



Term Sheet:

Issuer	Vistaar Financial Services Private Limited
Type of Instrument	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
Seniority	Secured
Mode of Issue	Private placement
Amount	Rs. 10 Crore
Face Value	Rs 10 Lacs
Listing	Proposed to be listed on BSE/NSE within 20 days from the date of allotment.
Objects & Details of the utilization of the Proceeds	The funds raised through this issue, after meeting the expenditures of and related to the issue, will be used for various financing activities including onward lending and for the business operation purposes and including the general corporate purposes and working capital requirements
Eligible Investors	<ul style="list-style-type: none"> (a) Mutual Funds (b) NBFCs (c) Provident Funds and Pension Funds (d) Trust inclusive of public charitable trust subject to their investment guidelines (e) Corporates (f) Banks (g) Foreign Institutional Investors (FIIs) (h) Qualified Foreign Investors (QFIs) (i) Foreign Portfolio Investors (FPIs) (j) Insurance Companies <p>Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures.</p>
Day Count Basis	Actual / Actual
Interest on Application Money	N.A.
Rating of Instrument	A- by any recognized rating agencies
Tenor	2 Years, 10 months, 5 days
Coupon Rate	All-In Pricing of "RBI's Repo Rate + 7.45%" (effective rate as of today - 11.45%)
Coupon Payment Frequency	Quarterly
Coupon Type	Floating Coupon

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Repayment	Quarterly
Maturity Date	21-Apr-2023
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	RTGS/ Any other electronic mode
Depositories	NSDL/CDSL
Security	The Debentures shall be secured by Exclusive charge on book debt in the form of current and future receivables to the extent of 1x of the principal and interest amounts of the Debentures outstanding at any point of time. The exclusive book debt to be mentioned in Debenture Trust Deed
Security Creation	<p>Security to be created & perfected 120 days of the Deemed Date of Allotment.</p> <p>In case security cover fall below the required cover, the issuer to pay 2% per annum additional interest over coupon for the period till the security cover is at the required level. However, the timeline for completion of security creation is maximum 90 days from deemed date of allotment</p>
Put/Call Option	N.A.
Ownership Covenant	<p>Mr. Brahmanad Hegde and Ramakrishna Nishtala together, to maintain minimum 5% shareholding of the Issuer, on fully diluted basis, during the tenure of the NCDs.</p> <p>During the currency of the debentures, the issuer will not without the Debenture Holder's prior permission/intimation in writing:</p> <ul style="list-style-type: none"> • Effect any change in the capital structure without prior permission • Invest by way of share capital in or lend or advance to or place deposits with any other concern (normal trade credit or security deposit in the routine course of business or advances to employees can however be extended) without prior permission • Formulate any scheme of amalgamation with any other




	<p>borrower or reconstruction acquire any borrower without prior permission</p> <ul style="list-style-type: none"> • Undertake guarantee obligations on behalf of any other borrower or any third party without prior permission • Make any change in their key management set-up i.e. MD & CEO without prior permission • Extend loans to Directors' Associates and other companies
Step Up Coupon Rate	In case of downgrade of rating of the Issuer from A- by one notch, there would be a step up of 0.25% in the coupon from the date of downgrade.
Accelerated Redemption Option	<ul style="list-style-type: none"> • Issuer to maintain the minimum rating of BBB+ during the tenor of NCDs. In case of rating falling below BBB+ by any rating agency or suspension of the rating, or rating is outstanding with "Issuer not cooperating", the Debenture Holders shall have the right to require the Company to redeem the Debentures along with accrued interest within 45 Calendar days from the date of notice by the investor/debenture holder unless it is waived by the investor/debenture holder." • In case of continuous breach of covenant for 15 days. The Investor shall be required to give the notice of accelerated redemption within 45 calendar days from the date of occurrence of event eligible under "Accelerated Redemption Option"
Business Day Convention	<p>As per SEBI guidelines</p> <p>If any interest payment date falls on a day which is not a Business Day ('Business Day' being a day excluding Saturdays, Sundays or public holiday in Mumbai or Chennai) then the succeeding Business Day will be considered as the effective date for such payment of interest with interest for such additional period. Such additional interest will be deducted from the interest payable on the next date of payment of interest.</p> <p>In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Business Day ('Business Day' being a day excluding Saturdays, Sundays or public holiday in Mumbai or Chennai), the payment will be made on the preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.</p>
Record Date	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (fifteen) calendar days prior to any Due Date.
Transaction Documents	<ol style="list-style-type: none"> i. Information Memorandum ii. Debenture Trustee Agreement, which confirms the appointment of Debenture Trustee; iii. Letter appointing Registrar and Transfer Agents along with

	<p>consent letter from RTA</p> <ul style="list-style-type: none"> iv. Memorandum and Articles of Association of the Company v. Board Resolutions for approved Borrowing vi. Shareholder resolution for approved Borrowing vii. Rating letter viii. Debenture Trust Deed, ix. Deed of Hypothecation x. PAS-4 xi. Undertaking from the Issuer mentioning all the borrowing facilities of the Company are standard in nature. xii. Tripartite Agreement between the Company, Depository and the Registrar for the Issue of Debentures in dematerialised form. xiii. Any other documents as agreed between the Issuer, Debenture Trustee and the Investor
Conditions Precedent to Disbursement	<ol style="list-style-type: none"> 1. Certified true copy of the constitutional documents and authorizations of the Issuer- Resolution of the shareholders of the Company under 180(1)I of the Act, Resolution of the shareholders of the Company under Section 42 of the Act 2. Board resolutions/ approvals and other statutory compliances of as advised by the Legal Counsel in respect of the Issue (if applicable); 3. Execution of Shelf Disclosure Document/Information Memorandum and other documents 4. Credit Rating Letter & Rationale 5. Trustee Consent Letter & Debenture Trust Agreement 6. BSE/NSE In-principle Approval for Listing 7. Resolution of the Company's board of directors authorizing the issuance of debentures; 8. Execution of PAS 4 9. Execution of Deed of Hypothecation 10. Any other document as required by Investor
Conditions Subsequent to Disbursement	<p>The Company shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee, pursuant to the Deemed Date of Allotment:</p> <ol style="list-style-type: none"> 1. Credit of demat account(s) of the allottee(s) by number of Debt Securities/letter(s) of allotment allotted within 2 business days from the Deemed Date of Allotment; 2. Listing of Debentures on the BSE/NSE ; 3. Creation of security with specified time frame 4. Perfection of Security within stipulated timelines set out in the Transaction Documents 5. Filing of Form PAS-4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 in respect of the issue of the Debentures with the ROC and SEBI with the prescribed

	<p>fee within 30 (thirty) days from the date of the Private Placement Offer Letter and file a return of allotment of securities under Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC within 30 (thirty) days of the allotment of Debentures along with a list of the Debenture Holders and with the prescribed fee; and</p> <ol style="list-style-type: none"> 6. Filing of Form PAS-5 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 in respect of the issue of the relevant series of Debentures along with a copy of the Private Placement Offer Letter with ROC and SEBI within 30 (thirty) days from the date of the Private Placement Offer Letter 7. Execution of Debenture Trust Deed within 30 days from the date of allotment 8. Execution of any other documents as customary for transaction or required as per SEBI guidelines
Default Rate	<ol style="list-style-type: none"> a) Payment Default-If the company fails to pay any interest or principal due, additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the relevant series of Debentures till the complete repayment b) Listing- In case of delay in listing beyond 20 days from deemed date of allotment, additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding till the completion c) Delay in Execution of Debenture Trust Deed- If the Company fails to execute the Debenture Trust Deed & Deed of Hypothecation on or before the expiry of 30 days from the respective Issue Closure Date, then the Company shall pay additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the relevant series of Debentures d) Security Creation- If the security doesn't get created within 90 days from the date of disbursement, additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding till the completion e) In case of any other breach- Additional coupon at the rate of 2% per annum over and above the applicable Coupon Rate on all amounts outstanding till the cure of the breach or waived by the investor in writing. However, in case of breach continuing over cure period, Accelerated payment covenant will trigger.
Covenants	<ol style="list-style-type: none"> 1. TOL/TNW should not exceed 4 times at any point of time during the tenor of the loan 2. Issuer to comply with RBI guidelines on NBFC issued from time to time



	<p>3. Capital adequacy to be more than 20% or higher with Tier 1 ratio to be more than 15%.</p> <p>Non-fulfilment of the above will trigger an event of default.</p>
Events of Default	<p>Each of the following shall constitute an Event of Default with respect to the Debentures and shall be set out in the Transaction Documents.</p> <ul style="list-style-type: none"> (i) The Issuer does not pay on the Due Date.; (ii) The breach of any terms, covenant, obligation, representation or warranty of the Issuer and any other obligations of the Issuer under the Transaction Documents (iii) The Issuer fails to create charge over security within specified timeline if not cured within 90 days from deemed date of allotment. (iv) The Issuer admits in writing its inability to pay its debts as they fall due or suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with one or more creditors with a view to rescheduling its indebtedness; (v) Any financial statement or other document delivered to the Debenture Trustee / Debenture Holders by the Issuer shall prove to have been incorrect, false or misleading in any material respect when made or deemed made. (vi) There shall have occurred Material Adverse Event. (vii) Change in shareholding without approval of Debenture Holders of this series (viii) Voluntary or involuntary bankruptcy proceedings (ix) Receiver or liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the company (x) Extraordinary circumstances making it improbable for the company to fulfill its obligations (xi) When in the opinion of Debenture Trustee, the security for debentures is in jeopardy (xii) When the company creates any charge of the security without approval of debenture trustee, otherwise as permitted in Debenture Trust Deed (xiii) When the company breaches any non-financial covenant mentioned above and not cure within 30 days (xiv) Any corporate action, legal proceedings or other procedure or step is taken in relation <ul style="list-style-type: none"> (a) composition, compromise, assignment or arrangement with any creditor of the Company; (b) enforcement of any security over any assets of the Issuer or any analogous procedure or step is taken in any jurisdiction.

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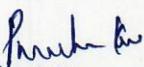
	<p>(xv) The Shelf Disclosure Document or any other Transaction Document in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Issuer.</p> <p>(xvi) The Issuer repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.</p> <p>(xvii) Any of the Transaction Documents failing to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests failing to have the priority contemplated under the Transaction Documents, or the security interests becoming unlawful, invalid or unenforceable.</p> <p>(xviii) Any Governmental Authority condemns, nationalizes, seizes, expropriates or otherwise assumes custody or control of all or any substantial part of the business, operations, property or other assets (including assets forming part of the Security) of the Company or of its share capital, or takes any action for the dissolution of the Company or any action that would prevent the Company or its officers from carrying on all or a substantial part of its business or operations.</p> <p>(xix) The Issuer's organizational status or any licenses or franchise is revoked or suspended by any government agency or authority after the Issuer has exhausted all remedies and appeals relating thereof</p> <p>(xx) The listing of the Debentures / s ceases or is suspended at any point of time prior to the Maturity Date, except if the Debentures / s are delisted in accordance with the consent of the Majority Debenture Holder(s).</p> <p>(xxi) Cross default with non-payment to any kind of creditor/lender</p> <p>(xxii) An application or petition is filed for Insolvency, winding up, or liquidation of the Issuer and / or the Guarantor and the same is not dismissed / quashed within 5 days from the date of filing such application / petition</p> <p>(xxiii) Any other condition as agreed between Issuer and Investor</p>
Consequences Of Events Of Default	<p>On and at any time after the occurrence of an Event of Default:</p> <ol style="list-style-type: none"> Accelerate the redemption of the Debentures / s; All the obligations become immediately due and payable enforce such security in such a manner as the Debenture Holders may deem fit; exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Transaction

Role and Responsibilities of Debenture Trustee	<p>Regulation 15 of SEBI (Debenture Trustees) Regulation 1993, prescribes duties of the Debenture Trustees including following :</p> <ol style="list-style-type: none"> 1. Call for periodical reports from the issuer. 2. To take possession of Trust property in accordance with the provisions of the Trust Deed. 3. To enforce security in the interest of the debenture holders. 4. To ensure on a continuous basis that the property charged to debentures is available and adequate at all times to discharge the interest and principal amount payable to debenture holders. 5. To exercise due diligence to ensure compliance by the issuer with the provisions of the Companies Act, the listing agreement of the stock exchange or the trust deed. 6. To take appropriate measures for protecting the interest of debenture holders as soon as there is a breach of Trust Deed. 7. To ascertain that the debentures have been redeemed or converted in accordance to the provisions of the offer document. 8. To inform SEBI immediately of any breach of trust deed or provision and law. 9. To appoint a Nominee Director on the Board of Issuer in the event of <ul style="list-style-type: none"> <input type="checkbox"/> Two consecutive defaults in payment of interest to the debenture holders or <input type="checkbox"/> Default in creation of security for debentures <input type="checkbox"/> Default in redemption of debentures <p>As a Debenture Trustee it may have to take steps as he may deem fit</p> <ul style="list-style-type: none"> 1. To ensure that the assets of the Company issuing debentures are sufficient to discharge the principal amount at all times. 2. To satisfy himself that the prospectus does not contain any matter which is inconsistent with the terms of the Debentures. 3. To ensure that the Company does not commit any breach of covenants of the Trust Deed or Terms of issue of Debentures. 4. To take such reasonable steps to remedy any breach of the covenants of the Trust Deed. 5. To take steps to call a meeting of holders of Debentures as and when such meeting is required to be held.
Representations and Warranties of the Issuer	As mentioned in the caption titled "Representations And Warranties Of The Issuer" in the Debenture Trust Deed to the Issue. The Representations and Warranties shall be continuous in nature and shall be deemed to occur on every day till redemption of the Debentures.
Material Adverse Event	"Material Adverse Event" means in relation to any entity, the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on (i)

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	the financial condition, business or operation of the entity which in the opinion of the Debenture Trustee is prejudicial to the ability of the entity to perform its obligations under the Transaction Documents; (ii) the ability of the entity to perform its obligations under the Transaction Documents; or (iii) the legality, validity or enforceability of any of the Transaction Documents.
Governing Law	The Debentures / and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Bengaluru.
Issue Timing & Amount	
Issue Opening Date	June 17, 2020
Issue Pay-In Date	June 17, 2020
Issue Closing Date	June 17, 2020
Issue Deemed Date of Allotment	June 17, 2020

For Vistaar Financial Services Pvt. Ltd.


Authorised Signatory