

87,200/-

**SUBSCRIPTION AGREEMENT**  
**BETWEEN**  
**LENDINGKART TECHNOLOGIES PRIVATE LIMITED**  
**(“COMPANY”)**  
**AND**  
**LENDINGKART FINANCE LIMITED**  
**(“COMPANY SUBSIDIARY”)**  
**AND**  
**ALTERIA CAPITAL INDIA FUND – I**  
**(“SUBSCRIBER”)**



- II. The Company Subsidiary is the wholly owned subsidiary of the Company, and the shareholding pattern of the Company Subsidiary as on the date hereof is set forth in **Part B of Annexure 2** to this Agreement. The Company Subsidiary is engaged in the Subsidiary Business.
- III. The Group Companies are desirous of raising debt / equity capital (as set out below) for general corporate purposes.
- IV. The Company has agreed to make the Equity Offer, and the Subscriber, relying *inter alia* upon the representations, Warranties, covenants, undertakings and indemnities provided by the Company, has agreed to subscribe to partly paid Series C3 CCPS aggregating to an amount of approximately INR 8,00,49,984.7 (Indian Rupees Eight Crore Forty Nine Thousand Nine Hundred and Eighty Four Point Seven) in a manner and subject to the terms and conditions as set out in the Transaction Documents.
- V. The Group Companies have also expressed their interest in raising debt by offering certain non-convertible debentures. The Subscriber, relying *inter alia* upon the representations, Warranties, covenants, undertakings and indemnities provided by the Company and the Company Subsidiary, is desirous of investing such amounts in the Group Companies towards subscription of such number of non-convertible debentures; provided that the Group Companies and Subscriber shall enter into separate agreements as may be required by the Subscriber, for the investment into the Group Companies.
- VI. Consequently, the Company and the Company Subsidiary shall be duly authorised to offer, issue and allot to the Subscriber the Debentures for cash, on a private placement basis in terms of the offer letter to be issued by each of the Company and the Company Subsidiary.
- VII. In this regard,
- (i) the Company and Company Subsidiary have each appointed the Debenture Trustee to act as the trustee for and on behalf of the Debenture Holders vide the Debenture Trustee Agreements.
- (ii) The Company has offered to secure the Debentures by an exclusive first charge by way of hypothecation of the Hypothecated Properties.
- VIII. The Parties are therefore entering into this Agreement to record the terms and conditions upon which the Subscriber shall subscribe to the Subscription Securities and the rights and obligations in relation to the aforesaid investment by the Subscriber in the Company and other matters in connection therewith.



**NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

## 1. DEFINITIONS AND INTERPRETATION

- 1.1. **Definitions.** Capitalized terms, unless defined elsewhere in this Agreement, shall have the meaning assigned to such terms in **Annexure 1** to this Agreement.
- 1.2. **Construction.** Unless specified elsewhere in this Agreement, this Agreement shall be interpreted using the rules of construction as mentioned in **Annexure 1** to this Agreement.

## 2. AGREEMENT TO SUBSCRIBE TO SUBSCRIPTION SECURITIES AND PAYMENTS THEREOF

2.1. The issued and paid up share capital of:

- (a) the Company as on the Execution Date is:
- (i) equity share capital of INR 5,00,600 (Indian Rupees Five Lakh Six Hundred only) divided into 50,060 (Fifty Thousand and Sixty) equity shares of INR 10 (Indian Rupees Ten only) each; and
  - (ii) the issued and paid up preference share capital of the Company as on the Execution Date is INR 1,94,69,230 (India Rupees One Crore Ninety Four Lakh Sixty Nine Thousand Two Hundred and Thirty) divided into,
    - (A) 20,663 (Twenty Thousand Six Hundred and Sixty Three) initial compulsorily convertible cummulative preference shares of INR 10 (Indian Rupees Ten) each;
    - (B) 37,410 (Thirty Seven Thousand Four Hundred and Ten) series A compulsorily convertible cummulative preference shares of INR 100 (Indian Rupees One Hundred) each;
    - (C) 44,396 (Forty Four Thousand Three Hundred and Ninety six) series B compulsorily convertible cummulative preference shares of INR 100 (Indian Rupees One Hundred) each;
    - (D) 24,711 (Twenty Four Thousand Seven Hundred and Eleven) series C1 compulsorily convertible cumulative preference shares of INR 100 (Indian Rupees One Hundred) each; and



(F) 86,109 (Eighty Six Thousand One Hundred and Nine) series C2 compulsorily convertible cumulative preference shares of INR 100 (Indian Rupees One Hundred) each.

(b) the Company Subsidiary as on the Execution Date is INR 38,98,59,200 (Indian Rupees Thirty Eight Crore Ninety Eight Lakh Fifty Nine Thousand Two Hundred) divided into 3,89,85,920 (Three Crore Eighty Nine Lakh Eighty Five Thousand Nine Hundred and Twenty) equity shares of INR 10 (Indian Rupees Ten) each.

2.2. Pursuant to discussions and negotiations between the Parties and placing reliance on the representations, Warranties, covenants, undertakings and indemnities provided by the Company, the Subscriber has agreed to invest:

(i) the Company Debenture Subscription Amount and the Series C3 CCPS Subscription Amount in the Company by subscribing to Company Debentures and Series C3 CCPS respectively, in the manner provided hereinbelow; and

(ii) the Subsidiary Debenture Subscription Amount in the Company Subsidiary by subscribing to the Subsidiary Debentures in the manner provided hereinbelow.

2.3. Subject to the terms and conditions of this Agreement and fulfillment of the relevant Conditions Precedent, on the relevant Closing Date, the Subscriber agrees to pay for and subscribe to the Subscription Securities, and the Company and Company Subsidiary agree to issue and allot the relevant Subscription Securities to the Subscriber, in the manner provided in this Agreement.

2.4. The Company and Company Subsidiary shall issue and allot the Subscription Securities to the Subscriber in physical form.

### 3. CONDITIONS PRECEDENT AND CONDITIONS SUBSEQUENT TO ISSUANCE OF SUBSCRIPTION SECURITIES

#### 3.1 Conditions precedent to issue of Subscription Securities

3.1.1. The obligation of the Subscriber to subscribe to the Subscription Securities in the manner provided herein is conditional upon the fulfillment of the Conditions Precedent as set out in **Annexure 3**, to the satisfaction of the Subscriber, and the Company and the Company Subsidiary each delivering to the Subscriber a certificate signed by their respective Authorised Signatories in the form acceptable to the Subscriber confirming the fulfillment along with the documents evidencing the fulfillment of the Conditions Precedent.



3.1.2. The Conditions Precedent shall be completed on or prior to the issuance of the Subscription Notice unless specifically waived in writing by the Subscriber or the time for complying with the same is extended by the Subscriber at its sole discretion and on such terms as the Subscriber deems fit. It is clarified that, if any of the Conditions Precedent are waived by the Subscriber, the Company / Company Subsidiary (as the case may be) shall, unless otherwise agreed, be obliged to comply with such Conditions Precedent as Conditions Subsequent which need to be executed within the timeline as stipulated by the Subscriber at the time of waiver.

3.1.3. The Company and Company Subsidiary will use their best efforts to ensure the expeditious fulfillment of all the Conditions Precedent.

### 3.2 Conditions Subsequent

3.2.1. The Company and Company Subsidiary shall ensure that the Conditions Subsequent as set out in **Annexure 4** shall be complied with within the timeline as set out therein or as per applicable Law, whichever is earlier.

3.2.2. Upon the fulfillment of the Conditions Subsequent, the Company and the Company Subsidiary shall deliver to the Subscriber a certificate signed by their respective Authorised Signatories in the form acceptable to the Subscriber confirming the fulfillment along with the documents evidencing the fulfillment of the Conditions Subsequent as set out in **Annexure 4**.

## 4. CONDUCT PRIOR TO CLOSING

4.1. During the period beginning from the Execution Date and continuing until the Closing Date (“**Protective Period**”), the Company and Company Subsidiary shall carry on the Business and the Subsidiary Business respectively in the usual, regular and ordinary course in substantially the same manner as conducted before the Execution Date, pay their debts and Taxes when due, pay or perform other obligations when due, and, to the extent consistent with such businesses and use their best efforts consistent with past practice and policies to keep intact their present business organizations.

4.2. During the Protective Period, neither the Company nor the Company Subsidiary (except as may be required under the terms of this Agreement), shall undertake or carry out any activity mentioned in Clause 11 of this Agreement without the prior written consent of the Subscriber.



- 4.3. During the Protective Period, except with the written consent of the Subscriber, the Company and Company Subsidiary shall not do or omit to do or cause to be done or omitted to be done, any act or thing which would result (or be likely to result) in a breach of any of the Warranties set forth in **Annexure 5** to this Agreement.
- 4.4. If, during the Protective Period, the Company and / or the Company Subsidiary become(s) aware that:
- 4.4.1. A Material Adverse Change has occurred; or
- 4.4.2. the Company, Company Subsidiary or any of their respective promoters is involved in any undisclosed dispute; or
- 4.4.3. there has been a breach of any of the Warranties or any event, condition or circumstance has occurred that is reasonably likely to cause any of the Warranties to become misleading, inaccurate or false or that would constitute a violation or breach of this Agreement; or
- 4.4.4. any of the provisions of this Clause 4 (*Conduct Prior to Closing*) have been breached,

then, without prejudice to rights and remedies available to the Subscriber under this Agreement or under the process of Law, the Company and / or the Company Subsidiary shall immediately notify the Subscriber of that fact in writing and will provide all information in their possession in relation to the events in this Clause 4.4 (*Conduct Prior to Closing*) to the Subscriber.

## 5. CLOSING

- 5.1. The Subscriber shall, subject to fulfillment of the Conditions Precedent to its satisfaction, infuse the relevant Subscription Amounts into the Company and the Company Subsidiary and subscribe to the relevant Subscription Securities as follows.
- 5.2. Upon completion of the Conditions Precedent by the Company and the Company Subsidiary, the Company and the Company Subsidiary shall jointly issue the Subscription Notice to the Subscriber. In the event the Conditions Precedent are not completed to the satisfaction of the Subscriber on or before June 30, 2019, or such other period as may be mutually agreed between the Parties in writing, the Subscriber shall be under no obligation whatsoever to subscribe to the Subscription Securities, and this Agreement may be terminated by the Subscriber at its discretion (without prejudice to any rights of the Subscriber that may have accrued until such date under this Agreement).



- 5.3. The Subscriber shall remit the relevant Subscription Amounts within 7 (Seven) Business Days from the Subscriber receiving the Subscription Notice (provided the Conditions Precedent have been fulfilled to the satisfaction of the Subscriber). The Company and Company Subsidiary shall allot the relevant Subscription Securities to the Subscriber on the date on which the relevant Subscription Amount is credited to the Designated Bank Account, which date shall be the Closing Date.
- 5.4. On the Closing Date, the Company and the Company Subsidiary shall ensure that each of the items enumerated in **Annexure 6** are complied with to the satisfaction of the Subscriber and the Company and the Company Subsidiary shall provide documents evidencing the completion of all such actions.
- 5.5. All proceedings to be taken and all documents to be executed and delivered by the Parties on the Closing Date shall be deemed to have been taken and executed simultaneously and no proceedings shall be deemed to be taken nor any documents executed or delivered at the Closing Date until all have been so taken, executed and delivered.
- 5.6. If all the Closing items contemplated in Clause 5.4 do not take place on the same day and in any event within 10 (Ten) Business Days from the Closing Date, the Subscriber shall at its discretion be entitled to require the Company and / or the Company Subsidiary (as the case may be) to forthwith return all the relevant Subscription Amounts infused by the Subscriber, along with the Penalty, which will be calculated from the date of infusion of the relevant Subscription Amount till the date of actual payment.

## 6. SECURITY

- 6.1. For the purposes of securing (i) the payment of the Amounts Due; and (ii) due discharge of all the Secured Obligations under this Agreement and other Transaction Documents, the Company and the Company Subsidiary shall entirely at their cost, create and perfect in favour of the Debenture Trustee on or before the Closing Date an exclusive first charge by way of hypothecation over the Hypothecated Properties. It is agreed that such security cover on the Hypothecated Properties of the Company Subsidiary shall at all times be equal to at least 1.1x (One point One times) the Amounts Due outstanding with respect to the Company Subsidiary (on the relevant date of determination).
- 6.2. The Security contemplated in Clause 6.1 of this Agreement shall be created by each of the Company and the Company Subsidiary executing the Hypothecation Deeds in favour of the Debenture Trustee acting for and on behalf of the Debentures Holders, in the form and manner acceptable to the Debenture Holders.



- 6.3. In addition to the above, each of the Company and the Company Subsidiary shall ensure that it takes all necessary corporate actions and make all filings with the ROC for / in relation to the Security in terms of the Transaction Documents including, but not limited to Form CHG-9 and Form MGT-14.
- 6.4. All costs and expenses of / in relation to appointment of the Debenture Trustee and creating the Security in favour of the Debenture Trustee shall be borne by the Group Companies.
- 6.5. The Group Companies represent, warrant and covenant that the Security Interest granted herein is and shall, at all times continue to be an exclusive first charge on the relevant Hypothecated Properties. The Group Companies further represent, warrant and covenant that the charge created on the Hypothecated Properties under the Transaction Documents shall rank *pari passu* with (and in no case inferior to) any extant / future charge or other Encumbrance (in any manner) on the Hypothecated Properties, if so created or proposed to be created by the relevant Group Company in favour of any other Person.
- 6.6. The Company shall execute an unconditional corporate guarantee in favour of the Subscriber as on the date of this Agreement (in a form and manner acceptable to the Subscriber), in order to secure the due repayment of the Amounts Due by the Company Subsidiary under the relevant Transaction Documents (“**Corporate Guarantee**”).
- 6.7. **Alternative Security**

If in the opinion of the Majority Debenture Holders, Security Interest is in jeopardy or there is a diminution in its value or value of any Security is materially affected, then, in that situation, the Majority Debenture Holders will notify the Company and / or the Company Subsidiary (as the case may be) in writing and the Company / Company Subsidiary (as the case may be) shall create a charge on an alternate property, within 15 (Fifteen) days of receiving a notice from the Majority Debenture Holders.

6.8. **Release of Security**

Subject to the provisions of this Agreement, on repayment of the relevant Amounts Due and discharge of the respective Secured Obligations to the satisfaction of the Debenture Trustee, the Debenture Holders shall release their charge over the Security in favour of the Company and the Company Subsidiary respectively by confirming in writing the repayment of the relevant Amounts Due and discharge of the relevant Secured Obligations by the relevant Group Company to its satisfaction, such date being the “**Settlement Date**”.



**PAYMENT OF COUPON**



- 7.1. The Company and Company Subsidiary shall pay to the Debenture Holder(s), Coupon on the outstanding face value of the Company Debentures and the Subsidiary Debentures respectively at the Coupon Rate, in the manner specified in this Agreement. The Coupon shall be credited by the Company and Company Subsidiary to the Investor Bank Account.
- 7.2. In the event any monies remain due and payable by the Group Companies to the Debenture Holders, whether under this Agreement and / or any other Transaction Documents or otherwise, then all such monies shall carry a Penalty, computed from the respective Due Date, if applicable or as mutually agreed by the Parties, and shall become payable with monthly rests or other rests as may be prescribed by the Debenture Holders from time to time, and shall be payable on the dates specified in **Annexure 7** to this Agreement. The Group Companies hereby expressly acknowledge that the Penalty under this Clause 7.2 is reasonable and that it represents a genuine pre-estimate of the loss expected to be incurred by the Debenture Holders in the event of non-payment of any monies by the Group Companies.
- 7.3. Coupon and all other charges shall accrue from day to day and shall be computed on the basis of a 365-day year for the actual numbers of days elapsed.
- 7.4. The Group Companies acknowledge that the transaction contemplated under this Agreement is for a commercial transaction and hereby explicitly waive any defense that may be available to them under usury or other laws relating to the charging of coupon.

## 8. OTHER TERMS OF PAYMENT

- 8.1. No withholding or deduction of any amount on account of Taxes is applicable, with respect to the repayment of the Principal Amount and remittance of the Coupon, any other fee, and / or the Additional Coupon payable to the Subscriber or to any transferee of the Debentures who has been accorded with same legal status as the Subscriber. Notwithstanding the above, if any Taxes are required by Law to be paid / deducted by the Group Companies from any amounts paid or payable to the Subscriber under this Agreement, (i) such Taxes shall be paid by the relevant Group Company to the appropriate authorities when due, and each Group Company shall within the statutory limits prescribed under Law, deliver to the Subscriber, a certificate of tax deduction at source or any other evidence prescribed under Law satisfactory to the Subscriber that the payment has been duly remitted to the appropriate authority, (ii) the Group Companies shall provide all certificates evidencing tax deducted on a quarterly basis within 45 (Forty Five) days of end of each Quarter, and (iii) such TDS certificate should be issued directly in the names of the beneficial interest holders in the Debentures, where the Debentures are held by the deductee in trust.



- 8.2. The Group Companies hereby expressly accept, declare and confirm that, notwithstanding any of the provisions of the Indian Contract Act, 1872 or any other applicable Law, or any terms and conditions to the contrary contained in this Agreement, the Subscriber may, at its absolute discretion, appropriate any payments made by the Group Companies under this Agreement and / or any amounts realized by or obtained by the Subscriber by enforcement of Security or otherwise, towards the dues payable by the Group Companies to the Subscriber under this Agreement and / or any other agreement entered into between any of the Group Companies and the Subscriber and in any manner whatsoever.
- 8.3. Unless an Event of Default has occurred and is continuing, the Subscriber shall apply any funds of the Group Companies in its possession, whether from payments, or proceeds realized as the result of any collection of Receivables or other disposition of the Hypothecated Properties, first, to the Expenses incurred by the Subscriber in the exercise of its rights under this Agreement; second, to the Coupon due upon any of the Amounts Due; and third, to the Principal Amount of the Amounts Due and any applicable fees and other charges, or in such order as the Subscriber shall determine in its sole discretion. Any surplus shall be paid to the Company, Company Subsidiary or other Persons legally entitled thereto and the Group Companies shall remain liable to the Subscriber for any deficiency. If the Subscriber, in its good faith business judgment, directly or indirectly enters into a deferred payment or other credit transaction with any purchaser at any sale of the Hypothecated Properties, the Subscriber shall have the option, exercisable at any time, of either reducing the Amounts Due by the principal amount of the purchase price or deferring the reduction of the Amounts Due until the actual receipt of the money by the Subscriber.

## 9. REPRESENTATIONS AND WARRANTIES

- 9.1. Each of the Group Companies, jointly and severally, hereby represent and warrant to the Debenture Holders that the Warranties set out in **Annexure 5**, subject to the specific disclosures set out in the Disclosure Schedule, are true, correct, valid, subsisting and accurate in all respects as of the Execution Date, and shall be true, correct, valid, subsisting and accurate in all respects as of each Closing Date.
- 9.2. Each Warranty is separate and independent and except to the extent disclosed fully, specifically and accurately in the Disclosure Schedule, none of the Warranties shall be treated as qualified by any actual, imputed or constructive knowledge on the part of the Debenture Holders nor will such knowledge (actual, constructive or imputed) prejudice the right to indemnification under Clause 17 of this Agreement, or the claims or remedies available to the Debenture Holders with respect to the accuracy or inaccuracy of or compliance



or non-compliance with any of the Warranties, covenants, obligations or arrangements in this Agreement or operate as to reduce any amount recoverable in respect of any of them.

## 10. RIGHTS OF THE DEBENTURE HOLDERS

10.1. **Audit.** The Debenture Trustee / Debenture Holders shall, after providing a written notice of at least 5 (Five) days to the Company, have the right to audit the books and records of the Company and / or the Company Subsidiary during office hours, and the Debenture Trustee / Debenture Holders shall be entitled to appoint its / their consultant / chartered account for the purposes of such audit the cost of the Company and / or the Company Subsidiary (“**Right to Audit**”). However, in case of occurrence of an Event of Default, the Debenture Trustee / Debenture Holders shall not be required to provide the Company / Company Subsidiary with any prior notice in order to exercise their Right to Audit. The Group Companies shall provide the necessary co-operation to enable the Debenture Trustee / Debenture Holders and their authorised representatives to conduct such audit.

10.2. **Inspection.** The Debenture Holders / Debenture Trustee and / or their respective representatives shall, after providing a written notice of at least 5 (Five) days to the Company and / or the Company Subsidiary be entitled to inspect the Hypothecated Properties or any part thereof at any time (“**Right to Inspect**”). However, in case of occurrence of an Event of Default, the Debenture Trustee / Debenture Holders shall not be required to provide the Company / Company Subsidiary with any prior notice in order to exercise their Right to Inspect. The Group Companies shall (i) permit the Debenture Holders / Debenture Trustee and / or their representatives to carry out technical, financial and legal inspection of their assets and to visit and examine any such assets and inspect records and documents relevant to the performance of the obligations of the Group Companies under the Transaction Documents (ii) permit any officer of the Debenture Holders / Debenture Trustee or a qualified practicing chartered accountant to examine the Group Companies’ books and records and shall provide all facilities to enable any technically qualified Person engaged by the Debenture Holders / Debenture Trustee to report on the business and operations of the Group Companies at any time. The cost of such inspections, including reasonable costs incurred towards travel and all other expenses shall be borne and payable by the Company and / or the Company Subsidiary.

## 11. AFFIRMATIVE COVENANTS OF THE GROUP COMPANIES

11.1. Each Group Company covenants and undertakes that, so long as any part of the Debentures remain outstanding and any part of the Amounts Due under the Transaction Documents are outstanding and until the complete discharge of the Secured Obligations, the Group Companies shall comply with the obligations



*[Handwritten signature]*



applicable to them as set out under this Agreement and under the other Transaction Documents.

- 11.2. **Insurance.** Each Group Company shall undertake best efforts to ensure that the Hypothecated Properties are insured for risks and in amounts standard for companies in their respective industry and location. Further, the Group Companies shall comply with all the conditions of the insurance policies taken by them and ensure that all premia or other sums payable for the purpose and to effect renewal of such insurance are duly paid by them.
- 11.3. **Books of Accounts.** The Group Companies shall maintain all statutory books as per applicable Law and duly file the same within the applicable timelines. The Group Companies shall also maintain books of accounts, bank statements and other financial records in accordance with good business practice, Accounting Standards and applicable Laws from time to time, in which full and accurate entries shall be made of all financial transactions in respect of the assets of the Company and / or Company Subsidiary (as relevant) and the Business and / or Subsidiary Business (as relevant).
- 11.4. **Debenture Redemption Reserve.** Each Group Company shall create a debenture redemption reserve, if required, in accordance with the applicable Law.
- 11.5. **Utilization of Subscription Amount.** The Group Companies shall utilize the Subscription Amount for general corporate purposes.
- 11.6. **Clear and Marketable Title.** Each Group Company shall at all times, and from time to time, at its cost clear any defects in its title to the Hypothecated Properties; and hereby represents, warrants and covenants that it has good title, right, full power and absolute authority and capacity under Law to enter into this Agreement.
- 11.7. **Payment of tax.** Each Group Company shall, and shall cause each of their respective subsidiaries, to promptly and duly pay and file before the same shall become delinquent, (a) all Taxes (including any interest and penalty thereon), duties, fees, assessments, reassessments and governmental charges or levies imposed upon it or upon its properties, assets or revenues, and (b) all present and future lawful claims, levies, liabilities which have become due and payable and which if unpaid might by law have Material Adverse Change or become a lien upon any of the property, assets or revenues of such Group Company.
- 11.8. **Preservation of corporate existence and not to amend the Constitutional Documents.** Each Group Company shall: (a) preserve and maintain its existence, legal structure, legal name, rights, privileges and franchises; (b) comply with all applicable Laws, including the Act and rules and regulations of corporate



governance as may be prescribed by any governmental authority and as may be applicable to such Group Company from time to time, and (c) comply with its Constitutional Documents at all times. The Group Companies shall not make any amendment to their respective Constitutional Documents which affects or may be reasonably likely to affect the rights of the Debenture Holders, without obtaining prior written approval of the Subscriber.

- 11.9. **Encumbrance on Hypothecated Properties.** Each Group Company hereby covenants not to create any further Encumbrance over the respective Hypothecated Properties or any part thereof, without obtaining the prior written consent of the Debenture Trustee, until the redemption of all the Debentures (unless already released in accordance with this Agreement).
- 11.10. **Consents, Approvals etc.** The Group Companies shall promptly obtain all necessary Consents and shall maintain and comply with the terms of all such Consents, as may be necessary for entering into or performing its obligations under the Transaction Documents or conducting its business and operations.
- 11.11. **Change in auditors.** Each Group Company shall obtain the prior written approval of the Debenture Trustee and the Subscriber for any change or replacement of its existing auditors if the proposed auditor is not one of the Big Five Auditors.
- 11.12. **Transfer of Subscription Securities.**

(A) Subject to the provisions of this Agreement,

- (i) the Debentures shall be fully and freely transferable;
- (ii) the Series C3 CCPS shall be fully and freely transferable in compliance with the Company's Articles, subject to the execution of the deed of adherence as provided for in the Company's Articles except to a Specified Competitor until the Restricted Date;
- (iii) the Group Companies shall in each case provide full co-operation and assistance as may be reasonably required to complete the formalities for transfer of the Debentures and / or Series C3 CCPS including but not limited to executing such documents as may be reasonably required by the relevant holders of such Debentures / Series C3 CCPS;
- (iv) All costs and expenses for any transfer of Debentures, including but not limited to the stamp duty payable on instrument of transfer, shall be borne by the Subscriber and / or the transferee.



- (B) The Subscriber shall have the right to participate in any Exit Transaction (along with any Fund Investor) and shall also have the tag along rights (both upon occurrence of a change in control tag transaction, and in case of transfers of shares by the Promoters) as under Article 116.6 of the Company's Articles.
- (C) The Subscriber shall also have such rights in the Company, as are available to all 'Shareholders' and 'Investors' of the Company (as under the Company's Articles).

11.13. **Restated Articles.** The Company shall, as a condition subsequent, and no later than 45 (Forty Five) days from Closing (or such other date as may be acceptable to the Subscriber), deliver to the Subscriber a copy of the Restated Articles incorporating the provisions of this Agreement, in a manner satisfactory to the Subscriber; provided that such Restated Articles shall be effective on and from the Closing Date.

11.14. **Intellectual Property.** During the term of this Agreement, each Group Company shall (i) to the best of its ability, protect, defend and maintain the validity and enforceability of its Intellectual Property; (ii) promptly advise the Debenture Trustee and the Subscriber in writing of material infringement of its Intellectual Property; and (iii) not allow any Intellectual Property material to its business to be abandoned, forfeited or dedicated to the public without Debenture Trustee's written consent.

11.15. **Use of Logo.** The Group Companies shall permit the Subscriber to use the Group Companies' logo in the Subscriber's marketing material provided no confidential information about the Group Companies is used in such material (unless otherwise agreed to mutually between the relevant Group Company and the Subscriber).

11.16. **Information Covenants.** Each Group Company agrees, covenants and undertakes to comply with each of the information covenants as set out in **Annexure 9** to this Agreement.

11.17. **Compliance with Applicable Law.** The Group Companies hereby agree and confirm that they are in compliance with, and shall continue to be in compliance with Applicable Law in all respects in relation to the transactions contemplated under the Transaction Documents. Without prejudice to the generality of the preceding sentence, the Company Subsidiary agrees and confirms that:

- (a) The Subsidiary Debentures are being issued only for deployment of funds on its own balance sheet and not to facilitate requests of group entities / associates / the Company.



- (b) It shall, at no time, extend loans against the security of the Subsidiary Debentures.
- (c) It is, and shall continue to be in compliance with the directions issued by the RBI from time to time (including in relation to the issuance of the Subsidiary Debentures).

11.18. Insofar as the obligations of the Company Subsidiary are concerned (under this Agreement, and / or other Transaction Documents), the Company hereby agrees and undertakes to extend full cooperation to the Subscriber, and cause the Company Subsidiary to undertake all such actions as may be required to ensure compliance with the provisions of the Transaction Documents, as relevant (including passing the necessary resolutions as a shareholder of the Company Subsidiary).

## 12. NEGATIVE COVENANTS

Each Group Company covenants and undertakes, that until the complete discharge of the Secured Obligations, it shall not without the prior written consent of the Subscriber, or if related to the Hypothecated Properties the Debenture Trustee, undertake any action or decision to carry out any of the actions set out in **Annexure 8** to this Agreement. Any breach of this Clause 12 by a Group Company shall constitute an Event of Default.

## 13. EVENT OF DEFAULT, CONSEQUENCES OF EVENTS OF DEFAULT

13.1. Each of the matters set out in **Annexure 10** of this Agreement shall constitute an Event of Default, in addition to the events of default under Clause 6.1 of the Debenture Trust Deed.

### 13.2. Cure Period and payment of Penalty.

13.2.1. Upon the occurrence of an Event of Default: (a) set out in paragraph 1 of **Annexure 10**, the defaulting Group Company shall have the right to cure such Event of Default within a period of 7 (Seven) days from the date of occurrence of such event ("**Payment Default Cure Period**"); and (b) any clause other than paragraph 1 of **Annexure 10**, the defaulting Group Company shall have the right to cure such Event of Default within a period of 15 (Fifteen) days from the date of occurrence of such event ("**Non-Payment Default Cure Period**"), failing which the Debenture Holders shall be entitled to exercise the rights set out in Clause 14 below.



- 13.2.2. The Parties further agree that in the event of occurrence of an Event of Default under Clause 13.1, the defaulting Group Company shall be liable to pay Penalty computed from the date of occurrence of such Event of Default till the date it is cured or until the Secured Obligations have been fully discharged by the Group Companies.
- 13.2.3. The provisions of this Clause 13.2 shall not be construed as the Subscriber's consent to a Group Company's failure to pay any amounts in strict accordance with this Agreement or the other Transaction Documents, and the Subscriber's acceptance of any such payments shall not restrict the Subscriber's exercise of any remedies arising out of any such failure.

#### 14. CONSEQUENCES OF EVENTS OF DEFAULT.

- 14.1. Upon occurrence of an Event of Default, and failure on the part of the defaulting Group Company to cure the same within the Event of Default Cure Period if applicable, and without prejudice to the rights and remedies available to the Debenture Holders and the Debenture Trustee under this Agreement or under Law or equity, Majority Debenture Holders shall, at their sole discretion, in any sequence, be entitled to exercise any or a combination of any of the following rights:

14.1.1. To call upon the Group Companies to immediately prepay the Amounts Due (in whole or part) and the Group Companies shall forthwith upon demand from the Debenture Holders make payment of all such amounts to the Debenture Holders.

14.1.2. To enforce the Corporate Guarantee, or all or part of the Security created in the Hypothecated Properties under this Agreement and any other Transaction Documents and accordingly the Debenture Holders and the Debenture Trustee shall have, *inter alia*, the following rights (notwithstanding anything to the contrary contained in this Agreement and / or the other Transaction Documents): (i) to enter upon and take possession of the assets comprising the Hypothecated Properties; and / or (ii) to transfer the assets comprised in the Hypothecated Properties, by way of sale or otherwise and / or (iii) to reclaim, recover, maintain, repair, store, prepare and/ or advertise for sale and sell the Hypothecated Properties.

14.1.3. To settle or adjust disputes and claims directly with the account debtors/ Receivables for amounts due and if the Subscriber and / or the Debenture Trustee considers advisable, notify any Person owing money to a Group Company, of the Debenture Holders' Security Interest in such monies and verify the amounts of such Receivables. After occurrence of



an Event of Default, any and all amounts received by the Group Companies for and on behalf of the Group Companies, shall be held in trust for the Debenture Holders and, if requested by the Subscriber or the Debenture Trustee, the relevant Group Company shall immediately deliver such receipt to the Debenture Trustee in the form received from the account debtor, with proper endorsements for deposit.

14.1.4. To demand and receive certified copy of the Company's books of accounts, as certified by the Board.

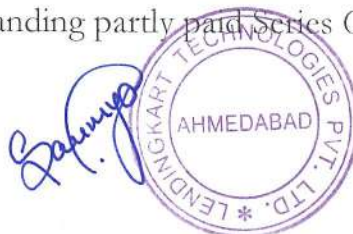
14.1.5. To take any action that the Subscriber and / or the Debenture Trustee may in its sole discretion deem appropriate and / or that is permitted or available under any applicable Law or statute.

14.1.6. In addition to the rights specified in this Clause 14, the Subscriber shall, in case of an Event of Default (which has not been cured during the applicable Event of Default Cure Period): (a) have the right to remove the management of the defaulting Group Company in consultation with the 'Fund Investors' (as defined in the Company's Articles), and (b) change / induct any Person as a key managerial personnel (as defined under the Act) of the defaulting Group Company, subject to the provisions of the Constitutional Documents of such Group Company.

14.2. **Power of Attorney.** Each Group Company hereby irrevocably appoints the Debenture Trustee as its lawful attorney-in-fact exercisable upon the occurrence and during the continuance of an Event of Default, subject to the Event of Default Cure Period (if applicable), to: (a) endorse its name on any cheques or other forms of payment or security; (b) sign its name on any invoice or bill of lading for any account or drafts against account debtors; (c) settle and adjust disputes and claims about the Receivables directly with the account debtors, for amount and on terms the Subscriber determines reasonable; (d) make, settle and adjust all claims under its insurance policies; (e) pay, contest or settle any Encumbrance in or to the Hypothecated Properties, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Hypothecated Properties into the name of the Subscriber or a third party as permitted under Law; in each case, to ensure that the Secured Obligations are fulfilled, and that the Amounts Due are duly repaid in accordance with the Transaction Documents. The Debenture Trustee's foregoing appointment as attorney-in-fact, and all of the Debenture Trustees rights and powers, coupled with an interest, are irrevocable until and up to all Secured Obligations have been fully repaid and / or performed.

## 15. CALL ON SERIES C3 CCPS

The company shall make calls on the outstanding partly paid Series C3 CCPS in



accordance with the provisions mentioned under **Annexure 11**.

## 16. REDEMPTION

- 16.1. Each Group Company hereby covenants that it shall redeem the Debentures in accordance with the Redemption Schedule set out in **Annexure 7** hereto. It is hereby clarified that there shall be a principal moratorium up to December 31, 2019.
- 16.2. The Debentures corresponding to such amounts paid as per the Redemption Schedule shall be redeemed in full.
- 16.3. Prepayment of the Debentures before the expiry of the respective tenure of the Debentures shall be subject to payment of Prepayment Premium as prescribed in **Annexure 12** of this Agreement.

## 17. INDEMNITIES

- 17.1. The Group Companies (each, an “**Indemnifying Party**”, and together the “**Indemnifying Parties**”) hereby jointly and severally agree to indemnify, defend and hold harmless (without limitation in amount or time), the Debenture Holders, and their respective Affiliates, officers, directors, employees, agents and advisors (each, an “**Indemnified Party**”, and collectively the “**Indemnified Parties**”) against and in respect of any and all Losses incurred as a reason of or resulting or arising from or in relation to:

17.1.1. any Warranties and / or representations of a Group Company under the Transaction Documents proving to be false or misleading; and / or

17.1.2. any default or breach by a Group Company of its covenants, obligations and undertakings set out under this Agreement; and / or

17.1.3. any litigation pending as of the Closing Date against a Group Company, or in case of any cause of action, suit, proceeding, investigation or claim which adversely affects the Business or Subsidiary Business; and / or

17.1.4. fraud or wilful misconduct by a Group Company.

- 17.2. Except as otherwise expressly provided in this Agreement, all payments to be made by the Indemnifying Party under or in connection with this Agreement shall be made in full without any set-off or counterclaim and free from any deduction or withholding except as may be required by Law (in which event such deduction or withholding shall not exceed the minimum amount required by Law and the Indemnifying Party will simultaneously pay to the Indemnified Party whatever additional amount is required for the net amount received to equal what would have been received if no such deduction or withholding had been



required). Provided however that, the Subscriber shall make good the Indemnifying Party to the extent the Indemnifying Party has made the necessary deductions, **and** the Subscriber has claimed and received any monetary benefits under Law with respect to the abovementioned deduction in its name.

- 17.3. The Parties agree that the rights of an Indemnified Party pursuant to this Clause shall be in addition to and not exclusive of, and shall be without prejudice to, any other rights and remedies available to such Indemnified Party at equity or under Law including, seeking specific performance, rescission, restitution or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby.
- 17.4. An Indemnified Party shall not be entitled to receive indemnification for any Claim to the extent that such indemnification would constitute double-recovery because such Indemnified Party has already received an indemnification payment in respect of the same matter giving rise to such Claim.
- 17.5. Failure of the Indemnifying Party to indemnify the Indemnified Party in relation to the undisputed amounts as per this Clause within 30 (Thirty) days of receipt of notice from the Indemnified Party, shall be deemed to be an Event of Default and without prejudice to the other rights of the Debenture Trustee under the Debenture Trust Deeds or applicable Law, the Debenture Holders shall be entitled to exercise any of the rights enumerated in Clause 14.
- 17.6. These indemnities will survive the termination of this Agreement.

## 18. CONFIDENTIALITY

18.1. The Parties recognize that they will be given and have access to confidential and proprietary information of the other Party pursuant to this Agreement. The Parties undertake not to use any of such confidential information for purposes other than for the purposes of the transaction set out herein without consent of the Party owning such information and shall keep confidential and not disclose to any third party, the other Parties' confidential and proprietary information.

18.2. The obligations of confidentiality shall not apply to any information that:

18.2.1. was developed independently by the Party;

18.2.2. was known to the Party prior to its disclosure by the disclosing Party;

18.2.3. has become generally available to the public (other than by virtue of its disclosure by the receiving Party), or becomes available to the receiving



Party from a source not known to the receiving Party to be bound by an obligation of confidentiality to the disclosing Party;

18.2.4. may be required in any report or statement that the Subscriber / Debenture Holders / Investment Manager are required to submit to its investors or any Governmental Authority;

18.2.5. may be required in response to any summons or subpoena or in connection with any proceeding; or

18.2.6. may be required to comply with any Law, order, regulation or ruling applicable to any Party hereto.

Provided that prior to any disclosure in respect of a request to disclose confidential information under Clauses 18.2.4, 18.2.5 or 18.2.6, and to the extent practicable, a Party must first notify the Party owning such confidential information, who shall then have the opportunity to respond to and / or dispute such request. The provisions of this clause shall survive the termination of this Agreement.

18.3. Notwithstanding anything contained in this Clause, the Debenture Holders shall be entitled to disclose any information to any third party at the time of obtaining exit / part sale under this Agreement, subject to suitable confidentiality agreements being executed with such third party (the terms of which are substantially similar to, or more favourable than the provisions of Clause 18 of this Agreement).

18.4. Notwithstanding anything contained in Clause 18.1 above, in the event of an Event of Default under paragraph 1 of **Annexure 10**, the Debenture Holders shall have an unqualified right to disclose or publish the details of the default and the name of the Group Companies and of the directors of the Group Companies as defaulters in such manner and through medium as the Debenture Holders may think fit.

18.5. Each Group Company hereby agrees and consents to the disclosure by the Debenture Holders / Debenture Trustee / any Governmental Authority, including but not limited to RBI / CIBIL / SEBI and / or any other credit sharing agency authorized in this behalf by the RBI, of all information and date relating to the Group Company, or to the Debentures, or defaults (if any) as the Debenture Holders / Debenture Trustee may deem to be appropriate or necessary to CIBIL, or any institution or any other agencies authorized in this behalf by the RBI.

The Group Companies hereby further agree that:



18.6.1. CIBIL, or any institution or any other agency so authorized by the RBI may use, process the said information and data disclosed by the Group Companies; and

18.6.2. CIBIL, or any institution or any other agency may furnish on consideration, the processed information and data or products thereof prepared by them to banks, financial institutions and other credit grantors as may be specified by the RBI in this behalf.

## 19. GENERAL PROVISIONS

### 19.1. Notices.

19.1.1. A Party giving notice or notifying under this Agreement must do so in writing:

- (a) directed to the recipient's address specified in this Clause, as varied by any notice; and
- (b) hand delivered to that address.

19.1.2. The Parties' addresses and facsimile numbers are:

Subscriber / Investment Manager      **Attention:** Harsh Gupta  
**Tel:** 022 62886123  
**Address:** Level 3, Birla Centurion,  
Pandurang Budhkar Marg, Worli,  
Mumbai – 400025.  
**Email:** harsh@alteriacapital.com

Company      **Attention:** Mr. Utsav Mehrotra  
**Tel:** 079-6677 0730  
**Address:** 14<sup>th</sup> Floor, D Block, The First,  
The First Avenue Road, Behind  
Keshavbaug Party Plot,  
Vastrapur, Ahmedabad – 380 015  
**Email:** utsav.mehrotra@lendingkart.com

Company Subsidiary      **Attention:** Mr. Utsav Mehrotra  
**Tel:** 079 6677 0600  
**Address:** 14<sup>th</sup> Floor, The First, The First  
Avenue Road, Behind  
Keshavbaug Party Plot,  
Vastrapur, Ahmedabad – 380  
015



Email: utsav.mehrotra@lendingkart.com

19.1.3. A notice given in accordance with Clause 19.1.1 is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by courier or registered mail, 2 (Two) calendar days after posting;
- (c) if sent by facsimile transmission, at the time when dispatched with a report confirming proper transmission;
- (d) if sent by email, with return receipt requested, upon the obtaining of a valid return receipt from the recipient.

## 19.2. Entire Agreement

This Agreement constitutes the entire understanding amongst the Parties as to the subject matter hereof. Any prior arrangements, agreements, representations or undertakings between the Parties regarding the subject matter of this agreement are hereby superseded, including the term sheet dated April 8, 2019. Further, it is clarified that in the event of a conflict between the terms of this Agreement with any of the existing agreements to which Company is a party (including but not limited to any investment agreement or shareholders' agreement), the terms of this Agreement shall prevail over such other agreement.

## 19.3. Amendment

No modification or amendment to this Agreement and no waiver of any of the terms or conditions hereof shall be valid or binding unless made in writing and duly executed by duly authorized representatives of the Parties. It is further agreed that any modification or amendment to this Agreement shall require the written consent of the Debenture Trustee.

## 19.4. Relationship

None of the provisions of this Agreement shall be deemed to constitute a partnership between the Parties hereto and neither party shall have any authority to bind or shall be deemed to be the agent of the other in any way except as set out herein.

## 19.5. Construction of Documents

Each Party represents, warrants and acknowledges that it has read and understood the terms and conditions of this Agreement and has sought necessary advice in relation to this Agreement and that the Agreement or any or



other documentation will not be construed in favour of or against either Party due to that Party's drafting of such documents.

#### 19.6. **Governing Law**

This Agreement shall be interpreted and governed in all respects by the laws of India.

#### 19.7. **Jurisdiction**

Subject to the provisions of Clause 19.8 herein below, the Parties agree that the courts of Ahmedabad alone and no other courts shall have the jurisdiction to entertain and try any disputes arising from and out of the provisions of this Agreement, without regard to the principles of conflict of laws.

#### 19.8. **Arbitration**

19.8.1. In the event of a dispute or difference, relating to, arising out of or in connection with any of the matters set out in this Agreement, including any question regarding its existence, validity or termination ("**Dispute**"), the parties to the Dispute shall discuss in good faith to resolve the Dispute. In case the Dispute is not settled within 30 (Thirty) calendar days, it shall be referred to arbitration in accordance with this Clause 19.8.

19.8.2. All Disputes that have not been satisfactorily resolved under Clause 19.8.1 shall be referred to and finally resolved by arbitration in Ahmedabad in accordance with the Indian Arbitration and Conciliation Act, 1996 ("**Arbitration Act**") for the time being in force. There shall be a sole arbitrator who shall be jointly appointed by the parties to the dispute and failing agreement on such appointment, the arbitrator shall be appointed in accordance with the Arbitration Act. The seat of the arbitration shall be Ahmedabad and the venue may be as determined by the arbitrator from time to time having regard to the convenience of the parties to the dispute. The language of the arbitration shall be English.

19.8.3. The arbitrator shall make an award in writing within 60 (Sixty) Business Days of the reference of the dispute to arbitration. The award of the arbitrator(s) shall be final and conclusive and binding upon the Parties and non-appealable to the extent permitted by Law. The Parties agree that such enforcement shall be subject to the provisions of Indian Law. The award rendered shall apportion the costs of the arbitration.

19.8.4. The arbitrators shall also have the power to decide on the costs and reasonable expenses (including reasonable fees of its counsel) incurred in



*[Handwritten signature]*



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the arbitration and award interest up to the date of the payment of the award.

19.8.5. The provisions of this Clause 19.8 shall survive the termination of this Agreement.

#### 19.9. Severance of terms

Each and every obligation under this Agreement shall be treated as a separate obligation and shall be severally enforceable as such and in the event of any obligation or obligations being or becoming unenforceable in whole or in part. To the extent that any provision of this Agreement is invalid, unenforceable or prohibited by applicable Laws, this Agreement shall be considered divisible as to such provision and such provision shall be inoperative and shall not be part of the consideration moving from either Party hereto to the other, and the remainder of this Agreement shall be valid, binding and of like effect as though such provision was not included herein.

#### 19.10. Waiver and Remedies

No failure or delay on the part of the Debenture Holders to exercise any right, power, privilege or remedy provided under this Agreement shall operate as a waiver of such right, power, privilege, remedy under this Agreement nor shall any single or partial exercise of any right power privilege or remedy preclude any other or further exercise of such or any other right, power, privilege or remedy provided in this Agreement. All rights, power, privilege or remedy of the Debenture Holders under this Agreement are several and cumulative and are not exclusive of each other or of any other rights or remedies otherwise available to a party at Law or in equity.

#### 19.11. Survival

Notwithstanding anything contained in this Agreement, Clause 17 (*Indemnities*), Clause 18 (*Confidentiality*), Clause 19.1 (*Notice*), Clause 19.6 (*Governing Law*), Clause 19.7 (*Jurisdiction*) and Clause 19.8 (*Arbitration*) will remain in effect together with such provisions which expressly or by implication will survive termination. Further, the Subscriber shall be entitled to exercise its right pursuant to Clause 11.16 (*Information*) read with **Annexure 9** until the Subscriber is a Debenture Holder; and pursuant to the Company's Articles until the Subscriber is a shareholder of the Company.

#### 19.12. Counterparts



This Agreement may be signed by facsimile or in any number of counterparts, each of which is an original and all of which, taken together, constitutes one and the same instrument.

### 19.13. Assignment

19.13.1. The terms and provisions of this Agreement shall be binding upon, and the benefits hereof shall inure to the Parties hereto and their respective successors and assigns.

19.13.2. Notwithstanding anything contained in this Agreement, but subject only to Clause 11.12(A), the Subscriber shall at all times have the right to sell down / assign / offer the Debentures and / or Series C3 CCPS for co-investment to any Person. Further, the Subscriber shall have the right to assign, transfer, sell, pledge or hypothecate the Subscription Securities, Receivables, the Security, rights, benefits and any other interest created in its favour herein or under any of the Transaction Documents to any third party, subject to such third party executing the Deed of Adherence.

### 19.14. Enforcing of Rights

The Debenture Holders shall be entitled to exercise all the rights under the Transaction Documents through the Debenture Trustee, who shall exercise the same on behalf of, in trust for and for the benefit of the Debenture Holders.

### 19.15. Costs

19.15.1. The Group Companies shall bear all costs, charges and fees (i) being legal fees, technical diligence and structuring cost incurred in the course of preparation and finalization of the Transaction Documents; (ii) remuneration of the Debenture Trustee; (iii) towards issue of Subscription Securities pursuant to this Agreement; (iv) towards creation and monitoring of the Security as per the Transaction Documents including stamp duty, etc. for the purposes of perfecting such Security; (v) towards any stamp duty, registration and other related costs payable on the Transaction Documents and creation of Security; and (vi) Subscriber's and the Debenture Trustee's attorneys' fees and expenses incurred in amending, enforcing and/or defending the Transaction Documents, incurred before, during and after an Event of Default. All taxes, including goods and service tax but excluding tax on the coupon payable on the Debentures or any other direct taxes payable by the Subscriber on account of this transaction or transfers subsequent, shall be to the account of the relevant Group Company.



19.15.2. In the event of a Group Company failing to pay the monies referred to above, the Subscriber may call upon the other Group Company to make such payment; failing which it may, at its discretion, decide to make the necessary payment as applicable. The relevant Group Company shall forthwith and no later than 10 (Ten) Business Days from the date of receipt of demand from the Subscriber in respect thereof (“**Reimbursement Date**”), reimburse all sums paid by the Subscriber in accordance with the provisions contained herein. In the event that the Company fails to reimburse the Subscriber as provided in this Clause on or before the Reimbursement Date, then all such sums shall carry Penalty from the Reimbursement Date till such sums are duly reimbursed to the Subscriber.

#### 19.16. Further Assurances

19.16.1. The Group Companies shall execute all such deeds, documents and assurances and do all such acts and things as the Subscriber / Debenture Trustee may reasonably require for exercising the rights under the Transaction Documents, Series C3 CCPS and the Debentures or for effectuating and completing the Security Interest intended to be hereby (or in terms of the Transaction Documents) created and shall from time to time and at all times after the Security Interests constituted under the Transaction Documents shall become enforceable, execute and do all such deeds, documents, assurance, acts, and things as the Debenture Trustee may require for facilitating realization of the Security Interests and in particular, shall execute all transfers, conveyances, assignments and assurance of the assets, which are subject to the Security Interests, whether to the Debenture Trustee or to their nominees and shall give all notices and directions which the Debenture Trustee may think expedient.

19.16.2. The Group Companies shall render all co-operation to the Debenture Trustee upon occurrence of an Event of Default to enforce the Security created in terms of this Agreement.

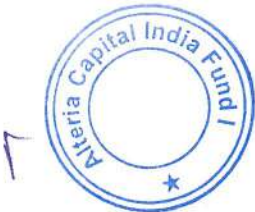
[Signature page follows]



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

FOR AND ON BEHALF OF THE  
WITHIN NAMED COMPANY

*Saumya Gautam*



FOR AND ON BEHALF OF THE  
WITHIN NAMED COMPANY  
SUBSIDIARY


Naval



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FOR AND ON BEHALF OF THE  
WITHIN NAMED SUBSCRIBER



VINOD MURALI  
MANAGING PARTNER



## ANNEXURE 1

### DEFINITIONS AND INTERPRETATION

#### 1.1. DEFINITIONS

1.1.1. “**Accounting Standards**” means Indian GAAP, unless it becomes mandatory for the Group Companies to follow IFRS, in which case the term ‘Accounting Standards’ shall mean IFRS;

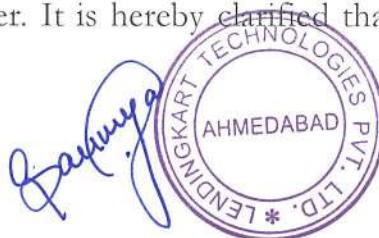
1.1.2. “**Act**” means (i) the Companies Act, 2013 (to the extent notified on the relevant date); and (ii) Companies Act, 1956 (to the extent enforceable on the relevant date) and wherever applicable, the rules framed there under and any subsequent amendment or re-enactment thereof for the time being in force;

1.1.3. “**Additional Coupon**” means a rate amounting to (i) 1.75% (One Point Seven Five Percent) of the respective Debt Amount payable by the Company, and (ii) 1% (One Percent) of the respective Debt Amount payable by the Company Subsidiary, in each case to the Subscriber prior to the Closing Date, which shall be non-refundable and exclusive of all additional Taxes;

1.1.4. “**Affiliate**” means,

- (a) any Person other than a natural Person, any other Person that, either directly or indirectly through 1 (one) or more intermediate Persons and whether alone or in combination with 1 (one) or more other Persons, Controls, is Controlled by or is under common Control with the subject Person, provided that, without prejudice to the generality of the foregoing, where the subject Person is a Subscriber, the term Affiliate, shall be deemed to include any fund, collective investment scheme, trust, partnership (including any co- investment partnership), special purpose or other vehicle, which is managed and/or advised by the Subscriber, or any other fund under the management or advice of the Subscriber or any of its respective Affiliates or companies/entities under the same management as the Subscriber; and
- (b) any Person that is a natural Person, any entity that is Controlled by such subject Person, or any Person who is a Relative of such subject Person;

For the purposes of the Subscriber, the term Affiliate shall also mean and include (i) all funds that are advised, controlled and managed by the manager of the Subscriber or an Affiliate of the Subscriber or an Affiliate of such manager; (ii) any limited partner of the Subscriber; and (iii) any investor in the Subscriber. It is hereby clarified that an Affiliate of the



Subscriber shall not include any portfolio company of the Subscriber and / or its Affiliates;

- 1.1.5. **“Agreement”** means this Agreement and all modifications, Schedules and Annexures to this Agreement;
- 1.1.6. **“Amounts Due”** means the entire Debenture Subscription Amount plus Coupon, Penalty, Prepayment Premium, Additional Coupon, costs and charges payable to the Debenture Holders, costs, charges, expenses, fees (including legal fees and expenses) and commission for creation, maintenance and realization/enforcement of the Security and legal fees payable for this transaction, as limited in terms of this Agreement;
- 1.1.7. **“Articles of Association” or “Articles”** means the articles of association of the Group Companies and shall include all modifications to such articles of association made from time to time;
- 1.1.8. **“Authorised Signatories”** means, (i) with respect to the Company, a Director or any other person duly authorized by the Board; and (ii) with respect to the Company Subsidiary, a director of the Company Subsidiary or any other person duly authorized by the board of directors of the Company Subsidiary;
- 1.1.9. **“Big Five Auditors”** means Deloitte Haskins & Sells, Ernst & Young, PricewaterhouseCoopers, KPMG, Grant Thornton including specifically their respective Indian counterparts;
- 1.1.10. **“Board”** means the duly constituted board of directors of Company from time to time;
- 1.1.11. **“Business”** means the business of the Company comprising, inter alia, of developing software and providing services in relation to implementation of computer software and hardware systems, management of data processing, financial data analysis, software useful for lending companies, banks and financial institutions, and information systems and data communication systems and includes the business of the Subsidiary of providing financial assistance in the form of working capital finance to small and medium enterprises, and any other business which the Company may carry on from time to time in accordance with the terms of the Company’s Articles;
- 1.1.12. **“Business Day”** means a day, not being a Saturday or a Sunday or a public holiday, on which banks are open for business in Ahmedabad and Mumbai;
- 1.1.13. **“Change of Control”** means acquisition of Control by any Party;
- 1.1.14. **“CIBIL”** means the Credit Information Bureau (India) Limited;



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- 1.1.15. “**Closing**” means the receipt of the Subscription Amounts by the relevant Group Company, and the allotment of the corresponding Subscription Securities in accordance with Clause 5 of this Agreement;
- 1.1.16. “**Closing Date**” means the date on which Closing occurs;
- 1.1.17. “**Company Debenture Subscription Amount**” shall mean such portion of the Debenture Subscription Amount as is invested by the Subscriber in subscribing to the Company Debentures;
- 1.1.18. “**Company Debentures**” means 1,000 (One Thousand) unlisted, secured, redeemable, non-convertible Series A debentures of face value of INR 100,000 (Indian Rupees One Lakh) each to be issued by the Company under this Agreement. The terms of the Company Debentures are set out in **Annexure 12** hereto and shall be issued to the Subscriber at par, in physical or dematerialised form in accordance with this Agreement;
- 1.1.19. “**Company Coupon Rate**” means a fixed rate of 16.50% (Sixteen Point Five Percent) per annum calculated on the outstanding face value of the Company Debentures;
- 1.1.20. “**Conditions Precedent**” means the conditions precedent to be completed by the Company and the Company Subsidiary as listed in **Annexure 3**;
- 1.1.21. “**Conditions Subsequent**” means the conditions subsequent being the conditions listed in **Annexure 4**;
- 1.1.22. “**Constitutional Documents**” means the Memorandum of Association and the Articles of Association of the Group Companies;
- 1.1.23. “**Control**”, as applied to any Person, means (a) ownership or control of 26% (Twenty Six Percent) or more of the total equity share capital or voting capital or the like of the controlled entity, whether by shareholding or contract or otherwise; or (b) the power or right to, directly or indirectly (i) direct or cause the direction of the management, policies or activities of that Person (ii) direct or cause the direction of the policy decisions exercisable by that Person or (iii) appoint or remove (or to direct or cause the direction of the appointment or removal of) majority of the directors (or similar position) of such Person, by virtue of ownership of voting securities or management rights or contracts or in any other manner, and the terms “controlling” and “controlled” shall be correspondingly construed;



- 1.1.24. **“Debt Amount”** means an amount of INR 80,00,00,000 (Indian Rupees Eighty Crores) to be invested by the Subscriber in the Group Companies collectively;
- 1.1.25. **“Debenture Holders”** means all holders of the Debentures from time to time and includes such other persons whose names are entered in the register of debenture holders with respect to the Debentures in accordance with the terms of the Transaction Documents;
- 1.1.26. **“Debenture Subscription Amount”** means an aggregate amount invested by the Subscriber towards subscription to the Debentures, in accordance with the terms of this Agreement;
- 1.1.27. **“Debenture Trustee”** means Milestone Trusteeship Services Private Limited, a company incorporated under the Act having its registered office at Cowrks Worli, PS56, 3<sup>rd</sup> floor, Birla Centurion, Century Mills Compound, Pandurag Budhkar Marg, Worli, Mumbai- 400030;
- 1.1.28. **“Debenture Trustee Agreements”** means a collective reference to (i) the debenture trustee agreement dated May 30, 2019 executed between Company and the Debenture Trustee, and (ii) the debenture trustee agreement dated May 30, 2019 executed between the Company Subsidiary and the Debenture Trustee; for the appointment of the Debenture Trustee;
- 1.1.29. **“Debenture Trust Deeds”** means a collective reference to (i) the debenture trust deed of even date executed between the Company and the Debenture Trustee acting for and on behalf of the Debenture Holders, and (ii) the debenture trust deed of even date executed between the Company Subsidiary and the Debenture Trustee acting for and on behalf of the Debenture Holders;
- 1.1.30. **“Debentures”** means a collective reference to the Company Debentures and the Subsidiary Debentures, and shall be construed to refer to either, where the context so permits;
- 1.1.31. **“Deed of Adherence”** means the deed of adherence to be executed by the Debenture Holders and their transferees and / or assigns, in the format annexed as **Annexure 13** hereto; provided that any assigns or transferees of the Series C3 CCPS shall sign a deed of adherence in such format as shall be provided for in the latest shareholders’ agreement (and the Articles) of the Company;
- 1.1.32. **“Designated Bank Account”** means, (i) with respect to the Company, the bank account of the Company bearing current account number 914020057015952 held with AxisBank, Law Garden, Ahmedabad Branch, and (ii) with respect to the Company Subsidiary, the bank account of the Company Subsidiary bearing current account number 010181400000196 held with YES Bank, Bodakdev, Ahmedabad Branch;



- 1.1.33. “**Director**” means a person appointed as a director on the Board;
- 1.1.34. “**Disclosure Letter**” means the disclosure letter annexed herewith as issued by the Group Companies to the Subscriber on the Execution Date, which shall qualify the specific representations and warranties under this Agreement as indicated therein;
- 1.1.35. “**Due Date(s)**” means the date(s) on which any amount(s) in respect of the Debentures including principal, coupon or other monies, fall due in terms of the Transaction Documents;
- 1.1.36. “**ESOP**” means the employee stock option plan as formulated by the Company and / or Company Subsidiary (as relevant) and approved by the Board in accordance with applicable Laws;
- 1.1.37. “**Exit Transaction**” shall have the meaning ascribed to such term in the Company’s Articles;
- 1.1.38. “**Expenses**” shall include all audit fees, costs and expenses (including attorney’s fees and expenses) for preparing, negotiating, administering, defending and enforcing the Transaction Documents (including, without limitation, those incurred in connection with appeals or insolvency / bankruptcy proceedings or in connection with any actions taken by the Subscriber upon occurrence of an Event of Default) or otherwise incurred with respect to the Group Companies and the Amounts Due;
- 1.1.39. “**Encumbrances**” means any right, title and/or interest or equity of any nature whatsoever (including any right to acquire, option or right of pre-emption) or any mortgage, pledge, deed of trust, hypothecation, right of others (including right of set-off or counterclaim), claim, security interest, burden, title defect, title retention agreement, lease, sublease, license, voting trust agreement, interest, option, proxy, lien, charge, covenant, condition, actionable claim or any security agreement, security arrangement, other restriction/s, limitations or encumbrance of any nature whatsoever;
- 1.1.40. “**Equity Offer**” means the offer to subscribe up to 1,336 (One Thousand Three Hundred and Thirty Six) Series C3 CCPS in order to raise an amount of approximately INR 8,00,49,984.7 (Indian Rupees Eight Crore Forty Nine Thousand Nine Hundred and Eighty Four Point Seven), by way of private placement in accordance with the provisions of the Act;
- 1.1.41. “**Equity Securities**”, with respect to a Group Company, means Equity Shares, membership interests, or other ownership interests in such Group Company and any options, warrants, convertible preference shares, convertible debentures,



foreign currency convertible bonds, share / stock options, (whether or not vested), loans convertible into Equity Shares or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for, Equity Shares, membership interests, or other ownership interests in such Group Company (whether or not such derivative securities are issued by the Group Company and whether or not then currently convertible, exercisable or exchangeable); provided however that to the extent a Group Company has entered into any lending arrangements wherein the loan extended to the relevant Group Company is convertible into Equity Shares solely upon an event of default having occurred under the relevant lending documents, then such arrangements shall not be reckoned for the purposes of determining 'Equity Securities' under this Agreement, until the loans are converted into Equity Shares;

1.1.42. **“Equity Shares”** means, (i) with respect to the Company, equity shares in the issued, subscribed and paid up share capital of the Company having a face value of INR 10 (Indian Rupee Ten) each, and (ii) with respect to the Company Subsidiary, equity shares in the issued, subscribed and paid up share capital of the Company Subsidiary having a face value of INR 10 (Indian Rupee Ten) each;

1.1.43. **“Events of Default”** means the events of default as listed in (i) Clauses 12 and 13 along with **Annexure 10** to this Agreement, and (ii) Clause 6.1 of the Debenture Trust Deeds;

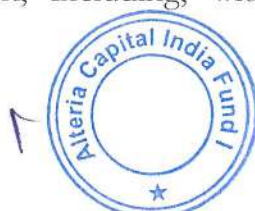
1.1.44. **“Execution Date”** means the date of this Agreement;

1.1.45. **“Financial Year”** means the financial year of the Company commencing on April 1 every year and ending on March 31 of the following year;

1.1.46. **“Fully Diluted Basis”** means that the calculation is to be made assuming that (i) all outstanding Equity Securities (whether or not by their terms then currently convertible, exercisable or exchangeable), and all outstanding commitments to issue Equity Shares, membership or ownership interests, at a future date whether or not due to the occurrence of an event or otherwise, have been so converted, exercised or exchanged and (ii) that all unallocated options reserved for issuance under the ESOP have been issued and exercised;

1.1.47. **“Fund Investors”** shall have the meaning ascribed to such term in the Company's Articles;

1.1.48. **“Governmental Authority”** means in any jurisdiction where any Party carries on business or holds assets, any nation or government, any province, state or any other political subdivision thereof; any entity, authority or body exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, including, without limitation, any government



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authority, agency, department, board, commission or any court, tribunal or arbitrator;

1.1.49. **“Hypothecation Deeds”** means a collective reference to (i) the deed of hypothecation of even date executed by the Company in favor of the Debenture Trustee, acting for and on behalf of the Debenture Holders for creation of Security Interest over the relevant Hypothecated Properties, and (ii) the deed of hypothecation of even date executed by the Company Subsidiary in favor of the Debenture Trustee, acting for and on behalf of the Debenture Holders for creation of Security Interest over the relevant Hypothecated Properties;

1.1.50. **“Hypothecated Properties”** means the assets of the Company / Company Subsidiary (as relevant), including the property described in paragraph 1 of **Annexure 14** with respect to the Company (and excluding Intellectual Property of the Company), and the property described in paragraph 2 of **Annexure 14** with respect to the Company Subsidiary;

1.1.51. **“IFRS”** means the International Financial Reporting Standards;

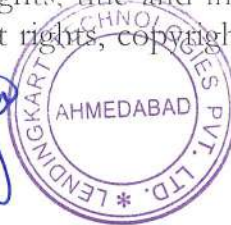
1.1.52. **“Indebtedness”** means any indebtedness whatsoever of a Group Company at any time for or in respect of monies borrowed, contracted or raised (whether or not for cash consideration) or financial liabilities contracted by whatever means (including without limitation, liabilities under guarantees, indemnities, acceptance, credit, deposits, hire-purchase and leasing, obligations evidenced by debentures, bonds or similar instruments);

1.1.53. **“Indian GAAP”** means the Indian Generally Accepted Accounting Principles, consistently applied;

1.1.54. **“INR”** means Rupees, the lawful currency of India;

1.1.55. **“Intellectual Property”** includes ideas, concepts, creations, discoveries, inventions, improvements, know how, trade or business secrets, trademarks, service marks, designs, utility models, tools, devices, models, methods, procedures, processes, systems, principles, domain names, synthesis protocol, algorithms, works of authorship, flowcharts, drawings, books, papers, models, sketches, formulas, teaching techniques, proprietary techniques, research projects and other confidential and proprietary information, databases, data, documents, instruction manuals, records, memoranda, notes, user guides; in either printed or machine-readable form, whether or not copyrightable or patentable or protectable under any other intellectual property law, or any written or verbal instructions or comments;

1.1.56. **“Intellectual Property Rights”** includes (i) all rights, title and interest under any statute or under common law including patent rights, copyrights including



moral rights; and any similar rights in respect of Intellectual Property, anywhere in the world, whether negotiable or not; (ii) any licenses, permissions and grants in connection therewith; (iii) applications for any of the foregoing and the right to apply for them in any part of the world; (iv) right to obtain and hold appropriate registrations in Intellectual Property anywhere in the world; (v) all rights, title and interest in computer software and computer software products now or hereafter existing, created, acquired or held (vi) all licenses or other rights to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use to the extent permitted by such license or rights, (vii) all amendments, extensions and renewals thereof; and (viii) causes of action in the past, present or future, related thereto including the rights to damage and profits, due or accrued, arising out of past, present or future infringements or violations thereof and the right to sue and recover the same;

1.1.57. **“Coupon”** means the coupon payable at monthly rest on the outstanding Debenture Subscription Amount calculated at the Coupon Rate;

1.1.58. **“Coupon Rate”** means a collective reference to the Company Coupon Rate and the Subsidiary Coupon Rate and shall be construed to refer to either, where the context so permits;

1.1.59. **“Investor Bank Account”** means the bank account of the Debenture Holder bearing current account number 37537516646 held with State Bank of India, Ballard Estate Branch;

1.1.60. **“Investors”** shall have the meaning ascribed to such term in the Company’s Articles;

1.1.61. **“Investment Manager”** means Alteria Capital Advisors LLP having its registered office at Level 3, Birla Centurion, Pandurang Budhkar Marg, Worli, Mumbai - 400025 or any of its Affiliates;

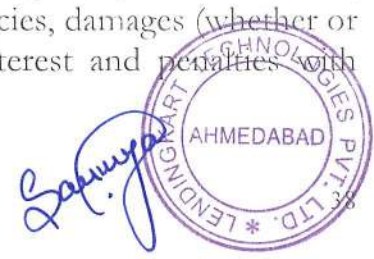
1.1.62. **“Law”** means any and all applicable provisions of any (a) constitution, treaties, statutes, laws, codes, rules, regulations, notifications, circulars, ordinances or orders of any Governmental Authority which have the force of law, and (b) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Governmental Authority;

1.1.63. **“Liquidation Event”** shall have the meaning ascribed to such term under Article 115.1.88 in the Articles;

1.1.64. **“Loss”** means all losses, liabilities, obligations, claims, demands, actions, suits, judgments, awards, fines, penalties, taxes, interest or penalty on taxes, fees, settlements and proceedings, costs, expenses, deficiencies, damages (whether or not resulting from third party claims), including interest and penalties with



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respect thereto and out-of-pocket expenses, including attorneys' and accountants' fees and disbursements, which are directly suffered or incurred by a Person;

1.1.65. "**Majority Debenture Holders**" means Debenture Holders holding an aggregate amount representing not less than 50.0001% (Fifty Point Zero Zero Zero One Percent) of the aggregate face value of the Company Debentures or Subsidiary Debentures (as relevant) outstanding at the relevant time;

1.1.66. "**Material Adverse Change**" means an event or circumstance which has or could reasonably be expected to have, in the sole opinion of the Majority Debenture Holders, a material adverse effect on:

(a) the condition (financial or otherwise), operations, business or assets of the Company or the Company Subsidiary, which adversely impacts the ability of the Company or the Company Subsidiary to meet their respective payment obligations under the Transaction Documents; or

(b) the validity or enforceability of the Security / Security Interest or part thereof created in relation to the Debentures;

1.1.67. "**Memorandum of Association**" means the memorandum of association of the Company as may be amended from time to time;

1.1.68. "**Patents**" means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions, and continuations-in-part of the same;

1.1.69. "**Penalty**" a penalty at the rate of 1% (One Percent) per month over and above the Coupon Rate;

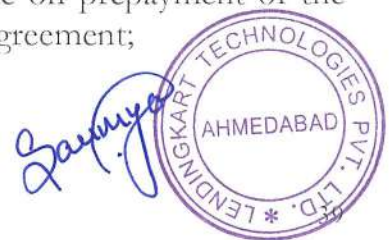
1.1.70. "**Person**" means any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, joint venture, government or any agency thereof or any other entity that may be treated as a person under applicable Law or any other legal entity (in each case, whether or not having any separate legal personality);

1.1.71. "**Preference Shares**" means the preference shares issued by the Company (including the Series C3 CCPS to be issued by the Company) or the Company Subsidiary (as the context may permit);

1.1.72. "**Prepayment Premium**" means the amounts payable on prepayment of the Debentures in accordance with **Annexure 12** to this Agreement;



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- 1.1.73. “**Principal Amounts**” means the aggregate face value of the issued and outstanding Debentures. Accordingly, the term “**Principal Amount**” means the face value of the respective issued and outstanding Debentures;
- 1.1.74. “**Principal Payment Date**” means each of the dates when the Principal Amounts in respect of the Debentures, are to be repaid by the Company / Company Subsidiary to the Debenture Holders in accordance with the terms of this Agreement. The scheduled Principal Payment Dates for the Debentures shall be identified in the Redemption Schedule;
- 1.1.75. “**Promoters**” shall have the meaning ascribed to such term under the relevant Articles;
- 1.1.76. “**Quarter**” means the period of (i) April 1 to June 30; (ii) July 1 to September 30; (iii) October 1 to December 31; and (iv) January 1 to March 31 of each year;
- 1.1.77. “**RBI**” means the Reserve Bank of India;
- 1.1.78. “**Receivables**” means and includes, without limitations, all accounts receivables and other sums owing to the Company / Company Subsidiary (as relevant) from time to time whether or not reflected in their respective financial statements;
- 1.1.79. “**Redemption Schedule**” means the schedule set out in **Annexure 7** for redemption of the Debentures;
- 1.1.80. “**Restated Articles**” means the restated and amended Articles, which shall be to the satisfaction of the Subscriber;
- 1.1.81. “**Restricted Date**” shall have the meaning ascribed to such term under the Company’s Articles;
- 1.1.82. “**ROC**” means the Registrar of Companies;
- 1.1.83. “**Share(s)**” means an Equity Share and / or Preference Share of the Company / Company Subsidiary (as relevant);
- 1.1.84. “**Secured Obligations**” means all present and future obligations and liabilities (whether financial, performance, whether owed jointly or severally or in any other capacity whatsoever) of the Group Companies to the Debenture Holders in connection with the issue, subscription and redemption of the Debentures and the creation and maintenance of the Security Interest and all costs and expenses incurred by the Debenture Holders / Debenture Trustee in relation thereto under the Transaction Documents;



- 1.1.85. “**Security**” means the security created in favour of the Debenture Trustee for the benefit of the Debenture Holders, as set out in Clause 6 for securing (i) payment of the Amounts Due and (ii) due discharge of all the Secured Obligations of the Group Companies under the Transaction Documents;
- 1.1.86. “**Security Documents**” means the (i) Debenture Trust Deeds, (ii) Hypothecation Deeds, and (iii) such other documents that may be required pursuant to or entered into in connection with creation of Security for securing the Debentures, to be effective from Closing Date;
- 1.1.87. “**Security Interest**” means the mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement of any kind or nature whatsoever including, without limitation, any conditional sale or other title retention agreement, any financing or similar statement or notice filed under any recording or notice statute, and any lease having substantially the same effect as any of the foregoing;
- 1.1.88. “**Series A Debentures**” means the Company Debentures or the Subsidiary Debentures, as the context may permit;
- 1.1.89. “**Series C2 Equity Round**” means the Series C2 round of financing undertaken by the Company, wherein the Company issued 86,109 (Eighty Six Thousand One Hundred and Nine) Series C2 compulsorily convertible preference shares and/ or Equity Shares to the Investors;
- 1.1.90. “**Series C3 CCPS**” means such number of compulsorily convertible preference shares of a face value of INR 100 (Indian Rupees One Hundred) each to be subscribed to by Subscriber at a price per share of INR 59,917.6532 (Indian Rupees Fifty Nine Thousand Nine Hundred and Seventeen Point Six Five Three Two), the terms whereof are set out in **Annexure 11** hereto; and it is hereby clarified that each Series C3 CCPS shall be partly paid to the extent of INR 1 (Indian Rupee One) at the time of issuance;
- 1.1.91. “**Series C3 CCPS Holder**” means a holder of any Series C3 CCPS;
- 1.1.92. “**Series C3 CCPS Subscription Amount**” shall mean an aggregate amount of approximately INR 8,00,49,984.7 (Indian Rupees Eight Crore Forty Nine Thousand Nine Hundred and Eighty Four Point Seven) to be invested by the Subscriber towards subscription to Series C3 CCPS, and the price per Series C3 CCPS shall be the “**Subscription Price**”;
- 1.1.93. “**Series C3 Equity Round**” means the Equity Offer;



- 1.1.94. **“Shareholders’ Agreement”** shall mean the shareholders’ agreement dated February 9, 2019 executed between the Company, the Promoters and the Investors.
- 1.1.95. **“Specified Competitor”** shall have the meaning ascribed to such term under the Company’s Articles.
- 1.1.96. **“Subscription Amount”** means an aggregate of the Debenture Subscription Amount and the Series C3 CCPS Subscription Amount;
- 1.1.97. **“Subscription Notice”** means the subscription notice (in the format set out in **Annexure 15** to this Agreement) to be issued jointly by the Company and the Company Subsidiary, upon completion of the Conditions Precedent;
- 1.1.98. **“Subscription Securities”** means the Company Debentures, Subsidiary Debentures and Series C3 CCPS, collectively;
- 1.1.99. **“Subsequent Financing Round”** means the subsequent financing round to be undertaken by the Company following the Series C3 Equity Round;
- 1.1.100. **“Subsidiary Business”** means providing working capital finance facility to micro, small and medium enterprises;
- 1.1.101. **“Subsidiary Debenture Subscription Amount”** shall mean such portion of the Debenture Subscription Amount as is invested by the Subscriber in subscribing to the Subsidiary Debentures;
- 1.1.102. **“Subsidiary Debentures”** means 7,000 (Seven Thousand) unlisted, secured, redeemable, non-convertible Series A debentures of face value of INR 100,000 (Indian Rupees One Lakh) each to be issued by the Company Subsidiary under this Agreement. The terms of the Subsidiary Debentures are set out in **Annexure 12** hereto and shall be issued to the Subscriber at par, in physical form in accordance with this Agreement;
- 1.1.103. **“Subsidiary Coupon Rate”** means a fixed rate of 14.05% (Fourteen Point Zero Five Percent) per annum calculated on the outstanding face value of the Subsidiary Debentures;
- 1.1.104. **“Taxes”** means all present and future income and other taxes, levies, rates, imposts, duties, deductions, charges and withholdings whatsoever imposed by any Government or authority having power to tax and all penalties, fines, surcharges, coupon or other payments on or in respect thereof and **“Tax”** and **“Taxation”** shall be construed accordingly;
- 1.1.105. **“Term”** shall be up to December 1, 2021;



1.1.106. “**Third Party**” means any Person who is not a shareholder of the Company as on the Closing Date;

1.1.107. “**Trademarks**” means any trademark and service mark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of the Group Companies connected with and symbolized by such trademarks;

1.1.108. “**Transaction Documents**” means:

- (a) this Agreement;
- (b) Debenture Trustee Agreements;
- (c) Debenture Trust Deeds;
- (d) Hypothecation Deeds;
- (e) Restated Articles;
- (f) Corporate Guarantee; and

any other agreements, deeds or documents designated as such by the Debenture Trustee; and

1.1.109. “**Warranties**” means the representations and warranties of the Group Companies mentioned in **Annexure 5**.

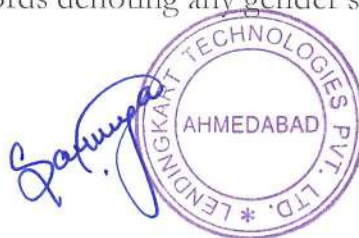
## 1.2. Interpretation

1.2.1. Any reference in this Agreement to any statute or statutory provision shall be construed as including a reference to that statute or statutory provision as from time to time amended, modified, extended or re-enacted whether before or after the date of this Agreement and to all statutory instruments, orders and regulations for the time being made pursuant to it or deriving validity from it.

1.2.2. All obligations or undertakings of a Group Company shall be joint and several with that of the other Group Company, unless specified otherwise;

1.2.3. The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The words “include”, “including” and “among other things” shall be deemed to be followed by “without limitation” or “but not limited to” whether or not they are followed by such phrases or words of like import.

1.2.4. Unless the context otherwise requires words denoting the singular shall include the plural and vice versa and words denoting any gender shall include all genders



and the words denoting persons shall include bodies corporate, unincorporated associations and partnerships.

- 1.2.5. Unless otherwise stated time will be the essence of contract for the purpose of any Party's obligations under this Agreement.
- 1.2.6. Unless otherwise stated, a reference to the term 'agreement / document / undertaking / deed / instrument / indenture / writing' includes all amendments made thereto from time to time as also all schedules, annexures and appendices thereto; an 'amendment' includes a supplement, modification, novation, replacement or re-enactment and "amended" is to be construed accordingly;
- 1.2.7. Unless otherwise stated, all references to Clauses, Annexures and Recitals relate to clauses of, annexures to and recitals of this Agreement.
- 1.2.8. Words or phrases used in this Agreement which are not defined in Clause 1.1 above may be defined in the context in which they are used, and shall have the respective meaning there designated, unless the context otherwise requires.
- 1.2.9. In the event any payment obligation under this Agreement is due on a day which is not a Business Day, then such payment shall become due on the immediately preceding Business Day.
- 1.2.10. A reference to a "month" is a reference to a period starting on one day in a calendar month and ending on the date immediately before the numerically corresponding day in the next calendar month, except that if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last day in that calendar month.
- 1.2.11. The headings and titles herein are used for convenience of reference only and shall not affect the construction of this Agreement.
- 1.2.12. The word "will" shall be construed to have the same meaning and effect as the word "shall".
- 1.2.13. All references to the knowledge, information, belief or awareness of any Person shall be deemed to include the knowledge, information, belief or awareness such Person would have if such Person had made reasonable, due and careful enquiry.
- 1.2.14. All references to the consent or discretion or agreement or instructions of the Debenture Trustee shall mean the Debenture Trustee acting on the instructions of the Majority Debenture Holders.
- 1.2.15. Unless otherwise specified, any Security created under the Transaction Documents and held by the Debenture Trustee pursuant to the Transaction



Documents shall be held by the Debenture Trustee for the benefit of the Debenture Holders.

1.2.16. The term Subscriber shall include the transferees / assignees of the Subscriber.

1.2.17. An obligation which is contingent will remain contingent and will amount to a liability only after it fructifies.



ANNEXURE 2

PART A

SHAREHOLDING PATTERN OF THE COMPANY ON THE EXECUTION DATE

| S. No | Shareholders                        | No. of Equity Shares | No. of Initial Preference Shares | No. of Series A Preference Shares |                 | No. of Series B Preference Shares | No. of Series C1 Preference Shares |                 | No. of Series C2 Preference Shares | Total No. of Shares |                 | Percentage Shareholding on a Fully-Diluted Basis |
|-------|-------------------------------------|----------------------|----------------------------------|-----------------------------------|-----------------|-----------------------------------|------------------------------------|-----------------|------------------------------------|---------------------|-----------------|--|
|       |                                     |                      |                                  | Actual                            | As if Converted |                                   | Actual                             | As if Converted |                                    | Actual              | As if Converted |  |
| 1     | Harshvardhan Lunia                  | 18,395               | -                                | -                                 | -               | -                                 | -                                  | -               | -                                  | 18,395              | 18,395          | 7.33%  |
| 2     | Raichand Lunia                      | 20,574               | -                                | -                                 | -               | -                                 | -                                  | -               | -                                  | 20,574              | 20,574          | 8.20%  |
| 3     | Mukul Sachan                        | 7,521                | -                                | -                                 | -               | -                                 | -                                  | -               | -                                  | 7,521               | 7,521           | 3.00%  |
| 4     | ESOPs                               | 261                  | -                                | -                                 | -               | -                                 | -                                  | -               | -                                  | 6,029               | 6,030           | 2.40%  |
|       | Lendingkart Employees Welfare Trust | 2,876                | 2,476                            | 416                               | 417             | -                                 | -                                  | -               | -                                  |                     |                 |  |




| S. No | Shareholders                              | No. of Equity Shares | No. of Initial Preference Shares | No. of Series A Preference Shares |                 | No. of Series B Preference Shares | No. of Series C1 Preference Shares |                 | No. of Series C2 Preference Shares | Total No. of Shares |                 | Percent age Shareholding on a Fully-Diluted Basis |
|-------|---|----------------------|----------------------------------|-----------------------------------|-----------------|-----------------------------------|------------------------------------|-----------------|------------------------------------|---------------------|-----------------|---|
|       |   |                      |                                  | Actual                            | As if Converted |                                   | Actual                             | As if Converted |                                    | Actual              | As if Converted |   |
| 5     | Ashish Goenka                             | 634                  | 8,560                            | -                                 | -               | -                                 | -                                  | -               | -                                  | 9,194               | 9,194           | 3.66%   |
| 6     | Rhythm Ventures Limited                   | 10                   | 1,095                            | -                                 | -               | -                                 | -                                  | -               | -                                  | 1,105               | 1,105           | 0.44%   |
| 7     | Ashvin Chadha                             | 10                   | 344                              | -                                 | -               | -                                 | -                                  | -               | -                                  | 354                 | 354             | 0.14%   |
| 8     | A.R. Chadha & Co. (India) Private Limited | -                    | -                                | 1,353                             | 1,358           | -                                 | -                                  | -               | -                                  | 1,353               | 1,358           | 0.54%   |
| 9     | Sandip Chintawar                          | -                    | 71                               | -                                 | -               | -                                 | -                                  | -               | -                                  | 71                  | 71              | 0.03%   |
| 10    | Shailesh Mehta                            | 10                   | 78                               | 435                               | 436             | -                                 | -                                  | -               | -                                  | 523                 | 524             | 0.21%   |
| 11    | India Quotient Investment Trust           | 10                   | 1,205                            | 913                               | 782             | -                                 | -                                  | -               | -                                  | 2,128               | 1,997           | 0.80%   |



| S. No | Shareholders  | No. of Equity Shares | No. of Initial Preference Shares | No. of Series A Preference Shares |                 | No. of Series B Preference Shares | No. of Series C1 Preference Shares |                 | No. of Series C2 Preference Shares | Total No. of Shares |                 | Percentage Shareholding on a Fully-Diluted Basis |
|-------|---|----------------------|----------------------------------|-----------------------------------|-----------------|-----------------------------------|------------------------------------|-----------------|------------------------------------|---------------------|-----------------|--|
|       |   |                      |                                  | Actual                            | As if Converted |                                   | Actual                             | As if Converted |                                    | Actual              | As if Converted |  |
| 12    | Indiaquotient 2   | -                    | -                                | -                                 | -               | 1,012                             | 1,097                              | 756             | -                                  | 2,109               | 1,768           | 0.70%  |
| 13    | Saama Capital III Ltd.  | 15                   | 3,722                            | 14,029                            | 12,016          | 6,723                             | 2,410                              | 1,660           | -                                  | 26,899              | 24,136          | 9.62%  |
| 14    | Mayfield India II, Ltd.   | 5                    | 3,112                            | 20,264                            | 17,357          | 10,340                            | 4,650                              | 3,203           | -                                  | 38,371              | 34,017          | 13.56%   |
| 15    | Bertelsmann Nederland B.V.  | -                    | -                                | -                                 | -               | 21,934                            | 7,677                              | 5,287           | -                                  | 29,611              | 27,221          | 10.85%   |
| 16    | Darrin Capital Management   | -                    | -                                | -                                 | -               | 4,387                             | 880                                | 606             | -                                  | 5,267               | 4,993           | 1.99%  |
| 17    | Sistema Asia Fund Pte. Ltd.   | -                    | -                                | -                                 | -               | -                                 | 6,580                              | 4,532           | 1,133                              | 7,713               | 5,665           | 2.26%  |
| 18    | UTPL Corporate Trustees Private Limited (Trustee of Grand Anicut Trust-I) | -                    | -                                | -                                 | -               | -                                 | 1,417                              | 976             | -                                  | 1,417               | 976             | 0.39%  |







| S. No        | Shareholders                        | No. of Equity Shares | No. of Initial Preference Shares | No. of Series A Preference Shares |                 | No. of Series B Preference Shares | No. of Series C1 Preference Shares |                 | No. of Series C2 Preference Shares | Total No. of Shares |                 | Percent Shareholding on a Fully-Diluted Basis |
|--------------|-------------------------------------|----------------------|----------------------------------|-----------------------------------|-----------------|-----------------------------------|------------------------------------|-----------------|------------------------------------|---------------------|-----------------|---|
|              |                                     |                      |                                  | Actual                            | As if Converted |                                   | Actual                             | As if Converted |                                    | Actual              | As if Converted |   |
| 19           | Fullerton Financial Private Limited | -                    | -                                | -                                 | -               | -                                 | -                                  | -               | 84,976                             | 84,976              | 84,976          | 33.87%  |
| <b>Total</b> |                                     | 50,321               | 20,663                           | 37,410                            | 32,366          | 44,396                            | 24,711                             | 17,020          | 86,109                             | 263,610             | 250,875         | 100.00%                                       |

### PART B

#### SHAREHOLDING PATTERN OF THE COMPANY SUBSIDIARY ON THE EXECUTION DATE

| S. No. | Shareholders  | Number of Equity Shares |
|--------|---|-------------------------|
| 1      | Lendingkart Technologies Private Limited                                    | 3,89,85,914             |
| 2      | Harshvardhan Lunia (Nominee of Lendingkart Technologies Private Limited)    | 1                       |
| 3      | Raichand Lunia (Nominee of Lendingkart Technologies Private Limited)        | 1                       |
| 4      | Mukul Sachan (Nominee of Lendingkart Technologies Private Limited)          | 1                       |
| 5      | Ms. Savitridevi Lunia (Nominee of Lendingkart Technologies Private Limited) | 1                       |
| 6      | Ms. Varsha Lunia (Nominee of Lendingkart Technologies Private Limited)      | 1                       |
| 7      | Ms. Parul Singh (Nominee of Lendingkart Technologies Private Limited)       | 1                       |
|        | <b>Total</b>  | <b>3,89,85,920</b>      |

PART C

DETAILS OF THE INVESTMENT BY THE SUBSCRIBER

| Investee Entity    | No. of Company Debentures | Company Debenture Subscription Amount (INR) | No. of Subsidiary Debentures | Subsidiary Debenture Subscription Amount (INR) | No. of Series C3 CCPS | Series C3 CCPS Subscription Amount (INR) |
|--------------------|---------------------------|---|------------------------------|--|-----------------------|--|
| Company            | 1,000                     | 10,00,00,000                                | -                            | -  | 1,336                 | 8,00,49,984.7                            |
| Company Subsidiary | -                         | -   | 7,000                        | 70,00,00,000                                   | -                     | -  |



## ANNEXURE 3

### CONDITIONS PRECEDENT

Below are the Conditions Precedent to Closing, to be completed by the Company and / or Company Subsidiary, as provided for below:

1. The Company Subsidiary shall have a policy approved by its board of directors for resource planning which shall, *inter alia*, cover the planning horizon and periodicity of private placement of the Subsidiary Debentures.
2. The Company and Company Subsidiary shall have convened a meeting of the Board and the board of directors of the Company Subsidiary respectively, to approve and pass the following resolutions (as relevant):
  - (i) Resolution approving the increase in the share capital of the Company or reclassification of share capital of the Company, if necessary;
  - (ii) Resolution approving the issue and terms of the relevant Debentures (and Series C3 CCPS, in case of the Company) to the Subscriber; and
  - (iii) Resolution to approve the notice and explanatory statement to convene an extra-ordinary general meeting of the shareholders of the Company and the Company Subsidiary at shorter notice.
3. The Company shall have issued a notice to its shareholders for convening an extra-ordinary general meeting at shorter notice as per the provisions of the Act and the explanatory statement annexed to the notice for the extra-ordinary general meeting of the shareholders shall specifically contain the particulars set out in Rule 13(2)(d) of the Companies (Share Capital and Debentures) Rules, 2014 and Section 102 of the Act.
4. The Company shall have convened an extra-ordinary general meeting of the Shareholders to pass the following special resolutions:
  - (i) approving the increase in the share capital of the Company or reclassification of share capital of the Company, if necessary;
  - (ii) approving the terms of the Company Debentures and Series C3 CCPS; and
  - (iii) authorizing the Board to issue and allot the Company Debentures to the Subscriber, pursuant to Sections 61, 64, 42 of the Act, along with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 13 of the Companies (Share Capital and Debentures)



Rules, 2014 and all other applicable provisions of the Act and the rules notified thereunder.

5. The Company and Company Subsidiary shall have delivered to the Subscriber, certified true copies of the extracts of the resolutions passed above.
6. The Company shall have filed Form SH-7 (if there has been any change to the share capital of the Company), and each Group Company shall have filed Form MGT-14 as required, with the ROC.
7. The Company and the Company Subsidiary shall have delivered to the Subscriber private placement offer letters in Form PAS-4 (as provided for under the Companies (Prospectus and Allotment of Securities) Rules, 2014) for the private placement of the Company Debentures, Series C3 CCPS and the Subsidiary Debentures as relevant in accordance with Section 42 of the Act (upon Form MGT-14 having been filed for the issuance of the relevant Subscription Securities).
8. The Company and Company Subsidiary shall have jointly delivered to the Subscriber a duly executed certificate confirming that (i) the Warranties set out in **Annexure 5**, are true, correct, valid, subsisting and accurate in all respects as on the Closing Date, (ii) no Event of Default has occurred and is continuing as on the Closing Date, and (iii) no Material Adverse Change has occurred and is continuing as on the Closing Date.
9. The Group Companies shall have paid the relevant Additional Coupon to the Subscriber.



## ANNEXURE 4

### CONDITIONS SUBSEQUENT

1. The Company and Company Subsidiary shall file the prescribed forms with the ROC within 5 (Five) days of the respective dates of passing of the resolutions under **Annexure 3** (including Form PAS-3 for allotment of the Subscription Securities), except as expressly provided for otherwise under **Annexure 3**.
2. The Company and the Company Subsidiary shall deliver to the Subscriber, certified true copies of all the forms, filings or receipts as maybe required under applicable law, duly filed with the ROC and receipts, in respect of the issue and allotment of the relevant Subscription Securities to the Subscriber.
3. The Company, at a duly convened meeting of its Board and shareholders, shall adopt the Restated Articles (in the form approved by the Subscriber), which shall be deemed to have been effective from the Closing Date onwards; and shall deliver duly certified copies of the same to the Subscriber no later than 45 (Forty Five) days from the Closing Date (or such other date as may be acceptable to the Subscriber).



## ANNEXURE 5

### REPRESENTATIONS AND WARRANTIES

The below representations and Warranties are being made jointly and severally by the Company and the Company Subsidiary. Accordingly, all references to the “Company” hereunder shall be construed to mean and include a reference to the Company Subsidiary as well. These Warranties are made as on the Execution Date and shall be deemed to be repeated on the Closing Date.

#### 1. Status

- (a) The Company is a private company, and the Company Subsidiary is a public unlisted company, each being duly incorporated and validly existing under the laws of India.
- (b) The Company has all the requisite powers and authority to carry on its respective business as it is being conducted.
- (c) The Company owns or possesses all the material permits, approvals, governmental authorizations, licenses, registrations, consents and property rights that are necessary to operate its business as is being currently conducted.
- (d) All financial statements / returns etc. as required under applicable Law have been filed by the Company with the prescribed authorities.
- (e) All taxes (including any interest and penalty thereon), assessments, reassessments and governmental charges or levies imposed upon the Company have been paid and no amounts are outstanding.
- (f) All statements of accounts have been prepared in accordance with the rules prescribed by Indian GAAP and present a true and fair view of the affairs of the Company.
- (g) All information requested by the Subscriber and given by the Company to the Subscriber in connection with this Agreement and the Transaction Documents is true, complete and accurate and the Company is not aware of any facts which it has not disclosed.
- (h) The Company holds 100% (One Hundred Percent) of the legal and beneficial shareholding of the Company Subsidiary, and the Company Subsidiary is the wholly owned subsidiary of the Company.



- (i) The Company Subsidiary is duly registered with the RBI as a non-banking financial company (“NBFC”); and is a systemically important non deposit taking NBFC.

## 2. Powers and Authority

- (a) The Company has the legal right, power and authority to enter into, deliver and perform this Agreement and all other documents and instruments required to be executed pursuant thereto or in connection therewith, and such documents, when executed, will constitute valid and binding obligations and be enforceable against the Company in accordance with their respective terms.
- (b) All Consents from, actions of, filings with and notices to any Governmental Authority or regulatory authority as may be required by the Company in connection with the execution, delivery and performance by the Company of this Agreement is in full force and effect as of the date hereof or each Closing Date, as the case may be.

## 3. Legal Validity

- (a) The Transaction Documents constitute, or when executed in accordance with its terms will constitute, a legal, valid and binding obligation of the Company enforceable in accordance with its terms. All Transaction Documents including this Agreement have been duly stamped in accordance with the relevant stamp laws, and all duties or other similar taxes in connection therewith have been paid in full by the Company.
- (b) The execution, delivery and the performance by the Company and the Company of the Transaction Documents and its obligations there under, do not and will not:
- (i) breach or constitute a default under its constituent documents;
  - (ii) result in a material breach of, or constitute a default under, any agreement to which the Company is a party or by which they are bound or give any third party a right to terminate or modify, or result in the creation of any lien under, any agreement, license or other instrument; or
  - (iii) result in a violation or breach of or default under any applicable law or of any order, judgment or decree of any court, governmental authority, regulatory body to which the Company is a party or by which any of its assets are bound.
- (c) no event which is or no event which (with the passage of time or the giving of notice or both) may become, one of the Events of Default has occurred.



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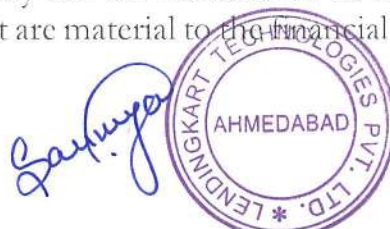


4. Financing and Indebtedness and past Taxes

There are no liabilities in the Company other than those disclosed in the unaudited financial statement for the year / period ending March 31, 2019 provided by the Company to the Subscriber.

5. Property

- (a) The Company has a clear and marketable right, title and interest in the Hypothecated Properties;
- (b) The Company has not done or caused to be done any act, deed, matter or thing as on Closing Date, whereby the Company's right, title and interest in the Hypothecated Properties or any part thereof is prejudicially affected or extinguished in any manner whatsoever;
- (c) No adverse rights have been created by the Company in respect of the Hypothecated Properties;
- (d) There are no agreements, prohibitory orders or any attachment orders of or otherwise any liabilities in respect of Hypothecated Properties or any part thereof or applicable to the Company whereby the rights, title and interest of the Company to the Hypothecated Properties or any part thereof are in any way affected or jeopardized;
- (e) No notice/s have been received by the Company or any one on its behalf, either from the local authorities or from any governmental authorities or otherwise for requisition and/or acquisition of Hypothecated Properties or any part thereof or are pending acquisition of Hypothecated Properties of any part thereof;
- (f) There are no wealth tax, sales tax or other taxation proceedings whether for recovery or otherwise initiated by any taxation authorities or local authorities pending whereby Hypothecated Properties or any part thereof is in any way affected and/or jeopardized;
- (g) The Company is not guilty of having / not having done any act, deed or thing which can be construed as a breach of any law, regulations, rules, which affects the title of the Company to Hypothecated Properties or has resulted or may result in payment of any fine, penalty or premium to the Government or any other authority;
- (h) The Company owns or is a licensee of all the patents, copyrights, trademarks and other Intellectual Property rights necessary for the conduct of its business or operations as currently conducted and that are material to the financial condition,



business, or operations of the Company. The use of all such Intellectual Property by the Company does not and has not been alleged by any Person to infringe on the rights of any Person.

## 6. Legal Proceedings

The Company hereby represents and warrants as under:

- (a) There is no private or governmental notice of investigation or enquiry by, nor any notice or a communication of any order, action, decree, suit, proceeding, claim, arbitration, pending before any agency, court, arbitrator, arbitral tribunal, quasi-judicial authority or tribunal, foreign or domestic, or to the best of the knowledge of the Company threatened against the Company or any of their properties, assets or rights.
- (b) There is no existing litigation against the Company in respect of any specific arrangements and / or obligations relating to them.
- (c) Company has not committed:
  - (i) any criminal or unlawful act involving dishonesty;
  - (ii) any breach of trust; or
  - (iii) any material breach of contract or statutory duty or any tortious act which could entitle any third party to terminate any material contract to which the Company or its subsidiaries is a party;

which could have a Material Adverse Change on the Company.

## 7. Employees

- (a) The Company has substantially complied with all applicable Laws in all respects in relation to the employment of the employees of Company and there is no claim made against the Company by the employees of the Company.
- (b) Each officer, employee or consultant of the Company that has had or may have access to the Intellectual Property has entered into an agreement containing appropriate confidentiality and invention assignment provisions. No officer, employee or consultant of the Company is in violation of such confidential information and invention assignment agreement or any prior employee contract or proprietary information agreement with any other corporation or third party.

## 8. Solvency



None of the following has occurred and is subsisting, nor has a notice been served, in relation to:

- (a) an application to a court for an order, or the making of any order, that the Company be wound up, that a liquidator or receiver be appointed;
- (b) winding up of the Company;
- (c) the convening of a meeting or passing of a resolution to appoint a liquidator in respect of the Company;
- (d) the taking of any action to seize, take possession of or appoint a receiver and / or manager in respect of the Company.

#### 9. Contracts

All the contracts to which the Company is a party which pertain to the Hypothecated Properties and / or the Business (“**Business Agreements**”) constitutes a valid and binding obligation of the Company and the other parties thereto subject to the terms and conditions mentioned therein. Each of the Business Agreements are in full force. The Company has not received any notice of termination or of an intention to terminate any Business Agreements which may cause a Material Adverse Change in relation to the Business.

#### 10. Accounts and Financial Conditions

- (a) The books of accounts of the Company are fairly and properly maintained and the audited accounts are in accordance with Indian GAAP.
- (b) The audited accounts as at March 31, 2018, along with the unaudited accounts as at March 31, 2019 (“**Accounts Date**”) give a reasonably true and fair view of the assets, liabilities and state of affairs and of the profits or losses of the Company.
- (c) From the Accounts Date (being the date of the unaudited financial statements of the Company) till the execution of this Agreement (i) there has been no significant change in the financial position of the Company; (ii) the business of the Company has been carried on as a going concern in the ordinary and usual course; (iii) the Company has not declared, made or paid any dividend or other distributions to its members / partners; and (iv) the Company has not redeemed or purchased or agreed to redeem or purchase their share capital.

#### 11. Taxes



- (a) The Company has complied with all requirements as specified under the Laws with respect to Tax as applicable to it in relation to returns, computations, notices, deductions, withholdings and information which are or are required to be made or given by the Company to any Tax authority for Taxation and for any other Tax or duty purposes, have been made on a proper and timely basis and are correct and none of them is the subject of any dispute with Taxation authorities and all Taxes have been deducted, collected, withheld, deposited and paid and filings with respect to the same have been done and completed in accordance with Law and no demand has been received or threatened in respect thereof.
- (b) The Company has duly filed all returns, estimates, information statements, reports and any other filings required by applicable Laws (“**Tax Returns**”) relating to taxes, required to be filed by the Company with any tax authority(s). Such Tax Returns are true and correct in all respects, discloses all income of the Company from all sources and have been completed in accordance with applicable Law in all respects.
- (c) None of such returns are disputed in any respect by the fiscal authority concerned and the Company is not aware of any such dispute or claim which has been initiated by the fiscal authority other than those by way of regular assessments of returns.
- (d) All records which the Company is required to maintain for Taxation purposes or may be required to substantiate any claim made or position taken in relation to Taxation of the Company, have been maintained and are available for inspection at the offices of the Company.
- (e) The Company has not been delinquent in the payment of any tax, nor is there any tax deficiency outstanding, proposed or assessed against it. Further, the Company is not subject to a special regime in respect of Taxation.
- (f) No audit, investigation or other proceeding by a Governmental Authority is pending or being conducted with respect to (i) any Taxes due from or with respect to the Company or in relation to the filing of any Tax returns or failure to do so or (ii) any of the Company in respect of any pending proceedings under any Laws with respect to Tax that have any adverse impact on the Company’s ability to consummate the transactions contemplated herein or that has the effect of creating any charge or lien on any Equity Securities or any Assets of the Company in favour of a Governmental Authority.
- (g) There are no Encumbrances for taxes on the assets of the Company including the Hypothecated Properties or any part thereof.

12. Related Party Transaction



The Company has not entered into any contract, arrangements, agreements or transactions with any of its related parties except in the ordinary course of business, consistent with the past business practices of the Company and in accordance with Applicable Law.

### 13. Intellectual Property

- (a) The Company is the absolute owner, valid licensee, or authorized user (as the case may be) of the Intellectual Property, which Company is using. Company has taken all necessary steps to maintain and protect the Intellectual Property. There are no restrictions on the right of the Company or its subsidiaries to license any of the Intellectual Property and Intellectual Property Rights owned by the Company.
- (b) The use by the Company of any Intellectual Property does not violate and would to the best of the knowledge of the Company not infringe the Intellectual Property rights of any Person, and the Company has not received any demand relating to any amounts payable by it in connection with the use by it of any Intellectual Property.
- (c) There are no legal proceedings including any litigation, arbitration, infringement and/or passing off actions filed against and/or is proposed and/or to the best of the knowledge of the Company is threatened to be filed against the Company or its subsidiaries and that Company or its subsidiaries have not received any cease and desist notice so far and is/are not aware of any circumstance under which such a notice may be issued.



## ANNEXURE 6

### CLOSING DATE ACTIONS

On the Closing Date (unless any other timeline is specified hereunder), the Company and Company Subsidiary shall ensure that each of the items enumerated below are complied with to the satisfaction of the Subscriber:

1. The Company and Company Subsidiary shall create and perfect Security by making all necessary filings with the ROC, including but not limited to Form CHG-9 as prescribed under the Companies (Registration of Charges) Rules, 2014, within the timeline specified set out under Applicable Law.
2. Simultaneously with the deposit of the Subscription Amount by the Subscriber in the Designated Bank Account of the Company / Company Subsidiary (as relevant),
  - (a) the Company shall pass necessary Board and shareholder resolutions as may be required under the Articles or under applicable Law for the time being in force for: (i) the issuance and allotment of the Company Debentures to the Subscriber; (ii) the issuance and allotment of Series C3 CCPS to the Subscriber free and clear of all Encumbrances; (iii) recording the name of the Subscriber: (X) in the register of debentures in respect of the Company Debentures; (Y) in the register of members in respect of the Series C3 CCPS, issued and allotted to the Subscriber; and (iv) and authorizing Director(s) or the company secretary to make all necessary filings including but not limited to, with the ROC, as may be required to give effect to the transactions contemplated herein.
  - (b) the Company Subsidiary shall pass necessary board resolutions as may be required under the Articles or under applicable Law for the time being in force for: (i) the issuance and allotment of the Subsidiary Debentures to the Subscriber; (ii) recording the name of the Subscriber in the register of debentures in respect of the Subsidiary Debentures; and (iii) and authorizing a director or the company secretary to make all necessary filings including but not limited to, with the ROC, as may be required to give effect to the transactions contemplated herein.
3. Upon the completion of the steps as set out above, the Company and the Company Subsidiary shall:
  - (a) hand over to the Subscriber, or their respective authorized representatives, the certified true copies of the resolutions so passed;
  - (b) make the relevant entry in the register of debenture holders maintained in accordance with the Act; and



- (c) hand over to the Subscriber, or its authorized representatives, certified copy of the entry in the register of the debenture holders and register of the members (as applicable).
4. Simultaneously with the allotment Series C3 CCPS to the Subscriber, the Subscriber shall execute and deliver to the Board a deed of adherence which shall be substantially in the format as set forth in the Articles (“**Specified Deed of Adherence**”). Upon such delivery of the Specified Deed of Adherence, the Subscriber shall be deemed to be a party to the Shareholders’ Agreement as if it were an original party hereto and bound by the terms hereof.
  5. The Company shall endeavor to, within 10 (Ten) days from the Closing Date, hand over to the Subscriber or its authorized representatives, the duly stamped share certificates in relation to the Series C3 CCPS subscribed by the Subscriber. In case there is any delay in obtaining the stamped share certificates solely due to regulatory reasons, the Company shall provide to the Subscriber the acknowledgment of payment of stamp duty on the Series C3 CCPS share certificates within 10 (Ten) days from the Closing Date.



## ANNEXURE 7

### REDEMPTION SCHEDULE

The Principal Amount of the respective Debentures shall, subject to the provisions hereof, be repaid by the Company tentatively in accordance with the following redemption schedule. Exact redemption schedule will be mutually agreed at the time of each Closing.

|                   |         |
|-------------------|---------|
| January 1, 2020   | 4.1667% |
| February 1, 2020  | 4.1667% |
| March 1, 2020     | 4.1667% |
| April 1, 2020     | 4.1667% |
| May 1, 2020       | 4.1667% |
| June 1, 2020      | 4.1667% |
| July 1, 2020      | 4.1667% |
| August 1, 2020    | 4.1667% |
| September 1, 2020 | 4.1667% |
| October 1, 2020   | 4.1667% |
| November 1, 2020  | 4.1667% |
| December 1, 2020  | 4.1667% |
| January 1, 2021   | 4.1667% |
| February 1, 2021  | 4.1667% |
| March 1, 2021     | 4.1667% |
| April 1, 2021     | 4.1667% |
| May 1, 2021       | 4.1667% |
| June 1, 2021      | 4.1667% |
| July 1, 2021      | 4.1667% |
| August 1, 2021    | 4.1667% |
| September 1, 2021 | 4.1667% |
| October 1, 2021   | 4.1667% |
| November 1, 2021  | 4.1667% |
| December 1, 2021  | 4.1659% |

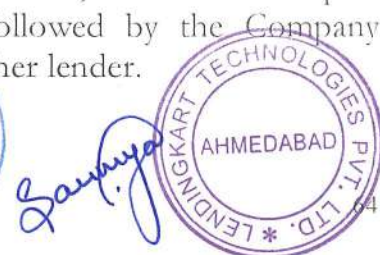
Redemption of the Debentures shall be proportionate to the investment made by each Debenture Holder.



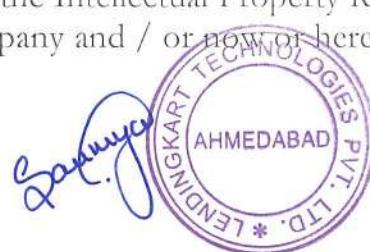
## ANNEXURE 8

### NEGATIVE COVENANTS

- (a) Change in the legal status of the Company or the Company Subsidiary.
- (b) Any change in the Board or the board of directors of the Company Subsidiary, other than (i) by way of appointment or removal of directors nominated by the shareholders of the Company / Company Subsidiary (as relevant) who have been granted the right to nominate director(s) on the Board / the board of directors of the Company Subsidiary in accordance with the relevant Articles as on the date hereof, and / or (ii) appointment or removal of an 'independent director' if so required by Applicable Law.
- (c) Change in the capital structure of the Company, leading to dilution of the shareholding of the Promoters in the Company below 15% (Fifteen Percent) of the share capital of the Company on a Fully Diluted Basis and / or any Change of Control of the Company.
- (d) Change in the capital structure of the Company Subsidiary other than by way of downstream investment made by the Company; divestment of any interest or stake in the Company Subsidiary; and / or any Change of Control of the Company Subsidiary.
- (e) Engage in any business other than the Business / Subsidiary Business, as relevant (as on the Execution Date) either directly or indirectly (including by creating any direct or indirect subsidiary or through partnership or joint venture with any other Person).
- (f) The Company shall not contract, create, incur, assume, roll over, extend, renew any existing or future liability or debt facility or suffer to exist any Indebtedness except as maybe specifically approved in writing by the Subscriber, provided that the Subscriber's consent shall not be required for any guarantees undertaken by the Company for repayment of the Company Subsidiary's dues in favour of any lender of the latter, such that leverage (i.e., the ratio of consolidated debt to consolidated networth) in the Company is not more than 4x (four times), until such time as any Amounts Due are outstanding per the terms of this Agreement. It is clarified that consolidated debt shall include all balance sheet and off balance debts, whereas, consolidated networth will be the tangible networth.
- (g) The Company Subsidiary shall not contract, create, incur, assume, roll over, extend, renew any existing or future liability or debt facility or suffer to exist any Indebtedness other than in the ordinary course of business, consistent with past practice, and in accordance with the guidelines followed by the Company Subsidiary for all other loan arrangements with any other lender.

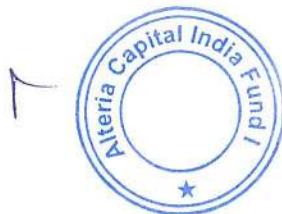


- (h) Create any Encumbrance on the Promoter's shareholding in the Company, or on the Company's shareholding in the Company Subsidiary.
- (i) Acquire any ownership interest in any other entity or Person or enter into, any profit-sharing or royalty agreement or other similar arrangement, whereby the Company's or the Company Subsidiary's income or profits are, or might be, shared with any other entity or Person, or enter into any management contract or similar arrangement whereby its business or operations are managed by any other Person; other than in the ordinary course of business and consistent with past practice of the Company Subsidiary.
- (j) Enter into any related party transaction including any payments, repayments or deposits with any party which could be construed as a related party of the Company, Company Subsidiary or any of the Promoters, which could result in a Material Adverse Change, other than at arm's length and in compliance with the procedure mandated by Law.
- (k) Pay any commission to the Promoters, or directors, managers or other persons associated with the Company or the Company Subsidiary for furnishing guarantees, counter guarantees or indemnities or for undertaking any other obligations undertaken for or by the Company and / or the Company Subsidiary.
- (l) Apply to a court for winding-up the Company and / or the Company Subsidiary, voluntarily.
- (m) Enter into any joint ventures, amalgamations or partnerships, affecting the interest of the Debenture Holders or make any investments whether by way of deposits (other than in its ordinary course of business), loans or investments in share capital or otherwise, in any concern (save for loans extended by the Company Subsidiary in the ordinary course of business, and consistent with past practice).
- (n) Undertake or permit any re-organization, re-capitalization, liquidation, dissolution, merger, de-merger, consolidation, scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; save for any corporate restructuring in connection with the applicable Law.
- (o) Sell, lease, transfer, divert, create or permit to subsist any Encumbrance or any type of preferential arrangement (including retention arrangements or escrow arrangements having the effect of granting security), in any form whatsoever on any of the Hypothecated Properties.
- (p) Sell, lease, transfer, divert, create or permit to subsist any Encumbrance in any form whatsoever on the Intellectual Property and the Intellectual Property Rights now or hereafter, existing in the name of the Company and / or now or hereafter



created, acquired or held by the Company, whether the same is registered in its own name or otherwise.

- (q) Grant any guarantees or provide similar assurance or surety or grant any indemnities other than those required in ordinary course of business of the Company / Company Subsidiary or under the terms hereof.
- (r) Declare any dividend to its shareholders in any year until the Company and Company Subsidiary have paid or has made satisfactory provision for the payment of the installments of principal and coupon due on the Debentures in accordance with Applicable Law.
- (s) Change the financial year, accounting methods or policies or amend or modify the memorandum or articles of association or such other similar constitutional documents which adversely affects the rights of the Debenture Holders.



## ANNEXURE 9

### INFORMATION COVENANTS

In addition to the information to be provided to the Debenture Trustee under Schedule 3 of the Debenture Trust Deed:

- (i) Each Group Company shall notify the Subscriber / Debenture Trustee at least 30 (Thirty) days prior to any: (a) change in its capital structure ; (b) change in its register of members and (c) any change (increase or decrease) in the ESOP pool earmarked as on the date of this Agreement. The ESOPs approved, granted and vested as on date are as set out in the Disclosure Letter.
- (ii) Each Group Company shall provide the Subscriber and its officers, agents, advisors, consultants and other representatives with reasonable access to: (i) all of its properties, books, contracts, commitments and records; (ii) all other information concerning the business, properties and personnel (subject to restrictions imposed by applicable Law) as the Subscriber may reasonably request, and (iii) all its employees. The Group Companies shall provide such information / access within a reasonable time of the Subscriber making a request for the same.
- (iii) Each Group Company shall furnish to the Subscriber and Debenture Trustee the following information, in form and substance satisfactory to the Subscriber and Debenture Trustee:
  - (a) unaudited, consolidated and standalone monthly and year-to-date financial statements (profit and loss, balance sheet), including income statement, balance sheets, statement of cash flow, prepared in accordance with Indian GAAP (I) within 30 (Thirty) days from month-end; and (II) within 30 (Thirty) days at the end of each Quarter (save for the Quarter ending March 31, with respect to which the timeline shall be within 45 (Forty Five) days at the end of such Quarter).
  - (b) MIS report containing details about the sales, receivables, payables, cash flow statements, operating metrics etc., on a monthly basis, within 30 (Thirty) days from the end of each month. The MIS report shall be prepared in the format prescribed by the Subscriber;
  - (c) copy of consolidated and standalone annual audited financial statements within 180 (One Hundred and Eighty) days of year-end, duly signed by the Group Company's statutory auditors;
  - (d) consolidated and standalone annual business plans and projections within 45 (Forty-Five) days from the financial year end, including material revisions to



the business plan and monthly projected balance sheets and income statements and statements of cash flow certified by the Company;

- (e) details of existing borrowing limits and outstanding (fund and non-fund) within 30 (Thirty) days from month-end;
  - (f) within 30 (Thirty) days after any amendment, revision, alteration or other modification of the Certificate of Incorporation and/or Constitution Documents, a copy thereof; and
  - (g) any other information that has a material bearing on Debentures to be provided in such form as may be prescribed by the Subscriber / Debenture Trustee.
- (iv) Each Group Company shall promptly provide / cause to be provided information in writing of any event which constitutes, or which with notice or the passage of time or both would constitute, an Event of Default and/ or a Material Adverse Change, specifying the nature of such event and any steps such Group Company is taking and proposes to take to remedy the same.
- (v) So long as any monies remain due and outstanding to the Debenture Holders under this Agreement and the Transaction Documents, the Company undertakes to notify the Debenture Trustee and the Debenture Holders in writing of all of its acquisitions of immovable properties and as soon as thereafter to make out a marketable title to the satisfaction of the Debenture Trustee and the Debenture Holders and mortgage the same in favour of the Debenture Trustee in such form and manner as may be decided by the Debenture Holders.
- (vi) Each Group Company shall promptly, where applicable:
- (a) Deliver to the Subscriber, copies of every notice of default, termination, material claim, or material demand made, against it or by it and notify the Subscriber about any action or event, pertaining to or having the effect of revocation, repudiation, denial or cancellation of any authorization.
  - (b) Deliver to the Subscriber copies of any documents made available by the Group Company to any of its creditors (or any class of them) at the same time as they are made available to such other creditor, to the extent such documents are relevant to the Subscriber, or to the Secured Obligations.



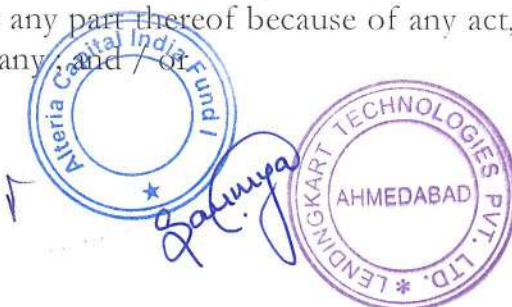
## ANNEXURE 10

### EVENTS OF DEFAULT

- (i) Failure by the Company and / or the Company Subsidiary to meet their relevant payment obligations on the Due Date or such other date as agreed between the Parties, in respect of the Debentures (whether at stated maturity, by acceleration or otherwise) or in the discharge of any of the Secured Obligations as provided in this Agreement or under any of the Transaction Documents;
- (ii) Failure of the Company and / or the Company Subsidiary to create, perfect and maintain the Security; in accordance with the Transaction Documents;
- (iii) Any action taken by the Company, Company Subsidiary or any of their respective Affiliates which would jeopardize the interests of the Debenture Holders in respect of the Debentures and / or the Security in relation thereto;
- (iv) The Company ceasing or deciding to cease to carry on the Business or giving a notice of its intention to do so to the Subscriber and Debenture Trustee; and / or the Company Subsidiary ceasing or deciding to cease to carry on the Subsidiary Business or giving a notice of its intention to do so to the Subscriber and Debenture Trustee;
- (v) Any or all of the representations and Warranties provided by either of the Group Companies under any Transaction Document, being untrue, incomplete, incorrect or misleading or breach by a Group Company of any covenant or undertaking or default in the performance of any covenant, condition or agreement under this Agreement or any other Transaction Documents (including the negative covenants under Clause 12);
- (vi) It is or becomes unlawful or illegal for any of a Group Company to perform any of its obligations under the Transaction Documents or if any of the Transaction Documents becomes illegal, invalid, unenforceable or otherwise fails or ceases to be in effect; or if any order of a court of competent jurisdiction restricts the ability of a Group Company to perform its obligations under the Transaction Documents;
- (vii) If, in the opinion of the Majority Debenture Holders, the Security is at risk or ceases to have effect, or if in the opinion of the Debenture Trustee, the Security offered for the Debentures is in jeopardy;
- (viii) If a Group Company repudiates a Transaction Document to which it is a party, or in writing admits to doing so;



- (ix) Any change in Control (either directly or indirectly) of a Group Company, or of any other Person who Controls a Group Company without the prior written approval of the Subscriber. It is clarified for the avoidance of doubt that this requirement shall in no manner be construed to mean or imply that the Subscriber's consent shall be required in relation to the change in Control of any investor in the Company;
- (x) A Group Company has, or if in the opinion of the Subscriber or the Debenture Trustee, there is a reasonable apprehension that a Group Company will voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law, or is or will be voluntarily or involuntarily dissolved or a Group Company institutes or a third party has instituted against a Group Company, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for the winding-up or liquidation and, in the case of any such proceeding or petition instituted, such proceeding or petition for winding up / insolvency / bankruptcy has been admitted by a court / tribunal of competent jurisdiction and has not been dismissed within a period of 13 (Thirteen) days; or if a Group Company is unable to, or admits in writing its inability to pay its debts as they mature or proceedings for taking it into liquidation have been admitted by any court of competent jurisdiction and not dismissed within a period of 13 (Thirteen) days;
- (xi) Siphoning of funds of a Group Company;
- (xii) If any Governmental Authority shall have condemned, nationalized, seized, or otherwise expropriated all or substantial part of the Security Interest, which are subject to the Security created for the Debentures;
- (xiii) Cancellation / withdrawal of any material Approvals in relation to the Business;
- (xiv) Failure of an Indemnifying Party to indemnify the Indemnified Party in relation to the undisputed amounts as per Clause 17 within 30 (Thirty) days of receipt of notice from the Indemnified Party;
- (xv) An event of default howsoever described occurs and the same is not cured within the Event of Default Cure Period, if applicable, under any other agreement or document relating to any Indebtedness of the Group Companies and / or their Affiliates or if any other lenders of the Group Companies including financial institutions or bank with whom a Group Company has entered into agreements for financial assistance have refused to disburse, extend, or have cancelled or recalled its / their assistance or any part thereof because of any act, omission or failure on the part of the Company and / or

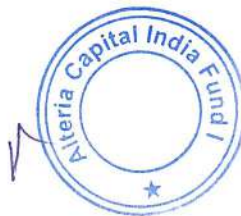


(xvi) Upon occurrence of any Material Adverse Change, including the occurrence of any Litigation, administrative or other investigations, proceedings, requisition or disputes in relation to the Transaction Documents, where such Litigation or proceedings results in a Material Adverse Change.

(xvii) Upon:

- (a) A Group Company failing to make any payment when due in respect of any Indebtedness incurred by it; and / or
- (b) A Group Company failing to observe or perform any other agreement or condition relating to any Indebtedness incurred by it; and / or
- (c) A Group Company being in breach of any representations and / or warranties and / or undertakings and / or covenants; and / or
- (d) occurrence of an event of default or potential event of default (by whatever name called); and / or
- (e) the commitment for any debt to a Group Company being cancelled or suspended (or if there exists a threat thereof) because of any act, omission or failure on the part of the Company ;

in each case, under any financing / lending / loan / debt or other arrangement for Indebtedness executed with any Person other than the Subscriber.



## ANNEXURE 11

### TERMS OF SERIES C3 CCPS

The Series C3 CCPS shall carry the following terms. Capitalized terms used but not defined herein, shall have the meaning set forth in the Agreement.

#### TERMS AND CONDITIONS SERIES C3 CCPS

##### I. Face Value

Each Series C3 CCPS shall be of a face value of INR 100 (Indian Rupees One Hundred).

##### II. Price

Series C3 CCPS shall be issued to the Subscriber at the payment of INR 1 (Indian Rupee One) per Series C3 CCPS. The rights exercised by holder shall be in accordance of law i.e. exercisable to the extent of amount paid up.

##### III. Calls

- a. The Board shall, after receiving written notice from the Series C3 CCPS Holders on the relevant date, make calls upon the holders of the Series C3 CCPS in respect of monies unpaid on the Series C3 CCPS (whether on account of the nominal value of the shares or premium) and not by the conditions of allotment thereof made payable at fixed times. Further, if the Company wishes to make a call on the outstanding partly paid Series C3 CCPS, it shall obtain written consent from the Series C3 CCPS Holders as on that relevant date. Only after receiving such consent shall the Company make calls on the outstanding partly paid Series C3 CCPS.
- b. The Series C3 CCPS Holders shall, subject to receiving at least 14 (Fourteen) days' prior notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on Series C3 CCPS.
- c. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
- d. Any sum which by the terms of issue of a Series C3 CCPS becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Series C3 CCPS or by way of premium, shall, be deemed to be a call



duly made and payable on the date on which by the terms of issue such sum becomes payable.

- e. Notwithstanding anything to the contrary, the Series C3 CCPS Holders shall be required to pay the monies unpaid on the Series C3 CCPS within such time period, from the date of expiry of the 7<sup>th</sup> (Seventh) anniversary of the date of allotment of each such Series C3 CCPS, as may be determined by the Board.
- f. Notwithstanding anything contained in this Agreement, in the event of a public listing of the equity shares of the Company, the Subscriber shall pay the monies unpaid on the Series C3 CCPS within such time limit as may be decided by the Board, if so required under applicable law. In the event of failure of the Subscriber to pay the unpaid monies on the Series C3 CCPS within the timeline prescribed by the Board in such an event, the Company shall have an absolute right to forfeit Series C3 CCPS held by the Subscriber.
- g. It is hereby clarified that the Company shall notify each Series C3 CCPS Holder at least 30 (Thirty) days prior to the occurrence of a Liquidation Event.
- h. In case of non-payment of such sum, all the relevant provisions of the Act as to payment of coupon and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

#### IV. Conversion

##### a. **Timeline.**

Series C3 CCPS shall be converted into Equity Shares of the Company upon happening of any of the following events:

- i. at the election of the Series C3 CCPS Holder; or
- ii. occurrence of events specified in clause III(g) of this Schedule; or
- iii. exercise of drag along or other any other exit right by the Fund Investors of the Company; or
- iv. public listing of securities of the Company, if required under applicable law; or
- v. the expiry of 19 (nineteen) years and 11 (eleven) months from the date of allotment (or by such other date as may be required under applicable Law) of the Series C3 CCPS.



b. Price.

- I. The initial conversion price of the Series C3 CCPS shall be the Subscription Price, subject to the adjustments mentioned herein (“**Conversion Price**”).
- II. After the Closing Date, the Conversion Price shall be adjusted on the occurrence of earlier of the following events (subject to the terms of this Agreement and to applicable law):
  - i. in the event of any Subsequent Financing Round, where the definitive binding documents relating to such Subsequent Financing Round are executed before March 31, 2020, (subject only to regulatory approvals as required under applicable Law (if any) being pending at such time), the Conversion Price shall be 85% (Eighty Five Percent) of the price per share issued by the Company in the Subsequent Financing Round (“**Subsequent Financing Round Price**”); or
  - ii. in the event of any Subsequent Financing Round after March 31, 2020, the Conversion Price shall be determined by further reducing 2.5% (Two Point Five Percent) from the Subsequent Financing Round Price (in addition to the 15% (Fifteen Percent) discount mentioned in (i) above) for every month till the binding definitive documents for such Subsequent Financing Round are executed (subject only to regulatory approvals as required under applicable Law (if any) being pending at such time). Provided, however, if the binding definitive documents for such Subsequent Financing Round are not executed by March 31, 2021, the Company shall have the following options to determine the Conversion Price:
    - (A) cap the discount on the Subsequent Financing Round Price to 45% (Forty Five Percent), subject to the Company paying the Subscriber INR 1,00,00,000 (Indian Rupees One Crore) as additional coupon; which payment shall be made on or prior to March 31, 2021 for the Company to be entitled to avail this option; or
    - (B) the Conversion Price being equivalent to the price at which the Investors participating in the Series C2 Equity Round subscribed to the Series C2 CCPS.
- III. The Parties agree that the below illustrations are being set out for the Parties’ reference, to determining the Conversion Price in accordance



with the terms of this Agreement.

- i. Illustration 1: In the event the definitive agreements for the Subsequent Financing Round are signed in April 2020, the discount to the Subsequent Financing Round Price shall be 17.5% (i.e. 15% + 2.5%).
  - ii. Illustration 2: In the event the definitive agreements for the Subsequent Financing Round are signed in May 2020, the discount to the Subsequent Financing Round Price shall be 20% (i.e. 15% + 2.5% + 2.5%).
- c. In the event the conversion of any Series C3 CCPS entitles the holder of the Series C3 CCPS to any fraction of an Equity Share, then such fraction shall be rounded up to the nearest whole number.

#### V. Voting Rights

The Series C3 CCPS shall have the voting rights, prescribed under applicable Law.

#### VI. Dividend

Subject to the provisions of the applicable law, each Series C3 CCPS shall be entitled to a cumulative dividend of 0.0001% (zero point zero zero zero one percent) in preference of Equity Shares. Dividend shall be paid as and when it is paid and declared on Equity Shares of the Company

#### VII. Rank

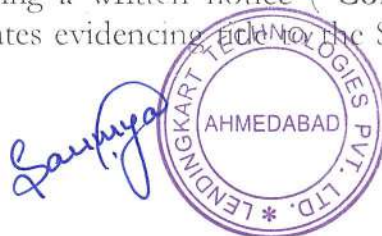
Series C3 CCPS will be senior to the Equity Shares of the Company, but shall rank *pari passu* with the existing compulsorily convertible preference shares of the Company issued in the Series C2 Equity Round (“**Series C2 CCPS**”) (save as otherwise provided for herein).

#### VIII. Liquidation Preference

In the event of a Liquidation Event, the Series C3 CCPS shall have liquidation preference as available to the holders of Series C2 CCPS.

#### IX. Conversion Mechanism

- a. A Series C3 CCPS Holder (if it elects to convert the Series C3 CCPS into Equity Shares), shall do so by delivering a written notice (“**Conversion Notice**”), along with the share certificates evidencing holding of the Series C3



CCPS to the Company. The Company shall take all such steps as may be necessary and convert such Series C3 CCPS into Equity Shares at the Conversion Price, within a period of 90 (Ninety) days or the immediately succeeding board meeting, whichever is earlier, from the date of receipt of the Conversion Notice (“**Conversion Date**”).

- b. All certificates evidencing converted Series C3 CCPS shall thereupon be deemed to have been retired and cancelled.
- c. Thereupon, within 10 (Ten) Business Days from the date of conversion of Series C3 CCPS into equity shares, the Company shall deliver to the Subscriber the share certificates with respect to the issued Equity Shares.
- d. The Company shall take all actions required or permitted under applicable Law to implement such conversion of the Series C3 CCPS, including without limitation making all applications necessary and obtaining all required approvals to effect the aforesaid conversion.
- e. The Conversion Price will be adjusted for any subdivision or combination of the Company’s outstanding shares or in the event of a reclassification, share split, bonus issue, share dividend or other distribution payable in securities of the Company.

X. Replacement of Share Certificates

If any share certificate is mutilated or defaced then, upon production thereof to the Company, or if any share certificate is destroyed or misplaced, then upon providing the Company with an undertaking to that effect by the holders of the Series C3 CCPS, the Company shall cancel the same and / or issue a new certificate in lieu thereof.

XI. Conflict

In the event of any conflict between the terms contained in the share certificate and the Agreement, the terms of the Agreement shall prevail.

XII. Certificate Split

As and when the Series C3 CCPS Holders so require, they shall have the right to require the Company to split the share certificate and the Company shall execute all documents as may be required pursuant to the Companies (Share Capital and Debentures) Rules, 2014, the Restated Articles and other relevant provisions of the Act to effectuate the same.



XIII. Anti-Dilution



Notwithstanding anything to the contrary herein, in the event the Company issues any Equity Securities (“**Dilutive Instrument**”) at a price lower than the Subscription Price, the Subscriber shall be entitled to the same adjustment mechanism as provided to the holders of Series C2 CCPS (subject to the understanding between the Parties hereunder), to protect its investment in the Series C3 CCPS. It is hereby clarified that in case the Company is required to issue additional shares pursuant to the aforementioned anti-dilution mechanism, the Subscriber shall subscribe to such shares by partly-paying to the extent INR 1 (Indian Rupee One) per share and shall have an option to pay remaining amount at its discretion; provided that the holders of such shares shall be required to pay the monies unpaid on such shares within such time period, from the date of expiry of the 7<sup>th</sup> (Seventh) anniversary of the date of allotment of the Series C3 CCPS, as may be determined by the Board.

XIV. Other Terms

The Series C3 CCPS shall not be listed or traded on any stock exchange.



## ANNEXURE 12

### TERMS OF THE SERIES A DEBENTURES

The Series A Debentures to be issued by the Company and the Company Subsidiary shall carry the following terms. Capitalized terms used but not defined herein, shall have the meaning set forth in the Agreement.

I. **Face Value**

Each Series A Debenture shall be of INR 100,000 (Indian Rupees One Lakh).

II. **Tenure**

The Series A Debentures shall mature on December 1, 2021.

III. **Voting Rights**

The Series A Debentures shall not have any equity voting rights.

IV. **Security**

The Series A Debentures shall be secured by the Security in the manner prescribed under the Agreement. The specific terms and conditions of the Security Interest created on the Hypothecated Properties in favor of the Debenture Trustee are set forth in the Security Documents.

V. **Coupon**

Series A Debentures shall be entitled to Coupon as per the Coupon Rate per annum. The Coupon shall be payable at monthly rests on the first day of each month.

VI. **Redemption of Series A Debentures**

The Series A Debentures shall be redeemed on the Principal Payment Dates in accordance with the Redemption Schedule provided for in **Annexure 7** to this Agreement.

VII. **Penalty**

In the event of occurrence of an Event of Default, the Company / Company Subsidiary (as relevant) shall be liable to pay the Penalty computed from the date of occurrence of such Event of Default till the date it is cured or until the Secured Obligations have been fully discharged.



## VIII. Prepayment Premium

- (a) The Company and the Company Subsidiary shall not have a right to prepay the Series A Debentures before the expiry of 12 (Twelve) months from the Closing Date at which such Series A Debentures were allotted.
- (b) Upon expiry of 12 (Twelve) months from the date of issuance of the Series A Debentures, and thereafter, the Company / Company Subsidiary (as relevant) shall have the right to prepay the outstanding Series A Debentures issued by them subject to payment of a prepayment penalty of 1% (One Percent) of the outstanding Amounts Due.
- (c) Subject to the provisions hereof, the Company / Company Subsidiary (as relevant) may prepay the Series A Debentures after giving 10 (Ten) days' advance notice in writing to the Debenture Trustee and the Debenture Holders.

## IX. General Covenant

The Group Companies covenant with the Subscriber that they shall pay to the Debenture Holders the Principal Amount due on the scheduled Principal Payment Date, Coupon, Penalty (if applicable), other coupon payable and liquidated damages (if applicable) on the Series A Debentures as stipulated and in accordance with the terms of this Agreement and other Transaction Documents.

## X. Business Day Convention

On each Due Date, the Group Companies shall pay, without any notice or demand from the Debenture Holders / Debenture Trustee, the Amount Due, including the Principal Amounts, Coupon, Penalty, other coupon payable and liquidated damages (if applicable) on the Series A Debentures which is due and payable on such Due Date. If the Due Date in respect of any Amount Due payable on the Series A Debentures under this Agreement falls on a day which is not a Business Day, the immediately preceding Business Day shall be considered as the Due Date for such payment.



ANNEXURE 13

FORMAT OF DEED OF ADHERENCE

THIS DEED OF ADHERENCE made and entered into on this [•] day of [•] by and among:

[•], a company duly incorporated under the provisions of the [•] having its principal/registered office at [•] (hereinafter referred as the “Subscriber” which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors in interest and permitted assigns);

AND

[•], a company duly incorporated under the provisions of the Companies Act, 1956 having its registered office at [•] (hereinafter referred as the “Transferee” which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors in interest).

THIS DEED IS SUPPLEMENTAL to the Securities Subscription Agreement dated [•] entered into between [•] (“SSA”).

WHEREAS the Subscriber is desirous of transferring and assigning its interest vis-à-vis [number of securities] Series A Debentures in favour of the Transferee;

WHEREAS the Transferee is required in terms of the SSA to execute this deed of adherence undertaking to be bound by terms of the SSA and other Transaction Documents;

NOW THEREFORE, the Transferee hereby agrees and confirms that a copy of the SSA and other Transaction Documents have been made available to the Transferee and hereby covenants with the Subscriber to observe, perform and be bound by all the obligations contained under the SSA and the other Transaction Documents;

Executed as of the day and year first before written.

SIGNED, SEALED AND DELIVERED

By [•]  
Of the within-named  
[SUBSCRIBER]  
Being its authorized signatory authorized [pursuant  
to a board resolution passed on [•]



SIGNED, SEALED AND DELIVERED

By [•]



Of the within-named  
[TRANSFEREE]  
Being its authorized signatory authorized pursuant  
to a board resolution passed on [●]



ANNEXURE 15

FORMAT OF SUBSCRIPTION NOTICE

[On letterhead of the Company]

To:

[insert name of Subscriber] (“Subscriber”)

Copy: [insert name of Debenture Trustee]

Date: [insert date]

Dear Sirs,

We refer to the Securities Subscription Agreement dated [●] entered into between us and the Subscriber (“SSA”).

Pursuant to the SSA, we call upon you to subscribe to:

- (A) [insert number of Series [●] Debentures] Series [●] Debentures of an aggregate principal amount of INR [insert amount] (Indian Rupees [insert amount]) bearing / having a face value of INR [●] (Indian Rupees [●]);
- (B) [insert number of Series [●] CCPS] Series [●] CCPS of an aggregate amount of INR [insert amount] (Indian Rupees [insert amount]) bearing/having a face value of INR [●] (Indian Rupees [●]) to be issued at INR [●] (Indian Rupees [●]); within [●] days from the date of this notice.

The subscription monies shall be applied by us for the purposes of our business in accordance with the SSA.

This Subscription Notice is irrevocable.

Yours faithfully

For the Company

[●]

(Authorised Signatory)

For the Company Subsidiary

[●]

(Authorised Signatory)

