

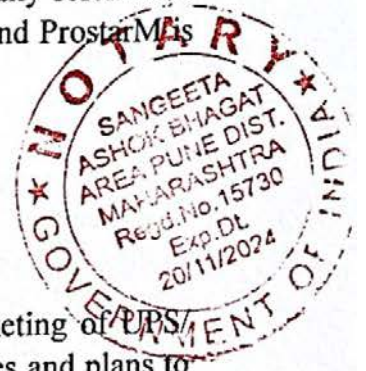


2. **ProstarM Info Systems Limited**, a company incorporated in India, having Company Identification Number (CIN) U31900PN2008PLC131272 and PAN AAACP6991N and having its registered office at Plot No. EL-35 TTC MIDC, Mahape Navi Mumbai - 400701, Maharashtra, India, herein after referred as “ProstarM”

AND

3. **ProstarM Energy Systems Private Limited**, a company incorporated in India, having Company Identification Number (CIN U29308PN2021PTC202708) and PAN AAMCP1395E and having its registered office at Sn-37/1 To 4/2/4 Milkat No-756, Pisoli Rd, Behind Harsh Agro Pipe, Pisoli, Pune-411048, Maharashtra, India, herein after referred as “New Company”.

(Mr. Nair, ProstarM and New Company is hereinafter individually referred to as a “Party” collectively as the “Parties” and New Company and ProstarM is collectively called as the “companies”)



WHEREAS:

1. ProstarM is engaged in the business of sales, services & marketing of UPS/ Inverter/ Stabilizer/ Solar and Batteries and power energy devices and plans to expand its business activities in the research and development areas for electronic power supply and in energy devices.
2. In view to attain benefit of synergy, Mr. Nair and ProstarM had come together via the New Company thereby implementing new business development, carrying on business of manufacturing and selling of UPS / Invertors / Solar and Batteries and creating power electronic solutions and related products and software.
3. Parties accordingly entered into various agreements and MOU’s including but not limited to Technology Transfer Agreement dated 8th September 2021, Transfer Agreement dated 8th September 2021, Memorandum of Understanding (MOU) dated 13th October 2021.
4. Thereafter disputes arose between the parties and in pursuance of the said dispute, Mr. Nair invoked arbitration and thereby filed a petition for appointment of Arbitral Tribunal before the Hon’ble Bombay High Court bearing no. ARP/215/2023; which is pending till date.

Handwritten signatures and initials.

5. With a view to settle the dispute amicably, both the parties have mutually agreed to resolve the dispute vide the present MOU cum Consent Term, the terms and conditions of which are set out in the present MOU cum Consent Term.

NOW THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein, the parties hereto, intending to be legally bound, hereby agrees as follows:

A. DEFINITIONS:

In this MOU cum Consent Term, including in the Recitals, and unless the context requires otherwise, the following words and expressions, for the purpose of this MOU cum Consent Term, shall have the following meaning:

- i. **Act** or The Companies Act means the Companies Act, 2013 and includes any statutory modifications or re-enactments thereof;
- ii. **Associate** means, in relation to any Person, any person who is in acquaintance by that person directly/indirectly by way of business and professional association or any relative of such person;
- iii. **Accounting Standards** means Accounting Standards as applicable in the case of ProstarM Energy & used for reporting financials statements & related information in India.
- iv. **Annual Accounts** means the audited balance sheet as at the end of the Financial Year and the audited profit and loss account in respect of the Financial Year together with any notes, reports, statements or documents included in or annexed to them, all of which are drawn in conformity to Indian Accounting Standards;
- v. **Financial Year** means a financial year commencing on 1st April and ending on 31st March in the immediately succeeding year;
- vi. **Calendar Year** commencing on 1st January and ending on 31st December in the same year;
- vii. **Legal heir (s)**: - In case of natural person, it means person (s) or the person who survives, by virtue of testament or by succession law is legally entitled to inherit the estate of Mr. Nair;

11/2/24
11/2/24
11/2/24



viii.
ix.

Parties mean the signatories to this MOU cum Consent Term (and Party shall be construed as any of signatory to this MOU);

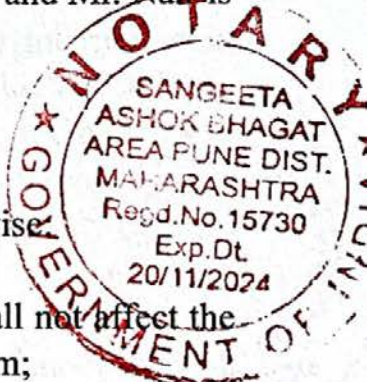
Person(s) means any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, unlimited or limited liability company, joint venture, Government Authority or trust or any other entity or organization;

- x. **RDSO** means Research Design and Standards Organization.
- xi. **Tax or Taxation** means all forms of taxation (direct & indirect), duties, levies, imposts and social security charges, including without limitation corporate income tax, wage withholding tax, provident fund, family pension fund, labour welfare fund, professional tax, employee state insurance and gratuity contributions;
- xii. **Transfer** includes any transfer, pledge, hypothecation, assignment, sale, disposal, lease or any form of encumbrance.
- xiii. ProstarM Info Systems Ltd / ProstarM Info Systems / ProstarM Info / ProstarM shall all mean the same Company i.e., ProstarM Info Systems Ltd.
- xiv. Mr. Radhakrishnan Raghavan Nair, Mr. Radhakrishnan Nair and Mr. Nair is same person.

B. INTERPRETATION:

In this MOU cum Consent Term, unless the context requires otherwise

- i. The headings are inserted for ease of reference only and shall not affect the construction or interpretation of this MOU cum Consent Term;
- ii. References to one gender include all genders;
- iii. Any reference to any enactment or statutory provision is a reference to it as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted (with or without modification) and includes all instruments or orders made under such enactment;
- iv. Words in the singular shall include the plural and vice versa;



(Handwritten signatures and initials)



v. Any reference to Article, Clause, Schedule or Annexure shall be deemed to be a reference to an Article, Clause, Schedule or Appendix of this MOU cum Consent Term;

vi. References to an MOU cum Consent Term or document shall be construed as a reference to such MOU cum Consent Term or document as the same may have been amended, varied, supplemented or novated in writing at the relevant time in accordance with the requirements of such MOU cum Consent Term or document and, if applicable, of this MOU cum Consent Term with respect to amendments;

vii. Any reference to a Party to this MOU cum Consent Term shall include, in the case of a body corporate, references to its successors and permitted assigns and in the case of a natural Person, to his or her heirs, executors, administrators and legal representatives, each of whom shall be bound by the provisions of this MOU cum Consent Term in the same manner as the Party itself is bound;

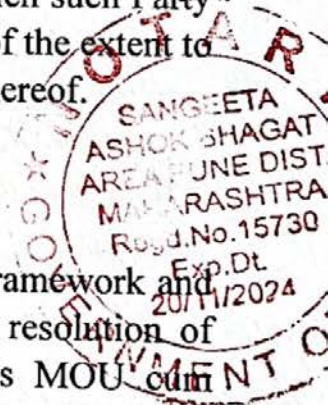
viii. Any reference to a document in Agreed Form is to a document in a form & content agreed between the Parties and initialled for the purpose of identification by or on behalf of each of them (in each case with such amendments as may be agreed by or on behalf of the Parties);

ix. No provisions of this MOU cum Consent Term shall be interpreted in favour of, or against, any Party by reason of the extent to which such Party or its counsel participated in the drafting hereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof.

C. OBJECTIVE OF MOU CUM CONSENT TERM:

i. The objective of this MOU cum Consent Term outlines the framework and terms agreed upon by the above-mentioned Parties for the resolution of disputes amongst the parties. Further, the objective of this MOU cum Consent Term is to establish a clear and mutually acceptable roadmap for settling matters, including Force Majeure settlement options,

ii. Additionally, the MOU cum Consent Term aims to confirm the mutual agreement to close the ongoing litigation through a fresh MOU cum Consent Term, addressing board resignations, non-executive roles, independent work, and the handling of liabilities and intellectual properties.





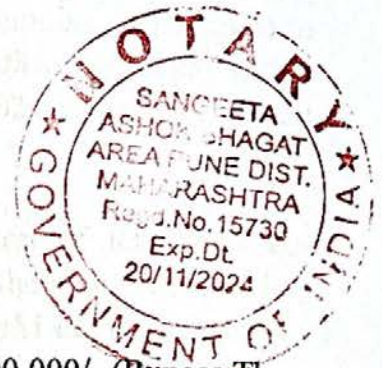
The Parties aim to define their respective roles, responsibilities, and commitments to ensure a smooth and collaborative transition, fostering a constructive business relationship between the Parties.

D. ROLES AND RESPONSIBILITIES OF PARTIES:

- i. The Parties shall work together in a cooperative and coordinated manner so as to bring about the achievement and fulfilment of the purpose of the MOU cum Consent Term.
- ii. Both the parties undertake not to use any defamation or bad word or any document against each other which would directly or indirectly effect the reputation or credibility of each other under any scenario.

E. PROPOSED ARRANGEMENTS:

The Parties agree to the following terms and conditions:-



I. Compensation Structure:

- i. ProstarM shall pay an amount of Rs 3,63,00,000/- (Rupees Three Crore Sixty-Three Lakhs) to Mr. Nair on or before 31st March 2024.
- ii) ProstarM shall pay an amount of Rs 9,00,00,000/- (Rupees Nine Crore) to Mr. Nair upon receipt of proceed of ProstarM's Initial Public Offer (IPO) which shall be not later than 31st December 2024; whereby the failure to comply with the said timeline shall result in levy of interest @ 12 % p.a. applicable and starting from 1st April 2024.
- ii. The working of Rs. 12.63 Crs is given in **Schedule C** below.
- iii. Post signing of the MOU, Mr. Nair would neither sell nor would have/stop discussion with any third party of its stake sell in New Company.
- iv. The payment stipulated in clause "i." and "ii." above shall be mentioned and specified in the Draft Red Herring Prospectus of ProstarM's IPO proceedings.



- v. Post payment of Rs. 3.63 Crs as contemplated under Clause i, Mr. Nair would resign from directorship by 31-03-24 and director would be appointed by ProstarM whereas Mr. Nair would remain as shareholder till his shares are not acquired by ProstarM by way of payment of Compensation as agreed in Clause i & ii above along with interest, if any.
- vi. Mr. Nair, will give all the required consent, documents and support required for successful initiation of IPO process of ProstarM, subject to the terms to the present MOU.
- T
- vii. If IPO doesn't happen for any reason, its binding on ProstarM to make the above funds available as per condition (ii) to pay within the time frame, but not later than 31.12.2024 along with interest if any.
- viii. Pursuant to the payment of compensation of Rs. 12.63 Crs (Clause i & ii) along with interest, if any, the entire shareholding of Mr. Nair would be transferred to ProstarM i.e. New Company would become 100% subsidiary of ProstarM.

II. Technology Platform Commitments:

- i. Mr. Nair shall relinquish his his right if any over the Technology developed/ under developed and as detailed in **Schedule A**.
- ii. Mr. Nair shall ensure that the pending developmental work on touch screen panel and migration to new TI controller (TMS320F28377D & TMS320F28377S) shall be, completed before 30th June March 2024.

III. Transition Period and Mr. Nair's Role:

- i. Mr. Nair will continue to be associated with the New Company on a non-executive role guiding the team for a smooth transition until 30th June 2024.





- ii. Mr. Nair's remuneration shall be revised to INR 5 lac pm w.e.f. 1st January 2024 till 30th June 2024. Further, the remuneration for the period of January and February 2024 shall be paid on the date of execution of present MOU cum Consent Term. The nature of the remuneration shall be as a salary.
- iii. There will be no no-compete clause, and Mr. Nair is free to work on any new platform without utilizing the IP/underdeveloped IP of the New Company which is limited to Technology Platform Commitment clause referred above.

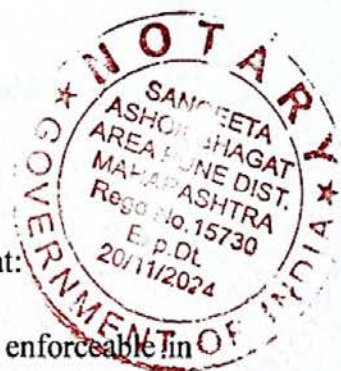
IV. Previous Agreements and MOU:

- i. On fulfilment of compliance under the present MOU cum Consent Term, the agreement Technology Transfer Agreement dated 08.09.2021, Transfer Agreement dated 08.09.2021, Memorandum of Understanding (MOU) dated 13.10.2021 shall stand terminated.

F. REPRESENTATION AND WARRANTIES OF THE PARTIES:

The Parties hereby, jointly and severally, represents and warrants that:

- a. This MOU cum Consent Term is legal, valid and binding and enforceable in accordance with its terms.
- b. All actions (statutory or otherwise) on its part necessary for the execution and delivery of this MOU cum Consent Term and for the performance of all of its obligations hereunder have been taken.
- c. It shall do such further acts, execute and deliver such further instruments and documents, and generally do all such other things as may be reasonably necessary to accomplish the transactions contemplated in this MOU cum Consent Term.
- d. It shall provide full support and coordination with the other Parties during the period of this MOU cum Consent Term.
- e. It has the requisite skills, experience, expertise and manpower required to efficiently perform and conduct the training and assessments.





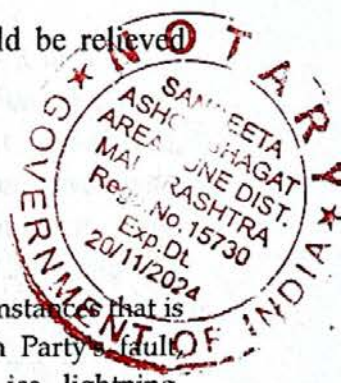
f. It will perform its obligations under this MOU cum Consent Term in compliance with all applicable and enforceable laws, ordinances and regulations and will obtain and maintain in full forces and affect any permits, licenses, consents, approvals and authorizations necessary for the performance of its obligation hereunder.

- g. The parties warrant that no judicial or administrative proceedings or departmental investigations are pending upon either of the parties as on the date execution of this MOU cum Consent Term.
- h. The Parties shall comply with all applicable laws, shall not deal with improper or illegal Payments.
- i. Parties agree not to pay, promise to pay, or authorize payments of any money or anything of value, directly or indirectly to any person for the purpose of illegally or improperly inducing a decision or, obtaining or retaining business in connection with this MOU cum Consent Term.
- j. Post signing of this MOU cum Consent Terms, Mr. Nair would be relieved from all the liabilities related to the New Company.

G. EFFECT OF FORCE MAJEURE:

"Force Majeure Event" means any occurrence, non-occurrence or set of circumstances that is beyond the "reasonable control of such Party and is not caused by such Party's fault, negligence or lack of due diligence, including, without limitation, flood, ice, lightning, earthquake, windstorm or eruption; fire; explosion; invasion, war, civil disturbance, commotion or insurrection; sabotage or vandalism; military or usurped power; or act of God or of a public enemy; any epidemic situation and economic crises due to act of god provided, however, in no event shall mean (i) the inability to meet a Legal Requirement or the change in a Legal Requirement; or (ii) a site specific strike, walkout, lockout or other labour dispute a Force Majeure Event.

It is agreed that any delay, breach or failure on the part of either party in complying with the terms and condition of this MOU cum Consent Term shall not be treated as a default or breach or give rise to any claim for damage to or in favour of either party, if and to extent, such delay, breach or failure is caused by occurrence of "Force Majeure event".



[Handwritten signatures]

[Handwritten initials]

The party claiming an event of force majeure shall as soon as possible, notify the other party in writing by mentioning all particulars of the cause or event. Failure to give such a notice to the other party shall deprive to the other party claiming force majeure to be relieved from performing its obligation under this MOU.

If the "force majeure event" prevails for a continuous period, then parties shall enter into bona fide discussion and are entitled to amend, alter, modify, delete, and extend any of the terms and conditions of this MOU cum Consent Terms or of annexure as an addendum to this MOU cum Consent Terms at the opportune time.

H. CONFIDENTIALITY:

All Confidential Information disclosed by either Party shall be kept strictly confidential and shall not be disclosed by the other Party to any person or entity in any manner whatsoever, including, without limitation, by means of photocopy, reproduction or electronic media, except as may be expressly provided in this MOU cum Consent Term, and the receiving Party shall take all proper measures to this effect, either during the term of this MOU cum Consent Term, or even after the termination of this MOU cum Consent Term.

For the purpose of this MOU cum Consent Term, the term "Confidential Information" shall mean all confidential and proprietary information like trade secrets, inventions, ideas, processes, computer source and object code, data, formulae, programs, other works of authorship, know-how, improvements, discoveries, developments, designs, and techniques; of a Party and information relating to the existence and terms of the previous MOU dated 13-10-21 and this MOU cum Consent Term or any other information which under the circumstances of its disclosure ought to be treated as confidential or is notified as being confidential by the Party disclosing such other information.

I. NON-COMPETE

- i. Mr. Nair, directly or indirectly would not onboard any of the key employees of New Company for period of 3 years from the execution of the current MOU cum Consent Terms. The list of the Key Employees of the New Company is annexed to the present MOU cum Consent. The list of key employees are given in Term as "Schedule-B". Even in scenario where the employee leaves New Company and join another Companies/firms and from there joins any Company/firm where Mr. Nair is directly or indirectly related, same is not permissible and would have cooling period of 3 years from the date they resign from New Company.

ii. Mr. Nair, directly or indirectly would not approach or engage any of the existing clients of New Company apropos the existing technology/product of the New Company for a period of 3 years from the execution of the current MOU cum Consent Terms.

J. GOVERNING LAW & DISPUTE RESOLUTION

This MOU cum Consent Term shall be governed and construed in accordance with the Laws of India.

If any dispute arises between the parties during the subsistence of this MOU cum Consent Term or thereafter, in connection with the validity, interpretation, implementation or alleged breach of any provision of this MOU cum Consent Term ("**breach/dispute**"), each of the said Party shall endeavour to settle such breach/dispute to refer to arbitration, either of the parties shall be entitled to serve a notice in writing referring the Dispute to arbitration to be conducted under the provisions of the Arbitration and Conciliation Act, 1996 (as amended) by a sole arbitrator to be appointed mutually by both the parties. If the parties do not arise on mutual agreement for appointment of arbitrator, the either party can proceed in accordance with Arbitration and Conciliation Act, 1996 (as amended).

The venue of arbitration shall be Pune, India and the proceedings of arbitration shall be in the English language.

In order to preserve its rights and remedies, either party may seek preliminary injunctive relief or other temporary relief from any court of competent jurisdiction or from the arbitration tribunal pending final decision or award of the sole arbitrator. Any such application to a court of competent jurisdiction for the purpose of seeking injunctive relief shall not be deemed incompatible with this agreement to arbitrate or as waiver of the Agreement to arbitrate.

Each party to the Dispute shall bear its own legal costs, in relation to the arbitration proceedings and share among themselves equally, the fee and other expenses payable to arbitrator or as otherwise decided by the arbitrator.

Subject to the dispute resolution mechanism agreed hereinabove, all action related to disputes between the parties arising out of this MOU cum Consent Term to be solved by the Arbitrator/ courts at Pune Jurisdiction exclusively.



11 of 16



GENERAL PROVISIONS:

i. Notices:

All notices, consents and approvals permitted or required to be given hereunder shall be deemed to be sufficiently and duly given if written and delivered personally or sent by courier or transmitted by facsimile transmission, or other form of recorded communication tested prior to transmission, to the addresses set at the beginning of this Agreement.

Any notice so given shall be deemed to have been received on the date of delivery if sent by courier, facsimile transmission or other form of recorded communication, as the case may be. Either Party from time to time by notice may change its address for the purposes of this Agreement.

ii. Severability:

If any provision of this Agreement is declared or found to be prohibited, unenforceable or void, the parties will negotiate in good faith to agree upon a substitute provision that is valid, binding, and enforceable and is as nearly as possible consistent with the intentions underlying the original provision. If the Parties are unable to agree upon such substitute provision, the original provision will be stricken. If the remainder of this Agreement is not materially affected by such declaration or finding and is capable of substantial performance, then the remainder shall be enforced to the extent permitted by law.

iii. Survival:

The relevant rights and obligations of the Parties shall survive after the termination of the Agreement including, without limitation, this provision and the provision concerning restrictions of competition, termination, confidentiality, Force Majure or Effect of Unforeseen event, Ownership and IPR and general provisions (including governing law and jurisdiction).

iv. Assignment:

Any Party shall not assign this Assignment in whole or in part to any third party without prior written consent of the other Party.

v. Binding effect:

The provisions of this MOU cum Consent Term shall be legally binding on the Parties hereto only. This MOU cum Consent Term embodies the entire understanding of the Parties and to all matters dealt within this MOU cum Consent Term.

AS → b
12 of 16
se



This MOU cum Consent Term has binding effect as per provisions of Indian Contract Act, 1872 and other applicable commercial laws.

vi. Public Announcement:

Unless otherwise required by applicable law, the parties hereto shall consult with each other before issuing any press release or otherwise making any public statements with respect to this Agreement and shall not issue any such press release or make any such public statement prior to such consultation.

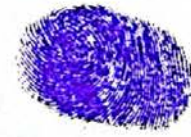
vii. Counterparts:

The present MOU cum consent Terms is signed in Counterparts whereby the two copies thereof shall be termed as Originals and shall be held by Mr. Nair and New Company. A photocopy of the present MOU cum Consent Term shall be provided to ProstarM by the New Company.

IN WITNESS WHEREOF, Parties have duly executed and delivered this MOU cum Consent Term as of the Effective date.



Mr. Radhakrishnan Nair



For ProstarM Info Sysyems Limited

Mr. Ram Agarwal



For ProstarM Energy Systems Private Limited

Mr. Abhishek Jain

Witness:

Witness:

[Handwritten signature]

Mr. Vikrant Puransik

Ms. Ravindar Ranimol Nair

SCHEDULE A – TECHNOLOGY DETAILS

1. Online UPS Diode Rectifier 10 to 100 Kva
2. Online UPS IGBT Rectifier 10 to 250 Kva
3. Solar Hybrid PCU 1Ph upto 10 Kva
4. Solar Hybrid PCU 3Ph upto 250 Kva
5. RBC / EBC for Railways
6. Regenerative Battery Charger for Railway

14 of 16

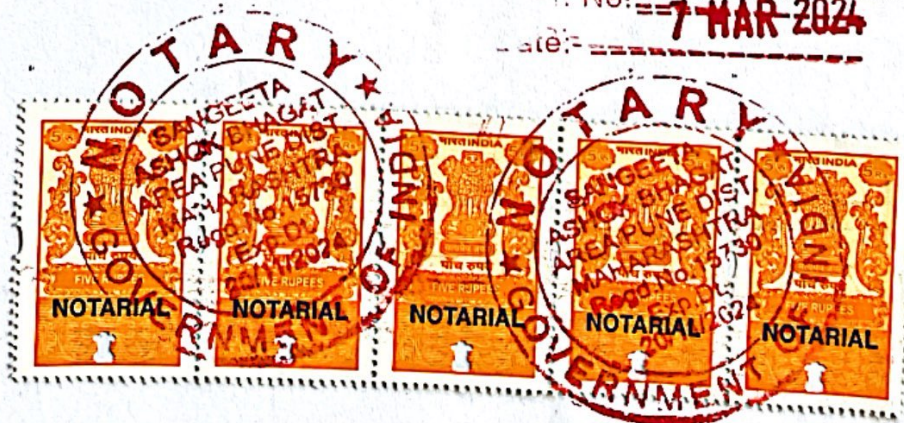


BEFORE ME

[Handwritten signature]

SANGEETA ASHOK BHAGAT
Notary Govt. of India, Pune

Noted and Registered
at Sr. No. 1537/2024
Date: 7 MAR 2024



SCHEDULE - B

List of key Employees :-

- A. Sudhakar Gogineni
- B. Kedar Yeole
- C. Raj Deshmukh
- D. Vedkumar Singh
- E. Ashok Tiwari
- F. Vikrant Puranik
- G. Dayanand Yadav
- H. Ranimol Nair
- I. Suman Kumar



15 of 16

Ms. → *[Signature]* *[Signature]*

SCHEDULE- C

Compensation Calculation:

A	Amount under Force Majure	Note	Amount (INR)	
	Period Considered		Oct 21 to Dec 23	
	Starting Date (based on MOU)		Oct-21	
	Period considered		Dec-23	
	Total Months		27	Month
	Total Amount for 5 years (Rs in Crs)		20.00	
	Proportionate amount for 27 months (20 Cr/60m x 27m)	1		9.00 Cr
B	<u>FA Allocation</u>		Rs in Crs	
	WDV as on 31-03-23--- A		3.84	
	Depreciation last year		0.62	
	Proportionate considered for 9 months of FY24 considered based on last year depn---B		0.465	
	Tentative WDV as on 31-12-23		3.375	
	Proportionate Share 50%	2		1.69 Crs
C	<u>Inventory of Aarcchor Innovation</u>	3		1.20 Crs
D	<u>Remuneration upto Dec 23</u>	4		0.74 Crs
	Total Payable	(1+2+3+4)		12.63 Crs



Handwritten initials and a checkmark.

Handwritten signature.