



NOTICE

NOTICE is hereby given that the 2nd Extra Ordinary General Meeting of the Financial Year 2021-22 of the Members of Digikredit Finance Private Limited will be held at **shorter notice** at 6:00 P.M. on Thursday, December 2, 2021, at 411/412 Trade World, B-Wing, Kamala Mills Compound, 4th Floor, Senapati Bapat Marg, Lower Parel, Mumbai-400013, to transact the following business:

SPECIAL BUSINESS:

ITEM NO. 1:

APPROVAL FOR ADOPTION OF VALUATION REPORT, ISSUE OF COMPULSORY CONVERTIBLE PREFERENCE SHARES (PRE-SERIES D CCPS ON PRIVATE PLACEMENT BASIS AND ADOPTION OF POST BRIDGE ROUND OF ARTICLES OF ASSOCIATION:

To consider and if thought fit, to pass, with or without modification, the following resolution as **Special Resolution:**

“RESOLVED THAT in accordance with the provisions of Sections 42, 55, 62(1)(c), 179(3)(c) and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the rules, regulations and notifications framed thereunder, as amended from time to time, the extant provisions of Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and any other applicable Laws for the time being in force, the terms of Securities Subscription Agreement (SSA) with each Pre Series D CCPS holders and Addendum’ Agreement (SHA) (hereinafter referred to as the “Pre - Series D Transaction Documents”), and as per the applicable provision of the articles of association of the Company, compliance of applicable laws and requisite approvals, permissions, sanctions and consents of the relevant authorities, as may be necessary, consent of the shareholders be and is hereby accorded for issue and offer of 3,49,017 (Three Lakhs Forty Nine Thousand and Seventeen) Pre Series D Compulsory Convertible Preference Shares (Pre Series D CCPS) of Rs. 20 each at premium of Rs. 681.97 per share aggregating to Rs. 24,49,99,466 (Indian Rupees Twenty Four Crore Forty Nine Lakhs Ninety Nine Thousand Four Hundred and Sixty Six Only), for cash, on a private placement basis in one or more tranches, to the following person, upon such terms and conditions as contained under the said Agreements-2 and is in compliance with applicable law:

Sr. No.	Investor Name	No. of Shares	Consideration Amount (Rs.)
1	Paragon Partners Growth Fund II	1,42,456	9,99,99,838
2	Samir Bhatia	71,228	4,99,99,920
3	Accion Frontier Inclusion Mauritius	71,228	4,99,99,920

4	Bharat Shah jointly with Anita Shah	10,684	74,99,848
5	Semine Fazalbhoy jointly with Anees Fazalbhoy	10,684	74,99,848
6	Mihas Setalvad	42,737	3,00,00,092
Total		3,49,017	24,49,99,466

RESOLVED FURTHER THAT the particulars in terms of the provisions of Rule 9(2) of the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time, are as below:

- a) *The priority with respect to payment of dividend or repayment of capital vis-a-vis equity shares:*
Please refer to serial number 01 of Annexure 1 (Terms of Pre – Series D CCPS).
- b) *The participation in surplus fund:*
Not Applicable
- c) *The participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid:* **Please refer to serial number 02 of Annexure 1 (Terms of Pre – Series D CCPS).**
- d) *The payment of dividend on cumulative or non-cumulative basis:*
The right to receive the Pre Series D CCPS Preference Dividend shall be cumulative.
- e) *The conversion of preference shares into equity shares:* **Please refer to serial number 03 of Annexure 1 (Terms of Pre – Series D CCPS).**
- f) *The voting rights:* **Please refer to serial number 04 of Annexure 1 (Terms of Pre – Series D CCPS).**
- g) *The redemption of preference shares:*
Not Applicable.

RESOLVED FURTHER THAT the draft Letter of Offer, in the requisite Form PAS-4, as per the draft annexed to the notice convening this extra-ordinary general meeting, be and is hereby approved and the same be signed by any of the Directors/Company Secretary of the Company.

RESOLVED FURTHER THAT the Company takes note of the valuation of the Pre Series D CCPS, as per the valuation report dated October 1, 2021 issued by CA Bhavesh M. Rathod pursuant to the provisions of the Act and rules made thereunder.

RESOLVED FURTHER THAT any one of the Directors of the Company or any attorney/ies of directors which is constituted or which may be constituted for this purpose be and is/are hereby severally authorized to do all such things as in his/her/their absolute discretion, he/she/they



may consider necessary, expedient or desirable, to settle any question, remove any difficulty or doubt that may arise in this regard, to take such actions or give such directions as he/she/they may consider necessary or desirable, to obtain any approvals, permissions, sanctions which may be necessary or desirable, as he/she/they may deem fit and to do all acts, deeds and matters as may be required to give effect to the above resolutions in the best interest of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, any one of the Directors/Company Secretary of the Company be and are hereby authorized severally on behalf of the Company to sign and execute all necessary papers, documents, undertakings, indemnities, applications and returns as may be necessary, proper, desirable or expedient, to accede to such modifications and alterations to the aforesaid resolutions as may be stipulated by the Registrar of Companies, Reserve Bank of India or such other Authority arising from or incidental to the said resolution, to file such forms, documents, papers etc. with the Registrar of Companies and the Reserve Bank of India and to settle and clarify any questions, difficulties or doubts that may arise in this regard at any stage and generally to do all acts, deeds, matters and things as they may deem fit and appropriate and as may be necessary.

RESOLVED FURTHER THAT any one of the Directors of the Company or the Company Secretary be and is hereby authorized to circulate the Private Placement Letter of Offer, to the respective investors."

"**RESOLVED FURTHER THAT** pursuant to the provisions of Section 14, Section 5 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 and any statutory modifications or re-enactments thereof for the time being in force and the provisions of the Securities Subscription Agreement (SSA) and Addendum Agreement (SHA), the existing Articles of Association of the Company be and is hereby substituted by the new set of Articles of Association of the Company, duly placed before the Meeting.

RESOLVED FURTHER THAT pursuant to Section 15 of the Companies Act, 2013, the said alterations be noted in each and every copy of the Articles of Association which is being used or circulated or parted with in future.

RESOLVED FURTHER THAT any one of the Directors of the Company or the Company Secretary be and is hereby, severally, authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with the Registrar of Companies, Maharashtra, Mumbai, Reserve Bank of India or any other government or semi-government authority(ies), and to do all such acts, things and deeds, as may be required, to give effect to this resolution."

**By Order of the Board of Directors
For DIGIKREDIT FINANCE PRIVATE LIMITED**

A handwritten signature in blue ink, appearing to read 'Sakshi Poddar', is written over a light blue horizontal line.

**Sakshi Poddar
Company Secretary**



Date: November 25, 2021

Place: Mumbai

Registered Office:

Unit No. 1B, 4th Floor, A-Wing,
Times Square Andheri Kurla Road,
Andheri (E) Mumbai - 400 059

NOTES:

1. The Extraordinary General Meeting is being held through Video Conference, in terms of the provision of MCA circular no. 14/2020 dated April 8, 2020, the facility for appointment of proxy by members will not be available for the Meeting. However, in pursuance of section 113 of the Companies Act, 2013, representatives of the members may be appointed for the purpose of participation and voting in the meeting.
2. The Members may join meeting via Video Conference using the weblink <https://zoom.us/j/94179906214?pwd=ZmVEbW9QTTJNcHpOK1hvWlhMY0dOQT09>
Meeting ID: 941 7990 6214 **Passcode:** BKM63r from their mobile / laptop.
3. Members are requested to send their queries, if any, atleast 7 days before the Extraordinary General Meeting at the Company's designated Email ID - ashit.shroff@smecorner.com, so as to enable the Board to keep the information ready.
4. The Members may intimate and confirm their participation to Mr. Ashit Shroff, Head - Legal & Compliance and Sakshi Poddar, Company Secretary & Compliance Officer. The contact details are as below:
Contact No.: (M) 8850114676; E-mail ID: ashit.shroff@smecorner.com
(M) 9702688101; E-mail ID: sakshi.poddar@smecorner.com.
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item No (1) of the Notice set out above are annexed hereto.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 1:

APPROVAL FOR ADOPTION OF VALUATION REPORT, OF COMPULSORY CONVERTIBLE PREFERENCE SHARES (PRE-SERIES D CCPS ON PRIVATE PLACEMENT BASIS AND ADOPTION OF POST BRIDGE ROUND OF ARTICLES OF ASSOCIATION:

It is proposed to infuse additional share capital by way of offer, issue and allotment of 3,49,017 Pre Series D Compulsory Convertible Preference Shares (Pre Series D CCPS) of Rs. 20 each at a premium of Rs. 681.97 per each of the above security aggregating to Rs. 24,49,99,466 (Indian Rupees Twenty Four Crore Forty Nine Lakhs Ninety Nine Thousand Four Hundred and Sixty Six Only), for cash, on a private placement basis in one or more tranches.

The detailed terms and conditions upon which the respective security is proposed to be issued it as below:

a) Issue of Pre Series D Compulsory Convertible Preference Shares (Pre Series D CCPS):

It is proposed to issue 3,49,017 (Three Lakhs Forty Nine Thousand and Seventeen) Pre Series D Compulsory Convertible Preference Shares (Pre Series D CCPS) of Rs. 20 each, at a premium of Rs. 681.97 per share aggregating to Rs. 24,49,99,466 (Indian Rupees Twenty Four Crore Forty Nine Lakhs Ninety Nine Thousand Four Hundred and Sixty Six Only), for cash, on a private placement basis to the following person(s) under the terms of applicable law and under the terms of: (a) the Securities Subscription Agreement (“SSA”) with each Pre Series D CCPS holders; and (b) an Addendum Agreement to the Shareholders’ Agreement dated February 25, 2020 (“Addendum Agreement”) (both (a) and (b) hereinafter collectively be referred to as “Pre - Series D Transaction Documents”):

Sr. No.	Investor Name	No. of Shares	Consideration Amount (Rs.)
1	Paragon Partners Growth Fund II	1,42,456	9,99,99,838
2	Samir Bhatia	71,228	4,99,99,920
3	Accion Frontier Inclusion Mauritius	71,228	4,99,99,920
4	Bharat Shah jointly with Anita Shah	10,684	74,99,848
5	Semine Fazalbhoj jointly with Anees Fazalbhoj	10,684	74,99,848
6	Mihas Setalvad	42,737	3,00,00,092
Total		3,49,017	24,49,99,466

Pursuant to the provisions of section 42, 55 and 62(1)(c) of the Companies Act, 2013 and the Rules made thereunder, a Company shall not make private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by shareholders of the Company, by a special resolution.



The Pre Series D Compulsory Convertible Preference Shares of the Company to be allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and terms of issue as stated under Annexure-I to this notice.

As required under Rule 13(2)(d) of the Companies (Share Capital and Debentures) Rules 2014, as amended from time to time, the required details are furnished as under:

- i) *the objects of the issue:*
For the purpose of investing in operating expenses, for addition of new infrastructure, new products and working capital for Business growth in line with the Business Plan.
- ii) *the total number of shares or other securities to be issued:*
3,49,017 (Three Lakhs Forty Nine Thousand and Seventeen) Pre Series D Compulsory Convertible Preference Shares (CCPS) of Rs.20/- each.
- iii) *the price or price band at/within which the allotment is proposed:*
The Pre Series D Compulsory Convertible Preference Shares (CCPS) are proposed to be issued at a price of Rs. 701.97 (Indian Rupees Seven Hundred and One and Ninety Seven paise only) per share including premium.
- iv) *basis on which the price has been arrived at along with report of the registered valuer:*
The valuation of price is arrived on a Discounted Cash Flow basis and the valuation report is issued by CA Bhavesh M. Rathod, Registered Valuer.
- v) *relevant date with reference to which the price has been arrived at:*
The Valuation is carried out based on Unaudited financials as on 30th September 2021.
- vi) *the class or classes of persons to whom the allotment is proposed to be made:*
Allotment of securities is proposed to be made to the Institutional & Individual Investors.
- vii) *intention of promoters, directors or key managerial personnel to subscribe to the offer:*
Mr. Samir Bhatia will be subscribing to 71,228 Pre Series D CCPS.
- viii) *the proposed time within which the allotment shall be completed:*
The allotment is proposed to be completed within one year of the passing of the special resolution.
- ix) *the names of the proposed allottee and the percentage of post preferential offer capital that may be held by them:*

Name of Proposed Allottee	% holding (post-allotment)
Paragon Partners Growth Fund II	2.40% on fully diluted basis
Samir Bhatia	27.10% on fully diluted basis
Accion Frontier Inclusion Mauritius	19.70% on fully diluted basis
Bharat Shah j/ly with Anita Shah	3.00% on fully diluted basis
Semine Fazalbhoj j/ly with Anees Fazalbhoj	1.50% on fully diluted basis
Mihav Setalvad	0.70% on fully diluted basis



- x) *the change in control, if any, in the company that would occur consequent to the preferential offer:*
Equity shareholding of the promoters, after the allotment, will remain the same at 73.47% of the expanded capital.

- xi) *the number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:*
Not Applicable.

- xii) *the justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:*
Not Applicable.

xiii) *The pre issue and post issue shareholding pattern of the company:*

Sr. No.	Category	Equity Shares				Preference Shares			
		Pre-issue		Post-issue		Pre-issue		Post-issue	
		No of shares held	% of share holding	No of shares held	% of share holding	No of shares held	% of share holding	No of shares held	% of share holding
A.	Promoters' holding								
1	Indian								
	Individual	17,61,150	73.47	17,61,150	73.47	0	0	71,228	2.16
	Bodies corporate	0	0	0	0	0	0	0	0
	Sub-total	17,61,150	73.47	17,61,150	73.47	0	0	71,228	2.16
2	Foreign promoters	0	0	0	0	0	0	0	0
	sub-total (A)	17,61,150	73.47	17,61,150	73.47	0	0	71,228	2.16
B	Non-promoters' holding								
1	Institutional investors	345	0.01	345	0.01	29,43,638	100	31,57,312	95.89
2	Non-institution								
	Private corporate bodies	0	0	0	0	0	0	0	0
	Directors and relatives	0	0	0	0	0	0	0	0
	Indian public	4,72,280	19.70	4,72,280	19.70	0	0	53,421	1.62
	others (including NRIs) - Trust	1,63,406	6.82	1,63,406	6.82	0	0	10,684	0.32
	Sub-total (B)	6,36,031	26.53	6,36,031	26.53	29,43,638	100	32,21,417	97.84
	GRAND TOTAL	23,97,181	100	23,97,181	100	29,43,638	100	32,92,645	100

As required under Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules 2014, as amended from time to time, the required details are furnished as under:

a) *particulars of the offer including date of passing of Board resolution:*

the board resolution proposing the offer is passed on November 26, 2021. The offer is being made as per the terms mentioned under Annexure-I to this notice.

- b) *kinds of securities offered and the price at which security is being offered:*
the proposed offer is for the Pre Series D Compulsory Convertible Preference Shares (CCPS) of Rs. 20 each at a premium of Rs. 681.97 per share.
- c) *basis or justification for the price (including premium, if any) at which the offer or invitation is being made:*
The valuation of price is arrived based on a Discounted Cash Flow basis and the valuation report is issued by CA Bhavesh M. Rathod, Registered Valuer.
- d) *name and address of valuer who performed valuation:*
The valuation of the shares is made by CA Bhavesh M. Rathod, Registered Valuer, having address at A/101, Shelter CHSL, CSC Road, Dahisar (East), Mumbai – 400068.
- e) *amount which the company intends to raise by way of such securities:*
The Company proposes to raise Rs. 24,49,99,466 (Indian Rupees Twenty Four Crore Forty Nine Lakhs Ninety Nine Thousand Four Hundred and Sixty Six Only), by issue of Pre Series D Compulsory Convertible Preference Shares on private placement basis.
- f) *material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities:*
The required details are provided under the proposed resolution and the explanatory statement including Annexure-I to this Notice. The proposed issue being for Pre Series D Compulsory Convertible Preference Shares (CCPS), there is no charge on the asset of the Company.

As required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules 2014, as amended from time to time, the required details are furnished as under:

- (a) *the size of the issue and number of preference shares to be issued and nominal value of each share:*
3,49,017 (Three Lakhs Forty Nine Thousand and Seventeen) Pre Series D Compulsory Convertible Preference Shares (CCPS) of Rs. 20/- each.
- (b) *the nature of such shares i.e. cumulative or non - cumulative, participating or non - participating, convertible or non - convertible:*
The nature of the Pre Series D CCPS shall be - cumulative, participating and compulsory convertible.
- (c) *the objectives of the issue:*
For the purpose of investing in operating expenses, for addition of new infrastructure, new products and working capital for Business growth in line with the Business Plan.
- (d) *the manner of issue of shares:*
The proposed issue of shares shall be made through private placement in physical/demat form.
- (e) *the price at which such shares are proposed to be issued:*



The Pre Series D Compulsory Convertible Preference Shares (CCPS) are proposed to be issued at Rs. 701.97 per share including premium.

(f) *the basis on which the price has been arrived at:*

The issue price is arrived based on a Discounted Cash Flow basis and the valuation report is issued by CA Bhavesh M. Rathod, Registered Valuer.

(g) *the terms of issue, including terms and rate of dividend on each share, etc.:*

As per the terms mentioned under Annexure-I to this notice.

(h) *the terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion:*

As per the terms mentioned under Annexure-I to this notice.

(i) *the manner and modes of redemption:*

Not Applicable.

(j) *the current shareholding pattern of the company:*

Name of shareholder	Number of Shares (on a fully diluted basis)	Shareholding (on a fully diluted basis)
Samir Bhatia	1,531,911	27.6%
Neela Bhatia	229,239	4.1%
Bharat Shah jointly with Anita Shah	165,007	3.0%
Accion Africa Asia Investment Company – Equity	111	0.0%
Accion Africa Asia Investment Company - CCPS	191,505	3.4%
Anees Fazalbhoy jointly with Semine Fazalbhoy	83,461	1.5%
Semine Fazalbhoy jointly with Anees Fazalbhoy	79,945	1.4%
Mansha Mittal jointly with Udit Mittal	92,221	1.7%
Reena Mitesh Shah	128,908	2.3%
Kiran Goyal	61,997	1.1%
Stichting Fondsbeheer DGGF Lokaal MKB - Equity	100	0.0%
Stichting Fondsbeheer DGGF Lokaal MKB - CCPS	477,825	8.6%
ESOP 2015 (Partly Vested & Unexercised)	109,000	2.0%
ESOP 2019 (Unvested)	106,000	1.9%

Employees	24,147	0.4%
<i>Amit Garg</i>	13,415	0.2%
<i>Namita Vyas</i>	2,683	0.0%
<i>Ashit Shroff jointly with Jamini Shroff</i>	5,366	0.1%
<i>Ashish Ranka</i>	2,683	0.0%
Accion Frontier Inclusion Mauritius - CCCPS	1,094,033	19.7%
Accion Frontier Inclusion Mauritius - Equity	100	0.0%
Accion Venture Lab - Equity	24	0.0%
Accion Venture Lab - CCPS	111,853	2.0%
Paragon Partners Growth Fund 1 - CCPS	1,068,412	19.2%
Paragon Partners Growth Fund 1 - Equity	10	0.0%
Paragon Partners Growth Fund 2 - CCPS	-	0.0%
Mihas Setalvad	-	0.0%
Total	5,555,809	100%

(k) *the expected dilution in equity share capital upon conversion of preference shares:*

The existing equity shares shall be fully diluted upon conversion of all preference shares into equity in the ratio of 1:1.

The copy of the Valuation Report of CA Bhavesh M. Rathod, Registered Valuer dated October 18, 2021, and all other relevant documents are available at the registered office of the Company. Any member interested may inspect the same, subject to submission of a prior written request, on any working day before the date of Extra-Ordinary General Meeting, during the working hours between 11.00 a.m. to 2.00 p.m., and at the venue of Extra-Ordinary General Meeting.

Further, The Board of Directors of the Company had at its meeting held on December 2, 2021, considered the proposal for adoption of new set of Articles of Association in place of existing Articles in order to reflect the detailed provisions contained under the Addendum Shareholders' Agreement and Securities Subscription Agreement being entered into with the proposed new investors.

In accordance with the provisions of section 14 of the Companies Act, 2013 and the Rules made thereunder, approval of the members by way of special resolution is required to alter the Articles of Association of the Company.

The copy of the existing and proposed new Articles of Association of the Company is available at the registered office of the Company. Any member interested may inspect the same subject to submission of a prior written request, on any working day before the date of Extra-Ordinary



General Meeting, during its working hours between 11:00 a.m. to 2:00 p.m. and at the venue of the Extra-Ordinary General Meeting.

Your directors recommend the above the resolution for your approval as Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are concerned on interested in the aforesaid resolution.

**By Order of the Board of Directors
For DIGIKREDIT FINANCE PRIVATE LIMITED**

A handwritten signature in blue ink, appearing to read 'Sakshi Poddar', is written over a faint blue line.

**Sakshi Poddar
Company Secretary**

Date: November 25, 2021
Place: Mumbai

Registered Office
Unit No. 1B, 4th Floor, A-Wing,
Times Square Andheri Kurla Road,
Andheri (E), Mumbai-400059

TERMS OF PRE - SERIES D CCPS

The rights attached to the Pre - Series D CCPS allotted to the holders of Pre - Series D CCPS are as follows and shall be *mutatis mutandis* reproduced in the Articles as well as on the back of the share certificates issued for the Pre - Series D CCPS issued to the holders of the Series Pre - Series D CCPS.

Any capitalized term used in this Annexure 1 but not defined shall have the meaning as ascribed to such terms under the Pre - Series D Transaction Documents, wherever context requires.

1. As to income

- (i) The Pre - Series D CCPS shall confer on holder of the Pre - Series D CCPS a right to receive, in priority to the holders of Equity Shares of the Company in the capital of the Company, a preference dividend equal to 0.001% (the "**Pre - Series D CCPS Preference Dividend**") per Financial Year.
- (ii) The right to receive the Pre - Series D CCPS Preference Dividend shall be cumulative. The Pre - Series D CCPS Preference Dividend shall become due and payable to the holder of Pre - Series D CCPS from the date of Shareholders' meeting of the Company in which the Pre - Series D CCPS Preference Dividend has been declared but in no event later than September 30 of such Financial Year.
- (iii) If the Pre - Series D CCPS Preference Dividend has been declared by the Company but has not been paid by the Pre - Series D CCPS Conversion Date (as defined below), the Pre - Series D CCPS Preference Dividend shall be paid to the Person(s) who hold the Pre - Series D CCPS as at the date of declaration pro rata in accordance with the number of Pre - Series D CCPS held by them at the date of declaration.
- (iv) If the Pre - Series D CCPS Conversion Date falls within a period in respect of which a dividend is to be paid, each Equity Share issued to the holder of the Pre - Series D CCPS on conversion shall confer on the holder the right to receive a Preference Dividend with respect to all of such period and not part only.
- (v) Subject to Applicable Law, the Pre - Series D CCPS shall be entitled to receive *pro-rata* in any dividends paid on the Equity Shares on an "as converted" basis.

2. As to capital

Subject to the below provisions of this paragraph **Error! Reference source not found.** and the Applicable Law, upon the occurrence of Deemed Liquidation Event or Winding Up, the proceeds shall first be distributed in the following order of preference:

- (a) the Preferred Investors and Pre-Series D Investors, will be entitled to receive an amount equal to an aggregate of:

- (i) the respective subscription amounts actually paid by the relevant Preferred Investor and Pre-Series D Investor as set out in the Pre-Series D SSA, PPGF SSA, Accion SSA or the DGGF SSA or the AFIM SSA, as the case maybe; and
- (ii) a sum equal to any arrears and accruals of the Pre – Series D CCPS Preference Dividend on that Preference Securities, whether or not the Pre – Series D CCPS Preference Dividend has been earned or declared, calculated down to and including the date of the commencement of the Winding Up (in the case of a Winding Up) or the date of Deemed Liquidation Event (in case of a Deemed Liquidation Event); plus any unpaid, but declared, dividend outstanding thereon.

(collectively referred to as “**Liquidation Preference**”)

- (b) Post the Liquidation Preference payments to Preferred Investor and Pre-Series D Investors in accordance with clause (a) above, the holders of Equity Shares will thereafter also be entitled to recover an amount per Equity Share which is equal to the amount paid by the holder for such Equity Share. (“**Equity Distribution**”).

If, after the Liquidation Preference payments followed by the Equity Distribution, the Company has assets remaining, then the Preferred Investors will participate in distributions of the remaining liquidation proceeds pro rata with the holders of Equity Shares on an as-if-converted basis.

- (c) Each of the Pre – Series D Investors, Preferred Investors, Founding Shareholders, HNI Investors, Individual Shareholders and the Company agree and undertake that they will honour the liquidation preference contained in this paragraph **Error! Reference source not found.** in distributing the assets and/or proceeds in any manner legally permissible. In the event any of the Founding Shareholders, HNI Investors, Individual Shareholder, the Preferred Investor or Pre – Series D Investor receives monies which is in contravention of this paragraph 2, such Founding Shareholders, HNI Investors Individual Shareholder, the Preferred Investor or Pre – Series D Investor (as the case may be) shall promptly hand over such monies to the Pre – Series D Investor, Preferred Investor, HNI Investor, Individual Shareholder or the Founding Shareholders (as the case may be) and until such time of hand over, the Founding Shareholders, HNI Investor, Individual Shareholder, the Preferred Investor or Pre – Series D Investor (as the case may be) shall hold such monies in trust on behalf of the Founding Shareholders, Individual Shareholder, HNI Investors, Preferred Investor or Pre – Series D Investor (as the case may be).

3. As to conversion

- (i) On a day selected by holder of the Pre – Series D CCPS by notice in writing to the Founding Shareholders and the Company, and which date shall not be later than (i) 20 (twenty) years from the date on which Pre – Series D CCPS are allotted to the holders of the Pre – Series D CCPS or where 75% of the holders of the Pre – Series D CCPS consents for the conversion of the Pre – Series D CCPS or (ii) closing of a Qualified IPO (the “**Pre – Series D CCPS Conversion Date**”), each Pre – Series D CCPS shall (on the Pre – Series D CCPS Conversion Date) convert into 1 (one) Equity Share, subject to any valuation adjustment as specified in clause **Error! Reference source not found.** of the Shareholders’ Agreement and the terms contained hereunder:

- (a) The Pre - Series D CCPS shall be converted into Equity Shares which reflects a discount of 30% to the pre-money valuation of the Next Equity Financing Round; or
- (b) In the event that (i) the Company has not raised the Next Equity Financing Round or (ii) a Deemed Liquidation Event has not occurred, within 12 (twelve) months from the Pre - Series D Round Closing Date then, the conversion price of the Pre - Series D CCPS shall (on the Pre - Series D CCPS Conversion Date) shall be at the Floor Valuation; or
- (c) In the event a Deemed Liquidation Event occurs within 12 (twelve) months from the Pre - Series D Round Closing Date then, the conversion price of the Pre - Series D CCPS shall (on the Pre - Series D CCPS Conversion Date) shall be at a discount of 30% to the pre-money valuation of the of the Deemed Liquidation Event.

Notwithstanding anything to the contrary set out above, the conversion price of the Pre - Series D CCPS shall, in no event whatsoever, be effectuated at a valuation of the Company lower than the Floor Valuation.

“Next Equity Financing Round” means a bona fide transaction or series of transactions where the Company raises no less than INR 100,00,00,000/- (Rupees Hundred Crores only), pursuant to which the Company issues Securities to Persons within 12 months from the Pre - Series D Round Closing Date.

“Floor Valuation” shall mean the conversion price per Security as INR 602.97 (Indian Rupees Six Hundred and Two point Nine Seven Only) calculated at the pre-money valuation of the Company equivalent to (i.e., sum of): (i) INR 335,00,00,000 (Indian Rupees Three Hundred and Thirty Five crores only); (ii) the Pre - Series D Investment Amount; and (iii) investment amount received by the Company under the Additional Issuance. Further, the conversion price shall be adjusted for any stock split, issue of bonus shares, exercise of options pursuant to ESOP and other issuances of similar nature. Notwithstanding the foregoing, the parties agree that in the event there is any expansion of the ESOP Pool or similar option for employees, then the same will not reduce the pre-money value of the Next Equity Financing Round.

“Additional Issuance” means the issuance of upto 3,56,142 (Three Lakhs Fifty Six Thousand One Hundred and Forty Two) Pre - Series D CCPS for an aggregate amount of upto INR 25,00,00,000 (Indian Rupees Twenty Five Crores) to any Person (not being a Competitor and subject to the provisions of the Shareholders’ Agreement) within a period of 90 (ninety) days from the Pre - Series D Round Closing Date.

- (ii) Further, at the end of the 19th (nineteenth) year, the Pre - Series D CCPS which are not so converted shall stand automatically converted into Equity Shares. If mandated by Applicable Law, Pre - Series D CCPS shall automatically convert to Equity Shares prior to the Qualified IPO.



- (iii) The Company shall pay the expenses arising on the issue of the Equity Shares pursuant to any conversion including any stamp duty, capital duty or other taxes, if applicable, and levies.
- (iv) The Company shall, until the Pre - Series D CCPS Conversion Date, maintain sufficient authorised but unissued share capital in the Company to be able to issue Equity Shares to the Preferred Investor in accordance with this paragraph **Error! Reference source not found.**, assuming that the Pre - Series D CCPS shall convert to 1 (one) Equity Share each.
- (v) Equity Shares issued and allotted upon conversion of the Pre - Series D CCPS will be deemed to be issued and registered as of the Pre - Series D CCPS Conversion Date, and each holder of the Pre - Series D CCPS will, with effect from the Pre - Series D CCPS Conversion Date, be deemed and treated by the Company for all purposes as the holder on record of the relevant number of Equity Shares issued upon conversion. As soon as practicable after and, in any event, not later than 7 (seven) days after the Pre - Series D CCPS Conversion Date, the Company will register the holder of the relevant Pre - Series D CCPS as the holder of the relevant number of Equity Shares to be issued on conversion in the Company's share register and will deliver or cause to be delivered a certificate or certificates for the relevant Equity Shares to the holder of the Pre - Series D CCPS, together with any other securities, property or cash required to be delivered upon conversion and such other documents (if any) as may be required by Applicable Law to effect the issue thereof.
- (vi) Equity Shares issued upon conversion of the Pre - Series D CCPS shall be fully-paid and free of all liens, charges and Encumbrances and will in all respects rank *pari passu* with the Equity Shares on the relevant Pre - Series D CCPS Conversion Date and shall be freely transferable subject only to restrictions in the Shareholders' Agreement and the Articles.

4. Voting rights

- (i) Each holder of the Pre - Series D CCPS shall have such rights to attend and vote at general meetings of the Company as are from time to time prescribed by the Act and other Applicable Laws and regulations.
- (ii) Pre - Series D CCPS shall confer on the holder Pre - Series D CCPS Relevant Rights *pari passu* with the rights conferred on the holder of an Equity Share, and this shall be treated as a special right attached to the Pre - Series D CCPS. In this paragraph "Pre - Series D CCPS Relevant Rights" means the right to receive notice of, and to be present and to vote (as provided in paragraph 4(i) above of this Schedule), either in person or by proxy, at any general meeting of the Company, including any general meeting at which any of the matters specified in clause 7.17 of the Shareholders' Agreement is being considered.