

DECLARATION CUM INDEMNITY

This Declaration cum Indemnity Bond is executed by :

1. _____, **S/o** Mr. _____ **R/o.**

2. _____, W/o Mr. _____ **R/o.**

which expression shall unless repugnant to the context or meaning thereof include his/ her heirs, executors, administrators, legal representatives, beneficiaries and assigns (hereinafter referred to as Declarants and/or Indemnifiers)

In favour of :

1. _____., a company incorporated under the Indian Companies Act, 1956, under _____ having its Registered Office at _____ which expression shall unless repugnant to the context or meaning thereof include his/ their holding company, executors, administrators, legal representatives, beneficiaries, subsidiaries, associates, affiliates and assigns (hereinafter referred to as _____).
2. _____, (PAN : _____) a company incorporated under the Indian Companies Act, 1956, under CIN Number : _____ having its Registered Office at _____, which expression shall unless repugnant to the context or meaning thereof include his/ their holding company, executors, administrators, legal representatives, beneficiaries, subsidiaries, associates, affiliates and assigns(hereinafter referred to as _____).

The Declarants understand that all rights, duties, responsibilities and obligations of each Declarant under this Declaration cum Indemnity shall be Joint and several and any Act done by any Declarant shall be binding on the other and each Declarant shall not be free from his responsibility or liability

under this Declaration cum Indemnity unless all amounts (arising out of covenants of this declaration cum Indemnity) due to _____ and/or _____ have been fully settled by the Declarants.

That the above named declarants do hereby solemnly affirm and declare as under :

1. That both Declarants are Managing Directors/ Whole time Directors of _____ respectively, and were appointed as Directors of _____ on the dates mentioned below and have managed the affairs of _____ since the date of their appointments as Managing Director/ Whole Time Director respectively :
 - a. Mr _____ as Director w.e.f. 10th Nov 1998, and Managing Director w.e.f. 31.3.2001, and
 - b. Mr _____ w.e.f. 21st Oct 2002.
2. That both the declarants are owners of 75000 Equity Shares each (aggregating to 1,50,000 Equity Shares) in _____, in their individual and personal capacity and have beneficial interest in such equity shares. That the said equity shares are not held by them as nominees or trustees of any other person.
3. That both the declarants on _____ 2015 have entered into an Agreement with _____ for selling the aforesaid equity shares of _____, held by each declarant, and have received the agreed consideration from _____ in full and final settlement of the transaction, and on the terms and conditions mentioned in the said Agreement.
4. That both the declarants declare that :
 - a. _____ is in possession of _____
_____ allotted to it by _____ vide lease deed dated _____

- b. They have handed over the following documents pertaining to the aforesaid land to _____ :
- i) Letter of Allotment of _____ Dated 6th October 2010 conveying allotment of land to _____,
 - ii) Lease Deed of _____ Land executed on 16th March 2011 between _____ and _____,
 - iii) Receipts for payment of Rs 103,25,120 to _____ confirming payment of land by _____ to _____ (including Security Deposit of Rs 20,64,000),
 - iv) Rectification deed dated 26th Sep 2011 executed between _____ and _____,
 - v) Rectification deed dated _____ executed between _____ and _____ rectifying the name of _____ in the Lease Deed.
 - vi) Undertaking dated _____ July 2015 given by _____ to _____ confirming to pay Service Tax as and when demanded by SIPCOT.

The declarants confirm that the originals of the above mentioned documents of _____ land are in possession of IndusInd Bank Limited, Chennai, by way of security, as the said _____ land has been mortgaged only to the said Bank for securing borrowings made by _____ from IndusInd Bank Limited. A certified copy of the Memorandum of _____ dated 11th Jun 2013 received from IndusInd Bank Limited in confirmation is being provided to _____ by the declarants. Declarants also confirm that besides the above mentioned documents, there are no other title documents pertaining to the said _____ Land and in the event the Declarants come across any document pertaining to the said Land, then it shall forthwith hand over the same to _____ .

- c. Both the declarants have handed over the documents of _____ as mentioned in Annexure A in originals to _____ . The Declarants undertake and confirm to hand over any other document of _____ in original to _____ in case the same come into the possession of Declarants.

- d. The declarants have handed over the photocopy of the below mentioned documents to _____ as the declarants declare that the originals of the same have been misplaced/ mislaid and are not traceable. Declarants hereby declare that they shall hand over the same forthwith to _____ in case the originals come into their possession and not use the same for any other purpose :

LIST OF DOCUMENTS TO BE FINALISED AT THE TIME OF TRANSACTION

- e. The declarants are aware that in order to purchase the _____(_____) Equity Shares of _____, _____ had conducted a Due Dilligence Review of affairs of _____ and _____ has not been able to fully comply with the below mentioned points identified by the _____ team :
- i) Filing of revised Income Tax Returns for AY 2014-15 arising due to disallowances of Loss on sale of assets and Mismatch in dates of Tax Audit Report in Income Tax Return of _____.
 - ii) Filing of revised TDS returns for which a Demand is outstanding at the Income Tax Portal (TRACES) for Rs 7.30 Lacs
 - iii) Settlement of the following tax liabilities :
 - Rs 51840 for AY 2009-10 being reflected in the TRACES account of _____,
 - iv) ITEMS NOT COMPLETED ON THE DATE OF TRANSACTION AND ACCEPTED FOR INDEMNITY
- However the aforesaid amounts have been included in Current Liabilities of _____.

The declarants are aware that

1. Non compliance of the above points can lead to imposition of fines, penalty, damages, and legal costs on _____ as well as on Declarants, as these compliances were to be completed during the tenure of Declarants as Managing Director/ Whole Time Director of _____. The Declarants have confirmed that they shall take

steps to complete the pending compliances at i), ii) and iii)above before 30th Nov 2015.

2. _____ has agreed to accept the same as the amounts on account of liabilities at i), ii) and iii)above have been included in Current Liabilities of _____, both the declarants have agreed to indemnify _____ and/ or of all costs and consequences thereof by executing this Declaration Cum Indemnity Bond .

The Declarants have accordingly requested _____ and _____ to inform them in case any information is received by them arising out of non compliances of _____ during their tenure as Directors , so as to enable them to legally settle the matter.

- f. The Declarants declare that they have informed _____ of all the contracts which are effective as on this date, that _____ have executed under their Directorship and other then that there are no contracts which are effective and in force. Declarants accept that all liabilities arising out of any undisclosed contract (s) shall be borne by them and in case the liability falls on _____ then the declarants shall compensate _____ of all the amounts suffered by it as a consequence thereof.

- g. The Declarants declare that as on the date of this declaration there are no pending disputes, litigation(s), conciliation proceedings, industrial disputes, which have not been disclosed by the declarants to _____, either against _____ or filed by _____ , in any Court of Law or Tribunal or before any arbitrator, judicial or quasi judicial authority and in case any dispute or litigation (undisclosed on the date of this declaration) surfaces touching _____ at any date hereinafter, then all costs, expenses and damages arising out of any such dispute (s)/ litigation (s) shall be met by the Declarants out of their own sources and in case the declarants fail to or neglect to settle the liability arising therefrom and the same has to be settled by _____ then Declarants shall compensate the said amount of liability upon demand (including all expenses, costs, damages and interest) to _____ forthwith.

h. The declarants declare that they have prepared and signed the Audited Financial Statements of _____ comprising of Balance Sheet, Profit and Loss Account (including all schedules) for the Financial year 2014-15 and have disclosed and accounted all known liabilities (including contingent liabilities) in the said Financial Statement of Accounts. Declarants hereby confirm that there does not exist any liability of _____, other than liabilities as disclosed in the Financial Statement of Accounts and in case any person claims any money from _____ which is not disclosed in the aforesaid Financial statement of Accounts of _____ then, the said liability shall be contested/ settled by the Declarants out of their own sources and funds. In case the said undisclosed liability is not settled by the Declarants or the declarants fail or neglect to settle the liability and thereafter had to be settled by _____ then Declarants shall compensate the said amount of liability upon demand (including all expenses, costs, damages and interest) to _____ forthwith.

i. The Declarants have prepared statement of affairs of _____ as on _____ giving details of all Known Fixed Assets, Current Assets, Current Liabilities and long term liabilities. The Declarants have included all known liabilities and no item has been left undisclosed. _____ has relied upon the list submitted by the declarants in good faith and in case any person claims any money from _____ which is not disclosed in the aforesaid Financial statement of Accounts of _____ then the said liability shall be contested/ settled by the Declarants out of their own sources and funds. In case the said undisclosed liability is not settled by the Declarants or the declarants fail or neglect to settle the liability and thereafter had to be settled by _____ then Declarants shall compensate the said amount of liability upon demand (including all expenses, costs, damages and interest) to _____ forthwith.

j. The Declarants have informed _____ that as on the date of this declaration there are no pending disputes or any such communications (including product liability), with any supplier, customer, service provider relating to the products and services purchased or sold by _____. In case any such pending dispute is established by _____.

any person, then the same shall be settled by Declarants at their own costs and consequences.

- k. That _____, one of the Declarants have lent and advanced an unsecured loan of Rs ____ to _____ on _____. The said lender has provided a confirmatory letter to _____ of not demanding any interest or any other compensation or finance charges (even after cessation of her from the position of Director of _____) for providing this unsecured loan to _____. The issuance and receipt of said letter of the lender has been confirmed by _____, duly signed by Mr._____.
- l. That Declarants are interested Directors in dealings between _____ and Transforth. Declarants confirm that all dealings with Transforth have been at arm's length, at prevailing market prices, and confirm that amounts reflected in Ledgers of _____ are the only amounts payable to Transforth and the same has been acknowledged by Transforth. There are no pending disputes between _____ and Transforth and that Transforth shall diligently perform all contractual obligations.
- m. The Declarants have furnished a list of employees (along with their salaries) of _____ as on the date of this declaration and confirm that besides the employees mentioned in the said list, there are no other persons who can claim to be in employment of _____. In case of any adverse claim on this account the matter shall be settled by the Declarants themselves. However in case _____ has to settle the same in order to protect its business interests, then the Declarants shall compensate _____ respectively of all such costs, expenses incurred by them in the matter.
- n. The Declarants confirm that settlements of all employees who have left _____ have been done in its entire fairness and to the satisfaction of the leaving employee and there are no claims as on the date of this declaration on this account, which have not been disclosed and accounted. . In case of any adverse claim on this account, the matter shall be settled by the Declarants themselves. However incase _____ has to settle the same in order to protect its business

interests then the Declarants shall compensate _____ respectively of all such costs, expenses incurred by them in the matter.

- o. The Declarants confirm that all compliances required to be completed in respect of credit/ banking facilities availed by _____ have been duly complied with and there are no notices/ communications/ observations of bankers which are undisclosed with regards to the same.
- p. The Declarants confirm that during the past years sums of money advanced by _____ to its Directors were in the normal course of business and for meeting business expenditure only.
- q. The Declarants confirm that during the past years sums of money received by _____ from Directors / Shareholders or their relatives were in the normal course of business and for meeting temporary shortfall only. The said receipts were non interest bearing funds and the lender shall not demand any interest or any other compensation charges.
- r. The Declarants have submitted a list of Bank Guarantees obtained by _____ as on _____, from its Bankers for its customers. There are no disputed Bank guarantees and there are no disputes of any kind on the Bank guarantees either from any customer or the Bank.
- s. The Declarants have provided a list of Post Dated Cheques issued by _____ under their signatures .
- t. The Declarants confirm that there is no liability/ dispute , claim, taxes or any other dues relating to Land situated at Karunilam which belonged to _____ and has been sold. All expenses involved in the sale transaction have been fully paid and accounted.
- u. The Declarants have submitted to _____ a list of Purchase Orders issued by _____ and against which the material / services are yet to be received.
- v. The Declarants have submitted a list of softwares presently being used by _____ and the said softwares are a property of _____.

- w. The Declarants have submitted a list of Drawings and Designs of which _____ is the Sole owner.
- x. The Declarants confirm that due to relocation of registered office in earlier years statutory records and some documents like resignation letter of Directors, Share Transfer Deeds are not available in originals, and it is confirmed that these statutory records letters / Deeds have not been withheld and shall not be used for any other purpose by the Declarants. However certified copies of these statutory records have been provided to _____ and effects of resignations of Directors and Transfer Deeds have been properly documented in the statutory books of _____. The Declarants further confirm that the Directors of _____ who have resigned from their position in earlier years, have not submitted any claim on _____ and their accounts have been fully settled.
- y. The Declarants confirm that _____ has submitted applications to respective statutory authority informing them of shifting of the factory of _____ and no further communication has been received either by _____ and/or them from the said statutory authorities.
- z. The Declarants confirm that all statutory filings and Tax dues of _____ have been done/ paid in time and as on date there are no outstanding dues towards statutory authorities, other than those disclosed in the financial statements.
- aa. The Declarants hereby confirm that they shall cooperate with _____ and/or _____ in legally settling any matter that is instituted against _____ and /or _____.

The _____, may at its sole and absolute discretion, at any state of litigation, in relation to claim of any taxes, duties, cess, levies or claim or recoveries of suppliers, trade creditors, employees, statutory authorities or local administration or local authorities, without any reference to the Declarant, may either decide to contest

at the risks, costs, charges and expenses of Declarants or may settle or get the compounding of the same by paying the settlement amount or compounding amount, such amounts/sum(s) so paid by the _____ along with all costs, charges and expenses incurred or caused to be incurred by _____ shall be payable by the Declarant to _____ without any protest, demur or objection and merely on first demand being made by the _____.

The Declarants hereby agree, undertake and confirm to defend , hold harmless, indemnify and keep indemnified :

1. _____
2. _____

(Jointly, the indemnified persons)

In case any liability, claim, action, damages, demands, losses, penalties, recoveries, proceedings, costs and expenses, suit that the indemnified persons may suffer or incur resulting directly or indirectly from claims, actions, demands or assessments done or omitted to have been done by the Declarants during their tenure as Managing Director and/or Whole Time Directors of _____, and on account of any adverse claim in respect of the matters specified above.

That this indemnity executed by the Declarants shall be irrevocable in nature and shall lapse only when the _____ have given Certificate in Writing certifying that all their losses, damages, dues and recoveries to be made by _____ from Declarant have been duly settled to their entire satisfaction .

That with the execution of this Declaration and Indemnity, the Declarants hereby irrevocably authorise _____ to deduct **or appropriate or adjust / withhold the amount of losses, damages or injuries so suffered or caused to be suffered and/or costs, charges expenses incurred or caused to be incurred,** from the payments due to Declarants.

NOTICE

Irrespective of whether this is expressly specified in each individual case, all communications, which are necessary or permitted with regard to this Declaration Cum Indemnity, are to be effected in writing, i.e. via letter or e-mail. These communications are to be forwarded to the following addresses:

1. **DECLARANTS AND INDEMNIFIERS**

A.) _____

ADDRESS _____

E-Mail: _____

B.) _____

ADDRESS

E-Mail: _____

2. **INDEMNIFIED PERSONS**

A.) _____

E-Mail :a.) _____

and

b.) _____

B.) _____ **Engineering Equipments (P) Ltd.**

E-Mail : _____@_____.com

Any Party hereto shall give immediate notice to the other party, regarding change of its address at which any communication/notice shall be addressed to it.

All communications and notices to be given hereunder shall be deemed to have been validly given if reduced in writing signed by the party giving the same, enclosed in envelope and mailed by registered post, postage pre-paid, addressed to the party for which such notice/communication is intended at the respective registered address of such Party. The Parties also agree that all communications sent on the e-mail as mentioned above shall constitute sufficient compliance under this Article.

That the Statement of Accounts signed by the Head of Accounts of _____ showing that any particular sum(s) of money is due and payable by the Declarant to the _____, shall be final, conclusive and binding upon both the parties and shall become payable by the Declarant merely on first demand, without any protest or demur by the Declarant. The Declarant further agrees and undertakes to pay an interest at the rate of 14% per annum (compounded on quarterly basis) on any amount which is due and payable by the Declarant to the _____.

The parties may decide their claim or counter-claim through mutual consultations within thirty (30) days after commencement of discussions or such longer period as the Parties agree to in writing. In the event of non settlement arriving between the parties, then the same shall be referred to the Sole Arbitration of an independent person as may be nominated by the Managing Director of the Purchaser. The place of arbitration proceedings shall be at New Delhi and the court at New Delhi alone shall have jurisdiction

Executed by above named Declarants on _____ day of
_____ 2015 at _____.