



महाराष्ट्र MAHARASHTRA

2025

DX 334653

प्रधान मुद्रांक कार्यालय, मुंबई.
प.मु. वि. क्र. 1000003
22 MAY 2025
सक्षम अधिकारी

FORMS INTEGRAL PART OF UNDERWRITER
AGREEMENT BETWEEN KK SILK MILLS LIMITED AND AXIAL CAPITAL PRIVATE
LIMITED

श्रीमती संगिता जाधव

For K K SILK MILLS LTD

Director

For Axial Capital Pvt Ltd

Director



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FORMS INTEGRAL PART OF
UNDERWRITER AGREEMENT.

For K K SILK MILLS LTD

Director

For Axial Capital Pvt Ltd

Ashish
Director

UNDERWRITER AGREEMENT
FOR INITIAL PUBLIC OFFERING (IPO)
BY K K SILK MILLS LIMITED

This Underwriter agreement is made and entered into at Mumbai, Maharashtra on this MAY 30, 2025 between:

K K SILK MILLS LIMITED, a Company incorporated under the Companies Act, 1956 and having its Registered Office at 314, Kewal Industrial Estate, S. B. Road, Delisle Road, Lower Parel (W)- 400013, Mumbai, Maharashtra, India, (hereinafter referred to as "**KKSML**" or "**The Issuer Company**", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns of **FIRST PART**)

AND

AXIAL CAPITAL PRIVATE LIMITED, a company incorporated under the Companies Act, 2013 and having its office at 1018, 10th Floor, Omkar The Summit Business Bay, Andheri East, Mumbai – 400093, Maharashtra, India (hereinafter referred to as "**ACPL**" or "**Book Running Lead Manager**" and "**Underwriter**" which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns, of the **SECOND PART**)

In this Underwriting Agreement, the KKSML and ACPL are collectively referred to as "**Parties**" and individually as "**Party**".

WHEREAS:

A. The Issuer Company is proposing an Initial Public Issue of up to 77,00,000 Equity Shares ("**Equity Shares**") having face value of Rs. 10/- each (the "**Issue Shares**") in accordance with the Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (hereinafter referred to as the "**SEBI ICDR Regulations**") and applicable Indian securities laws at an Issue price of Rs. [●] /- per share ("**Issue Price**") aggregating to Rs. [●] Lakhs ("**Issue**" or "**Public Issue**") of the Company. The shares are proposed to be offered to the public under Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018 via Book Built Process.

B. The shares to be issued comprises a Fresh Issue for allotment in the Net Issue to the public of upto 7700000 Equity Shares of face value of Rs. 10/- each (the "**Net Issue**"), and a reserved portion for the Designated Market Maker of upto 385000 Equity Shares of face value of Rs. 10/- each (the "**Market Maker Reservation Portion**"), ("**the Issue**"). The Net Issue to public shall comprise of offer to Retail Investors, Individual Applicants other than Retail Individual Investors and other Investors including corporate bodies or institutions irrespective of the number of specified Equity Shares applied for.

C. The Issuer Company has obtained approval for the Issue pursuant to the Board resolution dated April 23, 2025. The Issuer Company passed a special resolution under section 62(1)(c) at the Extra Ordinary General Meeting held on April 24, 2025.

D. One of the requirements of issuing shares to the Public in accordance with the Chapter IX of the SEBI (ICDR) Regulations, 2018, as specified in Regulation 260 of the said Regulations, is that the Issue shall be 100% underwritten and that the Book Running Lead Manager shall underwrite at least 15% of the Total Issue, ACPL being the Book Running Lead Manager to the Issue.

E. The Issuer Company has approached ACPL for being appointed as Book Running Lead Manager and Underwriter for this Public Issue. ACPL has accepted such proposal and confirm that there is no conflict of interest arising from such transaction or arrangement.

F. Hence, ACPL shall act as Underwriters to this Issue and all the parties herein have therefore agreed to enter into this agreement for the purpose of underwriting and amongst the other things as required under regulation 14 of SEBI (Underwriters) Regulations 1993.

For K K SILK MILLS LTD.

Director

For Axial Capital Pvt Ltd

Ashish
Director

NOW, THEREFORE IT IS HEREBY AGREED BY AND AMONG THE PARTIES HERETO AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATIONS

1.1 In addition to the defined terms contained elsewhere in the Agreement, the following expressions, as used in this Agreement, shall have the respective meanings set forth below:

“**Affiliates**” with respect to any person means (a) any persons that directly or indirectly, through one or more intermediaries, control or are controlled by or are under common control with, the specified person.

“**Allotment**” shall mean the Issue and allotment of Equity Shares pursuant to successful applicants.

“**Agreement**” shall mean this agreement or any other agreement as specifically mentioned.

“**Applicant**” shall mean any prospective investor who makes an application for Equity Shares in terms of the Draft Red Herring Prospectus or Red Herring Prospectus or Prospectus.

“**Application**” shall mean an indication to make an Application during the application period by a prospective investor at the Issue price, including all revisions and modifications thereto.

“**Bid/Issue Closing Date**” shall mean except in relation to Anchor Investors, any such date on completion of the application hours after which the Designated Intermediaries will not accept any Bids for the Issue which shall be the date notified in a widely circulated English national newspaper and a Hindi national newspaper and a regional newspaper.

“**Bid/Issue Opening Date**” shall mean, except in relation to Anchor Investors, any such date on which the Designated Intermediaries shall start accepting Bids for the Issue, within the application hours which shall be the date notified in a widely circulated English national newspaper and a Hindi national newspaper and a regional newspaper.

“**Bid/Issue Period**” shall mean, except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof;

“**Bid**” shall mean an indication to make an Issue during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “**Bidding**” shall be construed accordingly;

“**Bid Amount**” shall mean the highest value of optional Bids indicated in the Bid cum Application Form and in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid;

“**Bid cum Application Form**” shall mean the Anchor Investor Application Form or the ASBA Form, as the context requires;

“**Book Running Lead Manager**” or “**BRLM**” shall mean Axial Capital Private Limited;

“**Companies Act**” shall mean the Companies Act, 1956 and 2013, as amended from time to time.

“**Controlling**”, “**Controlled by**” or “**Control**” shall have the same meaning prescribed to the term “**control**” under the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, or as amended.

“**Controlling Person(s)**” with respect to specified person, shall mean any other person who Controls such specified person.

“**Draft Red Herring Prospectus**” shall mean the Draft Red Herring Prospectus issued in accordance with the ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted;

“**Fresh Issue**” shall mean issue of up to 77,00,000 Equity Shares of face value of Rs.10/- each.

“**Public Issue Account**” shall mean the bank account opened with the Public Issue Account Bank under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Accounts and the ASBA Accounts on the Designated Date;

“**Indemnified Party**” shall have the meaning given to such term in this Agreement.

“**Indemnifying Party**” shall have the meaning given to such term in this Agreement.

“**Issue Agreement**” shall mean agreement dated MAY 30, 2025 between book running Lead Manager and the Issuer Company.

For K K SILK MILLS LTD

Director

For Axial Capital Pvt Ltd

Director

"Issue Documents" shall mean the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Bid cum Application Form including the abridged prospectus, the Confirmation of Allocation Notes, the Allotment Advice and any amendments, supplements, notices, corrections or corrigenda to such offering documents.

"Issue Price" shall mean the final price at which Equity Shares will be allotted in terms of the Red Herring Prospectus, the Issue price will be decided by our company in consultation with BRLM on the pricing date in accordance with the Book Building Process and the Red Herring Prospectus.

"Market Maker Reservation Portion" shall be not be less than 5% of shares offered under the IPO as required as per Regulation 261, sub regulation (4) of SEBI (ICDR) Regulations.

"Material Adverse Effect" shall mean, individually or in the aggregate, a material adverse effect on the condition, financial or otherwise, or in the earnings, business, management, operations or prospects of the Company and its subsidiaries, taken as a whole.

"Net Issue" shall mean Issue of equity shares in the Issue excluding Market Maker Reservation Portion.

"Non-Institutional Applicants" shall mean all bidders other than QIBs or Retail Applicants and who have applied for Equity shares for an amount more than Rs. 2,00,000.

"Issue Document" shall mean and include the Draft Red Herring Prospectus and the Prospectus as and when approved by the Board of Directors of Issuer Company and filed with BSE (SME Platform of BSE).

"Party" or **"Parties"** shall have the meaning given to such terms in the preamble to this Agreement.

"Prospectus" shall mean the prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 32 of the Companies Act, 2013, and the ICDR Regulations containing, *inter-alia*, the Issue Price, the size of the Issue and certain other information, including any addenda or corrigenda thereto;

"Qualified Institutional Buyers" or **"QIBs"** shall have the meaning given to such term under the SEBI (ICDR) Regulations, 2018.

"Registrar" shall mean MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)

"Retail Applicants" shall mean individual applicants (includes HUFs and NRIs) who have applied for equity shares for an amount not more than Rs. 2,00,000, in any of the application options in the Issue.

"SEBI" shall mean the Securities and Exchange Board of India.

"SEBI (ICDR) Regulations 2018" shall mean the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended and as applicable to the Offering.

"SME Platform of BSE Limited" shall mean the separate platform for listing companies which have issued shares or match the relevant criteria of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, opened by the BSE.

"Stock Exchange" shall mean BSE Limited.

"Underwriter" shall mean Axial Capital Private Limited.

1.2 In this Agreement, unless the context otherwise requires:

- (a) word denoting the singular shall include the plural and vice versa;
- (b) words denoting a person shall include an individual, corporation, company, partnership, trust or other entity;
- (c) heading and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- (d) references to the word "include" or "including" shall be construed without limitation;
- (e) references to this Issue Agreement or to any other agreement, deed or instrument shall be construed as a reference to this Issue Agreement or to such other agreement, deed, or instrument as the same may from time to time be amended, varied, supplemented or noted;
- (f) any reference to any Party to this Issue Agreement, or any other agreement, deed or instrument shall include its successors, heirs or permitted assigns;
- (g) references to a statute or statutory provision shall be construed as a reference to such provisions as from time to time amended, consolidated, modified, extended, re-enacted or replaced;

For K K SILK MILLS LTD

Director

For Axial Capital Pvt Ltd

Ashish
Director

(h) references to a Section, Paragraph or Annexure is, unless indicated to the contrary, a reference to a section, paragraph or annexure of this Issue Agreement; and

capitalized terms used in this Agreement and not specifically defined herein shall have the meanings given to such terms in the Draft Red Herring Prospectus and the Prospectus.

2. UNDERWRITING

On the basis of the representations and warranties contained in this Agreement and subjects to its terms and conditions, the Underwriters hereby agrees to underwrite and / or procure subscription for the Issue shares in the manner and on the terms and conditions contained elsewhere in of this Agreement and as mentioned below:

2.1 Following will be the underwriting obligations of each respective under:

| Details of the Underwriter | No. of shares underwritten | Amount Underwritten (₹ in Lakh) | % of the Total Issue Size Underwritten |
|-------------------------------|----------------------------|---------------------------------|--|
| Axial Capital Private Limited | * | [•] | 100.00% |
| Total | | | 100.00% |

*Includes [•] Equity shares of Rs.10.00 each for cash of the Market Maker Reservation Portion which are to be subscribed by the Axial Capital Private Limited

**Exact amount to be finalized upon discovery of price.

2.2 The Issuer Company shall before deliver to the Registrar of Companies (hereinafter referred to as “ROC”) make available to the underwriter a copy of the Prospectus, which shall be as modified in the light of the observations made by BSE while issuing the in-principal approval letter. The underwriters shall before execute their obligations under this agreement satisfy themselves with the terms of the issue and other information and disclosures contained therein.

2.3 The Company agrees that, if after filing of Prospectus with the ROC any additional disclosures are required to be made in the interest of the investors in regards to any matter relevant to the Issue, the company shall with such requirements as may be stipulated by BSE or SEBI or the Book Running Lead Manager and compliance of such requirements shall be binding on the underwriter; provided that such disclosures shall not give a right to the underwriter to terminate or cancel its underwriting obligations unless such subsequent disclosures are certified by BSE or SEBI as being material in nature and essential for the contract of underwriting; the question whether or not such subsequent disclosures are material in nature, the decision of BSE or SEBI shall be final and binding on both the parties.

2.4 The subscription list for the public issue shall open not later than three months from the date of this agreement or such extended period(s) as the underwriters may agrees to in writing. The subscription list shall be kept open by the company for a minimum period of 3 working days and if required by the underwriter, the same may be kept open upto a maximum of 10 calendar days failing which the underwriter shall not be bound to discharge the underwriting obligations under this agreement.

2.5 The application bearing the stamp of the underwriter or as the case may be the sub-underwriter whether made on their own behalf or otherwise shall be treated in the same manner as the applications received directly from the members of the public and, in the event of the issue being oversubscribed, such applications shall be treated on par with those received from the public and under no circumstances, the applications bearing the stamp of the underwriter or the sub-underwriter shall be given any preference or priority in the matter of allotment of the issue shares.

2.6 There is no provision for inter-changeability of the underwriting obligation i.e. ACPL shall have to underwrite their respective obligations as stated in 2.1 of this agreement and that they shall not be allowed to interchange any portion of the said obligations. All the applications made by any applicant except by ACPL in its “OWN” account shall be construed to be part of the “Net Issue” applications. In case of shortage in any of the specific portion (i.e. Market Maker Reservation Portion and the Net Issue Portion), the other Underwriter shall not be liable for any damages or losses as long as it has completed its individual obligations stated in 2.1 of this agreement.

For K K SILK MILLS LTD.

For Axial Capital Pvt Ltd

2.7 Hence, w.r.t. the Market Maker Reservation Portion, it is compulsory that the Market Maker i.e. After Trade Broking Private Limited subscribe to the specific portion of the Issue set aside as “Market maker Reservation Portion” as it needs to be subscribed in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Hence, it is prudent that After Trade Private Limited ensure that its portion of Equity Shares is subscribed prior to the Closure of the Issue and that there are no relevant shortages in the same.

2.8 Only the Underwriter for the "Net Issue" shall be entitled to arrange for sub-underwriting of its underwriting obligation on his own account with any person or persons on term to be agreed upon between them. Notwithstanding such arrangement, the Underwriters shall be primarily responsible for sub-underwriting and any failure or default on the part of the sub-underwriters to discharge their respective sub-underwriting obligations, shall not exempt or discharge the underwriter of his underwriting obligation under this agreement.

2.9 If the Net Issue is undersubscribed, ACPL being the Underwriter for such portion shall be responsible to subscribe/ procure subscription to the unsubscribed shares. However, provided that such obligation shall not exceed the amount mentioned in clause 2.1 above.

2.10 The said underwriting obligations for each underwriter in case of shortage in its respective portions shall be discharged in the manner mentioned below:

a) the Company shall within 3 days after the date of closure of subscription list communicate in writing to the respective underwriter, the total number of shares remaining unsubscribed, the number of shares required to be taken up by the underwriter or subscription to be procured therefore by the underwriter.

b) the Company shall make available to the respective underwriter, the manner of computation of underwriting obligation and also furnish a certificate in support of such computation from the company's auditors.

c) the respective underwriter on being satisfied about the extent of devolvement of the underwriting obligation, shall immediately and in any case not later than 30 days after receipt of the communication under sub-clause (a) above, in the manner specified in clauses 2.7, 2.8 and elsewhere in this agreement, make or procure the applications to subscribe to the shares and submit the same together with the application moneys to the Company in its Public Issue Account opened specifically for this Issue.

d) in the event of failure of the underwriter to make the application to subscribe to the shares as required under clause (c) above, the Company shall be free to make arrangements with one or more persons to subscribe to such shares without prejudice to the rights of the Company to take such measures and proceedings as may be available to it against the underwriter including the right to claim damage for any loss suffered by the Company by reason of failure on the part of the underwriter to subscribe to the shares as aforesaid.

2.11 The Company is free to quantify the damage being a multiple of the value of the shares not subscribed by the respective underwriter.

3. REPRESENTATIONS AND WARRANTIES BY THE UNDERWRITERS

3.1 **Net worth of the Underwriter:** The underwriter(s), hereby declares that they satisfy the Net Worth/ Capital Adequacy Requirements specified under the SEBI (Underwriter) Rules and Regulations, 1993 or the bye-laws of the stock exchange of which the underwriter is a member and that he is competent to undertake the underwriting obligations mentioned in clause 2 hereinabove.

For Axial Capital Pvt Ltd

3.2 **Registration with the SEBI:** The underwriter(s) hereby declares that the underwriters being Merchant Banker or stock Brokers are entitled to carry on the business as an underwriter without obtaining a separate certificate under the SEBI (Underwriters) Regulations 1993 framed under the SEBI Act.

Director

3.3 The Underwriter confirm to the Company that they are responsible and liable to the Company, for any contravention of the SEBI Act, rules or regulations thereof. The Underwriters further confirm that they shall abide with their duties, function, responsibilities and obligations under the SEBI (Merchant Bankers) Regulations, 1992 and the SEBI (Underwriters) Regulations 1993.

For K K SILK MILLS LTD.

Director

3.4 In addition to any representations of the Underwriter(s) under the Regulation of Document filed with SME Platform of BSE, the Underwriter(s) hereby represents and warrants that:

- a) It has taken all necessary actions to authorize the signing and delivery of this agreement;
- b) The signing and delivery of this agreement and the compliance with this agreement does not violate any law, rule, regulation or agreement, document or instrument binding on or applicable to the Underwriter.
- c) It will comply with all of its respective obligations set forth in this Agreement.
- d) It shall ensure compliance with the applicable laws and rules laid down by the SEBI and the SME Platform of BSE w.r.t underwriting in general and underwriting this Public Issue in specific.
- e) It shall follow fair trade practices and abide by the code of conduct and ethics standards specified by SEBI, Stock Exchanges and other related associations from time to time.

3.5 The Underwriter(s) acknowledge that it is under a duty to notify the Issuer Company, the SME Platform of BSE immediately in case it become aware of any breach of a representation or warranty

4. REPRESENTATIONS AND WARRANTIES BY THE ISSUER COMPANY

4.1 **Warranty as to statutory and other approvals.** The Company warrants that all consent, sanctions, clearance, approvals, permissions, licenses, etc., in connection with the public issue as detailed in the prospectus or required for completing the prospectus have been obtained or will be obtained and the same shall remain effective and in force until the allotment of all the shares/ debenture are completed.

4.2 In addition to any representations of the Issuer under the Prospectus the Issuer Company hereby represents and warrants that:

- a) It has taken all necessary actions to authorize the signing and delivery of this agreement;
- b) The signing and delivery of this agreement and the compliance with this agreement does not violate any law, rule, regulation or agreement, document or instrument binding on or applicable to the Issuer Company.
- c) It will comply with all of its respective obligations set forth in this Agreement.
- d) It shall ensure compliance with the applicable laws and rules laid down by the SEBI and the SME Platform of BSE with respect to the role of the Issuer Company in the Market Making process in general and Market Making in the shares of K K Silk Mills Limited, in specific.

For K K SILK MILLS LTD.

Director

For Axial Capital Pvt Ltd

Director

e) It shall follow fair trade practices and abide by the code of conduct and ethics standards specified by SEBI, Stock Exchanges and other related associations from time to time.

4.3 The Issuer Company acknowledges that it is under a duty to notify the Underwriters and the SME Platform of BSE immediately in case it becomes aware of any breach of a representation or a warranty.

5. CONDITIONS OF THE UNDERWRITERS' OBLIGATIONS

5.1 The several obligations of the Underwriter(s) under this agreement are subject to the following conditions:

a) Subsequent to the execution and delivery of this Agreement and prior to the Issue Closing Date there shall not have occurred any regulatory changes, or any development involving a prospective regulatory changes or any order or directive from SEBI, the SME Platform of BSE or any other governmental, regulatory or judicial authority that, in the judgment of the Underwriter(s), is material and adverse and that makes its, in the judgment of the Underwriter(s), impracticable to carry out Underwriter(s) obligations.

b) Subsequent to the execution and delivery of this Agreement and prior to the Issue Closing Date there shall not have occurred any change, or any development involving a prospective changes, in the condition, financial or otherwise, or in the earnings, business, management, properties or operations of the Company and its subsidiaries, taken as a whole, that, in the judgment of the BRLM, is material and adverse and that makes it, in the judgment of BRLM, impracticable to market the Issue Shares on the terms and in the manner contemplated in the Issue Documents.

c) If the Underwriter(s) are so notified or become aware of any such filing, communication, occurrence or event, as the case may be, they may give notice to the company to the effect, with regard to the Issue shares this agreement shall terminate and cease to have effect, subject as set out herein.

d) The representations and warranties of the Issuer Company contained in this Agreement shall be true and correct on and as of the Issue Closing Date and that the Issuer Company shall have complied with all the conditions and obligations under this Agreement and the Issue Agreement dated MAY 30, 2025 on its part to be performed or satisfied on or before the Issue Closing Date.

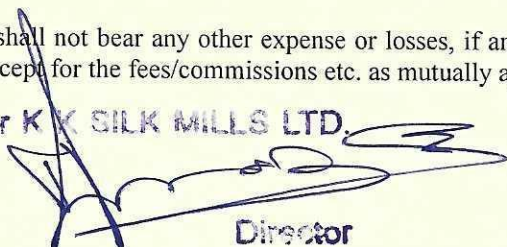
5.2 If any condition specified in Section 5.1 shall not have been fulfilled when and as required to be fulfilled, this agreement may be terminated by the Underwriter(s) by written notice to the Issuer Company any time on or prior to the Issue Closing Date; provided, however, that this Section 5.2, Sections 3, 4, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 and 20 shall survive the termination of this Agreement.

5.3 The Issuer Company shall not bear any other expense or losses, if any, incurred by the Underwriters in order to fulfill their respective Obligations, except for the fees/commissions etc. as mutually agreed.

For K K SILK MILLS LTD.

For Axial Capital Pvt Ltd

6. INDEMNITY


Director


Director

The Underwriter herein ACPL shall indemnify and keep indemnified the Issuer for its own account and their respective Affiliates and all the respective directors, Officers, employees, duly authorised agent and controlling persons (each, an "Indemnified Party") from and against any and all losses, liabilities, costs, Claims, charges, actions, proceedings, damages, expenses or demands which they (or any of them) incur or which is made against them (or any of them) as a result of or arising out of, or in relation to the IPO subscription, trading, liquidity and failure to make minimum market requirement from time to time which are determined by a court or arbitral tribunal of competent jurisdiction to have resulted from any bad faith, dishonesty, illegal or fraudulent acts or the willful defaults or gross negligence on the part of the underwriters. Such indemnity will extend to include all reasonable costs,

charges and expenses that such Indemnified Party may pay or incur in disputing or defending any such loss, liability, cost, claim, charges, demand or action or other proceeding.

The Issuer Company shall indemnify and keep indemnified, each of the Book Running Lead Manager, Underwriters and Market Makers for its own account and their respective Affiliates and all other respective directors, officers, employees, professionals, duly authorized agents and controlling persons (each, an "Indemnified Party") from or against any and all losses, Liabilities, costs, claims, charges, actions, proceedings, damage, expenses or demands which they (or any of the them) incur or which is made against them (or any of them) as a result of or arising out of, or in relation to, any misrepresentation or alleged misrepresentation of a material fact contained in the draft red herring prospectus, red herring prospectus and prospectus or omission or alleged omission there from of a material fact necessary in order to make the statements therein in the light of the circumstances under which they were made not misleading, or which are determined by the court or arbitral tribunal of competent jurisdiction to have resulted from bad faith, dishonesty, illegal or fraudulent acts or the willful default or gross negligence on the part of the company. Such indemnity will extend to include all reasonable costs, charges and other expenses that such Indemnified party may pay or incur in disputing or defending any such loss, liability, cost, claim, charge, demand or action or other proceedings. Provided however that the issuer company will not be liable to the Book Running lead manager, underwriters, Market Makers to the extent that any loss, claim, damage or liability is found in a judgment by the court to have resulted solely and directly from any of the Underwriters severally, as the case may be, bad faith or gross negligence or willful misconduct, illegal or Fraudulent acts, in performing the services under this agreement.

7. TERMINATIONS

7.1 Notwithstanding anything contained herein, the underwriter(s) shall have the option to be exercised by him at any time prior to the opening of the issue as notified in the prospectus of terminating this agreement under any or all of the following circumstances –

- i. if any representations/ statement made by the Company to the underwriter and/ or in the application forms, negotiations, correspondence, the prospectus or in this letter are or are found to be incorrect;
- ii. a complete breakdown or dislocation of business in the major financial markets, affecting the cities of Calcutta, Mumbai, Chennai, Ahmedabad or New Delhi;
- iii. declaration of war or occurrence of insurrection, civil commotion or any other serious or sustained financial, political or industrial emergency or disturbance affecting the major financial markets of Mumbai, Chennai, Kolkata, Ahmedabad and New Delhi.

7.2 Notwithstanding anything contained in section 7.1 above, in the event of the Company failed to perform all or any of the covenants within limit specified wherever applicable under this letter of underwriting, the underwriter shall inform the Company with adequate documentary evidence of the breach/non-performance by Registered post/ Speed post and acknowledge obtained therefore, whereupon the underwriter shall be released from all or any of the obligations required to be performed by him.

7.3 The provision of Section 3, 4, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19 shall survive the termination of this agreement.

8. NOTICES

Any notice or other communication given pursuant to this Agreement must be in writing and (a) delivered personally, (b) sent by tele facsimile or other similar facsimile transmission, (c) or sent by registered mail, postage prepaid, address of the Party specified in the recitals to this Agreement, or to such fax number as may be designated in writing by such Party. All notices and other communications required or permitted under this agreement that are addressed as provided in this section will (i) if delivered personally or by overnight courier, be deemed given upon delivery; (ii) if delivery by tele facsimile or similar facsimile or similar facsimile transmission, be deemed given when electronically confirmed; and (iii) if sent by registered mail, be deemed given when electronically confirmed.

9. TIME IS THE ESSENCE OF AGREEMENT

All obligations of the Company and the Underwriters, are subject to the condition that time wherever stipulated, shall be of the essence of the Agreement. Consequently, any failure on the part of the Company or the Underwriter to adhere to the time limits shall unless otherwise agreed between the Company and the Underwriter, discharge the Underwriter or Company of his / their

For Axial Capital Pvt Ltd

Ashish
Director

For K K SILK MILLS LTD

Director

obligation under the Underwriting Agreement. The agreement shall be in force from the date of execution and will expire on completion of allotment for this Issue.

10. SEVERAL OBLIGATIONS

The Issuer Company and the Underwriter(s) acknowledge and agrees that they are all liable on a several basis to each other in respect of the representations, warranties, indemnities, undertakings and other obligations given, entered into or made by each of them in this Agreement.

11. MISCELLANEOUS

The Agreement shall be binding on and inure to the benefit of the Parties hereto and their respective successors. The Underwriter(s) shall not assign or transfer any of its respective rights or obligations under this Agreement or purport to do so without the consent of the Issuer Company. The Issuer Company shall not assign or transfer any of their respective rights or obligations under this Agreement or purport to do so without the consent of the Underwriter(s).

12. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of the Republic of India and shall be subject to Mumbai jurisdiction.

13. ARBITRATION

Reference to arbitration - Any dispute arising out of this agreement between the underwriter and the Issuer Company shall be referred to the Arbitration Committee by the BSE in which the share is to be listed and the decision of the Arbitration Committee shall be final and binding on both the parties.

All proceedings in any such arbitration shall be conducted under the Arbitration and Conciliation Act, 1996, as amended, and shall be conducted in English. The arbitration shall take place in Mumbai, Maharashtra, India.

Any reference of any dispute, difference or claim to arbitration under this Agreement shall not affect the performance by the Parties of their respective obligations under this Agreement other than the obligations relating to the dispute, difference or claim referred to arbitration.

AMENDMENT

No amendment, supplement, modification or clarification to this Agreement shall be valid or binding unless set forth in writing and duly executed by all the Parties to this Agreement.

14. SEVERABILITY

If any provision or any portion of a provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceable shall attach only to such provision or the applicable part of such provision and the remaining part of such provision and all other provisions of this Agreement shall continue to remain in full force and effect.

15. COUNTERPARTS

This Agreement may be executed in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts shall constitute one and the same instrument.

16. CUMULATIVE REMEDIES

The rights and remedies of each of the parties and each indemnified person under Sections 8 and 9 pursuant to this Agreement are cumulative and are in addition to any other rights and remedies provided by general law or otherwise.

17. ILLEGALITY

If any provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, under any enactment or rule of law, such provision or part shall to that extent be deemed not to form part of this Agreement but the legality, validity and enforceable of the remainder of this Agreement shall not be affected.

18. ASSIGNMENT

No party may assign any of its rights under this Agreement without the consent of the Party against whom the right operates. No provision of this Agreement may be varied without the consent of the Book Running Lead Manager.

For Axial Capital Pvt Ltd

Aswath
Director

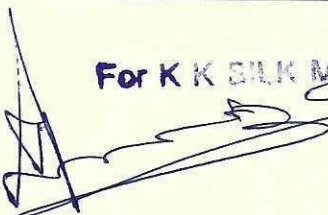
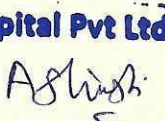
The undersigned hereby certifies and consents to act as Book Running Lead Manager or Underwriter (as the case may be) to the aforesaid Issue and to their name being inserted as Book Running Lead Manager or Underwriter (as the case may be) in the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus and Memorandum of Understanding which the Issuer Company

For K K SILK MILLS LTD



[Signature]
Director

intends to Issue in respect of the proposed Issue and hereby authorize the Issuer Company to deliver this Agreement to SEBI and the SME Platform of BSE.

IN WITNESS WHEREOF the Parties have entered into this Agreement on the date mentioned above.

| | |
|--|--|
| SIGNED, SEALED and DELIVERED, for and on behalf of Issuer K K SILK MILLS LIMITED | For and on behalf of Book Running Lead Manager AXIAL CAPITAL PRIVATE LIMITED |
|  For K K SILK MILLS LTD. Director |  For Axial Capital Pvt Ltd Director |
| Mr. Manish Kantilal Shah Managing Director DIN: 00040966 | Mr. Ashish Roongta Director DIN: 05279311 |

Witnessed by:

| | |
|---|--|
| Name: <u>PROKASH RAJAPATI</u> | Name: <u>DIVYA ASAWA</u> |
| Address: <u>206/C, Wing. Rajmangadha</u> <u>co. op. Soc. Vashi East - 401208.</u> | Address: <u>1018, WESTERN EXPRESS, ANDHERI (E),</u> <u>SUMMIT BUILDING</u> |
| Signature:  | Signature:  |