



गुजरात गुजरात GUJARAT

V 732504

अनुक्रम क्र. 4390 9619/2009 9001  
परीचालक नाम श्री. 21/10/21 श्री. 83/10/21  
श्री. 21/10/21, 21/10/21 21/10/21  
हस्ता 21/10/21  
हस्ताक्षर श्री. 21/10/21  
उत्तमसिंह उदयसिंह चौधरी,  
पाथीगढ़ रोड,  
बडोदरा.  
स्टेम्प वेन्डरनी मनी  
श्री. 21/10/21  
श्री. 21/10/21  
वेन्डरनी

This Stamp paper  
Forming Part of JV Agreement  
Dated 20<sup>th</sup> Day of January, 2012  
By and Between  
ATLANTA ELECTRICALS PVT. LTD.  
BAODING AND  
TIANWEI BAOBIAN ELECTRIC CO., LTD.

### JOINT VENTURE AGREEMENT

**THIS JOINT VENTURE AGREEMENT** (this "**Agreement**") is made and entered into at Baroda on this 20th day of Jan., 2012, between:

**ATLANTA ELECTRICALS PRIVATE LIMITED**, a Company incorporated and existing under the [Indian] Companies Act, 1956, having its registered office situate at A 6, Avani Park, Nr Rajesh Tower, Gotri Road, Baroda, Gujarat, India hereinafter referred to as the "**FIRST PARTNER**", (which expression shall, unless it be repugnant to the subject, meaning or context thereof be deemed to, mean and include its successors and permitted assigns) of **ONE PART**;

**AND**

**BAODING TIANWEI BAOBIAN ELECTRIC CO., LTD.** a Company incorporated and existing under the laws of People's Republic of China and having its principal office at No. 2222 Tianwei West Rd., Baoding, hereinafter referred to as the the "**SECOND PARTNER**" (which expression shall, unless it be repugnant to the subject, meaning or context thereof be deemed to, mean and include its successors- and permitted assigns) of the **OTHER PART**;



**DATED THIS 20<sup>th</sup> DAY OF JAN., 2012.**

**JOINT VENTURE AGREEMENT**

**BY AND BETWEEN**

**ATLANTA ELECTRICALS PRIVATE LIMITED**

**AND**

**BAODING TIANWEI BAOBIAN ELECTRIC CO., LTD**

## TABLE OF CONTENTS

Sr. No.	Particulars
1.	Definition and Interpretation
2.	Company Formation
3.	Technology License and Assistance Agreement
4.	Land Acquisition for JVCO Business
5.	Condition Precedent to Issue of subscription shares
6.	Share Capital and Share holding
7.	Further Investments
8.	Post Subscription Obligations
9.	Conduct of Board meetings
10.	Share holders meetings
11.	Management and Decisions
12.	Inter-se Transfers
13.	Transfer of Shares
14.	Tag Along Rights
15.	Fair Market value of Shares
16.	Accounting and Statutory Auditors
17.	Warranties
18.	Non-Compete and Mutual Co-Operation
19.	Indemnification
20.	Force Majeure
21.	Term and Termination
22.	Confidentiality
23.	Governing Laws, Jurisdiction, Dispute Resolution
24.	Arbitration
25.	Miscellaneous
I.	Description of the Land.
A.	Particulars of the Company on the company incorporation date
B.	Reserved Matters
C.	Deed of Adherence
D.	Business of the Company
E.	Estimate of the Investment to be made in the Business
F.	Manner of conducting business of the Company after its set up

ATLANTA ELECTRICALS PRIVATE LIMITED and BAODING TIANWEI BAOBIAN ELECTRIC CO., LTD, parties to this Agreement shall hereinafter individually be referred to as "**PARTY**" and collectively as "**PARTIES**";

**WHEREAS:**

- A. Atlanta Electricals Pvt. Ltd. [**"the First Partner"**] is engaged in the business of manufacture of transformers and reactors upto 220kV in India for last several decades.
- B. Baoding Tianwei Baobian Electric Co. Ltd. [**"the Second Partner"**] is engaged inter alia in the business of manufacturing Transformers and Reactors of upto 1000 kV over the last fifty years, primarily in People's Republic of China, either through itself or through its subsidiaries or Affiliates and has technical knowledge and experience and expertise in such manufacturing.
- C. Parties herein are desirous of participating in establishing a Joint Venture Company (**JVCO**) in India for engaging in the business of manufacturing, processing, assembling, marketing, selling, distributing and servicing etc of the Products (defined hereinafter in Clause 1.1.28 ) and implement the joint venture through the instrumentality of a private limited liability company formed and registered under the provisions of the [Indian] Companies Act, 1956; in accordance with the terms and conditions recorded hereinafter in the Joint Venture Agreement ("**JVA**").
- D. The Parties hereto have agreed to enter into the JVA to do Business and for that purpose to incorporate the JVCO on the terms and conditions recorded herein.
- E. The Parties hereto have agreed that their respective rights and obligations will be interpreted, acted upon and governed solely in accordance with the terms and conditions of this Agreement and the Memorandum and Articles of Association of the Company (as defined hereinafter in Clause 1.1.7 and 1.1.26), and the applicable laws for the time being in force.

**NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED, RECORDED AND CONFIRMED BY AND BETWEEN THE PARTIES HERETO AS UNDER:**

**1. Definitions and Interpretation**

---

**1.1 Definitions.**

In this Agreement, unless the context otherwise requires or expressly provides, the following words shall have the following meanings respectively:

- 1.1.1 "**Act**" or "**Companies Act**" shall mean the [Indian] Companies Act, 1956 and any statutory modifications amendments or re-enactments thereto from time to time;



- 1.1.2 **"Affiliate"** in relation to a Party, means any person, directly or indirectly owning, controlling, controlled by, or under common control with, that party or any person or entity forming part of such Party. The term **"Own"** shall mean the ownership, directly or indirectly, of at least 26% percent of the voting securities of such person and **"Control"** means the power to direct the management or policies of the person, whether through the ownership of voting securities, by contact, or otherwise, provided, however, In case any person included as a Party is a natural person (including Partners of a Partnership Firm forming part of a Party), then the term **"Affiliate"** in relation to such natural person shall also mean any person who is a relative of such natural person and any Private Trusts whose sole beneficiaries are such natural person and/or any affiliate of such natural person;
- 1.1.3 **"Reserved Matters"** shall mean the Affirmative Vote/Reserved matters enlisted in Clause 9.12 and **Appendix B**;
- 1.1.4 **"Agreement"** **"Joint Venture Agreement"** or **"JVA"** shall mean this Joint Venture Agreement including all Attachments, Schedules and Appendix thereto, and any subsequent modifications, alterations, additions, deletions or variation, made to this Agreement in writing by the Parties with mutual consent;
- 1.1.5 **"Agreed Proportion"** shall have the meaning assigned to that expression in Clause 6.2;
- 1.1.6 **"Applicable Law"** means any statute, law, bye-laws, regulation, ordinance, protocols, codes, guidelines, policies, notices, directives, rule, judgment, order, decree or approval from the concerned Government or statutory authority or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any concerned authority having jurisdiction over the matter in question and any modifications and re-enactment thereof in force in the Republic of India;
- 1.1.7 **"Articles"** means the Articles of Association of JVCO, as altered, amended or modified from time to time;
- 1.1.8 **"Auditor"** means the statutory auditor of JVCO as appointed from time to time;
- 1.1.9 **"Authority"** means any governmental, statutory, municipal or local authority including but not limited to government department, agency, commission, board, tribunal or court, or any other law, rule or regulation making body or entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof;
- 1.1.10 **"Board"** shall mean the board of directors of the JVCO as constituted from time to time in accordance with the terms of this Agreement;

- 1.1.11 "**Business**" shall have the meaning ascribed to it in **Appendix D** or as may be decided and approved by the Parties mutually in accordance with the provisions of this JVA;
- 1.1.12 "**Business Day**" means a day other than Saturday and Sunday on which banks are open for normal banking business in India and State of Gujarat;
- 1.1.13 "**Company/Joint Venture Company (JVCO)**" shall have the meaning ascribed to it in Clause 2.1;
- 1.1.14 "**Competing Business**" means any business which competes with the Business of the Company;
- 1.1.15 "**Deed of Adherence**" means the deed annexed hereto as **Appendix C**;
- 1.1.16 "**Directors**" shall mean the directors for the time being of the Board of Directors of the Company duly appointed as per the provisions of Applicable Law and shall included the Chairman/Vice Chairman;
- 1.1.17 "**Effective Date**" shall mean the date of execution of this Agreement;
- 1.1.18 "**Encumbrance**" means and includes, (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law, (ii) any proxy for exercising voting rights issued to any third party, power of attorney issued to any third party for transferring and/or exercising any rights, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favor of any Person, and (iii) any adverse claim as to title, possession or use and the term "Encumber" shall be construed accordingly;
- 1.1.19 "**Equity Shares**" or "**Shares**" means the equity shares of THE COMPANY with the face value of Rs.10/- (Rupees Ten only) per share in the share capital of the Company;
- 1.1.20 "**Fair Market Value**" or "**FMV**" of the Equity Shares shall mean the value determined in accordance with as Clause 15;
- 1.1.21 "**Financial Year**" means the period of 12 (twelve) months commencing on April 1 of a calendar year and ending on March 31 of the following calendar year or any other period adopted by the Board or Company as its accounting year in accordance with the provisions of the Applicable Law;
- 1.1.22 "**General Meeting**" means duly convened meeting, annual or extraordinary, as the case may be, of the shareholders of the Company in accordance with the provisions of the Act;
- 1.1.23 "**Government**" shall include the President of India, the Government of India, the Governor and the Government of any State of India, any Ministry or Department of the same and any local or other authority exercising powers conferred by applicable law;

1.1.24 **"Insolvency Event"** means, where a person:

- (i) is adjudged as an insolvent by the court of competent Authority or commences voluntary winding up or liquidation; or
- (ii) is itself or its assets are subjected to the appointment of a receiver, administrative receiver, official liquidator, trustee, other encumbrance or similar officer over its undertaking or corporate entity or a material part of its assets or undertaking; or
- (iii) enters into an arrangement or compromise with its creditors.

1.1.25 **"IPR/INTELLECTUAL PROPERTY RIGHTS"** shall mean and include all intellectual property rights, being any patents, trademarks, designs, copyrights, applications for any of such rights, trade or business names, internet domain names, inventions, processes, geographical indications, neighbouring rights, trade secrets, formula and confidential know-how, integrated circuits, exploitation of any present or future technologies, proprietary information, and other industrial property rights, original works of authorship, developments, concepts, improvements whether capable of registration or protection under Law or not which is exploited, developed or owned but not disclosed other than pursuant to a confidential arrangement by the Company or any of its Affiliates while rendering the services provided by the Company;

1.1.26 **"Memorandum"** means the Memorandum of Association of the Company, as altered, amended or modified from time to time in accordance with the Applicable Laws;

1.1.27 **"Person"** means any natural person, firm, company, Governmental Authority, joint venture, association, partnership or other entity (whether or not having separate legal personality), proprietorship, trust or other enterprise (whether incorporated or not), Hindu undivided family, union, association, or any agency, department, authority or subdivision thereof, a government or local authority, department or other body or political subdivision, or an agency or instrumentality thereof and/or any other legal entity that may be treated as a person under Applicable Law and shall include their respective successors and assigns and in case of an individual shall include his/her/their legal heirs, administrators and executors and in case of a trust shall include the trustee or the trustees of the trust, for the time being;

1.1.28 **"Products"** means all types of transformers and reactors from 220kV to 765 kV ratings;

1.1.29 **"Proprietary Information"** means the technical, engineering, economic, marketing, financial or other information as may be developed by or owned by either Party or its Affiliates which is not known to others and is marked or designated as confidential by the Party disclosing the same;

1.1.30 **"Relative"** shall, in relation to a Shareholder, mean (a) any person who is a lineal descendent of a Shareholder and (b) any spouse of such person who is lineal descendent with the consent of the persons holding majority of Shareholding (c) in relation to any person, means a person falling within



the definition of "relative" under Section 6 of the Act;

1.1.31 "**Rupees**" or "**INR**" shall, mean Indian Rupees;

1.1.32 "**Shareholders**" shall mean the First Partner and the Second Partner collectively and "**Shareholder**" shall mean each of them individually;

1.1.33 "**Shares**" means and includes the equity shares in the Company, with the par value of INR 10 each and shall include all kinds of shares and also include any security, instrument or right (whether vested, deferred or contingent) entitling or enabling the allottee or holder thereof to acquire, whether directly or indirectly, shares of, beneficial interest or voting rights in, the Company (as adjusted for any stock splits and stock combinations);

1.1.34 "**Share Capital**" means the issued and paid up equity share capital of the Company, on a fully diluted basis;

1.1.35 "**Subscription Amount**" shall mean the amount payable by a shareholder for subscribing to the Shares of the Company applied for by the shareholder in terms of the allotment of Shares by the Company more particularly set out in Clause 6.1.1;

1.1.36 "**Subscription Shares**" when used in relation to a Shareholder shall mean the number of Shares agreed to be subscribed by the Shareholders as more particularly set out in Clause 6.1.1 hereinafter;

1.1.37 "**Transfer**" shall mean to sell, gift, give, assign, transfer, trust, mortgage, alienate, hypothecate, pledge, Encumber, grant a security, interest in, or suffer to exist (whether by operation of law or otherwise) any Encumbrance on, any Equity Shares or any right, title or interest therein or otherwise dispose of in any manner whatsoever voluntarily or involuntarily including, without limitation, any attachment or assignment for the benefit of creditors against the Company or appointment of a custodian, liquidator or receiver of any of its properties, business or undertaking, but shall not include transfer by way of testamentary or interstate succession;

## 1.2 Interpretation.

While construing any term or provision in this Agreement:

1.2.1 References to Recitals, Clauses and Schedules are to the recitals and clauses of, and schedules to, this Agreement;

1.2.2 Heading and bold typeface are only for convenience and shall be ignored for the purpose of interpretation;

1.2.3 Words using the singular number also include the plural or singular number, respectively;

1.2.4 The terms "hereof", "hereto" and derivative or similar words refer to this entire Agreement or specified Clauses of this Agreement, as the case may be;



- 1.2.5 reference to any legislation or law or to any provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, and any reference to statutory provision shall include any subordinate legislation made from time to time under that provision; and
- 1.2.6 Reference to the word "include" shall be construed without limitation;
- 1.2.7 Unless otherwise stated herein, wherever consent, notice, approval, authorization, or determinations are required under or pursuant to this Agreement from or by any Party, the same shall be valid and effectual only if in writing under the hands of a duly authorized representative of such Party in this behalf and not otherwise;
- 1.2.8 Appendix to this Agreement forms an integral part hereof and will be of full force and effect when executed in terms thereof as if they were expressly set out in the body of this Agreement. In case of any inconsistency between the main body of this Agreement and any Appendix, the provisions of this Agreement shall prevail;
- 1.2.9 A document in the "Agreed Form" is a reference to a document in a form approved, and for the purposes of identification, signed, by or on behalf of First Partner and Second Partner, and reference to any document shall include any amendment and modification of that document;
- 1.2.10 Each of the representations and warranties provided in this Agreement is independent of other representations and warranties in this Agreement and unless the contrary is expressly stated, no Clause in this Agreement limits the extent or application of another Clause;
- 1.2.11 In determination of any period of days for the occurrence of an event or the performance of any act or thing shall be deemed to be exclusive of the day on which the event happens or the act or thing is done and if the last day of the period is not a Business Day, then the period shall include the next following Business Day;
- 1.2.12 A reference to a specific time for the performance of an obligation is a reference to that time in the country, province, state or place where that obligation is to be performed;
- 1.2.13 Any reference to any statute or statutory provision shall include:
- (i) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated); and
  - (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Agreement) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to any transactions entered into under this Agreement and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as from time to time amended, modified, re-enacted or

consolidated) which the provision referred to has directly or indirectly replaced.

## **2. The Company Formation**

---

### **2.1 Company Incorporation**

- 2.1.1 The Parties herein shall get registered and incorporated, under the laws of India and the provisions of the Act, a private company, with liability limited by shares, for implementation of the joint venture envisaged herein and shall implement the joint venture project envisaged in this Agreement through the instrumentality of the joint venture company so incorporated in India.
- 2.1.2 The joint venture company shall be incorporated by the Parties within a period of 30 days from the effective date and in no event later than 60 days (hereinafter referred to as the "**Company Incorporation Date**") under the name "BTW-ATLANTA TRANSFORMERS INDIA PRIVATE LIMITED" (the "**Company**").
- 2.1.3 The Company shall be on incorporation or soon thereafter have such particulars as set out in **Appendix A** to this Agreement.

### **2.2 Memorandum and Articles of Association**

The Parties shall prepare and submit the Memorandum of Association and Articles of Association, which will incorporate, to the extent permissible under the Act, the provisions of this Agreement at the time of incorporation of the Company. The Memorandum of Association and Articles of Association shall be in Agreed Form and may be amended, revised or modified by the Parties in accordance with the provisions of the Applicable Laws.

### **2.3 Company Incorporation Expenses.**

- 2.3.1 All fees, expenses, charges or costs reasonably incurred by the First Partner in connection with the incorporation of the Company shall be on account of the Company.
- 2.3.2 In the event this Agreement is terminated prior to the Company Incorporation Date the Parties shall share those fees, expenses or costs in Agreed Proportion
- 2.3.3 If such fees, expenses and costs are incurred by either of the Parties, the same shall be reimbursed to such Party as soon as possible after the Company Incorporation date. The expenses will include the registration fees, filing fees, stamp duty, fees of the attorneys or accountant for incorporation and other incidental expenses.
- 2.3.4 The Parties shall issue consents in such forms as may be required for filing with the Registrar of the Companies, such forms, applications etc

required in relation to incorporation of the Company as contemplated by this Agreement.

**2.4 Business of the Company**

- 2.4.1 The main business of the Company shall be to carry on the Business as set out in **Appendix D** and such other business as may be agreed by the Parties by mutual consent.
- 2.4.2 The Company shall set up a plant to manufacture and service the Products at Baroda on such piece of land as is mutually agreed by the Parties and the said Plant shall be set up in such a manner that it can also have the capability to manufacture and service of all types of transformers and reactors from 220 kV to 765 kV Rating. The building (and not the plant and machineries) for the factory would be constructed in a manner so as to facilitate manufacturing transformers and reactors up to 1200kV in future.

**2.5 Adoption of the Agreement by Company**

Upon incorporation and in the first meeting of the Board of the Company, the Company shall adopt the Agreement and shall agree to amend its Articles of Association to conform to the provisions of this Agreement.

**3 Technology Transfer License Agreement**

- 3.1 The Parties agree that the JVCO, shall enter into a separate and detailed Technology Assistance and License Agreement with the Second Partner in the Agreed Form i) for the consideration and on the terms and conditions recorded therein for the production and manufacturing of the Products.
- 3.2 The Technology Assistance and License Agreement shall have a **lock-in period of 7 years** during which neither party can terminate the Technology Assistance and License Agreement.
- 3.3 Nothing contained in this Agreement or termination thereof shall affect or abrogate the rights granted to the Company or to any of the Parties herein under an agreement for transfer of technology or use of technology entered into either prior to execution of this Agreement or at any time hereafter.
- 3.4 On the termination of this JVCO Agreement, subject to the lock-in period of 7 years or in the event the shareholding of either of the Parties is reduced below 10% of the Share Capital of the Company, any improvements and developments made to the technology and designs after termination of this Agreement made by the second Partner shall be offered to the JVCO from time to time at such price and on such conditions as shall be agreed by the Parties.
- 3.5 On the occurrence of the events set out in Clause 21.4 (a) and (c), the Technology Assistance and License Agreement shall terminate and the

technology shall revert to the Second Partner together with all the improvements from time to time.

- 3.6 On the occurrence of the events as set out in Clauses 21.4 (b) and (d), the Technology Assistance and License Agreement shall continue in full force, save and except in respect of the payments referred to in Clause 3.4 above.
- 3.7 If any Affiliate of any of the Parties is able to offer any material / equipment / component / construction / services to the JVCO at competitive prices and its quality is acceptable then JVCO shall purchase such material / equipment / component / services from such Affiliate.
- 3.8 The Company shall take all steps promptly as are necessary and reasonable to protect the intellectual property rights it owns or lawfully uses. Such protection, if appropriate, may include, without limitation, the registering of (i) its own trademarks, brand names and copyrights and (ii) any trademarks, patents brand names and copyrights licensed to the Company, if so permitted under the respective license agreement. Furthermore, the Company shall immediately notify the Parties concerned in case it becomes aware of any infringements of intellectual property rights of the Parties.

#### **4 Land Acquisition for the JVCO business**


---

- 4.1 The First Partner has represented and assured the Second Partner that it shall within a period of 30 days from the Company Incorporation Date, with grace period of 30 days, acquire or caused to be acquired for JVCO free, from all encumbrances and reasonable doubts land admeasuring minimum 1,00,000 sq.mts at village Ankhi more particularly described in the **SCHEDULE** hereunder written ( hereinafter referred to as the "**Said Land**") for the purpose of construction of the factory for manufacturing and producing the Products and shall provide from its Solicitors clear and unconditional Title Certificate.
- 4.2 The First Partner shall commence construction of the factory by 1<sup>st</sup> February, 2012 and complete construction of the factory within a period of 15 months from commencement of construction, which period may be , if required, mutually extended in writing by the Parties.

#### **5 Conditions precedent to the issue of Subscription Shares**

---

- 5.1 The obligations of the Parties under this Agreement to subscribe to the Shares in the Company and to perform their obligations shall be subject to and conditional upon the following conditions (the "**Conditions Precedent**") having been fulfilled to the satisfaction of each of the Shareholders or waived by them in writing (where such waiver is permissible under Applicable Law):
- 5.2 Prior to the incorporation of the Company, the Parties have executed the Memorandum of Understanding (MOU) for purchase of the land by the



First Party for and on behalf of the Company as also the Technology Transfer License Agreement more particularly set out hereinafter.

- 5.3 The Company is formed and incorporated at Baroda, Gujarat State as a company having its limited liability with share capital under the provisions of the Act;
- 5.4 The Board of the Company passing a resolution in its first meeting (in a form satisfactory to the Shareholders) for accepting and adopting this Agreement and the Company delivering counterpart of this Agreement, duly executed (as provided for at the end of this Agreement) to each of the Parties, evidencing acceptance and adoption of this Agreement by the Company;
- 5.5 The issue of the Subscription Shares to the Parties shall have been approved by the Board of the Company in its first meeting;
- 5.6 The Company shall open a bank account with such bank as decided by the Board and which account shall be operated jointly by representatives of both Parties.
- 5.7 There having been no breach or the continuance of any breach of:  
(i) any of the covenants contained in this Agreement; or  
(ii) any of the Warranties;  
and the Warranties being true and accurate on the Closing Date.
- 5.8 Permissions or authorisations required to be obtained for formation of the Company, regardless of Indian or Chinese, issuing and allotment of shares of the Company to the Shareholders, if required, are obtained and are subsisting and valid on the Closing Date.

## **6. Share Capital and Shareholding**

### **6.1 Subscription of Shares by the Parties**

- 6.1.1 Within a period of thirty (30) days from the Company Incorporation Date but in No event later than sixty (60) days, (**Subscription Date**) the Parties herein agree to subscribe to the Shares of the Company at par as under:

<b>Sr No.</b>	<b>Name of the Shareholders</b>	<b>Number of Shares to be subscribed</b>	<b>Amount to be paid (INR in Millions)</b>
1.	First Partner	22,050,000	220.50
2.	Second Partner	22,950,000	229.50
<b>Total</b>		45,000,000	450.00

- 6.1.2 The Parties shall get the Subscription Amount deposited in the bank account designated by the Company,
- 6.1.3 Simultaneously on receipt of the Subscription Amount, the Company shall hold a meeting of its Board, at which the following shall be transacted:
- 6.1.3.1 Approval of the allotment of the Subscription Shares to the Parties;

6.1.3.1.2 The name of the Parties shall be entered in the register of members of the Company as the holders of the Subscription Shares;

6.1.3.1.3 Unless already appointed, the Board shall be constituted in accordance with the provisions of this Agreement by appointment of additional directors of the Company and the Board shall comprise solely of Directors nominated by the Parties;

6.1.4 The status of the Company shall strictly conform to and comply with the status set forth in Appendix A.

6.1.5 The Company shall deliver the duly stamped and executed (a) share certificates representing the Subscription Shares to the Shareholders, (b) certified extract of the Register of Members as on the subscription date showing the issued, subscribed and paid up share capital of the Company and the shareholders and the number of Shares held by them; (c) certified copy of the resolution passed by the Board to appoint the Directors nominated by the Shareholders as Directors of the Company, (d) a complete list of Directors of the Company. The Company shall bear the requisite amount of stamp duty (if any) in respect of the Subscription Shares so issued.

6.1.6 The Share Certificates in respect of Equity Subscription Shares and Shares allotted by the Company to the Parties shall bear the following legend.

**"The Shares represented by this certificate are issued subject to terms and conditions of the JOINT VENTURE AGREEMENT dated [ ]<sup>th</sup> [ ] 2012."**

6.2 Upon Subscription of the Subscription Shares and consequent allotment, the shareholding pattern of the Company shall be in the following proportion ("Agreed Proportion")

Sr. No.	Name of the Shareholders	Proportion of shareholding	Number of Shares to be subscribed
1.	First Partner	49 %	22,050,000
2.	Second Partner	51 %	22,950,000
	Total	100 %	45,000,000

6.3 Upon the terms and subject to the conditions of this Agreement, the Shareholders agree to subscribe and pay the Subscription Amount for the Subscription Shares.

6.4 If the Share Subscription does not occur on account of any of the reasons, the Company shall forthwith return to the Shareholders, the Subscription Amount (if any) paid by the Shareholders to the Company within a period of 30 days from such non-subscription

6.5 The Subscription Shares shall represent 100% of the post issued share

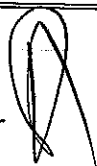
capital of the Company.

- 6.6 In consideration of the Shareholders having mutually agreed to subscribe to the Subscription Shares on the terms and conditions contained herein, the Parties agree to set up the Company and conduct the affairs of the Company in the manner provided in this Agreement.

## **7. Further Investments**

---

- 7.1 The Parties agree that the Company shall set up a plant for carrying out business of manufacturing and servicing the Products, and the present estimate of total investments required in the said Business is approximately INR 3.00 Billion [Rupees Three Billion], as more particularly set out in **APPENDIX E**.
- 7.2 Each of the Parties acknowledge and agree to contribute the amount in Agreed Proportion towards the share capital of the Company a sum aggregating to INR 2.250 Billion [Rupees Two Billion and Two Hundred Fifty Million] towards the Share Capital within a period mentioned in Appendix E. The total share capital by the Parties during the above period shall be as near to but shall not exceed RMB 300 million.
- 7.3 The investment in further Shares shall be made at par by both the Partners.
- 7.4 The Company shall give a notice in writing of not less than thirty (30) days for requiring a Shareholder to contribute each contribution of the share capital.
- 7.5 In case where a shareholder fails or omits to contribute whole or part of the sum required to be contributed by it within the stipulated time [the **"Non-contributing Shareholder"**], then in such an event the shareholder other than the Non-contributing Shareholder shall be required to contribute the balance sum in their respective Agreed Proportion. The Company shall allot Shares to the Shareholders who have contributed the sum in proportion to their respective contribution.
- 7.6 Notwithstanding anything contained in this Agreement, if due to operation of this Clause 7.6, if at any time the aggregate shareholding of the Non-Contributing Shareholder reduces below ten percent [10 %] of total issued, subscribed and paid up capital of the Company, then the other Shareholders shall be entitled to but shall not be obligated to, acquire, however the Non-Contributing Shareholder shall be obligated to sell, the entire shareholding of the Non-Contributing Shareholder at the Fair Market Value (**FMV**) determined in the manner set out hereinafter in Clause 15.
- 7.7 For the purpose finance for the Company or to meet the balance investment requirements, the Company, may borrow funds from the reputed Banks/Financial Institutions in accordance with the provisions of the Act,, Applicable Laws and the terms of this Agreement pertaining to the Reserved matters





- 7.8 It is further agreed, that for the purpose of borrowings of the Company, if the lender requires any corporate guarantee to be given, such Guarantee can be given by the Company against its own assets or part thereof. In the event any personal guarantee is required, both Parties hereto shall give such guarantee in equal proportion in accordance with the procedure mentioned in the Reserved Matters.
- 7.9 If for any reason obligation of the Second Partner to have majority shareholding ceases to exist, the Parties shall discuss about changing the majority in the shareholding of the Company to make both the Parties as equal shareholders or giving majority to the Party of the First Part.

## **8. Post Subscription Obligations**

---

- 8.1 The Company shall within fifteen (15) days from the share subscription file the return of allotment and all other required documents with the Registrar of Companies in relation to the issue of the Subscription Shares, and provide a copy of the return of allotment filed with the Registrar of Companies, to the Parties.
- 8.2 The Company shall also within fifteen (15) days from the share subscription file the required documents with the Reserve Bank of India (RBI) as required under the Foreign Exchange Management Act, 1999 (FEMA) and provide a copy of the return of allotment filed with Reserve Bank of India, to the Parties.
- 8.3 The Company shall be responsible for the payment of any and all Taxes or duties related to the allotment, stamp or other similar Taxes attributable to the execution of the Agreement, and/or the issuance and allotment of the Subscription Shares.
- 8.4 The rights and obligations of the Parties hereto as Shareholders with respect to their business relationship in the Company, including, without limitation, the organization, operation and management of the Company, shall be strictly interpreted, acted upon, and governed in accordance with the terms and conditions of this Agreement. The Shareholders agree that whether or not the Memorandum and Articles fully incorporate the provisions hereof, or any of them, their rights and obligations with respect to each other shall be governed by this Agreement, the terms and conditions of which shall also prevail in the event of any ambiguity or inconsistency with respect to such rights and obligations between it and the Memorandum of Association, the Articles of Association, the provisions of the Companies Act, and/or any other document in existence as between them as relates to the subject matter of this Agreement. To the extent there is any conflict or inconsistency between the Memorandum of Association or the Articles of Association and this Agreement, the Parties shall, insofar as possible, exercise their rights as shareholders, to amend the Memorandum of Association and the Articles of Association to accord with the terms of this Agreement.

## **9. Conduct of Board and Board Meeting**

---

### **9.1 Composition**

Unless otherwise agreed, during the term of this Agreement, the Board shall consist of Seven (7) directors nominated by the Parties in the manner set out hereinafter.

### **9.2 Shareholder's Right to nominate**

The First Partner shall have a right to nominate three (3) Directors on the Board of the Company (the "First Partner Nominee") and Second Partner shall have a right to nominate four (4) Directors on the Board of the Company (the "Second Partner Nominees"). In case of change in the Agreed Proportion in accordance with the provisions of the Agreement, then the right to nominate the Directors on the Board of the Company shall vary in accordance with the Shareholding of such Party in the Company. It is agreed that upon the shareholding of a Party in the Company reducing to less than 10 % [Ten Percentage] of the total outstanding Capital of the Company, the said Partner shall not have any right to nominate any person to Board of the Company.

### **9.3 Qualification**

The Directors shall not be required to hold any qualification Equity Shares.

### **9.4 Alternate Director**

The Parties may appoint Alternate Directors to their respective nominee directors if it is so required due to inability to attend the meeting of the Board. The Parties shall ensure ratification of such appointment. An Alternate Director appointed under this Clause shall not hold office for a period longer than that permissible to the Original Director in whose place he has been so appointed and shall vacate office if and when the Original Director returns to that State. If the term of office of the Original Director is terminated before he so returns to that State, any provisions in the Act for the automatic reappointment of any retiring Director, in default of another appointment, shall apply to the Original Director and not to the Alternate Director. The acts of the Alternate Director acting for the Original Director will be deemed to be the acts of the Original Director. Upon the appointment of the Alternate Director, the Company shall ensure compliance with the provisions of the Act, including by filing necessary forms with the relevant Registrar of Companies. The Alternate Director shall be entitled to receive notice of a meeting of the Board or committee thereof, along with all relevant papers in connection herein below and to attend and vote thereat in place of the Original Director and generally to perform all functions of the Original Director in his absence.

### **9.5 Directors Insurance Policy**

9.5.1 Immediately upon the Director being appointed to the Board, the Company may obtain Director and Officers liability insurance for an amount and on terms acceptable to the Board, in favour of the Director from a reputable insurance company in respect of claims or liabilities resulting from the actions or omissions of the Director of the Company to the extent permitted by law.



9.5.2 The Company shall indemnify the Directors against:

9.5.2.1 any act, omission or conduct (including, without limitation, contravention of any law) of or by the Company or, its officials, employees, managers, representatives or agents as a result of which, in whole or in part, the Director is/are made a party to, or otherwise incurs any costs, charges, expenses, damages or loss, including loss pursuant to or in connection with any such act, omission or conduct (collectively the "Loss"); and

9.5.2.2 Any Loss arising from any action or omission to act, by the Director at the request of, or with the consent of the Company.

9.6 **Directors' Access**

Each Director shall be entitled to examine the books, accounts and records of the Company and shall have free access, at all reasonable times. The Company shall provide such information relating to the business affairs and financial position of the Company as any Director may require.

9.7 **Chairman of the Board:**

The Second Partner shall be entitled to nominate one of its nominees as the Chairman of the Board. The Chairman so nominated shall be entitled to chair all the meeting of the Board and the Chairman shall not have casting vote in respect of any resolution.

9.8 **Board Meetings; Frequency and Language**

9.8.1 At least 4 (four) Board Meetings will be held in every calendar year, and at least once in every calendar quarter.

9.8.2 English shall be the official and working language for the meetings of the Board.

9.8.3 The venue of the Board Meetings shall be at Baroda or such other place to be determined by Board of Directors of the Company.

9.9 **Notice**

A Board Meeting may be called by the Chairman or any two (2) Directors by giving notice in writing to each Director specifying the date, time, venue accompanied by a written agenda specifying the business of such Board Meeting and copies of all papers relevant for such Board Meeting. Sufficient information shall be included with such notice to the Directors to enable each Director to make an informed decision on the issue in question at such meeting. Not less than a minimum fifteen (15) days' prior written notice shall be given to each Director of any Board Meeting, accompanied by the agenda for the Board Meeting, unless all the Directors have given unanimous written approval for a meeting called at shorter notice. The quorum for the Board Meeting shall be as provided herein below.

9.10 **Quorum**

9.10.1 The quorum for the meetings of the Board or any adjournment thereof shall require the presence one-third of the Directors in office for the time being which shall, unless waived in writing in advance, include at least 1



(one) First Partner Nominee and 1 (one) Second Partner Nominee,

9.10.2 **PROVIDED HOWEVER**, if within half an hour from the time appointed for holding a meeting of the Board, quorum as per this sentence is not present, the meeting shall stand adjourned to the same day two weeks later, at the same time and place and at such adjourned meeting, the Directors present shall constitute a valid quorum, however, in such an adjourned meeting, nothing other than as stated specifically in the agenda for the original meeting shall be transacted.

9.10.3 The Company shall issue notice in writing to each Director the same day or the next following business day, of the adjournment of the meeting and the scheduled date, time and place of the adjourned meeting of the Board of Directors.

9.11 **Voting**

9.11.1 At any Board Meeting, each Director may exercise 1 (one) vote and all decisions other than those related to the Reserved Matters shall be by way of simple majority.

9.11.2 No resolution shall be passed or decision taken by the Board either at a meeting of the Board or Shareholders or a circular resolution or at any other forum or meeting in respect of the Reserved Matters as detailed below unless it is approved by at least one (1) First Partner Nominee and at least one (1) Second Partner Nominee.

9.12 **Reserved Matters**

Notwithstanding the provisions of Clause 7.5, no item of business relating, *inter alia*, to any matter (i) which if transacted, would lead to an alteration of the Agreed Proportion of the shareholding of the Shareholders, or (ii) which requires passing of special resolution as per the provisions of the Act, or (iii) which is enumerated in Appendix B hereto (the "**Reserved Matters**") shall be transacted by the Board or by the Company in its General Meeting, unless (a) previously stated in the agenda, and (b) is in accordance with the procedure set out in Clause 11.4 below, and (c) is agreed and approved in writing in advance by unanimous consent of all the Shareholders.

9.13 **Removal and replacement of Nominee Directors**

Subject to provisions of Clause 9.2 above, each of the Parties shall be entitled to remove or replace the persons nominated by it for appointment as Directors of the Company and nominate any other person(s) for appointment as Directors of the Company, from time to time. The Parties shall take, and shall procure the Company to take, prompt action for giving effect to such nomination or changes in the nomination made from time to time.

9.14 **Filling up vacancies**

In case the office of a Director of the Company becomes or falls vacant for any reason, First Partner and Second Partner agree to exercise their

respective votes and cause their representatives to vote, for appointment as Director a person nominated by the Party who had nominated the Director whose office has become or fallen vacant.

**9.15 Resolution by Circulation**

Subject to the provisions of the Act, the Articles of Association and this Agreement, a resolution passed by circulation shall be as valid and effectual as a resolution duly passed at a meeting of the Board called and held in accordance with provisions of the Act and the Articles of Association of the Company, provided that such resolution has been circulated in draft form, together with relevant papers, if any, to all the Directors (including Directors resident abroad and the Alternate Directors) and has been approved by a majority votes which must include affirmative vote of at least one Nominee Director of each Party.

**10. Shareholder's Meeting**

---

- 10.1 No business of the Company shall be transacted at any General Meeting unless a valid quorum of at least 2 (two) Shareholders either in person or by proxy is present of which at least 1 (one) Shareholder each shall be from the First Partner and the Second Partner, unless waived in writing by the respective Partner.
- 10.2 Prior written notice of at least twenty one (21) days for convening the General Meeting shall be given to all Shareholders of the Company. A General Meeting may however be called by the Chairman on less than twenty one (21) days prior written notice with the prior written consent of all the shareholders. Every notice shall be accompanied by the agenda setting out the particular business proposed to be transacted at such meeting of the Company
- 10.3 Subject to Clause 10.1, if within half an hour of the time appointed for the convening of a General Meeting, the quorum specified above is not present, the General Meeting shall stand adjourned to the same day two weeks later at the same time and same place, *provided however*, at such adjourned meeting the quorum requirement under Clause 10.1 shall not be necessary and the members then present shall constitute a valid quorum, provided that if the quorum specified in Clause 10.1 above is not present at such adjourned meeting, the meeting shall not transact any business in respect of the Reserved Matters. The Company shall issue notice in writing to each Shareholder and its Directors the same day or the next following business day, of the adjournment of the meeting and the scheduled date, time and place of the adjourned General Meeting.
- 10.4 All matters, which require approval of the shareholders by resolution passed in General Meeting under the provisions of the Act, shall be subject to approval of the shareholders of the Company in General Meeting in accordance with the provisions of Clause 9.

**11. Management and Decisions**

---

The Parties jointly and severally undertake to ensure that they, their representatives, proxies and agents representing them at the General Meeting and their respective nominee directors on the Board at meetings thereof and all Committees thereof and including with regard to resolution by circulation, shall at all times exercise their votes and otherwise, act in such manner so as to ensure, procure and comply with and to fully and effectually implement, the spirit, intent and specific provisions of this Agreement; and

25.4 **Vote against contrary resolutions**

The Parties jointly and severally undertake to ensure that if any resolution is proposed at the meetings of the Board of Directors or the General Meeting contrary to the terms of this Agreement or the spirit with which this Agreement has been entered into, they, their representatives, proxies and agents or nominee directors (or their alternate directors) representing them shall vote against such resolution.

25.5 **Appointment of Authorized Signatories**

25.5.1 The First Partner and the Second Partner hereby appoint Mr. Krupesh N. Patel and Ms. Liu Shujuan, respectively, as their duly authorised signatory (the "**Authorized Signatory**") to sign, execute and deliver this Agreement and to honour all the obligations which the Shareholders are required to perform under this Agreement.

25.5.2 The **Authorized Signatory** so appointed shall also be entitled to receive and send notices and communications, which each Shareholder may be entitled to receive or send under this Agreement, for and on behalf of each Shareholder by whom he/she has been appointed. at the following addresses:

In the case of Notices to FIRST PARTNER:

Attention: Mr. Krupesh N. Patel

Address: Gujarat Spun Pipe Compound,  
At and Post Samiala,  
District Baroda  
Gujarat India

E:mail: krupesh54@yahoo.com

With a copy to:

Attention: Mr. Niraj Patel

Address: Gujarat Spun Pipe Compound,  
At and Post Samiala,  
District Baroda  
Gujarat India

  
First Partner

  
Second Partner.

# Appendix – A

## The Particulars of Company on the company Incorporation date

1.	Name	BTW-ATLANTA TRANSFORMERS INDIA PRIVATE LIMITED			
2.	Place of incorporation	Baroda, Gujarat, India			
3.	Address of registered office	Gujarat Spun Pipe Compound, At and Post Samiala Tal & District. Baroda			
4.	Type of company	Private Limited Company			
5.	Authorised share capital	INR 2,250,000,000 divided into 225.00 Million equity shares of par value of INR 10 each			
6.	Issued share capital	INR 10,000,000 divided into 1,000,000 Shares of INR 10 each of which <ul style="list-style-type: none"> <li>• 490,000 Equity Shares of INR 10 each issued for cash at par to the First Partner</li> <li>• 510,000 Equity Shares of INR 10 each issued for cash at par to the Second Partner</li> </ul>			
7.	Shareholding	Name of Partner	Amount to be invested [In INR In Millions]	Number of Shares	% of Shareholding
		First Partner	4.90	490,000	49 %
		Second Partner	5.10	510,000	51%
		Total	10.00	1,000,000	100%
8.	Directors	FIRST PARTNER Nominee  DIRECTORS Mr. Krupesh N. Patel Mr. Niraj Patel Mr. Tanmay Patel  SECOND PARTNER NOMINEE DIRECTOR Ms. Liu Shujuan - Chairman of the Board Mr. Li Mingliang Mr. Jiao Zihe Ms. Du Xuan			
9.	Financial Year	Financial Year ending on 31 <sup>st</sup> March			
10.	Statutory Auditors	To be decided at the first meeting of the Board			

First Partner

Second Partner.

The Parties jointly and severally undertake to ensure that they, their representatives, proxies and agents representing them at the General Meeting and their respective nominee directors on the Board at meetings thereof and all Committees thereof and including with regard to resolution by circulation, shall at all times exercise their votes and otherwise, act in such manner so as to ensure, procure and comply with and to fully and effectually implement, the spirit, intent and specific provisions of this Agreement; and

**25.4 Vote against contrary resolutions**

The Parties jointly and severally undertake to ensure that if any resolution is proposed at the meetings of the Board of Directors or the General Meeting contrary to the terms of this Agreement or the spirit with which this Agreement has been entered into, they, their representatives, proxies and agents or nominee directors (or their alternate directors) representing them shall vote against such resolution.

**25.5 Appointment of Authorized Signatories**

25.5.1 The First Partner and the Second Partner hereby appoint Mr. Krupesh N. Patel and Ms. Liu Shujuan, respectively, as their duly authorised signatory (the "**Authorized Signatory**") to sign, execute and deliver this Agreement and to honour all the obligations which the Shareholders are required to perform under this Agreement.

25.5.2 The **Authorized Signatory** so appointed shall also be entitled to receive and send notices and communications, which each Shareholder may be entitled to receive or send under this Agreement, for and on behalf of each Shareholder by whom he/she has been appointed. at the following addresses:

In the case of Notices to FIRST PARTNER:

Attention: Mr. Krupesh N. Patel

Address: Gujarat Spun Pipe Compound,  
At and Post Samiala,  
District Baroda  
Gujarat India

E:mail: krupesh54@yahoo.com

With a copy to:

Attention: Mr. Niraj Patel

Address: Gujarat Spun Pipe Compound,  
At and Post Samiala,  
District Baroda  
Gujarat India

  
First Partner

  
Second Partner.



- 11.1 The Parties agree that all actions and decisions relating to the Company and the Business of the Company shall be taken by the Board constituting Directors appointed by the parties hereto, always acting in furtherance of the best interests of the Company. All decisions on the day-to-day management of the affairs of the Company shall be taken by the Nominated Directors involved in the operation of the Company according to such duties and responsibilities shared and imposed upon each of them. Each Nominated Directors engaged in the management of the affairs of the Company and Directors appointed in executive post shall devote so much of his time and attention to the Business and welfare of the Company, and shall obey the orders, from time to time, of the Board and in all respects, conform to and comply with the directions and regulations made by the Board, and shall faithfully serve the Company and use his utmost endeavour to promote the interest thereof. Provided always that nothing set forth in this Clause 11.1 shall authorise or be deemed to authorise the Directors to transact any business or make any decision in respect of the Reserved Matters, without complying with the approval process set forth therein. In case where there is a difference of opinion between the Nominated Directors or senior executives of the Company on the day-to-day management, then the matter shall be referred to the Board for its decision.
- 11.2 Subject to the provisions of Clause 11.4 below, it is agreed by the Parties that they will always seek to vote together in all matters relating to the Company.
- 11.3 The Parties agree to adopt the procedure as mentioned in Clause 11.4 below in respect of the Reserved Matters, at the General Meeting or the board meeting, as the case may be:
- 11.4 The Parties agree that the following procedure shall be adopted in respect of the Reserved Matters enlisted in **Appendix B**:
- 11.4.1 Such matters shall have been discussed in advance by the Shareholders and each of the Shareholders shall have given their consent in writing for taking up such matters for consideration at meeting of the Board of Directors or at a General Meeting;
- 11.4.2 No Shareholder shall have given notice to the Company expressing its intention to vote against such resolution or matter (the "**Dissent Notice**")
- 11.4.3 In case where such Dissent Notice is issued by either of the Shareholders, then each of the Shareholders shall be obliged to cast their votes against the resolution.
- 11.5 **Managing Director / CEO**  
The day-to-day management of the Company shall be entrusted by the Board to a Managing Director (**MD**) or Chief Operating Officer [**"CEO"**]. The name of the CEO may be recommended by either of the Parties and shall appointed by the Board by way of unanimous decision and the person so nominated shall be entitled to the remuneration as per the market practice and as may be agreed by the Parties herein from time to time.



**11.6 The Chief Financial Officer/ CFO**

The Chief Financial Officer ["CFO"] of the Company shall be appointed by the Second Partner and the person so appointed shall be paid remuneration by the Company as per the prevailing market practice for such officer in India from time to time and as may be agreed by the Parties herein from time to time. The CFO shall be assisted by a Deputy CFO ["Dy. CFO"], who shall have the same information rights and shall participate in all the meetings involving the financial matters. The Dy. CFO shall be nominated by the Second Partner.

**11.7 The Chief Technical Officer/ CTO**

The Chief Technical Officer ["CTO"] of the Company shall be appointed by the Second Partner and the person so appointed shall be paid remuneration by the Company as per the prevailing market practice for such officer in India from time to time and as may be agreed by the Parties herein from time to time. The CTO shall be in charge of and responsible for the technological aspects of the manufacturing and servicing the Products

**12 Inter-Se Transfers**

---

12.1 The Shareholders agree that they may transfer the Shares held by them to any of their respective Affiliate (after prior consent of the other Party which shall not be unreasonably withheld) subject to the following conditions:

12.1.1 Neither Shareholder shall transfer by way of sale, bequeath or gift nor otherwise howsoever the Shares held by it to any Person including its Affiliate without the prior written consent of the other Shareholder which shall not be unreasonably withheld;

12.1.2 If one Shareholder consents to the transfer of shares held by the other Shareholder to its Affiliates, the transferring Shareholder shall have caused the Affiliate to execute and deliver to the other Shareholder and the Company the Deed of Adherence as set out in **APPENDIX -C**;

12.2 If at any time in future the shareholding Affiliate is likely to cease to be an Affiliate of the Shareholder (from which or from whose Affiliate the shareholding Affiliate acquired the Shares), the Shareholder shall ensure that the Shares held by that Affiliate are transferred to the Shareholder or to another Affiliate of the Shareholder, prior to the shareholding Affiliate ceases to be an Affiliate and the Deed of Adherence is executed by the transferee Affiliate and the executed Deed of Adherence is delivered to the other Shareholders and the Company.

**13. Transfer of Shares**

---

13.1 The provisions of this Clause 13 shall not apply to inter-se transfers between the Affiliates of Shareholders.

13.2 No rights conferred by the ownership of a Share may be transferred separately from legal title to the Share itself and no Share can be transferred by any Shareholder, other than pursuant to the provisions of this Agreement. Any transfer of Shares not made in accordance with the

provisions of this Agreement shall be null and void *ab initio*.

- 13.3 No Shareholder shall be entitled to sell or otherwise transfer the Shares held by it, except as mentioned in Clause 13.1, for a period of 7 (seven) years from Company Incorporate Date, unless the Shareholders agree upon ("**Lock-in Condition**")
- 13.4 Except to the extent set forth in and pursuant to this Clause 13, but subject to Lock-in Condition, no Shareholder (the "**Offeror**") shall, directly or indirectly, transfer, pledge, sell, assign, gift, hypothecate, create any third party rights or otherwise dispose of ("**Transfer**") or attempt to Transfer all or any of its Shares, at any time from the Effective Date, to any Person not being a Shareholder, without first offering its Shares (the "**Offered Shares**") to the their Shareholders (the "**Offerees**"), by giving a notice in writing (the "**Selling Notice**") to the other Shareholder of its intention to sell its Shares. For the avoidance of doubt, a Shareholder shall not be entitled to Transfer part of its or his shareholding in the Company. The Selling Notice shall set out:
- a the number of Shares beneficially owned by the Offeror;
  - b the number of Shares which make up the Offered Shares;
  - c the price at which the Offered Shares are proposed to be sold (the "**Offer Price**"); and
  - d the terms and conditions of the sale of the Offered Shares (the "**Offer Terms**").
- 13.5 Each Offeree may, within a period of sixty (60) days next following the date of delivery of the Selling Notice, give written notice (the "**Buying Notice**") stating either that such Offeree is willing to purchase the Offered Shares, or that he is not (*subject to Clause 14.1*) willing to purchase the Offered Shares. If an Offeree fails to give the Buying Notice within the time stipulated in this Clause, it will be deemed to have refused to purchase the Offered Shares.
- 13.6 Upon receipt by the Offeror of the Buying Notice within the time specified in Clause 13.5 above, the Offeror shall be bound to sell all the Offered Shares to the Offerees who have indicated in the Buying Notice that they wish to purchase the Offered Shares at the Offer Price and on the Offer Terms.
- 13.7 If the Offerees by reason of the provisions hereinbefore contained, do not purchase all of the Offered Shares, or where no Buying Notice is received within the time specified in Clause 13.5 above, then the Offeror shall be at liberty to sell such of the Offered Shares not purchased by the Offerees (the "**Remainder Offered Shares**") to a third party (the "**Third Party Buyer**"), but only at a price equal to or in excess of the Offer Price and on terms no more favourable than the Offer Terms. If, within the earlier of one hundred twenty (120) days of the date of the Selling Notice or sixty (60) days of the date of receipt of the last Buying Notice by the Offeror indicating the refusal to purchase the Offered Shares, the Offeror has not received an unconditional binding offer to purchase the Shares from the Third Party Buyer and has not completed the sale of the Offered Shares to the Third Party Buyer within sixty (60) days of the date of receipt of the unconditional binding offer, then the rights of the Offerees shall revive in

respect of the Offered Shares and if the Offeror shall thereafter desire to sell any of its Shares, it shall again give notice pursuant to Clause 13.4 and so on from time to time. Accordingly, the Offeror shall serve a copy of the offer of Third Party Buyer upon the Offerees pursuant to this Clause 13.7 prior to selling the Offered Shares to the Third Party Buyer and upon such service, within a period of thirty (30) days from the date of such service, the Offerees may decide to purchase the Remainder Offered Shares on the terms and conditions indicated in the unconditional binding offer by the Third Party Buyer.

- 13.8 In the event the Offeror desires to Transfer the Shares held by it or any part thereof, other than by way of sale, in any manner whatsoever, including by way of pledge, in favour of any Person, the provisions of this Clause 13 shall *mutatis mutandis* apply to such Transfer, save such variations as may be necessary and agreed between the Parties having regard to the nature of proposed Transfer.

#### **14 Tag Along Rights**

---

- 14.1 In the event the Offeree has not exercised its option to acquire the Offered Shares, then the Offeree, without prejudice to and in addition to Clause 13, shall have the right (the "**Tag Along Right**") to require the Offeror to cause the Third Party Buyer of the Offered Shares to purchase all the Shares held by the Offeree or at the option of the Offeree, a part of the Shares held by the Offeree (the "**Tag-Along Shares**") at the Offer Price and on the Offer Terms by giving a notice (the "**Tag-Along Sale Notice**") within 10 (Ten) days of intimating the Offeree about the terms and conditions upon which the Third Party Buyer is prepared to buy the Offered Shares, to the Offeror of its intention to participate in such sale shall set forth the number of shares proposed to be transferred by it.
- 14.2 The Offeree shall have the right to require the Third Party Buyer to purchase from the Offeree, the Tag-Along Shares at the same price and on the same terms on which the Third Party Buyer has agreed to purchase the Offered Shares.

#### **15 Fair Market Value of Shares**

---

- 15.1 For the purpose of determining the FMV under this Agreement, the Shareholders shall appoint by mutual consent an independent valuer (the "**Independent Valuer**"). The Independent Valuer shall determine the fair market value of the Shares ("**FMV**") arrived on the basis of the value the Company on a going concern basis and after taking into account the value of underlying assets and future prospects of the Company.
- 15.2 The Valuer shall use its best efforts to determine the FMV within thirty (30) days from the date of its appointment. The fee charged by the Independent Valuer for determination and certification of the FMV shall be borne and paid by the Company.

## **16 Accounting and Statutory Auditors**

---

### **16.1 Accounting Books and Records**

16.1.1 The Parties shall cause the Company to maintain proper accounting books and records in accordance with the generally accepted principles applicable to it, and shall accurately reflect the Company's state of affairs and financial status.

16.1.2 The Company shall keep true and correct accounting records and books with regard to all of its operations and activities in accordance with generally accepted accounting principles, consistently applied.

16.1.3 The Parties and their authorized representatives, each at their own expense, shall have full and complete access to the books, records and supporting documents at reasonable time during any business day and shall be entitled to make copies thereof or of their extracts.

### **16.2 Fiscal Year**

The fiscal year of the Company shall commence from April 1 every calendar year to March 31 of the immediately succeeding calendar year. In the case of the first accounting period, it shall comprise the period commencing from the date of incorporation through March 31 immediately succeeding the date of incorporation.

### **16.3 Reports**

The Parties shall cause the Company shall prepare and deliver to Shareholders quarterly un-audited financial reports, within thirty days of close of each calendar quarter i.e., March, June, September and December in English language showing the financial results of the Company's operations in the preceding quarter.

### **16.4 Statutory Auditors**

The Company shall appoint an independent firm of chartered accountants as the Statutory Auditors to audit the books of account of the Company. It is the intention of the Parties that such firm of accountants shall be qualified to act with compliance under Indian accounting systems, practices and methods and shall be conversant with and experienced in international accounting systems, practices and methods.

## **17 Warranties**

---

17.1 Each Shareholder represents and warrants to the other Shareholders that:

17.1.1 It has the authority and ability to enter into this Agreement and the obligations expressed to have been assumed by it in this Agreement constitute a legal, valid and binding obligations;

17.1.2 it has necessary corporate power and authority to enter into this Agreement and to perform and carry out the obligations hereunder;

17.1.3 the execution, delivery and performance of this Agreement and the

consummation by it of the transactions contemplated hereby, do not require the consent, waiver, approval, license or authority of any Person or public authority and will not, with or without the giving of notice or the passage of time, conflict with, violate, result in a breach of or the acceleration of any obligation under or constitute a default under any provision of any charter, by-law, indenture, mortgage, lien, lease, agreement, contract, instrument, order, judgement, decree, ordinance, or regulation, or any restriction to which any of its respective property is subject or by which he is bound or affected, the effect of which would be material and adverse on this Agreement;

- 17.1.4 there is no action, suit or proceeding pending or, to its knowledge, threatened against or affecting it before any court or administrative body or arbitral tribunal that might materially adversely affect it to meet and carry out its obligations under this Agreement.

## **18 Non-compete and Mutual Co-operation**

---

- 18.1 During the term of this Agreement neither Party shall, engage either directly or indirectly in any activity or promote any firm, company or business which is competing with the Business of the Company or is of the nature that will affect adversely the business or profit or the financial position of the Company.
- 18.2 It is agreed that the First Partner and its Affiliates and the Company shall not sell any type of transformer or reactor 220 kV or above in the People's Republic of China during the term of this Agreement, unless authorized in writing by the Second Partner;
- 18.3 It is agreed that the Second Partner shall not sell any type of transformer or reactor up to and including 220 kV rating in India during the term of this Agreement. It is agreed that the Second Partner shall be entitled to sell auxiliary, start up and stand by transformers which are part of a package of EPC Project in India (executed by EPC Contractor based in China or by the Second Partner), provided that such transformers or reactors are procured by the Second Partner from First Partner or its Affiliate. If the Customers do not approve supply of such transformers or reactors from First Partner or its Affiliate, then the Second Partner may supply the same out of its own facilities. The Second Partner shall make good faith efforts for getting the approval of the First Partner or its Affiliate with the customer.
- 18.4 It is agreed that the First Partner shall not set up any facilities in India which manufactures the transformers or reactors with 220 kV rating or above.
- 18.5 The Parties agree that the business of the Company after its set up shall be conducted in the manner provided in **Appendix F**.

## **19 Indemnification**

---

- 19.1 Without prejudice to any other provisions of this Agreement and/or any



other rights of the Indemnified Persons (as defined herein), each Shareholder agrees to indemnify and hold the Company, the other Shareholder, the Directors nominated by the other Shareholder and advisors (jointly, the "**Indemnified Persons**") harmless against and in respect of any and all damages, losses, liabilities, obligations, costs and expenses (including reasonable attorneys' fees) that the Indemnified Persons may suffer or incur arising out of or in connection with:

- 19.1.1 a breach of any of the warranties by the Indemnifying Person, covenants or agreements made or given by the Indemnifying Person (notwithstanding any investigations or verifications made by or on behalf of the Indemnified Persons); and
- 19.1.2 any and all actions, suits, proceedings, claims, demands, assessments, judgements, costs and expenses, including, legal fees and expenses, incidental to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in enforcing any such indemnity.
- 19.2 The **Indemnifying Person** shall reimburse the Indemnified Persons for all reasonable out-of-pocket expenses (including attorneys' fees and disbursements) as are incurred in connection with investigating, preparing to defend or defending any such action, suit, claim or proceeding (including any inquiry or investigation) whether or not the Indemnified Person is a party thereto. If an Indemnified Person makes a claim hereunder for payment or reimbursement of expenses, such expenses shall be paid or reimbursed promptly upon receipt of appropriate documentation relating thereto, even if the Indemnifying Person reserves the right to dispute whether this Agreement requires the payment or reimbursement of such expenses.
- 19.3 If any Shareholder is required to (a) indemnify any third party, including, any investor in the Company under any investment agreement, on account of (i) any claim arising from or in connection with any representations and warranties given by the Shareholders (*in their capacity as Promoters*); or (ii) for and on behalf of any acts or omissions of the Company; or (b) pay any sum of money to any bank, financial institution or any creditor of the Company due to invocation of any personal guarantee given by the Shareholder(s) for and on behalf of the Company (collectively, the "**Third Party Claims**"), then the Shareholders shall share such Third Party Claims in proportion to their then inter se shareholding.

## **20. Force Majeure**

- 20.1 "**Force Majeure**" means any event or circumstance or a combination of events and circumstances referred to herein, which or any consequences of which materially and adversely affects the performance by either Party (the "**Affected Party**") of its obligations under this Agreement and which are beyond the reasonable control of the Affected Party and which event or circumstance could not by the exercise of ordinary prudence, reasonable skill and diligence as such including but not limited to:

- (i) Act of God, natural phenomena, including but not limited to storms, floods, droughts, earthquakes, lightning, cyclones and epidemics;
- (ii) Blockade, revolution, riot or civil commotion;
- (iii) Wars and hostilities (declared or undeclared) involving India or the state of Gujarat;
- (iv) National or Regional strikes and lockout; and
- (v) Change of laws.

- 20.2 Upon the occurrence of any such event of Force Majeure, the Affected Party shall, within seven days of the occurrence of such an event of force majeure, notify to the non-affected Party (i) specifying the nature of the event, (ii) the effect of the event on the Affected Party's performance and (iii) the estimated duration of the event.
- 20.3 The Affected Party shall notify the non-affected Party promptly (and in any case not later than three days) upon the cessation of the Force Majeure event.
- 20.4 In case the Force Majeure event continue for a period of more than 90 (ninety) days the Parties shall be solely and exclusively authorized to decide the future course of action and shall be entitled to either terminate this JVA or mutually decide the further course of action.
- 20.5 Where such impossibility of performance is partial, the parties shall not be relieved from the performance of that part which is not so rendered impossible.

## **21. Term and Termination**

- 21.1 This Agreement shall take effect on the date hereof and shall remain in full force and effect until it is terminated in accordance with this Clause or until shareholding of either First Partner or the Second Partner drops below ten percent (10 %) of the issued, subscribed and paid up equity share capital of the Company at any time and such reduction in their Shareholding having taken place in accordance with the terms of this Agreement. Upon a Shareholder's shareholding falling below ten percent (10 %) of the issued, subscribed and paid up equity share capital of the Company at any time, then the said Shareholder shall not be entitled to any rights under this Agreement, but shall still continue to remain obligated by the provisions of Clause 13 ["Transfer of Shares"] as provided herein
- 21.2 Each of the following shall constitute an Event of Default for purposes of this Agreement:
- 21.2.1 if any Shareholder breaches or fails to observe any material term, covenant or agreement contained in this Agreement on its part to be performed or observed, which breach or failure, if capable of cure or remedy, has not been cured or remedied within 30 days of the receipt of a notice from any other Shareholder or the Company; or
- 21.2.2 In the event either Party becomes insolvent, bankrupt, suspends or requests suspension of its debts, or has steps or proceedings taken






against it to have it declared insolvent, reorganized or wound up, or is likely to suffer any of the aforesaid events, then the other Party may, at its sole discretion, terminate this Agreement.

21.3 Upon the occurrence of an Event of Default as specified in Clause 21.2 and failure to remedy the same, the provisions of this Agreement shall terminate and shall cease to have effect upon receipt of written notice of such termination by the defaulting Shareholder (the "**Defaulting Shareholder**") from the non-defaulting Shareholder (the "**Non-Defaulting Shareholder**"), whereupon the provisions of Clause 21.5 shall apply, *provided that* any termination shall be without prejudice to any rights or obligations accrued to or in respect of any Shareholder. Additionally, the defaulting party shall pay a sum equivalent to 5% of the FMV to the non-defaulting Party.

21.4 Without prejudice to Clauses 21.2.1 and 21.2.3 this Agreement shall terminate as between the Shareholders in the event:

- a. the Company is wound-up, dissolved or liquidated; or
- b. either of the Parties or its Affiliate ceases, in accordance with the provisions of this Agreement, to be a Shareholder; or
- c. the Company ceases to engage in the Business; or
- d. Either Party is subject to Insolvency Event.

then, save as otherwise agreed between the Shareholder in writing and without prejudice to either rights or obligations which may have accrued to or in respect of any Shareholder under this Agreement, this Agreement shall terminate as between the Shareholders.

21.5 In the event of a termination of this Agreement pursuant to Clause 21.3 the Non-Defaulting Shareholder shall have, for a period of sixty (60) days after delivery of notice of termination (the "**Option Period**"), an irrevocable option to purchase all (but not less than all) of the Shares then owned by the Defaulting Shareholder and its Affiliates for consideration equal to the FMV.

21.6 The following principles shall apply to all transfer of Shares pursuant to Clause 21.3:

21.6.1 All transfers under Clause 21.3 shall be consummated pursuant to the relevant provisions of applicable law;

- a. the rights (as the case may be) of the Non-Defaulting Shareholder to purchase the Shares may be exercised by the Non-Defaulting Shareholder and/or its designee to the fullest extent permitted by applicable law;
- b. the rights of the Non-Defaulting Shareholder shall be exercised by delivery of written notice by the Non-Defaulting Shareholder to the Defaulting Shareholder and, upon receipt of such notice the Defaulting Shareholder shall transfer the Shares pursuant to the terms of Clause 21.3.

- c. The Defaulting Shareholder shall pay a sum equivalent to 5% of the FMV of the shares so acquired under this clause to the Non-Defaulting Shareholder as compensation and the Parties agree that such compensation provided is reasonable for the Default.

21.6.2 The completion of any transfer under Clause 21.5 shall occur at the registered office of the Company at such time and on such date as the Non-Defaulting Shareholder shall agree, which shall be no later than sixty (60) days from the expiry of the Option Period. At the completion of such transfer, (i) the Non-Defaulting Shareholder shall pay the Price in cash; and (ii) the Defaulting Shareholder shall deliver (A) the share certificates evidencing the Shares Transferred; (B) a written representation and warranty (or other provision of similar effect) that the Defaulting Shareholder is, as of such completion, and Non-Defaulting Shareholder will, upon such completion, be, the sole beneficial owner of such Shares with good title thereto, free and clear of all Encumbrances, and (c) resignations of the Directors on the Board designated by the Defaulting Shareholder.

21.7 If the Non-Defaulting Shareholder does not elect to exercise the option under Clause 21.3, for any reason, this Agreement shall continue in full force and effect in accordance with its terms.

21.8 No transfer by a Defaulting Shareholder of the Shares hereunder (whether to its Affiliate) shall relieve the Defaulting Shareholder of any of its liabilities and obligations to the Company or to the Non-Defaulting Shareholder, which arise or accrue prior to the completion of such Transfer.

21.9 The termination shall not prejudice the right of any Shareholder against any Shareholder, which may have accrued prior to the date of termination or expiration.

21.10 On the termination of this Agreement the Shareholders shall refrain from any acts, indications, publicity or advertisements which may mislead any third party into the belief that the any Shareholder(s) hereto still maintain business relationships with each other with reference to the Company and one of the Shareholders hereto shall commit any act detrimental to the business or reputation of any other Shareholder.

## **22. Confidentiality**

### **22.1 Confidentiality**

22.1.1 Each Shareholder acknowledges that, pursuant to this Agreement it may have access to certain information including the IPR and Proprietary Information of the other Shareholders, which is either confidential or proprietary in nature, whether received orally or in writing. All information including IPR and Proprietary Information given by one Shareholder to the other, pursuant to and under this Agreement will be deemed to be confidential information no matter whether it is labeled or not as confidential information by the disclosing party. Each Shareholder

acknowledges and agrees that all confidential information whether disclosed orally or in writing, is the property of the disclosing party. The Shareholders agree that the recipient of the confidential information shall neither disclose to any third party nor use for any purpose other than for the purpose of this Agreement, without prior written consent of the Shareholder disclosing the Agreement.

22.1.2 The terms of this Agreement including IPR and Proprietary Information and all information obtained in connection with its fulfillment shall not be disclosed to third persons by any Party without prior written consent of the other Party, which consent shall not be unreasonably withheld.

22.1.3 The JVCO shall enter into and execute the Non-Disclosure Agreements with any third party to whom any such information may be required to be disclosed.

**22.2 Non-applicability of Consent Requirement**

The consent required under Clause 22.1 shall not apply to disclosure:

- a. to an Affiliate, consultant, contractor or subcontractor on a good faith and "need-to-know" basis;
- b. to potential third party purchaser of the shares of either Party, on a confidential basis; or
- c. to a governmental agency or entity, or to the public if the disclosing Party sincerely believes such disclosure is necessary under the relevant laws or regulations or pursuant to the standards of any stock exchange, having received advice from its legal counsel that such disclosure is necessary or strongly recommended pursuant to such standards or regulations;

**22.3 Notice Requirement**

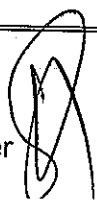
In all such cases where disclosure is made under Clause 22.1, the disclosing Party shall give written notice to the other Party prior to making such disclosure. As to the disclosure referred to in Clause 22.6(a) or (b), only confidential information regarding which the third person has the legitimate need to know may be disclosed, and said third person shall first agree in writing to protect the confidential information so that it shall not be disclosed beyond the extent to which the Parties are obligated under this Clause 22.

**22.4 Summarization of information disclosed verbally**

The Parties may disclose to each other certain information that may be of proprietary nature, in written or other tangible form. If such information is disclosed verbally, the disclosing Party shall summarize such information in writing within 30 days of disclosure of such information. The disclosing Party shall mark such information with a proprietary notice.

**22.5 No Disclosure**

Each Party shall not disclose any such information received from the other Party to any third person, except as required by the applicable law or legal process in the particular situation, and the receiving Party shall use the



same degree of care to avoid disclosure of such information as it employs with respect to its own proprietary information of like importance.

**22.6 Non-applicability of Confidentiality**

Any information disclosed under this Agreement shall not be deemed to be confidential or proprietary and the receiving Party shall have no obligation with respect to any such information which:

- (a) was known to the receiving Party at the time it was submitted; or
- (b) is, or becomes, publicly known through no wrongful act of the receiving Party, or any affiliate, agent or consultant or employee; or
- (c) is received by the receiving Party from a third person without similar restrictions and without breach of this Agreement; or
- (d) is approved for release by written authorization of the disclosing Party; or
- (e) is furnished by the disclosing Party to a third person without a similar restriction on the third person's rights.

**22.7 Duration of confidentiality**

The provisions of this Clause 22 shall apply throughout the term of this Agreement and for three years following its termination, and if any Party withdraws, is deemed withdrawn or transfers its shares, the provisions shall continue to apply to such person for three years after such event has occurred.

**23. Governing Laws, Jurisdiction, Dispute Resolution**

---

**23.1 Governing Laws**

This Agreement shall be governed by and construed in accordance with the provisions of the Act (as modified or amended from time to time) and laws of India.

**23.2 Jurisdiction**

The competent Courts at Baroda, Gujarat shall have sole and exclusive Jurisdiction to try and entertain all the disputes arising between the parties hereunder.

**24. Arbitration**

---

- 24.1** Any and all disputes or controversies arising out of or in connection with the interpretation, performance or non-performance, or termination of this Agreement, or relating to the management of the Company, shall, to the extent possible, be settled in the first instance by prompt and good faith negotiations between Chairman of the respective Partner who shall, in resolving the disputes, have primary regard to the interest of the Company. The Shareholders agree that if a dispute cannot be resolved by mutual

consent the following resolution procedure shall be used to settle the matter.

- 24.2 Subject to provisions of Clause 24.1 above, if the dispute cannot be settled within sixty (60) days by mutual discussions, such dispute shall be finally settled by arbitration in accordance with the international arbitration rules of the Singapore International Arbitration Centre then in effect ("**SIAC Rules**"), which Rules are deemed to be incorporated by reference into this Clause.
- 24.3 The number of arbitrators shall be three (3), of whom each of the disputing Party shall appoint one arbitrator each and then the third arbitrator (Presiding Arbitrator) shall be appointed by the two arbitrators so appointed. provided that if these two arbitrators are unable to agree on the nomination of the Presiding Arbitration within twenty (20) days of their appointment, the Umpire shall be appointed in accordance with the Rules.
- 24.4 Any arbitral award shall be final and binding on the Parties, including the non-disputing Party. The venue of the arbitration shall be Singapore.
- 24.5 The language of the arbitration proceedings shall be in English. The Parties hereby expressly agree that Part I of the Indian Arbitration and Conciliation Act 1996 shall not be applicable to any arbitration proceeding.
- 24.6 The provisions of this Clause 24 shall survive any termination of this Agreement.
- 24.7 During the pendency of any arbitration, each Shareholder shall continue to perform its obligations hereunder and no Shareholder shall exercise any remedies hereunder arising by virtue of the matters in dispute.

## **25 Miscellaneous**

---

### **25.1 Implementation**

Each Party undertakes to perform and carry out its respective obligations under this Agreement in good faith, for implementation of the joint venture envisaged in this Agreement and to perform and observe the provisions of this Agreement in letter and spirit.

### **25.2 No outstanding commitments**

Each Party warrants and represents to the other Party that it has no outstanding commitments or obligations, contractual or otherwise, which would in any way impede its ability and right to enter into this Agreement and/or fulfill any and all of its obligations hereunder, or which would in any way impede the ability or right to enter into the agreements referred to herein and/or fulfill any and all of its under this Agreement and other agreements referred to herein and that all necessary corporate approvals required in order to enter into this Agreement and carry out the respective obligations hereunder have been obtained or will be obtained.

### **25.3 Exercise of votes**

The Parties jointly and severally undertake to ensure that they, their representatives, proxies and agents representing them at the General Meeting and their respective nominee directors on the Board at meetings thereof and all Committees thereof and including with regard to resolution by circulation, shall at all times exercise their votes and otherwise, act in such manner so as to ensure, procure and comply with and to fully and effectually implement, the spirit, intent and specific provisions of this Agreement; and

**25.4 Vote against contrary resolutions**

The Parties jointly and severally undertake to ensure that if any resolution is proposed at the meetings of the Board of Directors or the General Meeting contrary to the terms of this Agreement or the spirit with which this Agreement has been entered into, they, their representatives, proxies and agents or nominee directors (or their alternate directors) representing them shall vote against such resolution.

**25.5 Appointment of Authorized Signatories**

25.5.1 The First Partner and the Second Partner hereby appoint Mr. Krupesh N. Patel and Mr. Li Yuhai, respectively, as their duly authorised signatory (the "**Authorized Signatory**") to sign, execute and deliver this Agreement and to honour all the obligations which the Shareholders are required to perform under this Agreement.

25.5.2 The **Authorized Signatory** so appointed shall also be entitled to receive and send notices and communications, which each Shareholder may be entitled to receive or send under this Agreement, for and on behalf of each Shareholder by whom he/she has been appointed. at the following addresses:

In the case of Notices to FIRST PARTNER:

Attention: Mr. Krupesh N. Patel

Address: Gujarat Spun Pipe Compound,  
At and Post Samiala,  
District Baroda  
Gujarat India

E:mail: krupesh54@yahoo.com

With a copy to:

Attention: Mr. Niraj Patel

Address: Gujarat Spun Pipe Compound,  
At and Post Samiala,  
District Baroda  
Gujarat India

E-mail: *niral@amodstamp.com*

25.5.3 In the case of Notices to the SECOND PARTNER:

Attention: *Ms. Liu Shujuan*

Address: *No. 2222 Tianwei West Rd.,  
Baoding, People's Republic of China*

E-mail: *Lsj@btw.cn*

With a copy to:

Attention: *Mr. Jiao Zihe*

Address: *No. 2222 Tianwei West Rd.,  
Baoding, People's Republic of China*

E-mail: *jiaozihe@btw.cn*

25.5.4 The First Partner and the Second Partner warrant and undertake that the respective Authorized Signatories appointed on their behalf shall do all such acts and deeds as required in terms of this Agreement and for this purpose, they shall give all necessary written authorities to their respective Authorized Signatories including individual consent letters, to enable the Authorized Signatories to do all the acts and deeds as may be required under the Agreement.

25.6 **Announcement**

Neither Party shall make or attempt to make, nor shall the Party permit any of its respective directors, employees, officers, or Affiliates to make, any public announcement about the subject matter of this Agreement or the terms and conditions recorded hereunder or any of its business and operating plans from time to time, whether in the form of a press release or otherwise, without first consulting and obtaining the written consent of the other party, save as required by either Party under the provisions of any laws, rules or statutory provisions.

25.7 **Costs and Expenses**

Except as agreed to the contrary by the Company in writing, each Party shall pay its own costs and expenses in relation to the negotiations leading up to the transactions contemplated hereunder and to the preparation, execution and carrying into effect of the Agreement and any other documents which may be executed hereinafter. The stamp duty payable on this Agreement will be borne by the Company.

25.8 **Variation**

No term or provision of this Agreement shall be varied, amended, altered or modified by any prior or subsequent statement, conduct or act of any Party, except that hereafter the Parties may amend, alter, modify or vary this deed only by letter or written instrument under their respective seal, executed by all the Parties.

**25.9 Entire Agreement**

This Agreement sets out the entire Agreement and understanding between the Parties in connection with the subject matter of this Agreement and merges in it all prior discussions and negotiations between them and none of the Parties shall be bound by any conditions, warranties, understandings or representations with respect to such subject matter other than those expressly provided herein or duly set forth on or subsequent to the date hereof in writing and signed by a proper and duly authorized officer of the Party to be bound thereby.

**25.10 Further Acts**

Each of the Parties undertake to execute, do and take all such necessary steps as may be in their respective powers to execute, do and take or procure to be executed, taken or done and to execute all such further documents, agreements and deeds and do all further acts, deeds, matters and things as may be required to give effect to the provisions of this Agreement.

**25.11 Assignment**

This Agreement is specifically for the Parties and as they being Shareholders of the Company, none of them shall assign their respective rights, benefits, advantage, privileges and obligations hereunder, except as otherwise, expressly provided herein or agreed in writing by the Parties and save and except where such assignment in favor of an Affiliate.

**25.12 Counter Part**

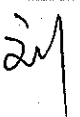
This Agreement may be entered into in any number of counterparts and by the Parties to it on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.

**25.13 Partial Invalidity of the Agreement/Severance of the Agreement**

If, at any time, any term or provision in this Agreement are held to be illegal, invalid or unenforceable, in whole or in part, under any rule of law or enactment, or decision or order of any Court, Tribunal or any other authority, such term or provision or part shall to that extent be deemed not to form part of this Agreement, but the enforceability of the remainder of this Agreement shall not be affected.

**25.14 No Partnership**

Nothing contained in this Agreement shall constitute a Partnership or Association of Persons and neither Party shall represent itself out as an agent for the other, except with the express prior written consent of the other party.





25.15 **Time**

Any date or period as set out in any Clause of this Agreement may be extended with the written consent of the other Party, failing which time shall be the essence of this Agreement.

25.16 **Independent Right**

Each of the rights of Parties hereto, as the case may be, under this Agreement are independent, cumulative and without prejudice to any or all other rights available to them, and the exercise or non-exercise of any such rights shall not prejudice or constitute a waiver of any other right of other Party, as the case may be, whether under this Agreement or otherwise.

25.17 **Waiver**

Waiver by either Party, as the case may be of any event of breach and / or default, by the other in the performance of any of the provisions of this Agreement:

- (i) Shall not operate or be construed as a waiver of any other breach and / or default; or
- (ii) Shall not be effective unless duly executed in writing by a duly authorized representative of the non-defaulting Party

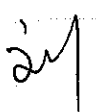
Neither the failure by either Party, as the case may be, to insist on any occasion upon the performance of the terms and conditions of this Agreement nor time or other indulgence granted by either Party as the case may be to the other, shall operate as a waiver of such breach or acceptance of any variation or the relinquishment of any other rights hereunder, which shall remain in full force and effect.

25.18 **Successors and Assigns:**

Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors of the Company and the Shareholders. Subject to the foregoing, nothing in this Agreement, express or implied, is intended to confer upon any party other than the Shareholders or their respective successors any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. The Shareholders shall not without prior consent of the other Shareholders assign the rights accruing to it under this Agreement to any third party.

25.19 **Reservation of Rights:**

No forbearance, indulgence or relaxation or inaction by any Shareholder at any time to require performance of any of the provisions of this Agreement shall in any way affect, diminish or prejudice the right of such Shareholder to require performance of that provision, nor the same shall operate as a waiver of such right, privilege or remedy or as a waiver of any preceding or succeeding breach by the other party to this Agreement nor shall any single or partial exercise of any right, privilege or remedy preclude any other or further exercise of such or any other right, privilege or remedy provided in this Agreement, or otherwise available to a Shareholder at law or in equity.



**25.20 Survival Provisions.**

The provisions of Clause 17 (*Warranties*), Clause 18 (*Non-Compete*), Clause 19(*Indemnification*), Clause 22 (*Confidentiality*), Clause 24 (*Arbitration*), Clause 25 (*Miscellaneous*) and Clause 21 (*Termination*) shall survive the termination of this Agreement, in each case to the extent of the time period provided in each such Clause.

**THE SCHEDULE HEREINABOVE REFERRED TO:**  
**(Description of the said land)**

ALL THAT piece and parcel of the Land admeasuring 100,000 sq. mtrs (out of the larger piece of land admeasuring 1,36,516 sq.mts). bearing Survey Nos. 192, 193, 194, 195, 196, 197, 198, 199, 203 (part), 204, 205, 206, 207, 208 and 209 situate at Village Ankhi, Taluka -Jambusar, Registration District and Sub-District Bharuch, Gujarat and bounded as under:

On or Towards the East: By Revenue survey Nos 191, 190, 200 and 202.

On or Towards the West: By Nalia Road

On or towards the North: By Padra Jambusar State Highway

On or Towards the South : By Railway Line

[Signatures on the next page]

IN WITNESS WHEREOF, the Parties have hereunto set and subscribed their respective hands and seal to this Agreement on the date first above written.

SIGNED AND DELIVERED by the within named **FIRST PARTNER ATLANTA ELECTRICALS PVT LTD** by its authorized signatory **Mr. Krupesh N. Patel**, who has been duly authorized pursuant to resolution passed in the meeting of the Board of Directors held on [\*] [\*], 2012  
Signature

in the presence of:

1. Mr. Niral Patel  
Address:

2. Mr. Tanmay Patel  
Address:

SIGNED AND DELIVERED by the within named **SECOND PARTNER BAODING TIANWEI BAOBIAN ELECTRIC CO., LTD.** by its Chief Executive Officer, Ms. Liu Shujuan, who has been duly authorized..  
Signature

in the presence of:

1. Name : Mr. Li Mingliang  
Address:

2. Name: Mr. Jiao Zihe  
Address

## Appendix – A

### The Particulars of Company on the company Incorporation date

1.	Name	BTW – ATLANTA TRANSFORMERS PRIVATE LIMITED			
2.	Place of incorporation	Baroda, Gujarat, India			
3.	Address of registered office	Gujarat Spun Pipe Compound, At and Post Samiala Tal & District. Baroda			
4.	Type of company	Private Limited Company			
5.	Authorised share capital	INR 2,250,000,000 divided into 225.00 Million equity shares of par value of INR 10 each			
6.	Issued share capital	INR 10,000,000 divided into 1,000,000 Shares of INR 10 each of which <ul style="list-style-type: none"> <li>• 490,000 Equity Shares of INR 10 each issued for cash at par to the First Partner</li> <li>• 510,000 Equity Shares of INR 10 each issued for cash at par to the Second Partner</li> </ul>			
7.	Shareholding	Name of Partner	Amount to be invested [In INR In Millions]	Number of Shares	% of Shareholding
		First Partner	4.90	490,000	49 %
		Second Partner	5.10	510,000	51%
		Total	10.00	1,000,000	100%
8.	Directors	FIRST PARTNER Nominee  DIRECTORS Mr. Krupesh N. Patel Mr. Niral Patel Mr. Tanmay Patel  SECOND PARTNER NOMINEE DIRECTOR Ms. Liu Shujuan - Chairman of the Board Mr. Li Mingliang Mr. Jiao Zihe Ms. Du Xuan			
9.	Financial Year	Financial Year ending on 31 <sup>st</sup> March			
10.	Statutory Auditors	To be decided at the first meeting of the Board			

## Appendix – B

### Reserved Matters

1. Any proposal for borrowing by the Company, or any guaranteeing, mortgage, pledge or lien in connection with that borrowing;
2. Any proposal for disinvestment or sale, transfer or otherwise disposal of asset other than those used in normal trading/manufacturing activities of the Company, with the value exceeding INR 7,000,000 (Seven Million only) or its equivalent;
3. Any proposal for undertaking any new lines of business by the Company, where a new line of business shall mean a business, which is not germane (connected) to the existing business of the company.
4. Any proposal for entering into any contract for receiving technical know-how or technical assistance from, or providing technical knowhow or technical assistance to third parties; Third parties in Appendix A shall mean any other party except for the Second Partner and First Partner.
5. Any proposal for investing in other companies or participation in incorporation or subscription of share capital or debentures of any other company or subsidiary of the Company or any other Joint Venture company;
6. Any proposal for increasing or reducing or altering or restructuring the authorized, issued, subscribed and paid up share capital of the Company or any proposal for issue or allotment or redemption or buy-back of shares or securities or warrants by the Company or making any capital call. In the case that the increase of registered capital does not alter the proportion of shareholding, an ordinary resolution passed at the board will be sufficient;
7. Any proposal for obtaining any license for use by the Company of trademark, trade names or brand names owned by third parties or grant of any license to third parties for use of intellectual property rights owned by the Company;
8. Any proposal for amendment of the Memorandum and Articles of Association or Certificate of Incorporation of the Company;
9. Any proposal for increasing or reducing the number of Directors or appointment or removal of Directors or filling up any casual vacancy in the office of Directors beyond the absolute right. The parties have an absolute right as for the appointment or removal of Directors or filling up any casual vacancy in the office of Directors on their own sides;
10. Entering into any contract between the Company and any of the Parties or its Affiliates or related parties, or any variation of such contracts, for sale, purchase or supply of goods, materials, produces or services during the period of construction. Entering into any contract between the Company and any of the Parties or its Affiliates or related parties in the normal course of business shall be passed at the board by the way of ordinary

resolution after the investigation of the fairness of the contractual price. Entering into any long term contract (above one year) between the Company and any of the Parties or its Affiliates or related parties shall be passed at the general meeting of shareholders by the way of unanimous resolution;

11. Any proposal relating to declaration of dividend and percentage of dividend to be declared by the Company;
12. Any proposal for amalgamation, demerger or corporate restructuring of the Company with any other the Company or body corporate or any other the Company or body corporate with the Company;
13. Any proposal for payment to remuneration to the Executive Directors or senior management personnel; or
14. Any proposal for winding up or liquidation of the Company;
15. Special Resolutions for such matters as are provided for in the Act;
16. Any alteration of the terms and conditions of the Technology License and Assistance Agreement between the JVCO and the Second Partner, including termination thereof;
17. (i) Any acquisition or investment in assets (including securities, shares and any instrument convertible into shares) of other businesses, creation of joint ventures, entering into partnerships as contemplated under the law of partnership, not relating to the Business (ii) any acquisition or investment in assets of other businesses, creation of joint ventures, entering into partnerships as contemplated under the law of partnership, related to the Business;
18. The Company entering into a material contract (i) with a term exceeding 2 years or (ii) an amount exceeding INR 10,000,000 ( Rupees Ten Million) in a cumulative basis in a financial year, other than for contracts in the ordinary course of business; or (iii) any other contract or arrangement, whether written or oral, which imposes non compete or exclusivity obligations on the Company; or (iv) any loan to any third party;
19. The settlement of any material litigation or appeals against statutory authorities and/or any suit of value above INR 1,000,000 ( Rupees One Million);
20. Any sale, transfer, grant of licence, or other user arrangement in relation to brand-names or trademarks or any other intellectual property if any, used by the Company or the Subsidiaries;
21. Capital expenditures above INR 10,000,000 ( Rupees Ten Million);
22. Creation of joint ventures/partnerships, Special Purpose Vehicles (SPV), subsidiaries and investments in such entities, or any other investments;
23. Incurring any debt not higher than the prevailing market rate or the creation of any Encumbrance, security interest or third party interest in any

freehold and leasehold land of the Company or any other assets of the Company.

24. Any call to be made in relation to the unpaid portion of the Shares.
25. Affiliated/related party transactions of any party.
26. Appointment and change in key personnel of the Company, including but not limited to CEO, CFO, CTO Managing Director, etc
27. The nature and extent of the powers and responsibilities to be delegated to the Management Committee for the day-to-day management of the business and implementation of the Business Plans.
28. Change in the Company's statutory and internal auditors.
29. Commencement of any business other than the existing business of the Company.
30. Changes to material accounting or tax policies, including change in Financial Year for preparation of audited accounts.
31. Enter into, amendment, or termination of any agreement or commitment that imposes or is likely to impose obligations on the Company, including settlement of litigation, giving or renewing of security for, or the guaranteeing of debts of the Company or its subsidiaries or any Third Party, creating a lien or charge on the charge on the assets of the Company;
32. Delegation of authority or any of the powers of the Board of the Company or its subsidiaries to any individual or committees.
33. Recommending and nominating banks or financial institutions through which the Company may Borrow Funds.
34. Determining the extent and the manner in which the Company may borrow funds from the Banks and Financial Institutions and the pledging by THE COMPANY of any of its assets against any such borrowing of funds.
35. Establishing insurance programs for the Directors of the Company
36. Make any political contribution whatsoever.
37. To change the name of the Company.
38. The registration of any patent copyright, trademark, brand name, trade name or any other intellectual rights of the Company including the assignment or licensing of any such intellectual property right or acquiring the same on license or by way of assignment.
39. The establishment of any branch or liaison office of the Company outside of India for whatever purpose;
40. Termination of any material contract of the Company;



41. Any agreement or understanding relating to or governing the compensation of payments to the Board of Directors and any other senior executive of the Company;

## Appendix - C

### Deed of Adherence

This Deed of Adherence is made this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_ by

[Name of the Affiliate], a company incorporated and subsisting under the laws of [country] and having its registered office at [address] (the "Covenanter") in favour of:

**ATLANTA ELECTRICALS PRIVATE LIMITED**, a Company incorporated and existing under the [Indian] Companies Act, 1956, having its registered office situate at A 6, Avani Park, Nr Rajesh Tower, Gotri Road, Baroda, Gujarat, India hereinafter referred to as the "**FIRST PARTNER**", (which expression shall, unless it be repugnant to the subject, meaning or context thereof be deemed to, mean and include its successors and permitted assigns) of **ONE PART**;

**AND**

**Baoding Tianwei Baobian Electric Co., Ltd.** a Company incorporated and existing under the laws of People's Republic of China and having its principal office at No. 2222 Tianwei West Rd., Baoding (the "**Second Partner**" which term shall, unless repugnant to, or inconsistent with the context, mean and include its successors-in-interest and permitted assigns) of the **SECOND PART**;

\_\_\_\_\_, a company incorporated under the provisions of Companies Act, 1956/laws of the Republic of China (Strike out the one not relevant) and having its registered office at \_\_\_\_\_ (hereinafter referred as the Company", which expression shall include its successors and assigns).

### WHEREAS :

- A. First Partner and Second Partner have entered into a Joint Venture Agreement dated 20<sup>th</sup> Jan., 2012 as amended, modified and supplemented from time to time (the "**JV Agreement**");
- B. The Covenanter is an Affiliate of [First Partner / Second Partner] and has been nominated by [First Partner / Second Partner] to subscribe to and/or acquire [\_\_\_\_\_] shares in the Company;
- C. [First Partner / Second Partner] has agreed to the Covenanter subscribing to and/or acquiring the shares in the Company subject to the condition that the Covenanter executes this Deed of Adherence.

NOW, therefore, in consideration of the premises and covenants, this Deed of Adherence witnesses as follows:

1. The Covenanter confirms that it has been supplied with a copy of the JV Agreement and that it has read and understood the provisions, terms and conditions of the JV Agreement. The Covenanter hereby covenants with and undertakes to First Partner, Second Partner and Third Partner that

with effect from the date when the Covenantor is registered in the Register of Members of the Company in accordance with the JV Agreement and the Articles of Association of the Company, the Covenantor will abide by, observe, perform and be bound by all of the provisions, obligations, covenants and undertakings set forth in the JV Agreement and applicable to an Affiliate of a Party who acquires or holds shares in the Company. The Covenantor agrees and undertakes that it will not claim or assert any rights in respect of the shares registered held in its name, independent of the rights and privileges of the Party of which it is an Affiliate.

2. In the event at any time hereafter the Covenantor intends to cease to be an Affiliate of the Party, the Covenantor shall transfer, prior to the Covenantor ceasing to be an Affiliate of the Party, all the shares held by the Covenantor in the Company, to the Party of which the Covenantor is an Affiliate or to another Affiliate of that Party nominated by that Party.
3. Words and expressions used in this Deed of Adherence and not defined in this Deed of Adherence but defined in the JV Agreement shall have, where the context so permits, the meaning assigned to it in the JV Agreement.
4. This Deed of Adherence shall be governed by and construed in accordance with the laws of India.

Executed as a Deed on the day and month first above written.

Signed by within named Covenantor,  
[Name of the Covenantor] by its  
Director, [ Mr. \_\_\_\_\_ ]  
who has been duly authorised  
pursuant to resolutions passed in  
the meeting of Board of Directors  
held on \_\_\_\_\_.

for [Name of the Covenantor]

By : \_\_\_\_\_

Name:

Title:

**Appendix - D**

**Business of the Company**

Manufacture, production, testing, repairing, selling, exporting and dealing with the transformers and reactors of from 220 kV to 765 kV rating

## Appendix - E

### Estimate of the Investment to be made in the Business

[All Amounts in INR in Millions]

Sr. No.	Item in the Investment to be made	Investment to be made
1.	Land	215.00
2.	Buildings, Plant & Machineries	1,742.95
3.	Other Fixed Assets	300.50
<b>TOTAL Investment in Fixed Assets</b>		<b>2,258.45</b>
4.	Working Capital Investment	717.00
<b>Total Investment in Business</b>		<b>2,975.45</b>

- Working Capital Investment to be made out of the borrowed money from the bank / financial institutions, subject to its availability.

### Schedule of Making Investment

[All Amounts in INR in Millions]

Time	Investment to be made		Total
	First Partner	Second Partner	
Within 30 days of Company Incorporation Date [CID]	220.50	229.50	450.00
3 months of CID	220.50	229.50	450.00
6 months of CID	220.50	229.50	450.00
9 Months of CID	220.50	229.50	450.00
As may be mutually agreed before 18 months of CID	220.50	229.50	450.00

**Appendix - F**  
**(Manner of conducting business of the Company after its set up)**

**Stage 1**

This stage describes the manner of conducting business of the Company after Share subscription but before the commercial production in the manufacturing plant to be set up has commenced in respect of one or more Products [**"Plant Set Up"**]

- the Second Partner and the Company shall form a joint team for promoting the business in India of the Company.
- the Company shall provide necessary support to the Second Partner for its activities in India
- the Second Partner shall make all efforts for promotion of the Company and for that purpose will include the Company's reference in its Web-sites, in its sales / marketing brochures and materials make joint calls to the customers, do joint exhibitions, etc.
- Sales team in India shall be set up in the Company for business of the Company; joint efforts will be made by the Company sales team and the Second Partner sales team for promoting sales in India. However sales team of the Company shall be under the guidance of the Second Partner sales team, and maintain close contact with the Second Partner sales team. For major promotional activities, the Company and the Second Partner should mutually negotiate and decide.

**Stage 2 [After Plant Set up]**

This stage describes the manner of conducting business of the Company after Plant Set Up. If the commercial production has commenced in respect of only some of the Products, then it shall apply to the extent of such Products for which the commercial production has already commenced and it shall apply to other Products as and when its commercial production commences.

- the Second Partner shall make all efforts to assist the Company to obtain approvals, registrations, Pre-qualification Requirements, etc.
- After the Plant Set Up, for 220kV-400kV range transformers and reactors, when the Company passes the assessment from the Second Partner (which shall not be unreasonable with-held) regarding its design, manufacture, testing and quality assurance capability etc, and the Company is qualified by Indian customers, the Company shall have priority in supplying products in India in respect of Transformers and Reactors of such range. In case, the Company is not qualified or is not capable of meeting the requirement of the customer or is not interested in bidding for a contract, it is the Company's obligation to forward such enquiry to both Partners and in such case the First Partner will be entitled to bid for 220 kV jobs and Second Partner will be entitled to 220 kV and 400 kV jobs. It is clarified that it shall be responsibility of the Second Partner to make the manufacturing facilities satisfy the requirements to pass the assessments as required under this clause.
- For Transformers and Reactors from 400-765kV range, till such time the customers approve the facility of the Company to supply the Transformers and Reactors, the Second Partner shall determine the allocation of the

jobs to the Company, with an intention to transfer maximum possible jobs to the Company. For jobs executed for the Second Partner, if approved by customer, the Company shall make direct invoicing to the customers.

- After the approval of the customers is received for transformers and reactors from 400kV-765kV Range, and subject to the Second Partner's assessment regarding the design, manufacture, testing and quality assurance capability, and production capacity of the Company, for Indian Customers, the Second Partner shall give the Company priority to bid. It is clarified that it shall be responsibility of the Second Partner to make the manufacturing facilities satisfy the requirements to pass the assessments as required under this clause.
- The Company shall support the Second Partner in India for bidding and coordinating the efforts in India.
- To the extent possible the Second Partner shall get the orders of customers from India manufactured in the manufacturing facility of the Company.
- If manufacture of whole job is not possible at the Company, part of production capable with the Company can be arranged to be manufactured in the Company.
- To the extent permissible, local services of installation, testing, repairs and maintenance would be outsourced to the Company, provided that the customers approve the facilities of the Company and the prices of the Company are not higher than market prices.
- The Second Partner shall exclusively procure products or services from India from the Company, if the Company is approved by customers and the prices of the Company are not higher than market prices.

#### **International Business**

- For international business, the Company shall be deemed as a manufacture base of the Second Partner, and included as part of the Second Partner's globalization strategy, subject to the Second Partner's comprehensive consideration and arrangement, on case by case basis, priority will be given to the Company to bid for projects in countries near to India, provided the same are cost effective and qualification and experience of the Company are deemed sufficient after the Second Partner's evaluation.
- In case the Company obtains project information through its own sources, it shall forward such information to the Second Partner for the Second Partner's comprehensive arrangement and decision about bidding strategy and bidding party.