



**INDICATIVE TERM SHEET FOR INVESTMENT IN
SECURED RATED NON-CONVERTIBLE DEBENTURES TO BE ISSUED BY
VIVRITI CAPITAL PRIVATE LIMITED**

This term sheet dated August 23, 2019 provides indicative terms and conditions for the facility proposed to be availed by Vivriti Capital Private Limited ("Company") from BAC Acquisitions Private Limited and/or its affiliates / nominees ("Investor") on mutually agreed terms ("Term Sheet").

The Term Sheet is intended for your guidance and information only and does not constitute an offer, commitment or agreement to enter into any transaction. This Term Sheet is non-binding in nature other than the provisions described under the heads Transaction Costs, Governing Law, Jurisdiction and Dispute Resolution & Confidentiality and Press Announcements.

S. NO.	DESCRIPTION	PARTICULARS												
1.	Issuance Amount	<p>INR 40 Crores (Indian Rupees Forty Crores Only) across two series of INR 20 Cr per series (Series A and Series B)</p> <p>Commitment of additional INR 40 Cr post equity series B raise of minimum INR 200 Crores within six months from the deemed date of allotment of Series A and Series B</p>												
2.	Issuer	Vivriti Capital Private Limited												
3.	Tenor	36 months from the Deemed Date of Allotment												
4.	Promoter(s)	Mr. Vineet Sukumar and Mr. Gaurav Kumar												
5.	Guarantee	Unconditional and irrevocable guarantee of Mr Vineet Sukumar and Mr. Gaurav Kumar												
6.	Type of Instrument	Listed, Rated, Fully Paid up Senior Secured Redeemable Dematerialised Non-Convertible Debentures												
7.	Principal amortisation frequency	Bullet												
8.	Rating	[ICRA] A- (A minus)												
9.	Deemed Date of Allotment	August 26, 2019												
10.	Face Value and Issue Price	<p>Face value per debenture will be INR 10,00,000</p> <p>For Series A of INR 20,00,00,000/- Issue Price per debenture will be INR 9,64,400/- (discount of 3.56% on face value per debenture)</p> <p>For Series B of INR 20,00,00,000/- Issue Price per debenture will be INR 9,64,000/- (discount of 3.60% on face value per debenture)</p>												
11.	Coupon Payment Frequency	Semi Annual												
12.	Coupon type and Coupon rate	<p>Type – Fixed as per slabs below subject to coupon reset clause below.</p> <p>Series A Debentures</p> <table border="1"> <thead> <tr> <th>Start Date</th><th>End Date</th><th>Coupon</th></tr> </thead> <tbody> <tr> <td>26 August 2019</td><td>24 February 2020</td><td>5.15%</td></tr> <tr> <td>25 February 2020</td><td>24 August 2020</td><td>13.80%</td></tr> <tr> <td>25 August 2020</td><td>25 February 2021</td><td>14.30%</td></tr> </tbody> </table>	Start Date	End Date	Coupon	26 August 2019	24 February 2020	5.15%	25 February 2020	24 August 2020	13.80%	25 August 2020	25 February 2021	14.30%
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For Vivriti Capital Private Limited

Vineet Sukumar
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13.	Coupon Reset date	<p>Series A –</p> <table><tr><td>25 February 2020</td></tr><tr><td>25 August 2020</td></tr><tr><td>26 February 2021</td></tr><tr><td>26 August 2021</td></tr><tr><td>28 February 2022</td></tr></table> <p>Series B -</p> <table><tr><td>25 May 2020</td></tr><tr><td>26 November 2020</td></tr><tr><td>26 May 2021</td></tr><tr><td>26 November 2021</td></tr><tr><td>27 May 2022</td></tr></table>	25 February 2020	25 August 2020	26 February 2021	26 August 2021	28 February 2022	25 May 2020	26 November 2020	26 May 2021	26 November 2021	27 May 2022																				
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14.	Coupon Floor and Cap	<p>Floor – The fixed rate for each period as specified in point 12 shall be the floor rate.</p> <p>Cap – 500 basis points above applicable floor rate.</p> <p>The interest rate will be negotiated between the Issuer and Majority Debenture Holder (defined in section titled “Majority Debenture Holders”) 30 (Thirty) days before each Reset Date, subject to a Floor rate (as defined above).</p>																														

Vivriti Capital Private Limited

Vinod Kumar

For Vivriti Capital Private Limited

Vincent Subramanian

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		In case of any rating downgrade (i.e. below A-), the pricing cap does not apply, and investor shall have the option to quote pricing outside capped range.
15.	Call option date	Each Coupon Reset Date shall be the Call Option Date. On each Coupon Reset Date the Issuer shall have a call option on the NCDs if the stipulated coupon rate is not acceptable to the Issuer. In case the interest rate as determined above is equal to the Floor Rate for the period, the issuer shall not have any call option rights
16.	Call Notice period	Call Option Notice Period: 5 (Five) Days prior to the Coupon Reset Date.
17.	Mode of issuance	Private placement
18.	Mode of payment	RTGS/NEFT
19.	Object of the issue and utilisation of the proceeds of the issue	To meet business growth requirements and other general corporate purposes of the Issuer
20.	Day count basis	Actual / Actual
21.	Interest on application money	Payable at the coupon rate specified herein subject to the provisions of the Companies Act, 2013
22.	Default interest rate	<ol style="list-style-type: none"> 1. In case of default in payment of interest and / or principal redemption on the due dates, additional interest @ 2% p.a. over the Coupon Rate, on the outstanding principal amount, will be payable by the Issuer for the defaulting period.financial 2. Where an issuer fails to execute the trust deed within the period specified in the sub-regulation (1)of Regulation 15, without prejudice to any liability arising on account of violation of the provisions of the Act and these Regulations, the issuer shall also pay interest of at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed"
23.	Delay Penalty	In accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
24.	Security	<p>The Issue shall be secured by way of a first ranking exclusive and continuing charge to be created pursuant to the deed of hypothecation to be executed between the Issuer and the Trustee ("Deed of Hypothecation") over certain identified receivables of the Issuer (the "Hypothecated Assets" or "Portfolio"). A security cover of 110% the value of the outstanding principal amounts of the Debentures and shall be maintained at all times until the redemption of the Debentures.</p> <p>The Borrower, shall replace such assets constituting the Portfolio that have one or more instalments of principal, interest, additional interest, fee or any other expected payments overdue with performing loans within 7 Business Days</p> <p>The security will be created and perfected within 30 days from the Deemed Date of Allotment. Issuer's failure to create and perfect</p>

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		security shall attract 2% additional interest and give an option to the NCD holders for early redemption.
25.	Eligibility criteria	<p>Each client loan underlying the receivables provided as security must comply with the portfolio origination criteria below:</p> <ul style="list-style-type: none"> (a) all applicable "know your customer" requirements prescribed by the RBI have been complied with; (b) each client loans must satisfy the Issuer's credit and underwriting policies, including credit referencing agency checks where commonly used; (c) each client loan shall be current on the books of Issuer (d) Overdue receivables shall be replaced within 30 calendar days. (e) Such loans should be originated by the company and not purchased or acquired from any person (f) Such loans shall be existing at the time of selection and should not have been terminated or pre-paid (g) Such loans should not have been restructured or rescheduled (h) The aggregate amount of all loans given to one person in the portfolio shall not exceed Rs. 10,00,00,000 (Rupees Ten Crore)
26.	Majority Debenture Holders	Debenture Holders comprising 51% of the outstanding amounts of the Debentures
27.	Conditions precedent to issuance	<p>The Company shall fulfil the following Conditions Precedent to the satisfaction of the Debenture Trustee and submit Conditions Precedent documentation, where applicable, to the Debenture Trustee, prior to the Pay in Date:</p> <ul style="list-style-type: none"> (a) Delivery of corporate approvals from the board of directors and shareholders of the issuer, if applicable approving the issuance of NCDs and creation of security. (b) Execution of the Debenture Trustee Agreement, in a form and manner satisfactory to the Debenture Trustee shall have taken place; (c) Freezing of draft Debenture Trust Deed; (d) The Issuer shall have submitted to the Debenture Trustee the rating letter and rating rationale (e) The Issuer shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements; (f) The Issuer shall have submitted to the Debenture Trustee a certified true copy of the constitutional documents of the Company (the Memorandum and Articles of Association and the Certificate of Incorporation) (g) The Issuer shall have submitted to the Debenture Trustee its audited account statements for the most recent financial year or audited financial half-year (h) Certificate from practicing chartered accountant confirming that there are no tax proceedings pending against the Company that would affect the issuance of no-objection certificate under Section 281 of the Income Tax Act, 1961 (i) Completion of due diligence exercise(s) by the Investor

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		<p>(j) Receipt of necessary consents / no-objections from the existing shareholders / lenders of the Company / security providers</p> <p>Others to be identified in the Transaction Documents.</p>
28.	Conditions subsequent to issuance	<p>The Issuer shall ensure that the following documents are executed/activities are completed as per the time frame stipulated in the Debenture Trust Deed</p> <ol style="list-style-type: none"> 1. The Issuer shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 5 along with the Information Memorandum and Form PAS 3 2. The Issuer shall ensure credit of demat account(s) of the allottee(s) with the number of NCDs allotted 3. Execution of all Transaction documents <p>The Issuer shall ensure compliance with SEBI / Companies Act 2013 (as applicable) for issuance of NCDs.</p>
29.	Information Covenants	<ol style="list-style-type: none"> (a) Annual audited financial statement within 180 days of year end. (b) Unaudited quarterly and year to date financial statements within 45 days of quarter end. (c) Annual operating budgets and projections within 45 days of financial year end. (d) Cash position of the Company at the end of every quarter within 15 days of the end of every quarter. (e) MIS report as per the approved format which should include disbursement amount, AUM, PAR. (f) The Company shall provide a certificate from a practicing-chartered accountant confirming the security cover on an annual basis and a certificate confirming the value of secured assets on a quarterly basis. (g) The Company shall inform the Investor, upon occurrence of events such as events of default, breach of warranties or covenants set out in the Transaction Documents, any legal proceeding / notice instituted against / received by the Company, default in any indebtedness / obligations to any creditors, any Material Adverse Change (<i>defined below</i>) and such other material events as set out in the Transaction Documents, within 1 day of the occurrence of such event.
30.	Other Covenants	<p>To be prescribed in the Transaction Documents. These will include:</p> <ol style="list-style-type: none"> (a) No change in line of business outside financial services without prior consent of Majority Debenture Holders (b) No change of Management Control (defined as the Promoters retaining the position of Managing Directors of the Company) without prior consent of Majority Debenture Holders (c) No sale of stake by the Promoters beyond 1% without prior consent of Majority Debenture Holders (d) The Issuer shall not enter into any amalgamation, demerger, merger, scheme of arrangement or reconstruction without the prior consent of the Majority Debenture Holders.

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		<p>(e) The Issuer shall not, without the prior written consent of Debenture Holders, amend or modify any of its constitutional documents.</p> <p>(f) Restrictions on entering into any financial obligation of a long-term nature adversely affecting the Issuer's financials, except those in the regular course of business</p> <p>(g) Issuer shall comply with all the RBI Guidelines applicable to NBFC issued from time to time</p> <p><i>For the purpose of this aforesaid clause, the following definitions may be relied upon:</i></p> <p><i>Management Control may be defined as the promoters continuing to hold executive roles in the Company and maintaining shareholding.</i></p>
31.	Financial Covenants	<ul style="list-style-type: none"> ▪ Tier I CAR shall be maintained at a minimum level of 15% ▪ The sum of PAR 90 and write-offs shall not exceed 4.0% of the Assets under Management of the Issuer ▪ The ratio of Financial Indebtedness to Tangible Net Worth shall not exceed 4 times.
32.	Early Redemption Event	Rating downgrade below 'BBB+'
33.	Representations & Warranties	As set out in the Debenture Trust Deed.
34.	Indemnification	The Issuer will indemnify and hold harmless the Debenture Holders from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer.
35.	Transaction Costs	<p>The Issuer shall bear all transaction related costs incurred by the Debenture Holders with respect to legal counsel, valuers and auditors/consultants. Such costs include:</p> <ol style="list-style-type: none"> 1. Trustee fees 2. Rating fees 3. Legal fees 4. Any other reasonable transaction related expense incurred by the Debenture Holders 5. Stamping and registration in relation to all Transaction Documents.
36.	Taxes, Duties, Costs and Expenses	<p>Relevant taxes, duties and levies are to be borne by the Issuer. The charges / fees and any amounts payable under this Debentures by the Issuer as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.</p>
37.	Events of Default	<p>Following events shall constitute an event of default (EOD):</p> <ol style="list-style-type: none"> a. The borrower does not pay on the due date, any amount (interest or principal redemption) under this facility. b. The terms or conditions or covenants, including but not limited to financial covenants stipulated in the transaction documents, have not been complied with. c. Any information provided by the Borrower, or any of its Representations and Warranties being found to be or becoming incorrect or untrue. d. Material adverse change as detailed below.

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Vineet Kumar

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		<p>Material adverse change:</p> <p>In the opinion of the Investor, (i) a material impairment of the sufficiency, validity, value, ranking or enforceability of the security, (ii) a material adverse change in the business, operations or condition (financial or otherwise) of Company (iii) a material adverse effect on the legality or validity of the Transaction Documents (including ability of the Investor / trustee to enforce its remedies); (iv) material impairment of the ability of the Company to perform with its obligations under the Transaction Documents.</p> <p>Material Adverse Change will be an EOD.</p>
38.	Taxes and yield gross up	All payments by the Issuer under the Transaction Documentation shall be made free and clear of all present and future taxes, levies, imposts, charges, deductions and withholdings of whatsoever nature.
39.	Business Day	Means a day (other than a Sunday or a bank holiday) on which banks are open for general business in Bengaluru, India.
40.	Business Day Convention	If any due date falls on a day which is not a Business Day, the payment to be made on such due date shall be made on the immediately succeeding Business Day, except if such due date is for the payment of principal, in which case the payment to be made on such due date (including accrued Coupon) shall be made on the immediately preceding Business Day. The foregoing is subject to any directions, notifications or instructions issued by the Securities and Exchange Board of India.
41.	Record date	15 Business Days before any due date.
42.	Transaction Documents	<ul style="list-style-type: none"> • Private Placement Offer Letter • Information Memorandum • Debenture Trust Deed • Deed of Hypothecation • Deed of Guarantee • Board resolutions authorising this issue • Applicable Shareholder Resolutions under the Companies Act 2013 • Rating Agreement with the Rating Agency(ies) with respect to this Issuance (Rating agencies - CRISIL/ ICRA/ CARE/ India Ratings) • Debenture Trustee Agreement • Post-dated cheques for the amounts of interest and each repayment instalment as indicated by the Investor / such amounts as indicated by the Investor • Any others as may be agreed between the parties. <p>All transaction documents will comply with the requirements prescribed by the RBI (if applicable), SEBI (if applicable) and under the Companies Act, 2013 for the issuance of non-convertible debentures.</p>
43.	Confidentiality and Press Announcements	The Term Sheet is confidential, and contents of this Term Sheet may not be disclosed by the Company without Investor's prior written consent. If the Company determines that it is required by law to disclose the information regarding this Term Sheet to any regulatory body, it shall in a reasonable time before making such disclosure or filing consult with the Investor regarding such disclosure or filing


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		<p>and shall seek confidential treatment for such portions of the disclosure or filing as may be requested by the Investor. The Company shall not make any press releases / announcements to the public or to any third party regarding the arrangements contemplated by this Term Sheet, unless the same has been approved by the Investor.</p> <p>The debenture holders shall be entitled to disclose information pertaining to the Company to CIBIL or any other agency, CERSAI, RBI and/or electronic repositories maintained by the Insolvency and Bankruptcy Board of India, upon default.</p>
44.	Governing Law, Jurisdiction and Dispute Resolution	<p>This Term Sheet shall be governed in accordance with Indian Law. Courts at Bengaluru alone shall have the exclusive jurisdiction to entertain and try any disputes arising thereof.</p> <p>The Transaction Documents shall be governed by Indian law. Any disputes shall be referred to arbitration under SIAC Rules, with seat and venue of arbitration being Bengaluru, without prejudice to any debenture holder's rights under IBC, DRT, SARFAESI or other applicable laws.</p>
45.	Validity	<p>This Term Sheet is valid for 7 days from date of issuance.</p>

Signed and delivered by the undersigned as of the first day above written.

<p>For Vivriti Capital Private Limited Signature: Name:</p>	<p>For Vivriti Capital Private Limited  Authorised Signatory</p>
<p>For BAC Acquisitions Private Limited Signature: Name:</p>	