

2ND AUAP-JLU INTERNATIONAL MOOT COURT COMPETITION, 2023

MOOT PROPOSITION

UNDISPUTED FACTS- BACKGROUND OF THE DISPUTE

1. Indica is a country with the second largest population in the world. It is the biggest two-wheeler market in the world, with an average number of two wheelers per 1000 people being 31. The urban market for two-wheelers is largely penetrated with nearly 57 of every 100 youths that earn an income to support the ownership of a two-wheeler.
2. Over the course of the last decade, Indica has emerged as the third largest start-up ecosystem globally. Of the 70,000 odd start-ups in the country, around 13,000 are technology led start-ups. Among the many grants instituted specifically for growth-stage start-ups, the ISSCOM (Indican Software and Service Companies) Association grant is the most sought, awarding between INR 50 Lac to INR 5 Crore to technology-based innovation start-ups. Many recipients of the grant have been in their nascent stages, having won solely on the basis of their concepts and accompanying roadmaps.
3. Throttle Motors Private Limited ("Throttle") is one such start-up company incorporated in 2016 with the objective of developing Hydrogen powered two-wheelers and refuelling infrastructure. Mr. Nitin Motiramani, the founder-CEO of the Company, held majority shares in the company.
4. In the year 2017, Throttle received a grant from ISSCOM Association valued at Rs. 4.5 Crore to complete their research objectives and develop a working prototype of their proposed Hydrogen Fuel Cell ("HFC") two-wheeler.
5. Upon receiving the grant, Throttle hired a principal CTO and leased an R&D space at the outskirts of Kerul, a city dubbed as the start-up city on account of the thousands of start-up companies having their base of operations situated there. During the next eighteen months, Throttle claimed to have developed a non-working prototype, along with securing a Letter of Intent ("LoI") from Indica's biggest food delivery aggregator for purchase of 100 HFC two wheelers. However, the LoI was conditional upon the company's target of commencement of production date being 25th December 2020.
6. In 2017, the Government of Indica had launched a policy viz. "Indica's Green Hydrogen Policy, 2017" ("Policy"), which aims at setting up hydrogen producing stations at four key locations in the country, along with developing refuelling infrastructure.
7. With the LoI in hand, Throttle began the process of procuring investors to fund the development of a working prototype. To capitalise upon the Policy to have the four hydrogen producing stations operational by the end of 2018, Throttle started pitching to potential investors.
8. Taurus Motors Private Limited ("Taurus Motors"), one of the world's leading automobile manufacturers, having its registered office in Muchong, Palaysia, with a market capitalization of \$100 billion, exhibited interest in acquiring a stake in Throttle. The Foreign Direct Investment Policy, 2017 of Indica, permits 100% investment in the automobile sector ("FDI"). After deliberations spanning months, the transaction was concluded and Share Subscription and Shareholders Agreement ("SSA") dated 9th December 2019 was executed between Taurus Motors and Throttle. Pursuant to the SSA, Taurus Motors infused first tranche on 10th January 2019 and appointed Mr. Sundar L. as its nominee director.
9. Infused with working capital, Throttle leased a manufacturing facility capable of producing 50 HFC two wheelers per month.
10. Throughout 2019, Nitin Motiramani released updates through his Twitter account, sharing progress of the prototype with the company's fans periodically. Due to the Government of Indica's constant efforts at promoting clean energy automobiles, along with major changes in the global automotive industry, Nitin became a media favourite for the work Throttle was undertaking in developing the country's first indigenous hydrogen powered two-wheeler. Terming him a visionary, certain media outlets even began referring to him as the 'Musk of the East'.
11. In late 2019, Nitin shared a series of Tweets suggesting that Throttle's working prototype of the HFC two-wheeler was almost ready and would be unveiled during the first quarter of 2020. This created a major buzz in the technology and automotive industry. This gave rise to a number of rumours that several automobile giants would be making offers to acquire Throttle if the prototype launch went as speculated.

12. During this period, Throttle began approaching more investors with the intent to begin full-scale production of its HFC two-wheeler. While pitching to investors, Nitin and his team demonstrated the working prototype and built on the market craze for Throttle in order to get the most amount of funding.

13. On 9th May 2020, Throttle held a launch event to showcase the working prototype to the media, automobile industry and government personnel. During the event, Nitin announced that Throttle is in the process of closing another round of funding of \$1.5 billion. In the launch event Nitin also assured the public and the investors that the production of HFC Two Wheelers was to begin soon. Further, the pre bookings of the HFC two wheelers was scheduled to commence by 19th May 2020, accompanied by a registration fee of Rs 10,000/. The registration for pre booking shall be done on the official website of Throttle. It was promised that Throttle shall be delivering the two wheelers by the holiday season of Christmas in 2020.

14. Many tech enthusiasts and technology media outlets began questioning why Throttle would need a pre-booking deposit when it had already raised so much capital through funding. Nitin dismissed these concerns as envy fuelled rants from disgruntled nobodies, and went on to state that the proprietary technology powering the HFC two wheelers was developed completely in-house at a time when even global giants were struggling to understand the complexities involved in mass producing hydrogen powered vehicles.

15. This announcement made an uproar in the automobile market and by the end of May 2020, Throttle received around 2 lakh registrations from all over Indica.

16. With the newfound fame, Nitin constantly released updates through his Twitter account, and frequently gave interviews to media outlets. Soon, he went from being a Technology Entrepreneur to a celebrity, mingling with influential actors and politicians and constantly appearing on Page-3 of tabloids.

17. Nitin continued posting updates on his social account, making claims that the Indican automobile industry would be revolutionized once the HFC two wheelers are delivered to their owners.

18. On 7th July 2020 Taurus infused second tranche in Throttle; thereby collectively holding 10% of the paid-up equity shares of Throttle after second tranche.

19. In September of 2020, Nitin posted that the delivery shall be delayed till the first quarter of 2021. This change in delivery date was because of the ongoing acquisition of the chief manufacturing facility of the company for efficient product delivery. Nitin continued to share updates regarding the progress that was being made and the hiccups that were being ironed. He posted another update in January 2021, stating that the delivery of the HFC two wheelers is being pushed to the third quarter of 2021; however, this time he provided no reason for this delay.

20. The customers who had pre-booked their two wheelers were growing frustrated at the constant delays and many of them had started asking for a refund. There were certain rumours going around that all was not well between Nitin and the investors. There were talks in the industry that there was a dissent among one of the investors, Taurus Motors, in regard to the acquisition of the chief manufacturing facility. The nominee director, Mr. Sundar L. had raised certain environmental concerns on the geographical location and functioning of the chief manufacturing facility and had reserved their decision on allowing the acquisition. In respect of the grant of technical know-how as per the SSA, the obligation of Taurus was in abeyance.

21. Unbothered with the mounting criticism and growing scepticism towards the delivery of the two-wheelers, Nitin continued to be spotted in various social settings. After a brief hiatus, he tweeted that the company was awaiting certain compliance certificates pending from the Government of Indica. He also shared a few pictures of the manufacturing facility showing assembly lines and a number of two-wheelers in the frame.

22. On December 05, 2021 The Technology Standard, a leading Indican newspaper, published a six-page exclusive story on Nitin and Throttle. Ms. Jasmine, the investigative journalist who authored the report, stated that it was a fruit of seven months of labour, and involved many visits to Throttle's manufacturing plants, places of business, as also conversations with former and current employees. The said report sent shockwaves across the Indican and global automotive industry.

23. Upon the release of the report, multiple FIRs came to be filed across Indica against Nitin and Throttle for cheating the

customers who pre-booked their HFC two-wheelers. Additionally, a large group of disgruntled customers entered Throttle's manufacturing facility and destroyed a significant number of industrial machines essential to the company's assembly process.

24. Taurus Motors, upon realising the extent of the irregularities in Throttle's business and Nitin's style of working, paused the tranche payment that was due on 4th January 2022. They released a statement that Nitin had violated the terms of the SSA and that their investments were towards development of proprietary technology that could later be adapted to suit other types of automobiles.

25. In his defence, Nitin stated that The Technology Standard's report is defamatory and Throttle's work is being taken completely out of context. Nitin proceeded to file a criminal suit against The Technology Standard and its reporter, Ms. Jasmine.

26. On 14th February 2022, Taurus Motors sent a notice to Throttle, invoking the Put Option right under the SSA. The notice stated that failure on the part of Throttle to fulfil the Conditions Precedent to Third Tranche Payment and the criminal cases filed against Throttle and Nitin amount to gross default under the SSA. As a result, Taurus will not be infusing any further capital into Throttle and also Taurus Nominee Director is resigning from the Board of Throttle with immediate effect. Further, Taurus Motors also invoked its Put Option Right under the SSA and required Nitin to purchase the entire shareholding of Taurus Motors at IRR of 25 (twenty five) per cent.

Aggrieved by the above actions of Taurus Motors, Throttle sent a notice to Taurus Motors invoking arbitration as per the terms of the SSA on 1st March 2022.

27. An Arbitral Tribunal has been convened to decide on the following issues:

- a) Whether Taurus is liable for delay in operationalization of the chief manufacturing facility?
- b) Whether Throttle defaulted in fulfilling conditions precedent to the third tranche payment as envisaged in the SSA?
- c) Whether Taurus Motors had any right under the SSA to stop tranche payments completely?
- d) Whether the exercise of put option under the SSA by Taurus is lawful?
- e) Whether Throttle is entitled to claim damages from Taurus under the Indian Laws?

Note: (1) The provisions of the Competition Law have been complied with by both the Companies.
(2) Republic of Indica is a fictitious country, with the laws in pari materia with that of Republic of India.

ANNEXURE - I

**No. 20/02/2015-R&R
Government of Indica
Ministry of Power**

To,

1. Secretary, Ministry of New and Renewable Energy, Govt. of Indica, Samai.
2. Secretary, Ministry of Ports, Shipping and Waterways, Govt. of Indica, Samai.
3. Secretary, Ministry of Petroleum and Natural Gas
4. Secretary, Dept. of Science & Technology, Govt. of Indica, Samai.
5. Secretary, Ministry of Heavy Ministries, Govt. of Indica, Samai.
6. The Chairperson, Central Electricity Authority, Parivartan Bhavan, Samai.
7. The Secretary, Central Electricity Regulatory Commission (CERC), Samai.
8. Principal Secretaries/Secretaries (Power/Energy) of all State Governments/UTs.
9. Secretaries of All State Electricity Regulatory Commissions/JERCs.
10. Chairman/CMDs of all PSUs under administrative control of Ministry of Power/MNRE.
11. Chairman/CMDs of all PSUs under administrative control of Ministry of Petroleum and Natural Gas.
12. Chairman/CMDs of all PSUs under administrative control of Dept. of Science & Technology.
13. CMD, SECI, Samai.
14. CMDs/MDs of Discoms/Gencos of all State Governments.
15. DG, Association of Power Producers, Samai.
16. President, FICCI, House No. 1, Federation Marg, Samai.
17. President, CII, Samai.
18. President, PHDCCI, Sanai.
19. ASSOCHAM, Samai.
20. Member, IRAYAS Energy Group, Samai.
21. DG, Electric Power Transmission Association (EPTA), Samai.
22. Chairman, Indican Wind Power Association, Samai.
23. Director General, National Solar Energy Federation of Indica (NSEFI), Samai.

Subject: Green Hydrogen Policy- regarding.

Sir/Madam,

Hon'ble Prime Minister launched the National Hydrogen Mission on Indica's 45th Independence Day (i.e. November 27, 2016). The Mission aims to aid the government in meeting its climate targets and making Indica a green hydrogen hub.

1. In line with the above announcements, a Green Hydrogen Policy has been framed by Government of Indica for compliance / implementation by all the concerned stakeholders.

2. The Green Hydrogen Policy provides as under:

There is an increased consensus around the world that concerted steps need to be taken to reduce global warming to levels less than 2°C and if possible, to cap it at 1.5°C higher than pre-industrial levels. Various countries have pledged their Nationally Determined Contributions in order to ensure energy transition and reduce emissions. Most large economies including Indica have committed to net zero targets. Transition to Green Hydrogen and Green Ammonia is one of the major requirements for reduction of emissions, especially in the hard to abate sectors. Government of Indica has had under consideration a number of policy measures in order to facilitate the transition from fossil fuel/ fossil fuel-based feed stocks to Green Hydrogen / Green Ammonia both as energy carriers and as chemical feed stock for different sectors. After careful consideration, the Government of Indica has decided as follows:

1. Green Hydrogen / Green Ammonia shall be defined as Hydrogen / Ammonia produced by way of electrolysis of water using Renewable Energy; including Renewable Energy which has been banked and the Hydrogen/Ammonia produced from biomass.

2. The waiver of inter-state transmission charges shall be granted for a period of 25 years to the producer of Green Hydrogen and Green Ammonia from the projects commissioned before June 30, 2021.

3. Green Hydrogen / Green Ammonia can be manufactured by a developer by using Renewable Energy from a co-located

Renewable Energy plant, or sourced from a remotely located Renewable Energy plant, whether set up by the same developer, or a third party or procured Renewable Energy from the Power Exchange.

Green Hydrogen / Green Ammonia plants will be granted Open Access for sourcing of Renewable Energy within 15 days of receipt of application complete in all respects. The Open Access charges shall be in accordance with Rules as laid down.

4. Banking shall be permitted for a period of 30 days for Renewable Energy used for making Green Hydrogen / Green Ammonia.

5. The charges for banking shall be as fixed by the State Commission which shall not be more than the cost differential between the average tariff of renewable energy bought by the distribution licensee during the previous year and the average market clearing price (MCP) in the Day Ahead Market (DAM) during the month in which the Renewable Energy has been banked.

6. Connectivity, at the generation end and the Green Hydrogen / Green Ammonia manufacturing end, to the ISTS for Renewable Energy capacity set up for the purpose of manufacturing Green Hydrogen / Green Ammonia shall be granted on priority under the Electricity (Transmission system planning, development, and recovery of Inter State Transmission charges) Rules 2021.

7. Land in Renewable Energy Parks can be allotted for the manufacture of Green Hydrogen / Green Ammonia.

8. The Government of Indica proposes to set up Manufacturing Zones.

Green Hydrogen / Green Ammonia production plant can be set up in any of the Manufacturing Zones.

9. Manufacturers of Green Hydrogen / Green Ammonia shall be allowed to set up bunkers near Ports for storage of Green Ammonia for export / use by shipping. The land for the storage purpose shall be provided by the respective Port Authorities at applicable charges.

10. The Government of Indica shall set up hydrogen producing stations at four key locations which shall be operational in Q4 of 2018.

11. Renewable Energy consumed for the production of Green Hydrogen / Green Ammonia shall count towards RPO compliance of the consuming entity. The renewable energy consumed beyond obligation of the producer shall count towards RPO compliance of the DISCOM in whose are the project is located.

12. Distribution licensees may also procure and supply Renewable Energy to the manufactures of Green Hydrogen / Green Ammonia in their States. In such cases, the Distribution licensee shall only charge the cost of procurement as well as the wheeling charges and a small margin as determined by the State Commission.

13. Ministry of New and Renewable Energy ("MNRE") will establish a single portal for all statutory clearances and permissions required for manufacture, transportation, storage, and distribution of Green Hydrogen / Green Ammonia. The concerned agencies / authorities will be requested to provide the clearances and permissions in a time-bound manner, preferably within a period of 30 days from the date of application.

14. In order to achieve competitive prices, MNRE may aggregate demand from different sectors and have consolidated bids conducted for procurement of Green Hydrogen / Green Ammonia through any of the designated implementing agencies.

This issues with the approval of Competent Authority.

Sd/-

Joint Secretary to the Govt. of Indica

Copy for information to: PS to Hon'ble Minister for Power and NRE, Sr. PPS to Secy.(P), Sr. PPS to JS (R&R), Ministry of Power.

Copy to: Technical Director, NIC Cell for uploading on MOP's website under "Current Notice".

ANNEXURE - II

RELEVANT EXTRACTS FROM THE SHARE SUBSCRIPTION AND SHAREHOLDERS AGREEMENT

DATED DECEMBER 09, 2019

SHARE SUBSCRIPTION AND SHAREHOLDERS AGREEMENT

BY AND BETWEEN

TAURUS MOTORS PRIVATE LIMITED

AND

THROTTLE MOTORS PRIVATE LIMITED

AND

MR. NITIN MOTIRAMANI

SHARE SUBSCRIPTION AND SHAREHOLDERS AGREEMENT

This Share Subscription and Shareholders Agreement ("Agreement"), executed at Samai on this 9th day of December, Two Thousand and Nineteen.

BY AND BETWEEN:

A. THROTTLE MOTORS PRIVATE LIMITED, a company incorporated under the Companies Act, 2013, as amended (the "Act"), having its registered office at 30, MG Road, 5th Floor, Samai - 009809 (hereinafter referred to as the "Company", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the FIRST PART;

B. TAURUS MOTORS PRIVATE LIMITED, a company organized under the laws of Palaysia and having its registered office at Paradigm Estate, Kinfields, Muchong - 44400 (hereinafter referred to as "Taurus", which expression shall, unless it be repugnant to or inconsistent with the context or meaning thereof, be deemed to mean and include its successors and permitted assigns), of the SECOND PART;

C. MR. NITIN CHANDAN MOTIRAMANI, aged about 37 years, residing at Flat No. 204, 2nd floor, Empire Mercury, Off T Junction, Caplore - 402067 (hereinafter referred to individually as the "Promoter"), which expression shall unless it be repugnant to the context or meaning thereof shall mean and include his successors and permitted assigns), of the THIRD PART; The Company, Taurus and the Promoter are hereinafter, where the context so permits, referred to individually as "Party" and jointly as "Parties". All capitalized terms used in this Agreement are defined under Clause 22

Whereas:

1 As of the date of this Agreement, the Company is an existing company incorporated under the Act and is in the process of developing Hydrogen Fuel Cell (HFC) for Two-Wheelers, which inter alia includes developing proprietary technology, hydrogen fuel tanks, HFC stacks and motors, etc.

2 As on Effective Date, the Promoter holds 100% (Hundred Percent) issued, subscribed and paid-up share capital of the Company.

3 Taurus is a company organised under the laws of Palaysia and is a multinational automobile manufacturer engaged in the business of manufacturing and selling automobiles. .

4 Taurus proposes to invest an amount of USD 1.5 billion in the Company and to subscribe to, and the Company agrees to issue to Taurus, the Taurus Shares (as defined hereinafter).

5 The Parties desire to enter into this Agreement to provide for their respective rights and obligations regarding the investment, strategy, management and operation of the Company and certain other inter se rights and obligations as set forth herein.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements set forth herein, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions set forth herein, each of the Parties, intending to be legally bound, hereby agrees as follows.

1. EFFECTIVE DATE

This Agreement shall come into and be in full force and effect upon its execution by the Company, Taurus and the Promoter (the "Effective Date").

2. OBJECTIVES OF THE COMPANY

2.1. The Parties hereto agree that the overall operating principles for their co-operation in the Company shall be as follows:

- 2.1. 1 Developing a highly regarded and profitable organization;
- 2.1. 2 Expanding the size of the business by means of sound management, innovative marketing and customer service;
- 2.1. 3 Establishing and maintaining a reputation for state-of-art technology, quality and professionalism;
- 2.1. 4 Ensuring that all transactions are carried on between the Company and either of the Parties (or their Affiliates), wherever required, on an arm's length basis;
- 2.1. 5 Maintaining the highest standards of integrity in its operating practices.;
- 2.1. 6 Ensuring compliance with all Applicable Laws at all times during the currency of this Agreement.

3. SHARE SUBSCRIPTION AND CAPITALISATION

3.1. As on the Effective Date, the authorized share capital of the Company is INR 10,00,00,000/- (Rupees Ten Crore Only) divided into 1,00,00,000 Equity Shares and the present issued, subscribed and paid-up share capital of the Company, as on the Effective Date is INR 5,00,00,000/- (Rupees Five Crore Only) divided into 50,00,000 Equity Shares.

3.2. Subject to the terms and conditions of this Agreement, Taurus shall infuse USD 1,500,000,000 (United States Dollar One Billion and Five Hundred Million Only) into the Company in four equal tranches towards subscription of Taurus Shares. Each tranche payment will allow Taurus to subscribe to 5% of the Equity Shares of Throttle.

3.3. Subject to the satisfaction of condition precedent as set out below, Taurus shall make four tranche payments of USD 375,000,000 (United States Dollar Three Hundred and Seventy-Five Million Only) to the Company as per the following Schedule.

Tranche	Amount (in \$)	Date
1	375,000,000	January 10, 2019
2	375,000,000	July 07, 2020
3	375,000,000	January 04, 2022
4	375,000,000	July 24, 2023
Total	1,500,000,000,000	

4. CONDUCT BEFORE FIRST CLOSING

4.1. During the period between the signing of this Agreement and First Closing, the Promoter shall ensure that the Company shall:

- 4.1.1. carry on its Business in, and only in, the ordinary course of business substantially consistent with past practice, use its best efforts to preserve its present business organization, and endeavor to preserve its relationships with customers, suppliers and others having business dealings with it;
- 4.1.2. not commence any new line of business that is not related to the Business of the Company as it is currently engaged in;
- 4.1.3. not make any change in the issued, subscribed, or paid-up share capital / capital structure, including new issuance of shares or other securities, issuance of convertible debentures or warrants, or grant of any options over its shares;
- 4.1.4. not sell, transfer, assign, mortgage, pledge, hypothecate, grant any security interest in, subject to any other Encumbrance, or otherwise dispose of, any of its assets other than in the ordinary course of business;
- 4.1.5. not merge or consolidate with, or agree to merge or consolidate with, or purchase substantially all of the assets of, or otherwise acquire any business, business organization or division thereof, or any other Person not previously disclosed in writing to the Taurus;
- 4.1.6. not enter into, amend or terminate any agreement or incur any commitment which is not in the ordinary and usual course of business and which involves total annual expenditure in excess of INR One Crore or which imposes obligations or liabilities on it to pay an amount of INR One Crore or imposes on it any obligation or liability, which is not in the ordinary course of business;
- 4.1.7. not make any capital expenditure over INR One Crore;
- 4.1.8. not increase any of its obligations with respect to indebtedness over INR One Crore;
- 4.1.9. not acquire or dispose of, or agree to acquire or dispose of, any asset, or enter into or amend any agreement or incur any commitment to do so, cause the issuance of bank guarantees towards securing any commitment, in each case involving consideration, expenditure or liabilities in excess INR One Crore. For the avoidance of doubt, nothing contained hereinabove shall be deemed to affect the ability of the Company to deal with its inventory or purchase raw material in the usual and ordinary course of business;
- 4.1.10. not make any change in its directors except as contemplated under this Agreement;
- 4.1.11. not to make any payments to its employees (including any severance compensation or by whatever name called), except in the ordinary course of business and consistent with past practices or as required by Applicable Law;
- 4.1.12. not create equity option plan;
- 4.1.13. not compromise, prosecute, grant any waiver or release relating to or otherwise adjust any litigation;
- 4.1.14. not make any change to the accounting or tax policies, procedures or practices of the Company except as required due to change in Applicable Law, or appoint or remove the external or statutory auditors;
- 4.1.15. not change the registered office; and
- 4.1.16. not declare any dividends, including any interim dividends;

4.2. If, during the period between the signing of this Agreement and First Closing, the Company and/or the Promoter become aware that:

- 4.2.1. there has been a Material Adverse Effect; or
- 4.2.2. the Company is involved in, or has been threatened with any material litigation, or
- 4.2.3. any of the provisions of Clause 4.1 have been breached;

Then the Company and the Promoter shall immediately notify Taurus of that fact in writing and shall provide all information in their possession in relation to the event in this Clause 4.2 to Taurus.

5. CONDITIONS PRECEDENT TO FIRST CLOSING AND FIRST CLOSING

5.1. The First Closing shall take place subsequent to the fulfilment of the following conditions by the Company and Promoter at least seven days prior to the First Closing Date:

- 5.1.1. The Promoter and the Company have certified to Taurus that, no legal, regulatory or court order or proceeding or investigation or inquiry operates against the Company and that to the best of their knowledge no litigation has commenced till the date of this Agreement, relating to or affecting the Company or any of its assets or properties;
- 5.1.2. The Promoter shall have submitted the Business Plan to the satisfaction of Taurus;
- 5.1.3. The Parties have furnished to each other all requisite board resolutions or powers of attorney, as the case may be, made by each of them in favour of their respective signatories for executing this Agreement on their respective behalf;
- 5.1.4. The Company shall have increased its authorized share capital to enable the issue and allotment of Taurus Shares;
- 5.1.5. The representations and warranties of the Promoter and the Company are true and correct to the best of their knowledge as of the First Closing as if made on and as of such date;

5.1.6. The Promoter and the Company shall not have breached any of their obligations under this Agreement as of the First Closing;

5.1.7. The Company shall share schematics relating to the development of the prototype of its HFC Two-Wheeler to Taurus;

5.2. Upon completion of the condition precedent to First Closing as set out in Section 5.1, the Company and the Promoter shall deliver a certificate in the format satisfactory to Taurus, duly signed by the Promoter and the Company, certifying that the conditions precedent have been fulfilled. Subject to the fulfilment of the conditions precedent to the First Closing to the satisfaction of Taurus, the First Closing shall take place on the First Closing Date. The obligations of each of the Parties under Section 5 are interdependent and subscription of the First Tranche Taurus Shares shall not be deemed to have occurred unless all of the obligations set out in Section 5 are complied with and are fully effective.

5.3. On the First Closing Date, the Parties shall consummate the following transactions.

5.3.1. the Company and the Promoter shall deliver a certificate in the format satisfactory Taurus, duly signed by the Promoter and the Company, certifying that during the period between the Execution Date and the Closing Date, Business and operations of the Company has been carried out in accordance with Section 4 and no event or circumstances exists which affects the undertaking given under Section 4.

5.3.2. Taurus shall deposit an amount equivalent to the First Tranche Consideration, into the Designated Bank Account of the Company.

5.3.3. Upon confirmation of receipt of the First Tranche Consideration into the Designated Bank Account of the Company, the Company shall issue and allot First Tranche Taurus Shares to Taurus.

5.3.4. On the First Closing Date, the Promoter shall convene a Board meeting, at which the following business shall be conducted in the following sequence and manner:

5.3.4.1. Approving the subscription of First Tranche Taurus Shares
The Board shall take on record and approve the subscription of First Tranche Taurus Shares and approve to issue share certificates in relation to the First Tranche Taurus Shares. The Board shall enter the name of Taurus in the register of members of the Company (maintained in Form MGT-1 (as set out in the Companies (Management and Administration) Rules, 2014)) in respect of the First Tranche Taurus Shares.

5.3.4.2. Appointment of Directors
Nominee of Taurus shall be appointed on the Company Board. The Board shall authorize the filing of necessary returns with the Registrar of Companies intimating the appointment of such Director.

5.3.4.3. Adoption of the Restated Articles
The Board shall ensure that the Restated Articles incorporating the terms of the Agreement (as applicable) shall have been adopted by the Board and the Board to approve convening of a general meeting to pass a special resolution in accordance with the Articles of the Company and the Act for approving the adoption of the Restated Articles.

5.4. The Company shall convene a general meeting, and at such general meeting, the shareholders of the Company shall (i) approve the adoption of the Restated Articles, by way of a special resolution and (ii) approve the appointment of Mr. Sundar L. as the Director on the Board of the Company

5.5. On the First Closing Date, the Promoter shall ensure that the Company shall provide to Taurus: (a) certified true copies of the resolutions passed pursuant to Clause 5.2.4.2 and 5.2.4.3 above; (b) the share certificates in original reflecting the name of Taurus as the owner of the Taurus Shares, and (c) a certified extract of the updated register of members of the Company which reflects Taurus's name and subscribed shares with respect to the First Tranche Taurus Shares.

5.6. Notwithstanding the actual time periods involved in completing the above process, all proceedings to be taken and all documents to be executed and delivered by the Promoter, Taurus and the Company shall be deemed to have been taken and executed simultaneously.

6. CONDITIONS PRECEDENT TO SECOND CLOSING AND SECOND CLOSING

6.1. The Second Closing shall take place subsequent to the fulfilment of the following conditions by the Company and Promoter at least seven days prior to the Second Closing Date.

6.1.1. The Promoter and the Company have certified to Taurus that, no legal, regulatory or court order or proceeding or investigation or inquiry operates against the Company and that to the best of their knowledge no litigation has commenced till the date of this Agreement, relating to or affecting the Company or any of its assets or properties;

6.1.2. The representations and warranties of the Promoter and the Company are true and correct to the best of their knowledge as of the Second Closing as if made on and as of such date;

6.1.3. The Promoter and the Company shall not have breached any of their obligations under this Agreement as of the Second Closing Date;

6.1.4. The Company shall complete the development of the prototype of the HFC two wheelers and shall demonstrate the working prototype of the HFC two-wheelers in at least two renowned automobile exhibitions,.

6.1.5. The Company shall have identified the land for construction of the Chief Manufacturing Facility as per the requirements for manufacturing of HFC two-wheelers.

6.2. Upon completion of the condition precedents set out in Section 6.1, the Company and the Promoter shall deliver a certificate in the format satisfactory to Taurus, duly signed by the Promoter and the Company, certifying that the conditions precedent to second closing have been fulfilled. Subject to the fulfilment of the conditions precedent to the second closing to the satisfaction of Taurus, the Second Closing shall take place on the Second Closing Date. The obligations of each of the Parties under Section 6 are interdependent and subscription of the Second Tranche Taurus Shares shall not be deemed to have occurred unless all of the obligations set out in Section 6 are complied with and are fully effective.

6.3. On the Second Closing Date, the Parties shall consummate the following transactions:

6.3.1. Taurus shall deposit an amount equivalent to the Second Tranche Consideration, into the Designated Bank Account of the Company.

6.3.2. Upon confirmation of receipt of the Second Tranche Consideration into the Designated Bank Account of the Company, the Company shall issue and allot Second Tranche Taurus Shares.

6.3.3. On the Second Closing Date, the Promoter shall convene a Board meeting, at which the following business shall be conducted in the following sequence and manner:

6.3.3.1. Approving the subscription of Second Tranche Taurus Shares

The Board shall take on record and approve the subscription of Second Tranche Taurus Shares and approve to issue share certificates in relation to the Second Tranche Taurus Shares. The Board shall update the number of shares of Taurus in the register of members of the Company (maintained in Form MGT-1 (as set out in the Companies (Management and Administration) Rules, 2014)) in respect of the Second Tranche Taurus Shares.

6.4. On the Second Closing Date, the Promoter shall ensure that the Company shall provide to Taurus: (a) certified true copies of the resolutions passed pursuant to Clause 6.3.3.1 above; (b) the share certificates in original reflecting the name of Taurus as the owner of the Second Tranche Taurus Shares, and (c) a certified extract of the updated register of members of the Company which reflects Taurus's subscribed shares with respect to the Second Tranche Taurus Shares.

6.5. Notwithstanding the actual time periods involved in completing the above process, all proceedings to be taken and all documents to be executed and delivered by the Promoter, Taurus and the Company shall be deemed to have been taken and executed simultaneously.

7. CONDITIONS PRECEDENT TO THIRD CLOSING AND THIRD CLOSING

7.1. The Third Closing shall take place subsequent to the fulfilment of the following conditions by the Company and Promoter at least seven days prior to the Third Closing Date.

7.1.1. The Promoter and the Company have certified to Taurus that, no legal, regulatory or court order or proceeding or investigation or inquiry operates against the Company and that to the best of their knowledge no litigation has commenced till the date of this Agreement, relating to or affecting the Company or any of its assets or properties;

7.1.2. The representations and warranties of the Promoter and the Company are true and correct to the best of their knowledge as of the Third Closing as if made on and as of such date;

7.1.3. The Company shall have completed the construction of first phase of the Chief Manufacturing Facility on the identified land and obtained all licenses, approvals and permissions as required under the Applicable Laws for the operation of the Chief Manufacturing Facility.

7.1.4. The Company shall procure permissions and licenses for the road testing of the sample of the HFC two-wheelers.

7.1.5. The Company shall have taken all the licenses and certifications from the Ministry of Automobiles, Indica for the plying of the HFC two-wheelers on the Indian roads.

7.1.6. The Company shall apply to the Road Transport Authority, for certification in respect of roadworthiness of the HFC two-wheelers.

7.2. Upon completion of the Condition Precedents set out in Section 7.1, the Company and the Promoter shall deliver a certificate in the format satisfactory to Taurus, duly signed by the Promoter and the Company, certifying that the conditions precedent to third closing have been fulfilled. Subject to the fulfilment of the conditions precedent to the third closing to the satisfaction of Taurus, the Third Closing shall take place on the Third Closing Date. The obligations of each of the Parties under Section 7 are interdependent and subscription of the Third Tranche Taurus Shares shall not be deemed to have occurred unless all of the obligations set out in Section 7 are complied with and are fully effective.

7.3. On the Third Closing Date, the Parties shall consummate the following transactions:

7.3.1. Taurus shall deposit an amount equivalent to the Third Tranche Consideration, into the Designated Bank Account of the Company.

7.3.2. Upon confirmation of receipt of the Third Tranche Consideration into the Designated Bank Account of the Company, the Company shall issue and allot Third Tranche Taurus Shares.

7.3.3. On the Third Closing Date, the Promoter shall convene a Board meeting, at which the following business shall be conducted in the following sequence and manner:

7.3.3.1. Approving the subscription of Third Tranche Taurus Shares

The Board shall take on record and approve the subscription of Third Tranche Taurus Shares and to issue share certificates in relation to the Third Tranche Taurus Shares. The Board shall update the number of shares of Taurus in the register of members of the Company (maintained in Form MGT-1 (as set out in the Companies (Management and Administration) Rules, 2014)) in respect of the Third Tranche Taurus Shares.

7.4. On the Third Closing Date, the Promoter shall ensure that the Company shall provide to Taurus: (a) certified true copies of the resolutions passed pursuant to Clause 7.3.3.1 above; (b) the share certificates in original reflecting the name of Taurus as the owner of the Third Tranche Taurus Shares, and (c) a certified extract of the updated register of members of the Company which reflects Taurus's subscribed shares with respect to the Third Tranche Taurus Shares.

7.5. Notwithstanding the actual time periods involved in completing the above process, all proceedings to be taken and all documents to be executed and delivered by the Promoter, Taurus and the Company shall be deemed to have been taken and executed simultaneously.

8. CONDITIONS PRECEDENT TO FOURTH CLOSING AND FOURTH CLOSING

8.1. The Fourth Closing shall take place subsequent to the fulfilment of the following conditions by the Company and Promoter at least seven days prior to the Fourth Closing Date.

8.1.1. The Promoter and the Company have certified to Taurus that, no legal, regulatory or court order or proceeding operates or investigation or inquiry against the Company and that to the best of their knowledge no litigation has commenced till the date of this Agreement, relating to or affecting the Company or any of its assets or properties;

8.1.2. The representations and warranties of the Promoter and the Company are true and correct to the best of their knowledge as of the Fourth Closing as if made on and as of such date;

8.1.3. The Company shall have completed the construction of all phases of the Chief Manufacturing Facility on the identified land and obtained all licenses, approvals and permissions as required under the Applicable Laws for the operation of the Chief Manufacturing Facility.

8.1.4. The Company shall have commenced the production and subsequent sale of the HFC two-wheelers.

8.1.5. The Company shall make operational 300 Company operated Service Centres across Indica.

8.2. Upon completion of the conditions precedent set out in Section 8.1, the Company and the Promoter shall deliver a certificate in the format satisfactory to Taurus, duly signed by the Promoter and the Company, certifying that the conditions precedent to the fourth closing have been fulfilled. The subscription of the Fourth Tranche Taurus Shares shall take place on a Business Day that is not more than 7 (Seven) Business Days following the fulfilment of the conditions precedent to the Fourth Closing to the satisfaction of Taurus. The obligations of each of the Parties in Section 8 are interdependent and subscription of the Fourth Tranche Taurus Shares shall not be deemed to have occurred unless all of the obligations set out in Section 8 are complied with and are fully effective.

8.3. On the Fourth Closing Date, the Parties shall consummate the following transactions:

8.3.1. Taurus shall deposit an amount equivalent to the Fourth Tranche Consideration, into the Designated Bank Account of the Company.

8.3.2. Upon confirmation of receipt of the Fourth Tranche Consideration into the Designated Bank Account of the Company, the Company shall deliver to Taurus, share certificates, relating to the subscription of the Fourth Tranche Taurus Shares.

8.3.3. On the Fourth Closing Date, the Promoter shall convene a Board meeting, at which the following business shall be conducted in the following sequence and manner:

8.3.3.1. Approving the subscription of Fourth Tranche Taurus Shares

The Board shall take on record and approve the subscription of Fourth Tranche Taurus Shares and approve to issue share certificates in relation to the Fourth Tranche Taurus Shares. The Board update the number of shares of Taurus in the register of members of the Company (maintained in Form MGT-1 (as set out in the Companies (Management and Administration) Rules, 2014)) in respect of the Fourth Tranche Taurus Shares.

8.4. On the Fourth Closing Date, the Promoter shall ensure that the Company shall provide to Taurus: (a) certified true copies of the resolutions passed pursuant to Clause 8.3.3.1 above; (b) the share certificates in original reflecting the name of Taurus as the owner of the Fourth Tranche Taurus Shares, and (c) a certified extract of the updated register of members of the Company which reflects Taurus's subscribed shares to the Fourth Tranche Taurus Shares.

8.5. Notwithstanding the actual time periods involved in completing the above process, all proceedings to be taken and all documents to be executed and delivered by the Promoter, Taurus and the Company shall be deemed to have been taken and

executed simultaneously.

9. OBLIGATIONS OF TAURUS

9.1. Taurus shall provide its patented technology and technical know-how for Lithium-Ion batteries to the Company on royalty-free basis upon the Company successfully demonstrating its working prototype of HFC two wheelers.

9.2. Taurus shall provide onsite training to the employees of the Company imparting technical know and skill on automotive manufacturing.

10. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company and Promoter represent and warrant to Taurus that the following statements are true and correct, with the knowledge and understanding that Taurus has agreed to subscribe to the Taurus Shares relying on these representations and warranties and other covenants and undertakings on the part of the Company and the Promoter contained in this Agreement. In the event that any of the representations or warranties on the part of the Company and Promoter are found to be incorrect or untrue or the Company and Promoter commit any breach of this Agreement, then the remedies of Taurus under this Agreement shall not be adversely affected by any investigation or inspection or due diligence regarding the Company or the Promoter that may have been conducted by or on behalf of Taurus.

10.1. Organization

The Company is a duly and validly incorporated company under the Act, and has all necessary corporate approvals, powers and authorities required to execute and deliver this Agreement and other Transaction Documents and to consummate the transactions contemplated under this Agreement and the other Transaction Documents.

10.2. Authority

The Company has all requisite power and authority to enter into this Agreement and the other transaction documents to which it is a party, to perform its obligations hereunder and there under and to consummate the transactions, including without limitation the issuance and allotment of the Equity Shares on the terms and conditions contained herein. All corporate acts and other proceedings required to be undertaken by Company to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents have been duly and properly taken. This Agreement and the other Transaction Documents to which the Company is a party have been duly executed and delivered and each constitutes a legal, valid and binding obligation of Company, enforceable against Company in accordance with its terms, except that such enforcement (a) may be limited by bankruptcy, insolvency, moratorium or similar Laws affecting creditors' rights generally and (b) is subject to the availability of equitable remedies, as determined in the discretion of the court before which such a proceeding may be brought.

10.3. No Conflicts

The execution and delivery by the Company of this Agreement and other Transaction Documents to which it is a party do not, and the performance of this Agreement and such other Transaction Documents including but not limited to the issuance and allotment of the Equity Shares hereunder will not, conflict with, or result in any violation or breach of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a material benefit under, or to increased, additional, accelerated or guaranteed rights or entitlements of any Person under, or result in the creation of any Lien upon any of the assets and properties of the Company under, any provision of (i) the Memorandum and Articles of Association, (ii) any material Contract to which Company is or may become a party or by which any of its assets and properties are bound or (iii) to the best of the Company's knowledge, any action, Law applicable to the Company or its assets and properties.

10.4. Taurus Shares

Taurus Shares shall have all the terms and provisions as set forth herein and upon their issue and delivery to Taurus as provided herein:

10.4.1. Taurus, in its own capacity will become the sole legal and beneficial owner of the Taurus Shares and shall have good and marketable title to the same, and that the same are free and clear of any Liens, options, charges and transfer restrictions of any kind, except for those created by this Agreement;

10.4.2. there are no statutory or contractual preemptive or similar rights on the part of any holder of any securities of the Company or any other Person with respect to the issuance or allotment of Taurus Shares; and

10.4.3. no securities, options, warrants, conversion or other rights or contracts of any kind are outstanding that obligate the Company, contingently or otherwise, to issue, sell, purchase or redeem any of the Taurus Shares and no authorization therefore has been given. The outstanding Equity Shares are all duly authorized and validly issued, fully paid, and were issued in accordance with all Applicable Laws. All outstanding Equity Shares are free and clear of any Liens. No stock transfer taxes or duties shall be due and payable as a result of the subscription and issuance of Taurus Shares other than taxes and stamp duties,

which are paid by the Company. There are no outstanding options, rights of first offer, rights of first refusal, or any similar right with respect to the Company or any securities of the Company. Except for this Agreement, there are no other agreements or understandings between any Persons, which affect or relate to the voting or giving of written Consents with respect to any security or by a Director of the Company.

10.5. Status and Liabilities

The Company has no liabilities, other than liabilities incurred in the ordinary course of business and the Company has no subsidiaries or Affiliates.

10.6. Litigation

There are no litigations, to the best of the knowledge of the Company and the Promoter, by or before any Court / Governmental Authorities or by any Person pending or threatened against, relating to or affecting the Company or any of its assets and properties. There are no facts or circumstances known to the Company that could reasonably be expected to give rise to any proceedings, arbitrations or any investigations or audits by any Governmental entity.

10.7. Untrue Statement

No representation or warranty of the Company contained in this Agreement, and no statement contained in any document, certificate or schedule furnished by or on behalf of the Company to Taurus or any of their representatives pursuant to this Agreement, contains any untrue statement of a material fact.

10.8. Financial Statements

The Company undertakes that it shall explain and support with relevant documentation to the satisfaction of Taurus any item appearing in its financial statements as of the date of this Agreement.

10.9. Material Breach

The Company and Promoter agree that in the event any of the above representations and warranties is found to be materially incorrect and cause material loss to Taurus, the Company and Promoter shall be in material breach of their obligations under this Agreement.

11. REPRESENTATIONS AND WARRANTIES OF THE PROMOTER

The Promoter represents and warrants to Taurus that the following statements are true and correct, with the knowledge and understanding that Taurus has agreed to subscribe to Taurus Shares relying on these representations and warranties and other covenants and undertakings on the part of the Promoter contained in this Agreement and the other Transaction Documents. In the event that any of the representations or warranties on the part of the Promoter are found to be incorrect or untrue or the Promoter commit any breach of this Agreement, then the remedies of Taurus under this Agreement shall not be adversely affected by any investigation or inspection or due diligence regarding the Company, the Promoter that may have been conducted by or on behalf of Taurus.

11.1. Authority

The Promoter has all necessary authority and power required to execute and deliver this Agreement and the other transaction documents and to consummate the transactions as contemplated hereby.

11.2. No Conflicts

The execution and delivery by Promoter of this Agreement and other Transaction Documents to which Promoter is a party do not, and the performance of this Agreement and the other Transaction Documents will not, conflict with or affect or result in any material violation or breach of or default (with or without notice or lapse of time, or both) under any provision of Law. The execution and delivery by the Promoter of this Agreement does not and the performance of the terms of this Agreement will not, conflict with, or result in any violation or breach of or default under any other agreement executed by the Promoter which is likely to prevent the Promoter from fulfilling its obligations under this Agreement.

11.3. Actions and Proceedings

There are no (i) outstanding orders of any Governmental entity or arbitration tribunal against the Promoter, (ii) lawsuits, actions or proceedings pending or, threatened against the Promoter, or (iii) investigations by any Governmental entity which are pending or, threatened against the Promoter, and which, in the case of each of clauses (i), (ii) and (iii), would have a Material Adverse Effect on the ability of the Promoter to consummate the transactions contemplated hereby.

11.4. Litigation

11.4.1. There are no litigations by or before any Court, Governmental authority or by any Person pending or threatened against, relating to or affecting the Promoter, which might have an adverse impact on the Company.

11.4.2. There are no facts or circumstances known to the Promoter that could reasonably be expected to give rise to any proceedings, arbitrations or any investigations or audits by any Governmental Entity and no orders are outstanding against the Promoter, which might have an adverse impact on the Company.

11.5. Accounting Records

The Promoter undertakes that he shall explain and support with relevant documentation to the satisfaction of Taurus any item appearing in the financial statements of the Company as of the Effective Date.

11.6. Documentation

The Promoter acknowledges that he shall exercise their rights to require the Company to provide, to Taurus, variances from estimates in the Business Plan, budgeted costs, Contracts awarded, costs incurred, future estimates and variances, marketing progress and all other information reasonably requested by Taurus. The Promoter warrants that he shall cause himself and the Company to remain bound by all material representations so made to Taurus and shall not act contrary to the same without prior written intimation to and prior written consent of, Taurus.

11.7. Material Breach

The Promoter represents that in the event any of the above representations and warranties are not found to be true and/or if it is ever proved otherwise, the Promoter shall be in material breach of his obligations under this Agreement.

12. REPRESENTATIONS AND WARRANTIES OF TAURUS

Taurus does hereby represent and warrant to Promoter and the Company as follows:

12.1. Organization and Authority

Taurus is duly organized under the laws of Palaysia. All acts and other proceedings required to be taken by Taurus to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a Party have been duly and properly taken. This Agreement and the other Transaction Documents to which they are a Party have been duly executed and delivered by Taurus and each constitutes a legal, valid and binding obligation of Taurus, enforceable against Taurus in accordance with its terms, except that such enforcement (a) may be limited by bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally and (b) is subject to the availability of equitable remedies, as determined in the discretion of the court before which such a proceeding may be brought.

12.2. No Conflicts

The execution and delivery by Taurus of this Agreement and the other Transaction Documents to which Taurus is a Party do not, and the performance of this Agreement will not, conflict with or result in any material violation or breach of or default (with or without notice or lapse of time, or both) under any provision of Law.

12.3. Approvals and Filings

No Consent is required for Taurus to invest in the Company, and no Consent is required to be obtained or made by or with respect to Taurus in connection with the execution, delivery and performance of this Agreement by Taurus.

12.4. Actions and Proceedings, etc

There are no (i) outstanding orders of any Governmental entity or arbitration tribunal against Taurus or any of its Affiliates, (ii) lawsuits, actions or proceedings pending or, to the knowledge of Taurus, threatened against Taurus or any of its Affiliates, or (iii) investigations by any Governmental entity which are pending or, to the knowledge of Taurus, threatened against Taurus or any of its Affiliates, and which, in the case of each of clauses (i), (ii) and (iii), would have a Material Adverse Effect on the ability of Taurus to consummate the transactions contemplated hereby.

12.5. Business Affairs

The business and affairs of Taurus are being conducted in accordance with their Memorandum and Articles and Taurus have delivered, true and correct copies of such Memorandum and Articles and other constituent documents to the Promoters and the Company.

12.6. None of the following has occurred or is subsisting, nor a notice has been served upon Taurus in relation to the following:

12.6.1. Appointment of a liquidator or receiver or any application to or order of any Court requiring that it be placed in bankruptcy; or

12.6.2. A resolution for winding up of Taurus or for the appointment of an official liquidator; or

12.6.3. A scheme of arrangement or composition with all or a class of creditors.

13. INDEMNIFICATION

13.1. The Promoter shall, indemnify, defend and hold harmless, Taurus (and the authorized representative and nominee directors of Taurus), against all actual and direct losses, claims, damages, proceedings, penalties, judgments and expenses ("Losses") arising out of or in connection with:

13.1.1. any material misrepresentation or any material breach of any Representation and Warranty of the Promoter and the Company; or

13.1.2. Failure to fulfil any obligation by the Company/Promoter under this Agreement including obligations under Clauses 5.1, 6.1, 7.1 and 8.1.

13.1.3. any liabilities (arising out of a breach of the Representation and Warranties of the Company or the Promoter or which

may be directly attributable to an act or omission of the Promoter/Company) of the Company which relate to or arise out of, the period prior to First Closing Date (other than any liabilities caused as a result of business risks, market conditions, third party actions or any other act which does not involve an act or omission by the Promoter/Company).

13.2. Taurus shall indemnify, defend and hold harmless the Company (and its officers, employees, affiliates and directors) from and against all actual and direct Losses arising out of any material misrepresentation or material breach or inaccuracy of any representation and warranty made by Taurus, or any failure to perform (whether in whole or in part) any obligation required to be performed by Taurus under this Agreement.

13.3. The indemnification rights of any Party under this Agreement ("Indemnified Party") are independent of, and in addition to, such other rights and remedies the Indemnified Party may have at Applicable Law or in equity or otherwise against the other Party ("Indemnifying Party"), including the right to seek specific performance, rescission, restitution or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby.

13.4. Notices of claims under this Agreement shall be given by the Indemnified Parties to the Indemnifying Parties within 15 (fifteen) Business Days of discovery by the Indemnified Parties, as the case may be, of the breach, giving in reasonable detail information of the legal and factual basis of the claim and the evidence on which the Indemnified Parties relies and, if practicable, an estimate of the amount of Losses which are, or are to be, the subject of the claim.

13.5. In respect of any matter in relation to which Taurus is the Indemnified Party under this Agreement, Promoter and the Company agree and acknowledge that Taurus or its Indemnified Party shall be entitled, at its option, to proceed against either or both the Promoter and the Company and each of the Promoter and the Company shall be jointly and severally liable in this regard.

13.6. None of the Parties shall be liable under this Clause for any indirect, punitive, exemplary or consequential Losses such as loss of profit, revenue, goodwill, reputation etc.

14. BOARD OF DIRECTORS AND MEETINGS OF THE BOARD

14.1. It shall be the responsibility of the Board of Directors (the "Board") of Company to supervise and manage its affairs and business. The Promoter shall control, manage, supervise, monitor and provide the necessary expertise and technical support for the development of the business and management of the Company.

14.2. The Board shall consist upto a maximum of 4 (four) Directors of which 3 (three) Directors shall be appointed by the Company and 1 (one) Director shall be appointed by Taurus. The Parties agree to vote at the general meeting of the Company, so as to give effect to the above understanding. In case Taurus ceases to hold Taurus Shares in the Company, then the Director appointed by Taurus would resign from the Board.

14.3. Each of the Parties shall be entitled to nominate an alternate Director for each of the Directors it is entitled to nominate on the Board, and such alternate Director will serve in the absence of the original nominee Directors. Any such appointment as alternate Director shall take place as the first item of business at the next Board meeting following the receipt by Company of such nomination. Upon appointment as alternate Director, the alternate Director shall be entitled to constitute quorum, vote, issue consent and sign a written resolution on behalf of the nominee Director for whom such alternate Director is an alternate.

14.4. The meeting of the Board shall be held at least once in every 3 (three) months in accordance with the Act and the written agenda for each meeting of the Board specifying the matters to be raised at the meeting shall be sent to each of the Directors together with the notice convening the Board meeting at least 15 (fifteen) days before the Board meeting. The Board meetings may take place by telephone or through video-conference facilities, subject to the Applicable Laws.

15. BUSINESS PLAN

15.1. The Board shall, from time to time, develop (or cause to be developed) a business plan ("Business Plan") of the Company, which will cover all the projected revenues and costs and expenses relating to the business of the Company for that period.

15.2. The Business Plan of the Company shall be an annual statement including but not limited to, the revenue targets, approved operating expenditure, manpower needs and annual budget of the Company and shall be discussed and approved by the Board at the beginning of each Financial Year.

16. EVENT OF DEFAULT

16.1. The following shall be deemed and shall be construed by Taurus to be an Event of Default of the Company and the Promoter :

16.1.1. A substantial breach of its obligations or any of the material provisions of this Agreement which inter-alia includes breach of Representations and Warranties of the Company and the Promoter as provided in Sections 5 and 6 respectively, which is not remedied after a notice from the Taurus allowing the breaching Party thirty (30) days from the date of receipt of the notice by the breaching Party to remedy such breach; or

16.1.2. Failure to fulfill any of the conditions precedent set out in Clauses 5.1, 6.1, 7.1, 8.1 respectively within the time frame provided in the Agreement unless extended or waived by Taurus in writing; or

16.1.3. Any other event of default that could have a Material Adverse Effect on the business of the Company or on the ability of Company and the Promoter to perform their obligations under this Agreement.

In the Event of Default as outlined hereinabove, Taurus shall have the right but not an obligation to exercise the Put Option as given below:

16.2. Put Option

16.2.1. Upon the happening of an Event of Default, Taurus shall have a right of put option ("Put Option") whereby Taurus shall have a right, but not an obligation, to require the Promoter to purchase all Taurus Shares owned by Taurus at a price that provides Taurus with a minimum IRR of 25 (twenty-five) per cent on the amount already invested in the Company, from the date of investment of respective tranches. ("Put Option Price").

16.2.2. Upon Taurus taking a decision to trigger a Put Option as per Section 16.2.1 above, Taurus shall, send a written notice ("Put Notice") to the Company and Promoter to sell Taurus Shares at Put Option Price. Upon receipt of Put Option Notice, the Promoter shall within a period of 15 (fifteen) Business Days purchase the Taurus Shares at the Put Option Price.

17. SPECIAL APPROVAL AND PRE-EMPTIVE PROTECTIVE RIGHTS

All resolutions and decisions relating to reserved matters (listed in Schedule I) to be taken by the Board or general meeting of the Company or otherwise by the Parties will require mandatory consent and affirmative vote of Taurus failing which any such resolution/s or decision/s shall be considered ultravires and void.

18. TERMINATION

18.1. Notwithstanding anything contained in this Agreement, the rights and obligations of the Parties under this Agreement shall terminate upon the occurrence of the any of the following:

18.1.1. Upon transfer of Taurus Shares to the Promoters on exercise of Put Option by Taurus in accordance with Clause 16.2.

18.1.2. Upon mutual agreement between the Parties to terminate this Agreement.

Provided however that, notwithstanding anything contained in this Clause or any other provisions of this Agreement, the provisions of Section 20.1 (Governing Law and Arbitration), and Section 20.2 (Confidentiality) of this Agreement shall survive the termination of this Agreement.

19. MISCELLANEOUS

19.1. Governing Law and Arbitration

19.1.1. This Agreement and its performance shall be governed by and construed in all respects in accordance with the laws of the Republic of India.

19.1.2. The Parties agree that any dispute arising out of this Agreement shall be resolved through arbitration in a manner as provided hereinbelow:

19.1.2.1. The dispute shall be referred to an Arbitral Tribunal consisting of three arbitrators.

19.1.2.2. Each Party shall have a right to appoint one arbitrator. The two arbitrators so appointed shall appoint a third arbitrator to constitute the Arbitral Tribunal.

19.1.2.3. The arbitration shall be governed by the rules laid down by the Arbitration and Conciliation Act, 1996 and the place of arbitration shall be Singapore.

19.1.2.4. The arbitration proceedings shall be conducted in the English language.

19.1.2.5. The Parties shall equally share the costs of the arbitrator's fees, but shall bear the costs of their own legal counsel engaged for the purposes of the arbitration.

19.1.3. During the pendency of the order of the Arbitral Tribunal, the Parties shall continue to exercise their respective rights and fulfil their obligations under this Agreement.

19.1.4. The provisions of this Clause shall survive the termination of this Agreement.

19.2. Confidentiality

19.2.1. Each of the Parties shall maintain utmost confidentiality, regarding the contents of this Agreement and the affairs of the Company at all times. Provided however nothing contained herein shall affect the ability of the Parties to make disclosure to any Governmental authority or any other Person under the provisions of any law, and/or the ability of the Parties to make disclosures to its lenders, vendors or customers, provided however in all such circumstances, the Party who is required to disclose such information shall have to give prior notice to the other Parties before making the disclosure, indicating the nature of information that is proposed to be disclosed.

19.2.2. Further, a Party shall not make any announcements to the public or to any third party regarding the arrangements contemplated by this Agreement without the prior written consent of the other Parties, provided that none of the aforesaid Parties shall be liable for making such announcements if the same are made in the course of business and/or as required to be disclosed by Law or regulation (including Stock Exchange Regulations) or pursuant to the legal process.

20. DEFINITIONS

20.1. Unless otherwise defined in the Agreement, the following terms when capitalized shall have the meaning set out as follows:-

20.1.1. "Act" means the (Indican) Companies Act, 2013, and, wherever applicable, the Rules framed thereunder and any subsequent amendment or re-enactment thereof for the time being in force.

20.1.2. "Agreement" means this Share Subscription and Shareholders Agreement entered into by the Parties on the Execution Date and as the same may be amended from time to time and shall include all the Schedules, Annexures and Exhibits to this Agreement.

20.1.3. "Articles" means the Articles of Association of the Company as originally framed and altered from time to time.

20.1.4. "Board" means the Board of Directors of the Company as constituted from time to time.

20.1.5. "Business Plan" means the term defined in Clause 15 of this Agreement.

20.1.6. "Chief Manufacturing Facility" means the manufacturing facility to be constructed on the identified land by the Company for purpose of large-scale production of HFC two-wheelers.

20.1.7. "Consent" means any permit, permission, license, approval, authorization, consent, clearance, waiver, no objection certificate or other authorization of whatever nature and by whatever name called which is required to be granted by the Government, or any other authority or under any Applicable Law.

20.1.8. "Contract" means any agreement, lease, license, evidence of Indebtedness, mortgage, indenture, security agreement or other contract (whether written or oral).

20.1.9. "Director" means a director of the Company from time to time.

20.1.10. "Designated Bank Account" means the bank account designated in writing by the Company to transfer the Taurus Consideration

20.1.11. "Equity Shares" means equity of the Company having a face value of Re.10/- each.

20.1.12. "Financial Year" means the financial year of the Company commencing on April 1 every year and ending on March 31 of the following year, or such other financial year of the Company as the Company may from time to time legally designate as its financial year

20.1.13. "First Closing" means completion of activities as specified under Clause 5.

20.1.14. "First Closing Date" means January 10, 2019

20.1.15. "First Tranche Consideration" means the sum of \$375,000,000/- (USD Three Hundred and Seventy Five Million Only) payable on First Closing Date by Taurus.

20.1.16. "First Tranche Taurus Shares" means 5% of the Equity Shares held by the Company as on First Closing Date.

20.1.17. "Fourth Closing" means completion of activities as specified under Clause 8.

20.1.18. "Fourth Closing Date" means July 24, 2023.

20.1.19. "Fourth Tranche Consideration" means the sum of \$375,000,000/- (USD Three Hundred and Seventy Five Million Only) payable on Fourth Closing Date by Taurus.

20.1.20. "Fourth Tranche Taurus Shares" means such number of Equity Shares which shall constitute 20% of the paid-up share capital of the Company collectively with other Equity Shares held by Taurus in the Company.

20.1.21. "Government" means the President of Indica, the Government of Indica, the Governor and the Government of any State of Indica, any Ministry or Department of the same and any authority exercising powers conferred by Law.

20.1.22. "Law" or "Applicable Law" means all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Government, statutory authority, tribunal, board, court or recognised stock exchange.

20.1.23. "Material Adverse Effect" means any events, conditions or items that, individually or in the aggregate, have a material adverse effect on (i) the business, assets, condition (financial or otherwise), results of operations or prospects of the Company, taken as a whole, (ii) on the ability of the Company to conduct the business and to own or lease their assets and properties in substantially the same manner in which the business was previously conducted and such assets and properties were previously owned or leased and such change would materially and adversely effect the ability of the Company to carry on its business, or (iii) the ability of the Company and Investor timely to consummate the transactions contemplated hereby in accordance with the terms of this Agreement and the other Transaction Documents subject to the fact that in case of delays resulting on account of any regulatory approvals, Investor and the Company shall use their best efforts to obtain such approval.

- 20.1.24. "Memorandum" means the Memorandum of Association of the Company as originally framed or altered from time to time.
- 20.1.25. "Person" means and includes an individual, proprietorship, partnership, corporation, company, unincorporated organization or association, trust or other entity, whether incorporated or not.
- 20.1.26. "Rupees" or "Rs." or "Re." or "INR" means Indian rupees or rupee respectively, the lawful currency for India for the time being.
- 20.1.27. "\$" or "USD" means the United States Dollar.
- 20.1.28. "Second Closing" means completion of activities as specified under Clause 6.
- 20.1.29. "Second Closing Date" means July 07, 2020.
- 20.1.30. "Second Tranche Consideration" means the sum of \$375,000,000/- (USD Three Hundred and Seventy Five Million Only) payable on Second Closing Date.
- 20.1.31. "Second Tranche Taurus Shares" means such number of Equity Shares which shall constitute 10% of the paid-up share capital of the Company collectively with other Equity Shares held by Taurus in the Company.
- 20.1.32. "Shareholders" mean the duly registered holders from time to time of the Equity Shares of the Company.
- 20.1.33. "Taurus Shares" shall collectively mean First Tranche Taurus Shares, Second Tranche Taurus Shares, Third Tranche Taurus Shares, and Fourth Tranche Taurus Shares.
- 20.1.34. "Third Closing" means completion of activities as specified under Clause 7.
- 20.1.35. "Third Closing Date" shall mean January 04, 2022
- 20.1.36. "Third Tranche Consideration" shall mean the sum of \$375,000,000/- (USD Three Hundred and Seventy Five Million Only) payable on Third Closing Date.
- 20.1.37. "Third Tranche Taurus Shares" means such number of Equity Shares which shall constitute 15% of the paid-up share capital of the Company collectively with other Equity Shares held by Taurus in the Company.
- 20.1.38. "Transaction Documents" mean this Agreement, all Exhibits and Schedules hereto, the Certificates evidencing Taurus Shares (including the Terms and Conditions of Issue attached thereto), the Memorandum and Articles of Association of Company, all other deeds and documents as may be executed or required to give effect to the transactions contemplated in the Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

SIGNED AND DELIVERED)
 by the withinnamed Taurus)
 TAURUS MOTORS PRIVATE LIMITED)
 By the hand of its duly authorized)
 Signatory)
 In the presence of Svetlana Mu Chong,
 Group Director.)

SIGNED AND DELIVERED)
 by the withinnamed Company)
 THROTTLE PRIVATE LIMITED)
 By the hand of its duly authorized)
 Signatory)
 In the presence of Mr. Nitin Motiramani,
 Chief Executive Officer.)

SIGNED AND DELIVERED)
 by the withinnamed Promoter)
 MR. NITIN CHANDAN MOTIRAMAN)

EXHIBIT 1
MATTERS RESERVED FOR PRIOR AFFIRMATIVE VOTE OF TAURUS

(See Clause 17)

1. Approval of annual budget and Business Plan;
2. Buyback, repurchase of shares, borrow funds, incurring any indebtedness beyond the Business Plan of the Company;
3. Making any investment or acquiring any shares in any company other than in the ordinary course of business;
4. Any alteration of the rights of the equity shareholders;
5. Any change in the authorised or issued share capital, Memorandum or Articles other than as provided in the Agreement;
6. Issue of any new shares or securities or options (including warrants, options, instruments, or other rights to acquire shares in the Company);
7. Make any changes in class rights, alterations in rights attached to any class of shares of the Company;
8. Make any material change in the nature of business of the Company;
9. Transfer of whole or any portion of Equity Shares held by the Promoters.
10. Any transaction involving the merger, amalgamation, rearrangement consolidation or any such corporate restructuring of the Company with another company or with its Shareholders or its creditors or any combination thereof or sale of all or a substantial part of the Company's business and assets;
11. Enter into any joint venture, partnership or consortium arrangement other than in the ordinary course of business;
12. Any change in the scope of business entry into any new business, suspension or cessation of business or transfer of all or a material portion of business, in each case, by the Company;
13. Any cancellation and/or reduction of the Shares or share capital of the Company;
14. Identification and acquisition of land for the establishment of the Chief Manufacturing Facility.
15. Setting up of the Chief Manufacturing Facility, its design, layout, architecture, technology, standards, specification, process, equipment etc. used in the Chief Manufacturing Facility.

ANNEXURE- III

THE TECHNOLOGY STANDARD | December 05, 2021

Throttle, Unthrottled!

- Jasmine K.

Throttle Motors Pvt. Ltd., under the aegis of Founder-CEO Nitin Motiramani, has purported to make great strides in advancing Indica's goal of adopting and promoting Green Hydrogen. Throttle's work, over the years, has made uproars in the Indian and global automotive industry, prompting a significant number of established companies to embrace clean energy. The company's incorporation, in 2016, predates even the country's Green Hydrogen Policy, which was framed and released in February, 2017. Formed with the vision to develop Hydrogen powered two-wheelers and refuelling infrastructure, Throttle and Motiramani have managed to achieve their goal. Albeit fraudulently.

Throttle's glorious journey began in 2017, when they received the coveted ISSCOM (Indian Software and Services Company) Association Grant of INR 4.5 Crore. Subsequently, Taurus Motors, the world's leading automobile manufacturer, made headlines upon deciding to invest into the Indian market through Throttle. What followed was a deal to infuse \$1.5 billion over four instalments into Throttle's rich vision; the same vision that has been diluted so often, that it is hardly recognizable now.

Over the years, Motiramani has released periodic updates highlighting the supposed progress that Throttle has continually been making. These updates have resulted in Motiramani acquiring a cult status of sorts. Revered by 'fans', he hasn't shied away from adopting his moniker, 'Musk of the East', and is often found mingling with A-list celebrities, socialites and influencers.

When the King is off gallivanting, the jesters rule the court.

And that's exactly where Throttle finds itself now.

Over the last six and a half months, The Technology Standard (TTS) investigated industry rumours about rifts between Throttle and Taurus, as also certain irregularities that it became aware of. The result is shocking. Through this report, TTS brings to light the impropriety being carried out at investor and public expense, as also the fraud perpetuated by Motiramani in his capacity as the CEO.

Falsified Employee Records

Through discussions with current as well as former employees of Throttle, it has come to light that many of the company's supposed employees exist only on paper. Multiple accounts, including posts by Motiramani himself, have referred to Throttle growing from a 50-member team to a 700-member team in the last three years; however, as per employees, this is far from the truth. Almost a third of its employees exist only on paper. With an actual team size of about 470, it begs the question that how much money is being siphoned against 230 non-existent employees?

Non-existent Customer Service

Motiramani has often boasted about Throttle's commitment to customer service, especially since the company started accepting orders for its Hydrogen Fuel Cell (HFC) two-wheelers. Given that delivery of the said two-wheelers has been delayed by a year, with no reason being provided for the delay announced in January 2021, TTS decided to investigate rumours that Throttle's customer service team isn't as customer-centric as it's made to be.

Using the two-wheeler booking ID provided to one of TTS's employees, we called Throttle's helpline number expressing dissatisfaction at the prolonged wait and sought a status update w.r.t. the delivery. However, the agent on the other end was unable to provide satisfactory answers to simple, straight-forward queries. Upon being told to transfer our call to someone who would be able to provide us with answers, we were told that we will receive a call in two days.

What followed was a six-call long saga at attempting to get answers.

- Call #1: A customer service agent apologised for the wait and assured us that we will receive a call by end of the following day. No one did.
- Call #2: Two days later we called again, and a customer service agent told us we would receive a call by the end of day. We didn't.
- Call #3: We called again after not receiving a call back. The customer service agent told us that our call was being transferred. We were put on hold, then they hung up.
- Call #4: We called back and were finally transferred to a floor manager. Upon enquiring the status of our pre-booking, we were told that the deliveries should begin soon and if we sought a specified time-frame, it would be best if we send an email to the email ID of the support team available on Throttle's website.

The email was sent and elicited no response except for an automated acknowledgment.

- Call #5: We called the helpline again only to be told that our email was received and that the agent will put a note asking the concerned team to reply expeditiously.
- Call #6: We called back three days later, were put on hold, and the call was disconnected. Twice.

There has been no reply to the email as on date.

Sources within Throttle state that customer service, as a department, doesn't exist. That a Business Process Outsourcing (BPO) organisation has been contracted to provide call and email support to service queries from existing and potential customers. That the management at Throttle was aware of the laxity with which the BPO operates and the problems being faced by the customers, but remained largely unbothered with these issues. The said sources also stated that Throttle has about 50 odd customer service agents on its payroll, that each of them command the very best salary package in the industry, just that they don't exist in reality.

Tussle with Taurus

Since the past few months, speculation has been rife that Taurus and Throttle have had a falling out. Motiramani, once touted as Taurus's Golden Boy, is said to have lost investors' confidence. While Motiramani has dismissed media speculations in the past as envy fueled rants from disgruntled nobodies, his silence on the equation between Taurus-Throttle has been deafening. TTS reached out to Throttle and Taurus for a comment, but did not receive any response.

Assembled Production

While Throttle has raised a significant amount of money for developing the country's first indigenous HFC two-wheeler, through proprietary technology developed in-house that puts global giants to shame, and collected huge sums against pre-orders, the TTS investigation reveals that no such proprietary technology exists.

In May 2020, Motiramani tweeted,

"...proprietary technology powering the HFC two wheelers (is) developed completely in-house at a time when even global giants (are) struggling to understand the complexities involved in mass producing hydrogen powered vehicles"

Sources within Throttle suggest otherwise. According to them, Throttle does not possess the capability to produce HFC two-wheelers, let alone through any technology that it developed in-house. Furthermore, due to certain deficiencies on Throttle's end, Taurus has been unwilling to provide the technical know-how required to develop the lithium-ion batteries in-house. The sources also stated that Motiramani, although a shrewd businessman, is far from an innovator and knows nothing about the scale of development required to bring such HFC two-wheelers to market.

In this regard, TTS has reviewed bills of supply from Chinese Original Equipment Manufacturers (OEMs) for key components of the HFC two-wheelers, including the batteries, fuel cell stacks, hydrogen tanks, and exhausts. While conducting its due diligence, TTS reached out to these OEMs that confirmed, over email, the supply of these components to Throttle.

It is pertinent to note that Throttle has received grants and investments for mass 'producing' HFC two-wheelers; in reality, they have merely been assembling them. Their customers, too, have been cheated through repeated misrepresentations about the supposed technological advancements Throttle is making.

Given the presence of such marquee investors, there are a lot of pertinent questions about due diligence or lack thereof on the part of the shareholders and auditors. Neither Throttle, nor its investors, have chosen to respond to our queries.

It remains to be seen whether Throttle's lies and duplicity will prove to be a deal-breaker for both, the general public that has showered them (and Motiramani) with love and praise, as well as their investors.

ANNEXURE- IV

PUT OPTION NOTICE BY TAURUS MOTORS

To,
Nitin Motiramani
(CEO of Throttle Motors Private Limited),
30, MG Road,
5th Floor.
Samai 009809.

Date: February 14, 2022

Subject: Put Option Notice under Share Subscription Agreement ("SSA") dated December 09, 2019.

Dear Sir,

This notice is issued in the exercise of Put Option in accordance with Clause 16 of the SSA.

We refer to the Share Subscription Agreement or the SSA between Taurus Motors Private Limited ("Taurus") and Throttle Private Limited ("Throttle"), entered into on December 9, 2019. As per the SSA, Taurus agreed to infuse an amount of \$1.5 billion in Throttle in four equal tranches subject to the satisfaction of condition precedents set out in Clause 5.1, 6.1, 7.1 and 8.1 of the SSA. Accordingly Taurus has invested \$750 million in two equal tranches on January 10, 2019 and July 7, 2020 towards subscription of First Tranche Taurus Shares and Second Tranche Taurus Shares respectively.

We would like to bring following Events of Default committed by the Promoter and the Company as per Clause 16.1 of the SSA causing irreparable harm and injury to Taurus.

1. As per the SSA, Taurus is required to invest USD 375 million towards subscription of Third Tranche Taurus Shares on January 04, 2022, subject to satisfaction of conditions precedent set forth under Clause 7.1 of the SSA by the Company and Promoter. One of the condition precedent for Third Closing is set out under Clause 7.1.3 as below: "The Company shall have completed the construction of first phase of the Chief Manufacturing Facility on the identified land and obtained all licenses, approvals and permissions as required under the Applicable Laws for the operation of the Chief Manufacturing Facility." Despite multiple reminders, Throttle was unable to operationalize first phase of the Chief Manufacturing Facility yet. This has resulted in undue delay and a breach of Business Plan as agreed between the Parties under the SSA.

2. Furthermore, it has been brought to the notice of Taurus that Throttle started accepting pre-orders against the HFC two-wheeler despite not having its Chief Manufacturing Facility operational. This has resulted in Throttle being unable to meet the high demand of pre-orders, leading to severe erosion of trust that Throttle previously enjoyed in the Indian market.

3. Throttle has collected a huge sum of money from the customers under the guise of pre-orders. Throttle's decision to start accepting pre-orders and taking a registration fee against the same, while the Chief Manufacturing Facility is not operational is unethical and violates the operational standards under the SSA. Further, Throttle has not obtained approval of Nominee Director Mr. Sundar L. while taking pre-orders which is a material breach under the SSA.

4. Throttle, and its Promoter Mr. Nitin Motiramani, have wilfully defrauded the customers and are now facing criminal persecution for the fraud that has been perpetuated. This has resulted in irreparable loss to the goodwill of Throttle.

Due to the aforementioned actions of the Company and the Promoters, the market value of Throttle has been substantially eroded. The above instances constitute Events of Default under Clause 16.1 of the SSA and Taurus is entitled to exercise Put Option in accordance with Clause 16.2 of the SSA.

Accordingly, we hereby exercise the Put Option and demand Nitn Motiramani to buy First Tranche Taurus Shares and Second Tranche Taurus Shares at the Put Option Price of USD 750 million with an IRR of 25% from the date of First Closing Date and Second Closing Date respectively. Mr. Nitin Motiramani must, therefore, comply with obligations as per the Put Option clause of the SSA and purchase the Taurus Shares at the Put Option Price within a period of 15 (Fifteen) Business Days from the date of this notice.

Further, we hereby intimate that Mr Sundar L. the nominee director of Taurus is resigning from the Board with immediate effect.

Capitalised terms used herein and not defined shall have the meaning ascribed to in the SSA

Yours Faithfully,
Svetlana Mu Chong.
Group Director
Taurus Motors Private Limited



ANNEXURE- V

NOTICE INVOKING ARBITRATION NOTICE OF ARBITRATION

To,
Taurus Motors Private Limited,
Paradigm Estate,
Kinfields,
Muchong- 44400

Date: March 01, 2022.

Subject : Notice invoking arbitration against Taurus Private Limited as per Clause 18.1 of the SSA.

1. We write this Notice highlighting our grievances regarding the disputes that have arisen between Taurus Motors Private Limited ("Taurus") and Throttle Motors Private Limited ("Throttle") relating to the investment in Throttle for the production of HFC two-wheelers. The following are the brief facts material to the said dispute:

2. On December 9, 2019, Taurus and Throttle executed a Share Subscription Agreement ("SSA") pursuant to which Taurus subscribed equity shares of Throttle. As per the SSA, Taurus agreed to infuse an amount of \$1.5 billion in Throttle in four equal tranches. Accordingly, Taurus infused an amount of \$375 million on January 10, 2019 and an amount of \$375 million on July 7, 2020, towards the subscription First Tranche Taurus Shares and Second Tranche Taurus Shares.

3. As per the SSA, Taurus is bound to invest an amount of \$375 million on January 4, 2022 and an amount of \$375 million on July 23, 2023 towards the subscription of Third Tranche Taurus Shares and Fourth Tranche Taurus Shares. However, Taurus failed to invest the Third Tranche Consideration on January 4, 2022 despite repeated reminders from Throttle. On February 14, 2022, Taurus sent a notice to Throttle invoking the Event of Default clause under Clause 16 of the SSA stating that Throttle has failed to complete the conditions precedent to the Third Closing on the ground that the Chief Manufacturing Facility has not been operationalized ("Put Option Notice"). Further, Taurus has also exercised its Put Option under the SSA, and demanded the Promoter, Mr. Nitin Motiramani, to purchase the equity shares held by Taurus.

4. We hereby refute and categorically deny all the allegations provided in the Put Option Notice on the following grounds:

4.1. Nominee Director of Taurus unduly intervened in the setting-up of the Chief Manufacturing Facility causing delay in operationalizing Chief Manufacturing Facility.

As per the SSA, it is the obligation of Throttle to set-up and operationalize the Chief Manufacturing Facility as a condition precedent to the Third Closing. Setting up of the Chief Manufacturing Facility is a prerequisite for the overall business of the Company and towards fulfilling the pre-orders received by the Company. However, Nominee Director of Taurus unduly intervened during each stage of development of the factory and delayed the overall process by raising trivial issues by exercising his veto right under the SSA. Following are the instances of such undue intervention by the Nominee Director :

1.1. Throttle has submitted its design and layout on December 15, 2020. It took more than 3 months for Taurus to come back with its suggestions despite repeated reminders.

1.2. Taurus has objected to the installation of electrolyser for production of liquid hydrogen. While globally accepted standard of practice requires production of 240 nM3/hour, Taurus demanded an installation of electrolysers capable of producing 760 nM3/hour. This has resulted in a delay of more than 6 months. As a result, the whole project has been delayed and Taurus is responsible for the same. If Taurus acted as per the globally accepted standard practice, Throttle would have been able to complete the operationalization of the Chief Manufacturing Facility within the agreed time frame and fulfil its commitment.

4.2. Taurus failed to provide the technical know-how

One of the obligations of Taurus, under the SSA, is to provide the technical know-how for the development of lithium-ion batteries, which is one of the prerequisites for the mass-scale production of HFC two-wheelers. One of the main reasons for entering into an alliance with Taurus is to use this technology. However, Taurus failed to provide the technology despite repeated requests. This has prejudicially affected the overall production and timeline of manufacturing of HFC two-wheelers.

4.3. All the criminal cases are attributable to Nominee Director of Taurus.

As discussed above, all the criminal cases are filed against Throttle for the delay in fulfilling the pre-orders. The sole reason for this delay is attributable to Taurus for its failure to approve the design and layout on time and unreasonable demand to install 760nM3/hour electrolyser. Further, Taurus is yet to transfer its patented technology for lithium-ion batteries. As a result, Throttle and Mr. Nitin Motiramani suffered irreparable harm and loss of reputation. All the criminal cases are filed against Throttle and its Promoter, Mr. Nitin Motiramani, are in fact attributable to Taurus which has unreasonably delayed operationalization of the Chief Manufacturing Facility and transfer of the technical know-how.

5. It is due to Mr. Sundar's (Nominee Director of Taurus) undue interference in operational decisions, under the garb of affirmative vote on reserved matters, that Throttle had been unable to proceed with the operationalization of its Chief Manufacturing Facility. Furthermore, the incessant interference from Mr. Sundar hampered the procurement and subsequent installation of electrolysers paramount to the development of key components such as hydrogen fuel cell stacks, tanks, motors, and exhausts.

6. Mr. Sundar's interference severely crippled Throttle's ability to manufacture the required components for its HFC two-wheelers. This necessitated the procurement of required components from OEMs, thereby resulting in further delays that directly contributed to severe erosion of trust and confidence that Throttle enjoyed. In order to make good on the delivery date assured to customers, the existing manufacturing facility has been converted to facilitate assemblies; however, the said facility is ill equipped as it facilitates the assembly of only 300 two-wheelers per month.

7. In response to the Event of Default Notice wherein Taurus is exercising its Put Option Right, attention is drawn to RBI Circular dated December 15, 2021 (RBI/2021-2022/568) which categorically prohibits guaranteeing any kind of fixed interest rate to foreign equity investments. The demand of Taurus seeking a fixed IRR of 25% is, therefore, illegal and unsustainable.

8. Under the SSA, Taurus was obligated to infuse share capital as per the terms of the SSA in 4 tranches. Taurus's decision to not infuse the Third Tranche Consideration as outlined in the SSA has gravely impacted Throttle's operations. This has caused irreparable damage to the brand name of Throttle in the automobile market. The suspension of the tranche payments led to defaults on part of Throttle to honour its obligation of payment with third party vendors. Resultantly, Throttle's debt has been leading its way to the insolvency and liquidation.

9. Therefore, and by way of this Notice, Throttle invokes arbitration under the SSA and appoints Mr. Jayesh Undhiyo, Former Judge, Supreme Court of India as the nominee arbitrator on behalf of Throttle.

10. The claims of Throttle are as under: -

- a. Direction to license the proprietary technical know-how of Taurus to Throttle as per Clause 9 of the SSA.
- b. Infusion of Third Tranche Consideration immediately
- c. Infusion of Fourth Tranche For Consideration on July 24, 2023
- d. Payment of an amount of \$37.5 million as compensation for material breach of obligations under the SSA to the Company

We invite you to appoint your arbitrator within 30 days. If you fail to do the same, we shall be constrained to take adequate steps for appointment of arbitrator on your behalf under the Indian Arbitration and Conciliation Act, 1996.

Yours faithfully,
Mr. Nitin Motiramani

ANNEXURE- VI

RESERVE BANK OF INDIA
Foreign Exchange Department
Samai

RBI/2021-2022/568

December 15, 2021

All Category- I Authorised Dealer Banks

Madam/Sir,

Foreign Direct Investment Pricing Guidelines for FDI instruments with optionality clauses

1. Attention of Authorised Dealers is invited to the Foreign Exchange Management (Transfer or Issue of Security by a Company outside Indica) Regulations, 2000 as amended from time to time. In terms of the extant instructions, only equity shares or preference shares/debentures are eligible to be issued to persons resident outside Indica under the FDI Scheme.

2. On a review, it has now been decided that optionality clauses may henceforth be allowed in equity shares and compulsorily and mandatorily convertible preference shares/debentures to be issued to a company outside Indica under Foreign Direct Investment (FDI) Scheme. The optionality clause will oblige the buy-back of securities from the investor at the price prevailing/ value determined at the time of exercise of the optionality so as to enable the investor to exit without any assured return. The provision of optionality clause shall be subject to the following conditions:

a) There is a minimum lock-in period of one year or a minimum lock-in period as prescribed under FDI Regulations, whichever is higher. The lock-in period shall be effective from the date of allotment of such shares or convertible debentures.

b) After the lock-in period, as applicable above, the non-resident investor exercising option/right shall be eligible to exit without any assured return as under:

i. In case of a listed company, the non-resident investor shall be eligible to exit at the market price prevailing at the recognised stock exchanges;

ii. In case of unlisted company, the non-resident investor shall be eligible to exit from the investment in equity shares of the investee company at a price not exceeding that arrived at on the basis of Return on Equity (RoE) as per the latest audited balance sheet. Any agreement permitting return linked to equity as above shall not be treated as violation of FDI Policy/FEMA Regulations.

Note: For the above purpose, RoE shall mean Profit After Tax / Net Worth; Net Worth would include all free reserves and paid-up capital.

It is further clarified that all existing contracts will have to comply with the above conditions to qualify as FDI compliant.

Sd/-
Chief General Manager In-Charge