

e-Challan

Registration and Stamps department
Government of Rajasthan

GRN: 0085253064



Payment Date: 02/02/2024 09:39:36

Office Name: SUB REGISTRAR-VI REGISTRATION & STAMPS, JAIPUR

Location: JAIPUR (CITY)

Period: 02/02/2024-To-29/02/2024

S.No	Purpose/Budget Head Name	Amount (₹)
1	0030-02-800-02-00-स्टाम्प शुल्क पर अधिभार	50.00
2	0030-02-800-03-00-स्टाम्प शुल्क पर गो संवर्धन/ संरक्षण हेतु अधिभार	50.00
3	0030-02-800-04-00-प्राकृतिक एवं मानव निर्मित आपदाओं से राहत हेतु अधिभार	50.00
4	0030-02-103-01-00-दस्तावेजों पर स्टाम्प शुल्क लगाना	500.00

Commision(-): 0.00

Total/NetAmount: 650.00

Six Hundred Fifty Rupees and Zero Paise Only

Payee Details:

Full Name: SVAN AUTOTECH PRIVATE LIMITED

Tin/Actt.No./VehicleNo./Taxid :

Pan No.(If Applicable):

City(Pincode): Jaipur(302002)

Address:E-27, AGRA ROAD, TRANSPORT NAGAR,JAIPUR, Jaipur, Rajasthan, 302002

Remarks:This stamp paper form and parcel of Debenture Subscription Agreement between the COmpany, the Promoters and the Investors

Payment Details:

Challan No. - 0

Bank: ICICI Bank

Bank CIN No: ICIC8525306402022024

Date: 02/02/2024 09:39:36

Refrence No: CK2014817498

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COMPULSORY CONVERTIBLE DEBENTURE SUBSCRIPTION AGREEMENT

This Compulsory Convertible Debenture Subscription Agreement (“**Agreement**”) is made at Jaipur on this 5th February, 2024 (“**Effective Date**”) by and between:

SVAN AUTOTECH PRIVATE LIMITED (CIN: U50300RJ2019PTC066763), a private limited company incorporated under the Companies Act, 2013, having its registered office at E 27, Transport Nagar Agra Road, Jaipur, Rajasthan, India, 302002, and duly represented by its Director **Mr. Shaleen Agarwal**, duly authorized by Board resolution dated 27.01.2024 (hereinafter referred to as the “**Company**”, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **FIRST PART**;

AND

Mr. Shaleen Agarwal, an Indian citizen, son of Shri Alok Agarwal, having PAN AHTPA4107A and residing at A-6, Jai Jawan Colony 1st, Tonk Road, Durgapura, Jaipur – 302018, Rajasthan (hereinafter referred to as the “**Promoter 1**”, which expression shall, unless it be repugnant or contrary to the context thereof, mean and include his heirs, legal representatives, successors and permitted assigns),

Mr. Sahil Rally, an Indian citizen, son of Shri Nirmal Rally, having PAN AYKPR5885Q and residing at GH-153, Assotech Windsor Park 5 Vaibhav Khand, Indirapuram, Ghaziabad – 201014 (hereinafter referred to as the “**Promoter 2**”, which expression shall, unless it be repugnant or contrary to the context thereof, mean and include his heirs, legal representatives, successors and permitted assigns),

Mr. Varun Agarwal, an Indian citizen, son of Shri Sanjay Agarwal, having PAN BEEPA1483C and residing at A-9, Gayatri Villa, Jai Jawan Colony-1, Durgapura, Jaipur – 302018 (hereinafter referred to as the “**Promoter 3**”, which expression shall, unless it be repugnant or contrary to the context thereof, mean and include his heirs, legal representatives, successors and permitted assigns) of the **SECOND PART**;

AND

SUBSCRIBING INVESTOR as listed in **Schedule I** of this Subscription Agreement (hereinafter referred to as the “**CCD Investors**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his respective successors and permitted assigns) of the **THIRD PART**;

Promoter 1, 2 and 3 shall collectively be referred to as the “**Promoters**”, and, each, individually, as a “**Promoter**”.

The Company, the Promoters and the Investors are collectively referred to as the “**Parties**” and each, individually, as a “**Party**”.

WHEREAS:

- A. The Company is inter alia acts as an automotive aggregator for all requirements of buyers like distributors, traders, wholesalers, multi-brand workshops and car owners and eliminates their pain point by providing a wide range of spare parts, accessories, oil, tyres etc. (“**Business**”).
- B. The Company is intending to approach third party investors (“**Proposed Investor**”) for making investments in the Company, and in the interim, the Company expressed its intention to issue Debentures (*hereinafter defined*) so as to raise an Investment Amount as stipulated in **Schedule I** (the “**Debenture Issuance**”).
- C. The Company has agreed to issue and allot, and relying on the representations and warranties of the Company and Promoters, as set out hereinafter, and in consideration of the rights to be provided to the CCD Investors by the Company hereunder, the CCD Investors have agreed to subscribe to the CCDs of the Company in accordance with the terms and conditions of this Agreement.

It is hereby clarified, acknowledged and agreed by the Company, the Promoters and the CCD Investors that the offer of such accepted private placement offer of Debentures/CCDs by the Company to the CCD Investors is not disadvantageous to either the existing Shareholders of the Company and/or to the Company.

NOW THEREFORE, in consideration of the covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby confirmed, it is hereby agreed by and between the Parties as under:

1. DEFINITIONS AND INTERPRETATION

In this Agreement, the following terms, to the extent not inconsistent with the context thereof, shall have the meanings assigned to them as follows:

1.1 Definitions:

- (a) “**Act**” shall mean the Companies Act, 2013 and the rules made thereunder as may be amended, modified, supplemented or re-enacted thereof from time to time;
- (b) “**Affiliate**” shall mean any Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with a Party and shall include a subsidiary or a holding company of such Person, and, in case of a Party being a natural person, shall additionally mean such Party’s spouse, parents, children and their spouses, siblings and their spouses, being an investment fund, the fund’s general or limited partners or any pooled investment fund(s), investment company and/or any fund, collective investment scheme, trust, partnership (including, any co-investment partnership), special purpose or other vehicle in which any general partner, investment manager, sponsor and/or investment advisor of the investment fund or their respective Affiliates is a general partner, significant shareholder, investment manager or advisor, sponsor, settlor, member of a management or investment committee or trustee;
- (c) “**Agreement**” shall mean this Agreement and the schedules to this Agreement;

- (d) “**Applicable Law**” shall include all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, treaties, notifications, agreements, guidelines, policies, directions, directives and orders of any government, statutory authority, tribunal, board, court or recognised stock exchange;
- (e) “**Arbitration Board**” shall mean the board of Arbitrators constituted pursuant to Clause 12.3.2 comprising 3 (three) Arbitrators.
- (f) “**Business Day**” shall mean a day on which banks are open for business in Jaipur for carrying out high-value clearing of cheques and for effecting the transfer of payments through any payment system regulated by the Reserve Bank of India;
- (g) “**Control, Controlling or Controlled**” shall mean, with reference to any entity, the power to direct the management or policies of such person by contract or otherwise including the beneficial ownership directly or indirectly of more than 50% (fifty percent) of the voting shares or securities of such entity or the power to control the majority of the composition of the board of directors or such other governing body of such entity;
- (h) “**Charter Documents**” shall mean the Memorandum of Association and Articles of Association of the Company;
- (i) “**Claims**” shall mean any losses, liabilities, claims, damages, costs and expenses, including legal fees and disbursements in relation thereto;
- (j) “**Closing Actions**” shall have the meaning ascribed to it in Clause 4.1;
- (k) “**Closing Date**” shall have the meaning ascribed to it in Offer Letter;
- (l) “**Conversion**” shall mean the conversion of the Debentures to Converted Securities in accordance with the terms of conversion as contained in this Agreement, and “**Convert**” shall be construed accordingly;
- (m) “**Conversion Date**” shall have the meaning ascribed to it in Schedule II;
- (n) “**Conversion Event**” shall have the meaning ascribed to it in Schedule II;
- (o) “**Conversion Notice**” shall have the meaning ascribed to it in Schedule II and which shall be given in the format prescribed in Schedule III;
- (p) “**Converted Securities**” shall mean the Proposed Investor Securities issued by the Company to the CCD Investors upon the CCD Investors exercising their right of Conversion in accordance with this Agreement;
- (q) “**Cure Period**” shall have the meaning ascribed to it in Clause 7.2;

- (r) **“Debentures”** or **“CCDs”** shall mean 0.0001% (zero decimal point zero zero zero one percent) compulsory convertible debentures having a face value of Rs. 100 (Rupees Hundred only) each, issued by the Company and subscribed to at par value by the CCD Investors in the ratio set out in Schedule I and as per the terms contained in this Agreement;
- (s) **“Debenture Subscription Amount”** shall mean an aggregate amount of Investment as stipulated in Schedule I payable by the CCD Investors to the Company towards subscription of the Debentures;
- (t) **“Designated Bank Account”** shall mean a bank account opened by the Company for the purpose of this Debenture Issuance with in the name of Svan Autotech Private Limited with following Banks:

Account Name: Svan Autotech Private Limited
Bank Name : HDFC Bank
Bank A/c Number : 50200058692322
Bank IFSC : HDFC0000289

- (a) **“Existing Investors”** shall mean the parties identified as Investor in SSHA;
- (b) **“Fully Diluted Basis”** shall mean that the calculation is to be made assuming that all convertible Securities of the Company are converted (or exchanged or exercised) into equity shares of the Company (whether or not by their terms then currently convertible, exercisable or exchangeable), in accordance with the terms of their issuance, whether or not due to the occurrence of an event or otherwise including without limitation stock options (including employee stock options), warrants and any outstanding commitments to issue equity shares at a future date; and it is clarified that employee stock options, the issuance of which is approved, would be included for the aforesaid calculation irrespective of whether or not they have been issued, granted, vested or exercised;
- (c) **“Indemnified Party”** shall have the meaning ascribed to it in Clause 6.1;
- (d) **“Liquidation Event”** shall mean any of the following events:
 - (i) commencement of any proceedings for the voluntary winding up of the Company or the passing of an order of any court appointing a provisional liquidator or administrator in any other proceeding seeking the winding up of the Company or the liquidation of the Company; or
 - (ii) the consummation of a consolidation, merger, acquisition, reorganisation or other similar transaction (whether in one or a series of transactions) of the Company resulting in its Shareholders (immediately prior to such transaction), collectively, retaining less than a majority of the voting power of the Company or the surviving entity immediately following such transaction after giving effect to any conversion, exercise or exchange of any Equity Securities convertible into or exercisable or exchangeable for, such voting Equity Securities; or

- (iii) a sale, lease, license or other Transfer of any significant block of assets of the Company (including any Business related Intellectual Property rights of the Company); or
- (iv) any change in Control;
- (e) **“Material Breach”** shall mean occurrence of any one of the following events, the happening of which, shall be determined by the Investors:
 - (i) the Company and the Promoter being in breach of Clause 11 (*Representations and Warranties*) of this Agreement;
 - (ii) the Company being in breach of Clause 5 (*Liquidation Preference*) of this Agreement;
 - (iii) the Company being in contravention of Clause 10 (*Confidentiality*) of this Agreement; and/or
 - (iv) the Company and/or the Promoter being in breach of any provisions of the SSHA;
 - (v) any fraud, wilful misconduct or gross negligence on the part of the Company;

provided however, that the treatment of any breach as a Material Breach may be waived by the written consent of the CCD Investors and the majority of the Pre-emptive Right Holders;

- (f) **“Person”** means and includes an individual, a sole proprietorship, an association, syndicate, a corporation, a firm, a partnership, a joint venture, a trust, an unincorporated organization, a joint stock company, a limited liability company or other entity or organization, body corporate, governmental authority, judicial authority, a natural person in his capacity as trustee, executor, administrator, or other legal representative and any other entity including a government or political subdivision, or an agency or instrumentality thereof and/or any other legal entity;
- (g) **“Pre-emptive Right Holders”** shall have the same meaning as ascribed to it in SSHA;
- (h) **“Proposed Investment Round”** shall mean an investment proposed to be made by the Proposed Investor;
- (i) **“Proposed Investment Price Per Share”** shall be calculated as per the Proposed Investment Valuation;
- (j) **“Proposed Investor”** shall have the meaning ascribed to it in Recital B;
- (k) **“Proposed Investor Securities”** shall mean the preference shares issued to the Proposed Investor, pursuant to a Proposed Investment;

- (l) **“Proposed Investment Valuation”** shall mean Valuation of Company carried out at the time of infusion of Proposed Investment Amount;
- (m) **“Offer Letter”** shall mean the Private Placement Offer Letter issued as PAS – 4.
- (n) **“Securities”** shall mean equity shares, preference shares, compulsory convertible debentures or any other securities that may be issued by the Company from time to time;
- (o) **“Share Capital”** shall mean all classes of shares/securities in the capital of the Company, including without limitation equity shares, preference shares, any options, warrants or other securities issued from time to time, together with all rights, differential rights, obligations, title, interest and claim in such shares (including debt instruments) which are convertible into or entitle the holder to acquire or receive any equity shares, or preference shares or any options to purchase rights or subscribe to securities which by their terms are convertible into or exchangeable for equity shares, or preference shares, and includes the impact of any anti-dilution rights granted to any Shareholder of the Company and shall be deemed to include all bonus shares issued in respect of such shares and shares issued pursuant to a stock split in respect of such shares and any rights, appreciation rights or instruments thereto;
- (p) **“Shareholder”** shall mean any person holding any equity or preference shares in the Company;
- (q) **“Shareholders’ Agreement”, “Share Subscription and Shareholders’ Agreement”** and **“SSHA”** shall mean the agreement shall mean the shareholders’ agreement executed between the Company, Promoters and the Existing Investors of the Company on 22.12.2022.
- (r) **“Term”** shall have the meaning ascribed to it in Schedule II; and
- (s) **“Transfer”** shall mean any transfer or disposal and shall include sale which shall be subject to the provisions of this Agreement, but shall not include transfers by way of testamentary or intestate successions or by operation of law and the words Transferable and Transferability shall be construed accordingly.
- (t) **“Transaction Documents”** shall mean this Agreement, the Charter Documents and any other documents executed/to be executed pursuant to or in connection with this Agreement.

1.2 **Interpretation:**

In this Agreement, unless the context otherwise requires:

- (a) words in the singular shall include words in the plural and vice versa;
- (b) reference to masculine shall include reference to feminine gender and neuter gender as the context may require and vice versa;

- (c) the headings and subheadings used in this Agreement are inserted only for reference to the provisions hereof and shall not affect the construction of such heading or sub-heading;
- (d) a reference to a thing includes a part of that thing;
- (e) references to clauses and Parties herein are references to the clauses of, and parties to this Agreement;
- (f) nothing in this Agreement shall be construed or interpreted in any way so as to diminish or adversely affect any right of any of the Existing Investors under the SSHAs except as provided explicitly herein;
- (g) capitalised terms used herein but not defined in this Agreement, shall have the meaning ascribed to it under the SSHAs; and
- (h) references in this Agreement to statutory provisions shall be construed as references to those provisions as modified or re-enacted from time to time (whether before or after the date of this Agreement) and to any subordinate legislation made under such provisions and shall include references to any repealed statutory provision which has been so re-enacted (whether with or without modification).

2. SUBSCRIPTION TO THE DEBENTURES

- 2.1 On the Closing Date, the CCD Investors hereby agrees to subscribe to and the Company hereby agrees to issue and allot to the CCD Investors, Debentures at par value (“**Investor Securities**”) for an aggregate consideration equal to the Debenture Subscription Amount.
- 2.2 The CCD Investors shall be entitled to such number of Investor Securities as provided in Schedule I.
- 2.3 The Debenture Subscription Amount shall be used by the Company to fund its ongoing operations and general business purposes and short term and/ or long term objects incidental or ancillary to the attainment of main business.
- 2.4 The Company and the Promoters shall, and to the extent possible shall procure, that all corporate actions on the part of the Company and its directors, officers, and shareholders are taken for the purposes of the authorisation, execution and delivery of this Agreement. In particular, prior to Closing, the Company and the Promoters shall take all necessary steps to effectuate the Transaction, including the Conditions Precedent to Closing (as defined hereinafter) and initiating an offer in accordance with the Act.
- 2.5 The CCD Investors shall, upon conversion of the Debentures into the Proposed Investor Securities, be subject to and entitled to the same rights and obligations available to the Proposed Investors on a pari passu basis with the Proposed Investors. In any other case, the Investors shall have the rights and obligations pari passu with the Equity holders under the Articles and the SSHA. The terms pertaining to the Investor Securities, including the terms

for Conversion and the rights of the Debenture holders are as contained in this Agreement and in Schedule II.

- 2.6 Without prejudice to anything mentioned in SSHA, the Promoters shall not directly or indirectly, transfer any of their securities or the legal or beneficial ownership of any of their securities or any of their rights or obligations under this Agreement, to any Person until the expiry of the tenure of the Debentures. Permitted transfers, if any, shall be subject to the provisions of the SSHA.

3. CONDITIONS PRECEDENT TO CLOSING

3.1 Conditions precedent of the Company

The Parties agree that the obligation of the CCD Investors to subscribe to and pay for the Debentures, as provided herein, is conditional upon the fulfilment of the following conditions (with proof of fulfilment) (“**Conditions Precedent to Closing**”) by the Company and the Promoters to the satisfaction of CCD Investors within 60 (sixty) Business Days from Effective Date, or such further period as maybe mutually agreed between Promoters and the CCD Investors (“**Closing Long Stop Date**”):

- (a) the Company shall have passed a board resolution and Shareholders’ resolution amending its Charter Documents (as required) so as to permit the issuance of the Debentures;
- (b) the Company shall have passed a board resolution and Shareholders’ resolution, as may be required, approving the issue and allotment of the Debentures to the CCD Investors;
- (c) the Company shall have passed a board resolution approving the execution and delivery of this Agreement;
- (d) The Company shall issue an offer or invitation to the CCD Investors to subscribe to the proposed Securities through issue of a private placement offer letter in the format set out in Form PAS-4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014;
- (e) the representations and warranties made under Clause 11.1 of this Agreement shall be true and correct as of the date hereof and as of the Closing Date, as though made on and as of each such date;
- (f) the Company shall have completed all statutory filings and other actions, as required under law, in order to give effect to sub-clauses (a) to (d) herein above and provide to the CCD Investors certified true copies of all such filings.
- (g) the Company has complied with the provisions of the SSHA with respect to the provisions relating to issuance of further Securities to the satisfaction of CCD Investors and shall procure a waiver of the right of pre-emption conferred on the Existing Investors (as defined in the SSHA) as well as the affirmative vote consent (as defined in the SSHA) in relation to the proposed issuance of Debentures hereunder; and

- (h) The completion of the subscription of the Investor Securities by the CCD Investors as contemplated in this Agreement (Closing) shall take place following the date of proper delivery of the notice of fulfilment of Conditions Precedent to Closing along with the accompanying documentary proof to the satisfaction of the CCD Investors (“**CP Fulfilment Notice**”) on such date as the Board and the CCD Investors may mutually agree to in writing (Closing Date) which shall in no case be later than the Closing Long Stop Date.
- (i) If the Company has not furnished the CP Fulfilment Notice before the Closing Long Stop Date, then this Agreement shall stand terminated at the option of the CCD Investors, as if by way of mutual consent of the Parties.
- (j) In the event that any of the Conditions Precedent to Closing are waived by the CCD Investors, the Company and Promoters shall complete and fulfil such Conditions Precedent to Closing not later than 15 (fifteen) Business Days from the Closing Date or before such other date as may be agreed to by the CCD Investor.

4. CLOSING

4.1 Events at Closing Date

At Closing Date, the following events shall occur (“**Closing Actions**”):

- (a) the CCD Investors shall pay their respective portion of the Debenture Subscription Amount to the Company, which payment shall be made either by way of cheque or by bank remittance in the proportion as set out in Schedule I; and
- (b) The Company shall convene a meeting of the Board and pass resolutions wherein the actions set out below shall be transacted:
 - (a) allot and issue the Investor Securities free of all encumbrances to the CCD Investors; and
 - (c) enter the names of the CCD Investors in the register of debenture-holders as the legal and beneficial owner of the Investor Securities.

4.2 Post-Closing Obligations

- (a) Within 30 (thirty) days from the Closing date, the Company shall complete all statutory filings and other actions, as are required under law and provide certified true copies as proof of completion of the same to CCD Investors.
- (b) Within 15 (fifteen) days from the Closing date, the Company shall file return of allotment with ROC in form PAS-3 in relation to the issue of the Debentures, and provide proof of completion of the same to CCD Investors.
- (c) Within 30 (thirty) Business Days from the Closing Date, the Company shall issue and deliver to the CCD Investors duly stamped and signed certificates representing the Debentures issued to such CCD Investors.

4.3 All events described in this Clause are interdependent and none of the events shall be deemed to be completed unless all of them are completed.

4.4 **Obligation of the Company**

Within 30 (Thirty) days from the Closing Date, and at all times thereafter, until the Debentures are converted into the Converted Securities, the Company shall ensure that the authorised share capital exceeds the issued, subscribed and paid-up share capital as required for conversion.

5. **LIQUIDATION PREFERENCE**

5.1 In the event of a Liquidation Event, the CCD Investors are entitled to a liquidation preference in accordance with this Clause 5.

5.2 At the option of the CCD Investors, if the CCDs are converted into Proposed Investor Securities then the Converted Securities shall stand *pari passu* with and shall have the same liquidation preference as the Proposed Investor Securities.

5.3 At the option of the CCD Investors, if the CCDs are converted into Equity Shares then the Converted Securities shall have liquidation preference *pari passu* with the holders of existing Equity Shares.

5.4 Prior to the Conversion of the CCDs, upon the occurrence of a Liquidation Event, the CCDs shall be deemed to have been converted into Equity Shares as provided in Schedule II and shall have liquidation preference in accordance with Clause 5.3.

5.5 In any Liquidation Event, if the proceeds received by the Company or its Shareholders are received other than in cash, the value of such non-cash proceeds will be deemed to be its fair market value as determined by an independent valuer of good repute acceptable to the CCD Investors. Further, any securities received pursuant to a liquidation event shall, subject to applicable law, be valued as mutually determined by the Company and CCD Investors.

6. **INDEMNITY**

6.1 The Company and the Promoters shall indemnify, defend and hold harmless the CCD Investors and his Affiliates, and his representatives, employees and agents (collectively, the “**Indemnified Persons**”) from and against any and all Claims incurred by the Indemnified Persons arising directly from, or in connection with or relating to the matters set forth in SSHA.

7. **TERMINATION AND LIQUIDATED DAMAGES**

7.1 **Termination**

- (a) This Agreement shall be valid and existing until the Debentures are converted to the Converted Securities and all obligations in this regard, including all statutory filings required to be made are completed by the Company to the satisfaction of the CCD Investors.
- (b) This Agreement may also be terminated in accordance with Clause 3.1 herein above.
- (c) This Agreement may also be terminated with respect to every Party hereto, on the Parties hereto mutually agreeing to terminate this Agreement in writing.
- (d) Except as otherwise specifically provided herein, the termination of this Agreement for any reason whatsoever shall be without prejudice to any rights or obligations accrued to or in respect of the Parties prior to the date of termination.

7.2 **Liquidated Damages**

- (a) In the event of a Material Breach by the Company or the Promoters of any of their obligations under this Agreement (“**Defaulting Parties**”), which Material Breach, if capable of cure or remedy, has not been cured or remedied by the Company and the Promoters within 30 (thirty) days (“**Cure Period**”) of the receipt of written notice of such breach or failure from CCD Investors, immediately upon the expiry of the Cure Period the CCD Investors shall be entitled to immediately accelerate any or all of their exit rights by serving a written notice on the Defaulting Parties and the Company shall and the Promoters shall cause the Company to provide the CCD Investors with an exit at fair market value (as determined by an independent valuer of good repute) immediately upon receipt of such notice by sale, buyback or Transfer of Securities pursuant to this Clause 7.2(a) including without limitation, timely execution and delivery of any agreements and instruments to complete any of the exit rights pursuant to this Clause 7.2(a).

8. **RELATION BETWEEN THE PARTIES**

The Parties hereby agree that the relation between them is on a “*principal-to-principal*” basis. Nothing contained in this Agreement shall be deemed to constitute a partnership or joint venture between the Parties, nor constitute or construe any Party as the agent of the other Parties for any purpose whatsoever or entitle any Party to commit or bind the other Parties in any manner.

9. **NOTICES**

- 9.1 All notices, information, documents and/or communications under this Agreement shall be written in English and shall be sent by hand delivery, e-mail or receipted courier to the other Parties at the contact details indicated below or to such other address as a Party shall designate by similarly giving notice to the other Parties:

If sent to the CCD Investor:

As per details provided in Schedule I

If sent to the Company:

Address: E 27, Transport Nagar Agra Road, Jaipur, Rajasthan, India, 302002,
Attention: Mr. Shaleen Agarwal
E-mail address: shaleen@garaaz.com

9.2 Communication shall be deemed to have been received:

- (a) if delivered personally, on the day of delivery;
- (b) if sent by courier, on the day of delivery; and/or
- (c) if sent by email, on the day of transmission of the email.

10. CONFIDENTIALITY

The Parties shall, at all times, keep all information received by it from the other Parties confidential, with the same degree of care as it would keep confidential its own confidential information, and shall not disclose the same to any third party without the prior written approval of the Party against whom such disclosure is being made. The Parties shall not disclose any provision of this Agreement, except:

- (a) to an officer, employee or professional adviser of such Party, provided that such officer, employee or professional adviser is under a similar obligation of confidentiality; and/or
- (b) as required under the laws of India, provided that the disclosing Party shall give at least 30 days' prior written notice to the Party against whom such disclosure is being made regarding such requirement, in order to enable the Party against whom such disclosure is being made to procure an injunctive relief against such disclosure.

11. REPRESENTATIONS AND WARRANTIES

11.1 The Company and the Promoters hereby, jointly and severally, represent and warrant to the CCD Investor that the following are true and correct in all respects as of the Effective Date and continue to be true as of the Closing Date and the Conversion Date, as though made on and as of each such date:

- (a) the Company is a duly incorporated private limited company, validly existing under the laws of India and has power to own its properties and assets to carry on its business as presently conducted or proposed to be conducted, to enter into and perform its obligations under this Agreement and to allot and issue the Debentures and any Securities to be issued pursuant to this Agreement;
- (b) the Parties have taken necessary approvals and authorizations required under applicable laws to carry out its business and has taken all necessary corporate actions to authorise the execution of this Agreement;
- (c) the Company has obtained and maintained all applicable licenses/registrations in relation to its business, as and when the same is required to be obtained by the Company;

- (d) this Agreement has been duly executed and delivered by the Company and constitutes legal, valid and binding obligations on the Company and is enforceable in accordance with its terms;
- (e) the execution and delivery of this Agreement does not violate the provisions of the Charter Documents of the Company or any other agreement that the Company is a party to;
- (f) all permissions, licenses, consents, registrations and authorisation and other approvals for the time being required under applicable law to authorise the issue and allotment of the Debentures and Securities (including the Converted Securities) under this Agreement and for the validity and enforceability of this Agreement have been obtained by the Company and are in full force and effect;
- (g) the Company and/or the Promoters do not own any equity, voting or ownership interest in any company, partnership or other legal entity including entities that carry on any business that competes with the business as presently conducted or as contemplated to be conducted;
- (h) other than in the ordinary course of business, no mortgage, charge, pledge, lien or other encumbrance exists over all or any of the present or future revenues or assets (including fixed assets) of the Company and there is no subsisting agreement on the part of the Company to create such mortgage, charge, pledge, or other encumbrance;
- (i) all intellectual property relating to all products and services developed, sold or marketed by the Company do not infringe any third party's intellectual property rights and are owned by the Company or properly licensed;
- (j) There is no violation of any intellectual property right related laws, rules and regulations including infringement of any third party's intellectual property rights that could reasonably be expected to have a material adverse effect on the business of the Company;
- (k) There is no unauthorized use or infringement by any Person of any of the intellectual properties, confidential business information or the trademark owned or used by the Company for the business;
- (l) there are no outstanding loans or borrowings or contingent liabilities or off-balance sheet liabilities of the Company other than as set out in the financial statements of the Company;
- (m) the Debentures and Converted Securities when issued shall be validly issued free from all encumbrances and shall not be subject to any mortgage, charge, pledge or other encumbrance whatsoever, save and except for restrictions on transferability as contemplated under this Agreement, the SSHAs (as applicable) and/or the Charter Documents;

- (n) there are no legal, quasi-legal, administrative or arbitration proceedings or other claims, actions of any nature, whatsoever pending by or against the Company to which the Company or any of its assets is a party and the Company is not aware of any facts likely to give rise to any such litigation or arbitration proceedings;
- (o) there are no agreements or understandings to which the Promoters and/or the Company are a party to or are bound by, which (i) grants management, operational or voting rights in the Company to any Person including any power of attorney; (ii) constitute non-compete obligations restricting in any way, the Business; (iii) was entered into outside of the ordinary course of business of the Company; (iv) provides for the sharing of the revenue of the Company with any third party; (v) is a contract with any Person relating to the use of the assets of the Company;
- (p) until the Debentures are Converted into the Converted Securities, the authorised share capital of the Company will exceed the issued, subscribed and paid-up share capital at the required level;
- (q) in any proceeding taken in relation to this Agreement, the Company shall not be entitled to claim for itself or any of its assets immunity from any suit, execution, attachment or other legal process;
- (r) the Company is not in default in the payment of any due and payable taxes, interest or penalties or in the filing, registration or recording of any document or in the breach of any legal or statutory obligation with respect to the business of the Company nor has Company received any notice or ongoing assessment from any Government or regulatory authority which could potentially have any liability on the Company in future;
- (s) all taxes, government dues, statutory liabilities either payable in the normal course or arising out of non-compliances / defaults relating to prior period to the date of this Agreement have been duly paid;
- (t) all information (other than projections, estimates and business plans) provided in relation to the Company to the CCD Investor in connection with the transactions contemplated in this Agreement are true, correct, and complete and have been fairly disclosed; and
- (u) the Company has complied in all material respects with, is not in material violation in any respect of, and has not received any notices in writing of material violation with respect to any applicable law with respect to the conduct of its business or the ownership or operation of its business, assets or properties.

12. MISCELLANEOUS

12.1 Alteration

No Party shall be entitled at any time, to alter, vary, change or amend all or any of the terms and conditions contained herein except with the prior written consent of the other Parties, and thereupon, such altered, varied, changed or amended terms and conditions shall prospectively apply as if the same were expressly incorporated herein.

12.2 Assignment

The Company and the Promoters shall not assign any of their rights and/or obligations under this Agreement to any third party except with the prior written consent of CCD Investors. The CCD Investors shall be entitled to assign their rights and obligations hereunder together with the transfer of Debentures in accordance with the terms of this Agreement.

12.3 Dispute Resolution

12.3.1 Any dispute, controversy or claim (“**Dispute**”) arising out of, relating to or in connection with this Agreement or validity hereof, shall initially be resolved by amicable negotiations among executives of the Parties and, if not resolved through such negotiations within 30 (Thirty) days of written notice of the existence of such Dispute, be finally settled by binding arbitration under the Arbitration and Conciliation Act, 1996 and the rules made thereunder as amended from time to time.

12.3.2 All Disputes which are unresolved pursuant to Clause 12.3.1 and which are referred to arbitration, for such arbitration proceedings the number of arbitrators shall be 3 (Three), 1 (One) arbitrator shall be appointed by the Party(ies) issuing a notice of Dispute and 1 (One) arbitrator shall be appointed by the respondent Party(ies) and the 2 (Two) arbitrators so appointed shall appoint the third arbitrator. No officer, director, Shareholder, employee, representative or relative of any Party shall be nominated or appointed as an arbitrator. All arbitration proceedings shall be conducted in the English language and the seat and venue of arbitration shall be Jaipur. The courts of Jaipur shall have exclusive jurisdiction over any matters that are ancillary to the maintenance, prosecution and support of the arbitration proceedings mandated hereby and the Parties hereby submit to the jurisdiction of the said courts for such matters. The Parties would be entitled to seek interim relief from the courts of India.

12.3.3 The arbitral award shall be substantiated in writing and the Arbitration Board shall also have the right to decide on the costs of arbitration proceedings. Any award made by the Arbitration Board shall be final and binding on each of the Parties that were parties to the Dispute.

12.3.4 Each Party shall cooperate in good faith to expedite (to the maximum extent practicable) the conduct of any arbitral proceedings commenced under this Agreement.

12.3.5 Subject to the award of the Arbitration Board, neither the existence of any Dispute nor the fact that any arbitration is pending hereunder, shall relieve any of the Parties of their respective obligations under this Agreement and the Parties shall exercise their respective voting rights in the best interest of the Company. Subject to any award of the Arbitration

Board, the pendency of a Dispute in any arbitration proceeding shall not affect the performance of the obligations under this Agreement.

12.4 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of India without regard to the conflicts of law provisions and subject to Clause 12.3, the courts of Jaipur shall have exclusive jurisdiction.

12.5 Stamp Duty

All stamp duty and statutory charges payable on this Agreement and in connection with the issue of the Debentures shall be borne solely by the Company.

12.6 Counterparts

This Agreement may be signed in several counterparts, each of which shall be deemed to be an original. The delivery of signed counterparts by facsimile transmission or electronic mail in “portable document format” (“.pdf”) shall be as effective as signing and delivering the counterpart in person.

12.7 Severability

If any provision of this Agreement is determined to be invalid or unenforceable or illegal in whole or in part, such invalidity or illegality or unenforceability shall attach only to such provision or the applicable part of such provision and the remaining part of such provision and all other provisions of this Agreement shall continue to remain in full force and effect. Such invalid, illegal or unenforceable provision shall be replaced by a provision that most closely reflects the purpose and intent of the invalid, illegal or unenforceable provision.

12.8 Survival

The rights and obligations of the Parties under this Agreement, which either expressly or by their nature survive the termination of this Agreement including but not limited to Clauses 1, 5, 6, 7, 8, 9, 10, 11 and 12 shall survive termination of this Agreement. All other rights and obligations of the Parties will immediately cease (without prejudice to the Parties’ accrued rights and liabilities) under this Agreement at the time this Agreement is terminated.

12.9 Entire Agreement

The Agreement constitutes and represents the entire agreement between the Parties with regard to the rights and obligations of the Parties and cancels and supersedes all prior arrangements, agreements or understandings, if any, whether oral or in writing, between the Parties on the subject matter hereof or in respect of matters dealt with herein.

12.10 Waiver

No failure or delay in exercising any right, power or privilege under this Agreement by any Party shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. No waiver by any Party of any breach of any of the terms of this Agreement shall be effective unless such waiver is expressed in writing signed by such Party and the waiver by any Party of breach of any of the terms of this Agreement shall not prevent the subsequent enforcement of that term and shall not be deemed to be a continuous waiver or a waiver of any subsequent breach.

[Signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the day and year first above written.

FOR AND ON BEHALF OF THE COMPANY Name: Shaleen Agarwal Title: Director	
Name: Shaleen Agarwal Title: Promoter 1	
Name : Sahil Rally Title: Promoter 2	
Name: Varun Agarwal Title: Promoter 3	

For and on behalf of CCD Investors (Names specified in Schedule I of this Subscription Agreement)

Sign:

Name: Arun Agarwal

Title: Investor

For and on behalf of CCD Investors (Names specified in Schedule I of this Subscription Agreement)

Sign:

Name: Naveen Philip

For Popular Auto Dealers Private Limited

Title: Investor

For and on behalf of CCD Investors (Names specified in Schedule I of this Subscription Agreement)

Sign:

Name: Niraj Agarwal

Title: Investor

For and on behalf of CCD Investors (Names specified in Schedule I of this Subscription Agreement)

Sign:

Name: Puneeth P

Title: Investor

For and on behalf of CCD Investors (Names specified in Schedule I of this Subscription Agreement)

Sign:

Name: Raghuram Patro Patnala

Title: Investor

For and on behalf of CCD Investors (Names specified in Schedule I of this Subscription Agreement)

Sign:

Name: Vinod Rathi

Title: Investor

SCHEDULE I

Particulars of CCD Investor

Sr. No.	Particulars	Number of CCDs	Subscription Amount (in INR)
1.	Name: Arun Agarwal Nationality: Indian PAN No.: ABOPA0124A Address: Binod Building At Road GHY-1 Email Id: arun@binodauto.com	5,000	5,00,000
2.	Name: Popular Auto Dealers Private Limited PAN No.: AADCP6984G Address: 40/1506, Kuttukaran Centre, Mamangalam Palarivattom P O, Ernakulam, Kerala, India, 682025 Email Id: naveenphilip@kuttukaran.in	15,000	15,00,000
3.	Name: Niraj Agarwal Nationality: Indian PAN No.: ABMPA8542N Address: Binod Building At Road GHY-1 Email Id: niraj@binodauto.com	5,000	5,00,000
4.	Name: Puneeth P Nationality: Indian PAN No.: BZXPP5364D Address: Namma Gudu 2997 17th Cross 2nd Main Road BSK 2nd Stage Bangalore 560070 Email Id: puneeth.prasanna@gmail.com	5400	5,40,000
5.	Name: Raghuram Patro Patnala Nationality: Indian PAN No.: ABDPP5741P Address: Flat No- 1904, Tower- B, Vyom, Z- One Apartments, Patia, Nadankanan	10,000	10,00,000

	Road, Bhubaneswr 751024, Odisha, Police Station: Infocity, Post Office: KIIT India Email Id: raghuram1000@yahoo.com		
6.	Name: Vinod Rathi Nationality: Indian PAN No.: AAZPR4017P Address: F-45 Madhura Nagar Hyderabad-500038 Email Id: vkrathi71@gmail.com	15,000	15,00,000
	Total	55,400	55,40,000

SCHEDULE II

Terms of issue of the Debentures

[To be printed on each Debenture Certificate]

1. The Debentures shall be compulsory convertible debentures and shall, upon Conversion, require the Company to issue and allot the Converted Securities to the holder.
2. Subject to Clause 5 herein below, the Debentures shall have tenure of 12 (Twelve) months (“**Term**”), after which they shall be compulsorily convertible to the Converted Securities. The Debentures shall have a coupon rate of 0.0001%. The payment of interest shall be made on Annual basis in INR.
3. The Debentures are unsecured and therefore no debenture trust deed is required to be executed in terms of Section 71 of the Companies Act, 2013 and no debenture trustees are required to be appointed in terms of Section 71 of the Companies Act, 2013.
4. The Debentures shall automatically be converted into the Converted Securities at the earlier of (i) the time of consummation of the Proposed Investment Round in accordance with Clause 5(a) or (ii) upon occurrence of a Liquidation Event or expiry of the Term in accordance with Clause 5(b) herein below.
5. The CCDs will convert into Converted Securities as follows:
 - a. If the Company has received the Proposed Investment Amount within 12 (twelve) months from the Closing Date, then the CCDs shall convert into Converted Securities, being the Proposed Investor Securities, at a conversion price calculated based on the Proposed Investment Valuation.

The number of Converted Securities, being the Proposed Investor Securities, to be issued to the CCD Investors, shall be calculated as follows:

$$\text{Number of Converted Securities} = \frac{\text{Debenture Subscription Amount}}{\text{Conversion Price}}$$

- b. If the Company has not received Proposed Investment Amount or upon occurrence of Liquidation Event before the expiry of tenure stated in Clause a herein above i.e. 12 months, then the CCDs shall convert into Converted Securities, being the Equity Shares, at a **Conversion Price** calculated based on the current valuation at that time. The number of Converted Securities, being the Equity Shares, to be issued to the CCD Investors, shall be calculated as follows:

$$\text{Number of Equity Shares} = \frac{\text{Debenture Subscription Amount}}{\text{Conversion Price}}$$

The Promoters and the company agree to enter into appropriate transaction documents and do all such acts as may be necessary for such conversion of securities.

6. The Debentures shall automatically Convert to the Converted Securities in accordance with Clauses 4 (each a “**Conversion Event**”) at the Conversion Price set out in Clause 5, as follows:
 - a. Upon the happening of a Conversion Event, the Company shall give notice (“**Conversion Notice**”) in the format prescribed in Schedule III to the Investors requiring them to surrender their respective Debenture Certificates.
 - b. Within 10 (ten) days (“**Conversion Period**”) of receipt of the Conversion Notice, the CCD Investors shall surrender their respective Debenture certificates to the Company.
 - c. The Company shall issue and deliver to the Investors, duly stamped and signed certificates of Investors’ pro rata share of the Converted Securities;
7. Any Debentures that have not been returned to the Company upon expiry of the Conversion Period shall be automatically converted to the Converted Securities whether or not the Investors return the Debenture certificates to the Company. Further, the Converted Securities issued for such Debentures shall be issued by the Company in the physical form only and retained by the Company to be handed over to the concerned Investors on return of the relevant Debenture certificate.
8. No fractional Securities shall be issued upon Conversion of any Debentures, and the number of Converted Securities to be issued shall be rounded up to the nearest whole Converted Security.
9. Converted Securities issued upon Conversion of the Debentures shall be fully-paid and be free of all liens, charges and encumbrances, and shall rank *pari passu* in all respects with the Proposed Investor Securities, where the Debentures are Converted to Proposed Investor Securities and rank *pari passu* in all respects (including, *inter alia*, exercise of affirmative voting rights, transfer restrictions, etc.) where the Debentures are Converted to the Equity Shares.
10. The Company and the holder of CCDs shall take all actions required or permitted under applicable law to implement such Conversion of CCDs, including without limitation, filing all necessary applications with any government authority along with all required supporting documents to effect the Conversion into Converted Securities in accordance with the terms of and in the manner provided in the Agreement.
11. The Company will pay any and all stamp duty or similar costs and expenses that may be payable in respect of any issue or delivery of the Debenture or the Converted Securities to the holder on Conversion pursuant to the Agreement.
12. Converted Securities issued and allotted upon Conversion of the Debenture will be deemed to be issued and registered as of the date on which the Debentures are Converted into Converted

Securities (“**Conversion Date**”), and each holder of the Converted Securities will, with effect from the Conversion Date, be deemed and treated by the Company for all purposes as the holder on record of the relevant number of Converted Securities issued upon Conversion.

13. The Converted Securities arising on such Conversion shall entitle its holder to all dividends and other distributions payable on such Converted Securities on a pro rata basis, by reference to a record date falling after the Conversion Date.
14. Capitalised terms used and not defined herein shall have the same meaning as ascribed to them in the Agreement.
15. If any holder of securities in the Company, other than the holder of the Debentures, is granted rights by the Company that are superior to those of the CCD Investors, such rights shall also be granted for the benefit of the CCD Investors in accordance with Applicable Laws.

SCHEDULE III

Conversion Notice

[On the letterhead of the Company] | [To be sent to the Investor]

Date:

To,

[Insert name of recipient]

[Insert address]

Dear Sir,

Sub: Notice of Conversion

1. We refer to the compulsory convertible debenture subscription agreement dated [●] (“**Agreement**”) entered into between, *inter alia*, [●] and you.
2. We hereby give notice that pursuant to the occurrence of a Conversion Event, the Debentures held by you are to be automatically converted to the Converted Securities, being [*insert nature of Security*] on [*set out date*]. Accordingly, you shall be issued, [●] Converted Securities, corresponding to [●]% of the Share Capital of the Company on a Fully Diluted Basis on [*set out date*].
3. You are required to surrender your Debenture certificates to the Company on or before [*insert date*]. Further, you are required to confirm whether you would like to hold the Converted Securities in the physical form or the dematerialised form. Should you fail to do so, your Debentures shall automatically be Converted to the Converted Securities, being [*insert nature of Security*] and shall be issued in the physical form [*set out date*].
4. Capitalised terms used and not defined herein shall have the same meaning as ascribed to them in the Agreement.

For and on behalf of [●]

Authorised Signatory