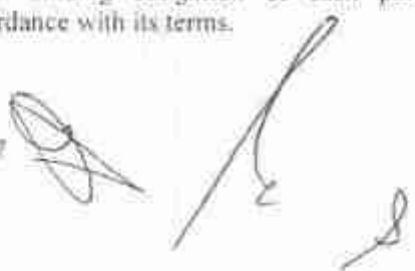
- (a) The Company has not carried on any business other than the Business.
- (b) The property of the Company has been and remains in the possession or under the control of the Company. The Company has good title to all the assets declared during the due diligence exercises and has not created any charge or an encumbrance over nor-declared itself trustee of any of its properties.
- (c) The Promoters reasonably believe that all the orders in the order book dated (as on September 30, 2007) will be completed.
- (d) The Company has not received any notice or threat of termination of a contract that in the reasonable opinion of the Company and/or the Promoters could be expected to have a Materially Adverse Change on the Business conducted by the Company.
- (e) The Company has not defaulted in paying any creditor other than in accordance with the general business practice.
- (f) There has been no payment or satisfaction by the Company of any debt or liability of any Person other than in the ordinary course of business outside the contractual terms entered into by the Company and/or the Promoters.
- (g) The Company has not waived debt owed to it.

1.10 **Powers of Attorney**

- (a) Other than routine authorisations granted in the normal course of conducting the Business no extra-ordinary authorities have been issued in favour of any officer and/or employee to bind the Company.
- (b) No outstanding offer, tender, quotation or the like, given or made by the Company is capable of giving rise to a contract where the gross profit margin is likely to be less than ~~10~~ 10%. 
- (c) The Board of Directors of the Company is at present, authorized to borrow up to an amount not exceeding the limit as per the Charter Documents of the Company and to that extent offer as security mortgage or charge over movable and immovable property of the Company except as Disclosed.

1.11 **Contractual Arrangements**

- 1.11.1 Except as Disclosed, there are no agreements or understandings to which the Promoters and/or the Company are a party to or are bound by which (a) grants management, operational or voting rights in the Company to any Person including any power of attorney; (b) is a non-competition contract restricting in any way the Business; (c) was entered into outside of the ordinary course of business of the Company; (d) provides for the sharing of the revenue of the Company with any third party; (e) is a contract with any Person relating to the use of the assets of the Company.
- 1.11.2 Except as Disclosed, all material contracts have been duly authorised, executed and delivered by the Company and to the best knowledge of the Company and the Promoters, the respective counterparties and constitutes a valid and binding obligation of each party thereto, enforceable against each party thereto in accordance with its terms.



- 1.11.3 The Company is not, to the best of the knowledge of the Company or the Promoters, a party to any contract, arrangement or practice which in whole or in part materially contravenes or is invalidated by any restrictive trade practices, fair trade, consumer protection or similar Law or regulations in any jurisdiction or in respect of which any filing, registration or notification is required pursuant to such Laws or regulations (whether or not the same has in fact been made).
- 1.11.4 Except as Disclosed, there are no outstanding loans made by the Company and/or the Promoters or to the Company and/or the Promoters by any Director or officer of the Company or any Person connected with any of them.
- 1.11.5 Except as Disclosed, there are no outstanding guarantees, indemnities, sureties or comfort letters or obligations (whether or not legally binding) given by or for the benefit of the Company.
- 1.11.6 Except as Disclosed, the Company warrants that there are no agreements, understandings between the Company and any of its key management employees or directors.

1.12 **Assets**

- 1.12.1 The Company has the corporate power and authority to own and operate its assets and properties and to carry on their Business as currently conducted and proposed to be conducted.
- 1.12.2 Except as Disclosed, all material contracts and all material leases, tenancies, licenses and agreements of any nature relating to real estate which the Company is a party are valid and binding and no notice of termination or of intention to terminate has been received in respect of any thereof.
- 1.12.3 Except as Disclosed, there does not exist any mortgage, charge, pledge, lien, Encumbrance over all or any of the present/future revenues of the Company or any agreement in this regard. The Company is enjoying the right to quiet and peaceful possession of all of its immovable property and no notice of any disturbance of, or challenge to the Company's quiet and peaceful possession has been received.
- 1.12.4 To the best of the knowledge of the Company, in relation to each of the assets no notices, orders, proposals, applications or requests affecting or relating to any of such properties have been served or made by any authority on the Company or the actual owner of the assets and there are no circumstances which are likely to result in, any being served or made.
- 1.12.5 Except as Disclosed, all the documents/agreements relating to the assets and properties executed by the Company have been duly stamped and registered if so required, in accordance with applicable Law.
- 1.12.6 All significant records and information belonging to the Company or relating to its Business (whether or not held in written form) are in the exclusive possession and under the direct control of the Company and subject to unrestricted access by it.
- 1.12.7 Except as Disclosed, all assets of the Company including all debts due to the Company or have otherwise been represented as being the property of or due to the Company and/or being used by the Company for the purposes of their business are the absolute property of the Company and/or is being leased to the Company.

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1.13 Insurance


- 1.13.1 Except as Disclosed, all the assets of the Company have been and are at the date of this Agreement adequately insured thereof against risks normally covered by insurance policies of companies carrying on business of a similar nature as the Company.
- 1.13.2 Except as Disclosed, (a) all premiums have been duly paid to date; (b) all the policies are in full force and effect and no act, omission, misrepresentation or non-disclosure by or on behalf of the Company has occurred which makes any of these policies voidable, nor has there been any breach of the terms, conditions and warranties of any of the policies that would entitle insurers to decline to pay all or any part of any Claim made under the policies; (c) no Claim is outstanding and no circumstances exist which are likely to give rise to any Claim.

1.14 Intellectual Property

- 1.14.1 Except as Disclosed, the Company is the absolute owner, valid licensee, or authorized user (as the case may be) of trade names, logos, trade secrets, proprietary information and knowledge, technology, copyrights (if any), licenses or rights with respect thereto necessary for its Business as is now being operated ("Intellectual Properties").
- 1.14.2 The Company is the absolute owner and proprietor of its trademarks and all are duly registered and the Company has in its control all registration certificates with respect to such trademarks and copyrights, other than such registration certificates as are pending upon an application having been made.
- 1.14.3 The use of the Intellectual Properties as is being used by the Company to the best of the knowledge of the Company does not infringe and/or breach or affect the intellectual property rights of any Person.
- 1.14.4 Except as Disclosed, all rights in all Intellectual Properties, confidential business information and trademarks owned or otherwise required for the Business as currently conducted are vested in or validly granted to the Company and are not subject to any limit as to time or restriction and all renewal fees and steps required for their maintenance or protection have been paid and taken.
- 1.14.5 Except as Disclosed, there are no legal proceedings including any litigation, arbitration, infringement and/or passing off actions filed against the Company and to the best of the knowledge of the Promoters and/or the Company, no litigation, arbitration, infringement and/or passing off actions is proposed and/or threatened in writing to be filed against the Company by any Person and the Company has not received any cease and desist notice so far and is not aware of any circumstance under which such a notice may be issued.
- 1.14.6 Except as Disclosed, the Company has not granted to any person licenses or other rights over the Intellectual Properties of the Company.
- 1.14.7 No act has been done or has been omitted to be done which would in the reasonable opinion of the Company and the Promoters entitle any authority or person to cancel, forfeit or modify any of the intellectual property rights belonging to or used by Company.
- 1.14.8 The Company has taken adequate security measures to protect the secrecy, confidentiality and value of its trade secrets.

1.15 Solvency

- 1.15.1 None of the following has occurred and is subsisting, nor has a notice been served in relation



to:

- (a) An application to a court for an order, or the making of any order, that it be wound up, that a liquidator or receiver be appointed or that it be placed in bankruptcy.
- (b) A resolution for winding up of the Company.
- (c) The convening of a meeting or passing of a resolution to appoint an official liquidator.
- (d) A scheme of arrangement or composition with, or reconstruction arrangement or assignment for the benefit of or other arrangement with all or a class of creditors.
- (e) The taking of any action to seize, take possession of or appoint a receiver and/or manager in respect of the shares of the Company.
- (f) Any notice issued by the Registrar of Companies under Section 560 of the Act.

1.16 Shareholder and Director Loans

- 1.16 The Company confirms that no amounts are due to the shareholder and / or Director of the Company except as Disclosed and all the other amounts due by the Company to them have been paid in full by the Company.

1.17 Execution and Performance

- 1.17.1 The execution and performance of this Agreement shall not result in (a) the Company being deprived of any right, claim, advantage, benefit, or privilege that the Company otherwise has under its current contractual arrangements or (b) be subject to any liability that the Company is otherwise not subject to under its current contractual arrangements or (c) accelerate any liability that the Company is subject to under its current contractual arrangements or (d) postpone the right or ability of the Company to enforce any right, claim, advantage or create, benefit or privilege or create any Encumbrance under its current contractual arrangements unless the same is in accordance with the Transaction Documents or (e) the execution, delivery and the performance by the Company and the Promoters of this Agreement in accordance with its terms will not (as applicable) constitute a default under its Charter Documents.
- 1.17.2 No employees, consultants, vendors, service providers, customers or other Persons being entitled to make any claim including but not limited to claims for bonus, stock options or otherwise only by the sole reason of the Company executing the Transaction Documents. Provided that nothing contained in this Agreement shall be deemed to restrict the Company from paying any costs, expenses, fees to the Company's advisors in relation to the Transaction.
- 1.17.3 Any Person being entitled to terminate any contractual arrangement or seek additional compensation for services or seek reduction in compensation for services being rendered by the Company only by the sole reason of the Company executing the Transaction Documents.
- #### 1.18 Confidentiality
- 1.18.1 The Company has complied with the confidentiality obligations as set out in the customer contracts entered into by the Company.



1.19 Absence of Material Effect

- 1.19.1 For the period from the date of the Financial Statements till the Closing Date, the Company has conducted its Business in the normal and ordinary course of business consistent with past practices. Without limiting the generality of the foregoing, and as otherwise contemplated by this Agreement, from the date of the Financial Statements till the date of execution of this Agreement, the Company has not:
- (a) incurred any liabilities other than liabilities incurred in the normal and ordinary course of business consistent with past practice, or discharged or satisfied any Encumbrance, or paid any liability, other than the payment of any liabilities in the normal and ordinary course of business consistent with past practice or failed to pay or discharge when due any liabilities of which the failure to pay or discharge has caused or will cause any material damage or risk of material loss to it or any of its assets or properties;
 - (b) suffered any damage, destruction or loss of physical property or goods resulting in costs or expenses to the Company in excess of INR 50,00,000 (Rupees Fifty Lakhs) whether or not covered by insurance;
 - (c) created, incurred, assumed or guaranteed any indebtedness or subjected to any Encumbrance any of its assets or properties, tangible or intangible except in the normal and ordinary course of business;
 - (d) sold, assigned or transferred (or entered into arrangements under which the Company has the obligation to do so) any of its assets or properties or cancelled or compromised any of its liabilities in excess of INR 10,00,000 (Rupees Ten Lakhs) except as Disclosed;
 - (e) made any capital expenditures or capital additions or betterments in excess of an aggregate of INR 1,00,00,000 (Rupees One Crore) except in the normal and ordinary course of business;
 - (f) revalued any of its assets;
 - (g) made any amendment or suffered any termination of any material contract or waived any substantial debts or claims held by it or waived any rights of value exceeding INR 10,00,000 (Rupees Ten Lakhs);
 - (h) paid any dividends or made any distributions (however characterized and whether payable in cash or additional shares of the Company) except as Disclosed;
 - (i) other than in the normal and ordinary course of business consistent with past practice increased the salaries or other compensation of, or made any advance or loan to, any officer, director or employee of the Company; provided any employee with any increased security or tenure of employment; increased the amounts payable to any employee upon the termination of any such person's employment except as Disclosed;
 - (j) adopted, amended or revised the terms of any benefit plan with respect to the benefit granted to or for the benefit of any of the present or former employees of the Company there under, other than as required by law;
 - (k) entered into any transaction which has given rise or shall give rise to a liability to taxation above INR 10,00,000 (Rupees Ten Lakhs) other than taxation arising from

transactions entered into in the normal and ordinary course of business;

- (l) released any debtor on terms that he pays less than the book value of any debt and no debt has been written off or has proved to be irrecoverable to any extent;
- (m) changed the accounting reference period of the Company;
- (n) incurred any liability in an aggregate exceeding INR 10,00,000 (Rupees Ten Lakhs) in respect of redundancy or severance payments in respect of any employee; or
- (o) been refused any insurance claims or settled below the amount claimed.

1.19.2 No General Meeting has been held after September 28, 2007 of the Company.

1.20 Information

1.20.1 The information set out in each of the above clauses is complete and accurate in all respects. None of the information is misleading in any manner whatsoever, whether by inclusion of misleading information or omission of any information or both.

2. The Investor represents and warrants to the Company and the Promoters as set out herein below:

2.1 The Investor is duly organized and validly existing under the laws of Mauritius having full corporate power and authority to enter into and perform its obligations under the Agreement.

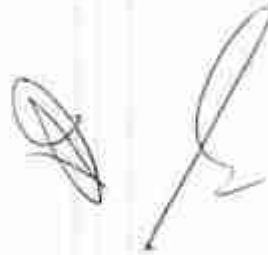
2.2 The execution and delivery of the Agreement by the Investor and the performance of its obligations thereunder shall have been duly and validly authorized by all necessary corporate action on the part of the Investor. The Agreement constitutes legal, valid and binding obligations of the Investor and is enforceable against it in accordance with their respective terms. The execution, delivery and performance by the Investor, of the Agreement and compliance by it with the respective terms and provisions thereof will not: -

- (a) contravene any provision of law, statute, rule or regulation or any order, writ, injunction or decree of any court or governmental instrumentality to which it is subject to; or
- (b) conflict with or result in violation or material breach of its constitutional documents.

2.3 The Investor (i) has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in connection herewith to the extent it has deemed necessary; (ii) has had a reasonable opportunity to ask questions of and receive answers from officers and representatives of the Company concerning their respective financial condition and results of operations and the purchase of the Investor Shares; (iii) has reviewed all the information that it believes is necessary or appropriate in connection with the purchase of the Investor Shares; (iv) has made its own investment decisions based upon its own judgment, due diligence and advice from such advisers as it has deemed necessary and not upon any view expressed by or on behalf of the Company.

2.4 The Investor has such knowledge and it is capable of evaluating the merits and risks of purchasing the Investor Shares, has had the opportunity to ask questions of, and receive answers and request additional information from, the Company and is aware that it may be required to bear, and is able to bear, the economic risk of an investment in the Investor Shares. The Investor is purchasing the Investor Shares for its own account and not with a view to any distribution thereof.

- 2.5 The Investor is not insolvent, has not committed any act which could be regarded as an act of an insolvent company and are able to pay their debts in the ordinary course of business. No steps are pending or contemplated in respect of de-registration, winding-up, liquidation, appointment of receiver for or judicial, management of the Investor.
- 2.6 The Company's advisors or any Person acting on its or their behalf have not made, and the Investor has not relied upon, any representation, warranty or condition (express or implied), and the Company's advisors or any person acting on its or their behalf shall have no liability or responsibility to the Investor for, the effectiveness, validity or enforceability of any agreement or other document entered into by or provided to the Investor in connection with the Transaction contemplated herein or any non-performance by any party to any of them, or the financial condition of the Company.
- 2.7 The Investor's purchase of the Investor Shares is lawful under the securities laws of the jurisdiction in which it accepts the offer to purchase the Investor Shares.

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SCHEDULE IV

Format of Charter Documents

"The Shareholders Agreement attached as Annexure 1 shall form an integral part of these Articles of Association and shall be deemed to be incorporated in these Articles of Association by reference such that effect shall be given to the provisions of Annexure 1 as if the same were substantive provisions in the body of these Articles of Association. Notwithstanding anything to the contrary contained herein, in the event of any inconsistency between these Articles of Association and Annexure 1, the provisions of Annexure 1 shall prevail."

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SCHEDULE- V

Transfer of Assets

**A. DETAILS OF FIXED ASSETS OF M/S INTERTEC, PANTNAGAR UNIT AS ON
DECEMBER 4, 2007**

1. Land: 4,000 sq. mts. at plot no. 14A, SIDCUL, Integrated Industrial Estate, Pantnagar, Uttarakhand
2. Factory Shed on the above land with boundary wall and main gate
3. Plant and Machinery
 - a. Kippon Machine;
 - b. Roll Forming Machine;
 - c. Diesel Generating Set (15 KVA);
 - d. EOT Crane – 5 Tonne; and
 - e. Cooling Tower

B. NET CURRENT ASSETS AS VALUED ON THE DATE OF ACTUAL TRANSFER

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SCHEDULE- VI

FORM OF NO OBJECTION CERTIFICATE FROM THE COMPANY AND THE PROMOTERS

[●] December, 2007

INDIVISION INDIA PARTNERS

C/o International Financial Services Limited,
IFS Court, Twenty-Eight,
Cybercity, Ebene,
Mauritius

RE : NO OBJECTION CERTIFICATE (the "NOC")

1. This is with reference to your proposed subscription to the equity shares of the Company pursuant to the Share Subscription Agreement dated December 4, 2007. We understand that Indivision India Partners is a company established in the Republic of Mauritius under the Mauritius Companies Act.
2. In connection with the above, we hereby irrevocably and unconditionally agree and confirm, on behalf of ourselves and our associated and affiliated and group companies that we have no objection to you and/ or your affiliates and/or associates undertaking or making any investment in, including without limitation, entering into any agreement, business, collaboration, trademark arrangement, technology transfer, collaboration arrangement or joint venture with, any other company in India carrying on any business in the same field as the business of the Company and/or any other new business that may be adopted by the Company and/or its associated and our affiliated companies or by any new subsidiaries, associated and our affiliated companies of the Company or by any entity to be established or acquired by the Company or group Companies, associated and our affiliated companies.
3. For the purposes as aforesaid, each of us shall in future, if you so request, promptly without delay provide you any additional support which you may request, including duly executing and delivering all further letters, resolutions, documents and consents as may be requested or required in relation to any Indian legal or regulatory requirements.
4. We also confirm that investments as aforesaid by you and / or your affiliates and/or associates will not in any way prejudice the interest of the Company or its shareholders/stakeholders (in their capacity as shareholders of the Company).
5. For the avoidance of doubt, it is hereby clarified that this NOC shall be unconditional, and perpetually valid notwithstanding that you or your affiliates cease to be shareholders of the Company.



10/1/07

6. We acknowledge, recognize, agree and confirm that this no objection certificate is binding on us and our successors in interests and assigns without any restriction whatsoever and without any reference, further consents or renewal of approval or intimation to us.

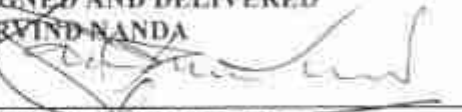
Yours sincerely,



SIGNED AND DELIVERED
BY THE WITHIN NAMED "COMPANY"
INTERARCH BUILDING PRODUCTS PRIVATE
LIMITED by the hand of Mr. [●], authorised
signatory, pursuant to a resolution of its Board dated
[●]



SIGNED AND DELIVERED
ARVIND NANDA



SIGNED AND DELIVERED
GAUTAM SURI



SCHEDULE - VII

Conditions Precedent

- (a) Receipt of the NOC pursuant to Press Note No 18 (1998 series) and Press Note No. 1 (2005 series) issued by the Ministry of Industry, GOI, from the Promoters & Company in the format set out in **Schedule - VI**;
- (b) The receipt of the no objection certificate for the Company to enter into the Transaction Documents from Standard Chartered, HSBC, ABN Amro, Bank of Nova Scotia all lenders to the Company;
- (c) The Company to inform GNIDA in writing of the Transaction;
- (d) Agreement by the Parties on the total amount (on a cost to company basis) payable to Mr. Gautam Suri, Mr. Arvind Nanda and Mr. Ishaan Suri;
- (e) The Company providing a copy of the Accounts certified by the Chief Executive Officer and the Chief Financial Officer to the Investor. Provided, however that notwithstanding anything contained in this Agreement, the Parties agree and acknowledge that the Company and/or the Promoters shall not be liable on account of the Accounts being provided to the Investor;
- (f) The Company providing a signed copy of the business plan till 2012 previously shared with the Investor. Provided, however that notwithstanding anything contained in this Agreement, the Parties agree and acknowledge that the Company and/or the Promoters shall not be liable on account of the business plan being provided to the Investor;
- (g) The Company providing a copy of the order book certified by the Chief Executive Officer and the Chief Financial Officer, indicating the orders placed as of September 30, 2007. Provided, however that notwithstanding anything contained in this Agreement, the Parties agree and acknowledge that the Company and/or the Promoters shall not be liable on account of the order book as of September 30, 2007 being provided to the Investor; and
- (h) The Company to obtain the consent to operate under the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control of Pollution) Act, 1974 from the State Pollution Control Board in respect of Plot No. 29 Udyog Vihar, Greater Noida.



1.9. 2. 11

SCHEDULE- VIII

Conditions Subsequent

- (a) The Company shall inform the IEC licensing authority of the Transaction;
- (b) The Company shall inform the central excise authorities of the Transaction; and
- (c) The Company shall obtain the approval of SIPCOT in respect of the Transaction.

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