

Series A - Term Sheet

Security Name	<b>Vivriti Capital NCD 06 2020</b>
Issuer	<b>Vivriti Capital Private Limited</b>
Type of Instrument	Non-Convertible Debentures
Nature of Instrument	Secured, Rated, Listed, Redeemable Transferable Non-Convertible Debentures
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	As provided in the transaction documents
Trustee to the issue	IDBI Trusteeship Services Ltd or Catalyst Trusteeship Limited.
Listing	<p>(a) The Issuer shall submit all duly completed documents to the BSE, the SEBI, the ROC or any other Governmental Authority, as are required under Applicable Law and obtain the listing of the Debentures within 20 (twenty) calendar days from the Deemed Date of Allotment ("Listing Period").</p> <p>(b) The Issuer shall ensure that the Debentures continue to be listed on the wholesale debt market segment of the BSE.</p> <p>(c) The Issuer shall ensure that the Debentures at all times are rated in accordance with the provisions of the Transaction Documents and that the Rating of the Debentures is not downgraded or withdrawn throughout the tenor of the Debentures.</p> <p>In the event there is any delay in listing of the Debentures beyond 20 (twenty) calendar days from the Deemed Date of Allotment, the Issuer will pay to the Debenture Holders, an additional interest of 1% (one percent) per annum, from the expiry of 30 (thirty) calendar days from the Deemed Date of Allotment till the listing of the Debentures is completed.</p>
Rating of Instrument	"BWR A" (pronounced as "Brickwork A") with 'Stable' outlook.
Issue Size	Rs. 50,00,00,000 /- (Rupees Fifty Crores only) inclusive of Green Shoe option of Rs. 25 Cr (Rupees Twenty Five Crores only).
Option to retain oversubscription	N.A. Please refer section titled "Green Shoe Option" below.
Green Shoe Option	Pursuant to this Information Memorandum, the addressee of this Information Memorandum has the option to subscribe to an additional amount of up to 250 (Two Hundred and Fifty) Series A Debentures bearing a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating to Rs. 25,00,00,000/- (Rupees Twenty Five Crore). To exercise the green shoe option and the series of Debentures for which such exercise is made, the addressee has to indicate the appropriate elective choice (of exercise of green shoe option and amounts thereof) in the application form.
Objects of the Issue	<p>The funds raised by the Issue, after meeting the costs and expenses in respect of the Issue, shall be utilized by the Issuer solely for the following ("Purpose"):</p> <p>(a) financing activities and business operations of the Issuer (including on-ward lending);</p>

Vinod Kumar  
 Vivriti Capital Private Limited  
 Chennai 600 035  
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	<p>(b) re-payment of the existing Financial Indebtedness of the Issuer; and</p> <p>(c) general corporate purposes of the Issuer.</p> <p>The Issuer shall not use the proceeds of the Issue towards (i) any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities; (ii) any speculative purposes; (iii) investment in the real estate sector; or (iv) in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the Supervisory Authorities) (v) or any usage that are restricted for bank financing.</p>
Details of the utilization of the Proceeds	<p>The funds raised by the Issue, after meeting the costs and expenses in respect of the Issue, shall be utilized by the Issuer solely for the purpose of asset - backed on lending activities</p> <p>The Issuer shall not use the proceeds of the Issue towards (i) any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities; (ii) any speculative purposes; (iii) investment in the real estate sector; or (iv) in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the Supervisory Authorities) (v) or any usage that are restricted for bank financing.</p>
Coupon Rate	<p>10.75% per annum payable semi-annually until the Maturity Date (net of withholding taxes)</p> <p>and subject to the obligation of the Issuer as provided for in Section <b>Error! Reference source not found.</b> of this Information Memorandum.</p>
Step Up/ Step Down Coupon Rate	<p>In case the rating is downgraded to A- from A then an additional 0.25% p.a. would be payable on the NCDs from the date of downgrade. It is clarified the additional step up coupon would be payable only till the rating of the Company remains below A rating and shall not be charged if the rating is restored to the original level or higher level by respective rating agencies. PROVIDED THAT, the decreased rate of Interest in accordance with this provision cannot, in any case, be lower than the Interest Rate fixed at the time of issuance</p>
Coupon Payment Frequency	<b>Semi Annually</b>
Coupon payment dates	First Coupon on 30th September 2020 and subsequently on 30 <sup>th</sup> March and 30 <sup>th</sup> September until Maturity Date (subject to Business Day Convention).
Coupon Type	Fixed Coupon
Exercise Date / Coupon Reset Date	N.A.
Coupon Reset Process	N.A.
Day Count Basis	Actual / Actual
Interest on Application Money	This issue does not contemplate any interest on application money till allotment of Debentures.
Default Interest Rate	<p>(a) If the Issuer fails to create or perfect the security on the Hypothecated Assets within the timelines prescribed in the DTD and the other Transaction Documents, the Issuer will either refund the Application Money in accordance with the terms of the DTD, or the Issuer will pay additional interest at the rate of 2% (two percent) per annum on the</p>


  
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	<p>Outstanding Principal Amounts until the security is created and perfected in accordance with the DTD and Applicable Law.</p> <p>(b) In case of default by the Issuer in the performance of any of the terms or conditions or covenants of this Issuance, including but not limited to the financial covenants of this Issuance, the Issuer shall pay an additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts from the date of the occurrence of the default until such breach is cured.</p> <p>(c) The Issuer agrees to pay an additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default until such Payment Default is cured.</p> <p>If the Issuer fails to execute the DTD within 3 (three) months from the closure of the Issue, without prejudice to any liability arising on account of violation of the provisions of Applicable Law, the Issuer shall also pay an additional interest of 2% per annum to the Debenture Holder(s), till the execution of the DTD.</p>
Prepayment Penalty	Prepayment not allowed
Delay Penalty	In the case of a delay in the execution of Debenture Trust Deed and the Deed of Hypothecation, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 1% (One Percent) per annum over and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor.
Tenor	<b>36 (Thirty-Six) months from the Deemed Date of Allotment</b>
Redemption Date / Maturity Date	<b>36</b> being (Thirty-Six) months from the Deemed Date of Allotment (subject to adjustments for Business Day Convention).
Principal Payment Date(s)	<b>Bullet</b> (subject to adjustments for Business Day Convention).
Redemption Amount	<p>Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture on the Principal Payment Date(s) plus accrued Coupon in the manner set out in <b>Annexure VI (Illustration of Bond Cash Flows)</b> hereto.</p> <p>Further, the aforesaid amount would be payable with the Default Interest (if any), and other such costs, charges and expenses if any, payable on the Due Date(s) under the Transaction Documents.</p>
Redemption Premium/ Discount	N.A.
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Put Option Date	N.A.
Put Option Price	N.A.
Call Option Date	N.A.
Call Option Price	N.A.
Put Option Time	N.A.

Vinod Arun  
  
 Viniti Capital Private Limited  
 Chennai 600 035

Call Option Time	N.A.
Face Value	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Minimum Subscription Amount	Rs. 10,00,000/- (Rupees Ten Lakhs only)
Issue Timing	<p>Issue Opening Date: TBD  Issue Closing Date: TBD  Pay-in Date: January TBD  Deemed Date of Allotment: TBD</p> <p>All documentation including, but not limited to, the Information Memorandum, Board Resolution, Rating Letter, Appointment of Debenture Trustee to be completed at least 1 (One) calendar day prior to Issue Opening Date unless otherwise specified.</p>
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	RTGS/NEFT
Depositories	NSDL
Business Day Convention	If any Principal Payment Date / Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made on the immediately succeeding Business Day. If the Redemption Date / Maturity Date (also being the last Coupon Payment Date and the last Principal Payment Date) falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day.
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.
Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)	<p>The Debentures shall be secured by a first ranking pari passu charge by way of hypothecation over the book debts/loan receivables of the Company. The Company shall maintain security cover of at least 1.25x times of the Outstanding Amounts throughout the tenure of the Debentures. Further, the Company shall not require any consent/NOC from the Debenture Trustee or any of the debenture holders to avail any additional indebtedness and/or create security over any of its assets, as long as the stipulated security cover is maintained.</p> <p>The Issuer shall create the charge over the Hypothecated Assets and perfect such security by filing Form CHG-9 with the ROC and by ensuring and procuring that the Debenture Trustee files Form I with CERSAI in respect thereof within 30 (thirty) calendar days from date of execution of the Deed of Hypothecation or within such other extended time as permissible by the Ministry of Corporate Affairs.</p> <p>Any other perfection requirement may be completed within 90 (ninety) days from the Deemed Date of Allotment.</p>
Security Cover	The charge over the Hypothecated Assets shall at all times be at least 1.25* (one decimal one zero) times the value of the Outstanding Amounts (the "Security Cover") and shall be maintained at all times until the Final Settlement Date. The value of the Hypothecated Assets for this purpose shall be the amount reflected as the value thereof in the books of accounts of the Issuer.
Eligibility criteria for book debt	Eligibility criteria for the hypothecated book debt/loan receivables:


  
Vinayak Arunachalam  
Chennai 600 035  
Viniti Capital Private Limited

/loan receivable	<p>(a) each loan comprising the Hypothecated Assets must be existing at the time of selection, and must not have been terminated or prepaid.</p> <p>(b) no loan comprising the Hypothecated Assets should have been classified as 'non-performing asset' (determined in accordance with the criteria prescribed by the relevant Supervisory Authority); and</p> <p>(c) each loan comprising the Hypothecated Assets must have been originated while complying with all the applicable "know your customer" requirements prescribed by the Supervisory Authorities.</p> <p>The outstanding debentures amount together with interest, default interest, remuneration of the Trustee, charges, fees, expenses and all other monies dues from the Company shall be secured by exclusive charge via deed of hypothecation on the specific standard asset portfolio of receivables ("Company's Receivables") to be executed between the Company and the Debenture Trustee as described herein.</p> <p>The Issuer undertakes:</p> <ul style="list-style-type: none"> <li>i. Company's Receivables must be standard</li> <li>ii. Company's Receivables are existing at the time of selection, and have not been terminated or prepaid</li> <li>iii. Company's Receivables should not have been restructured or rescheduled</li> <li>iv. Company's Receivables are free from all Encumbrances and are not subject to any lien or charge;</li> <li>v. All loans hypothecated under the deed of hypothecation should comply with RBI norms and guidelines.</li> <li>vi. The Company's Specific Receivables being charged must comply with all extant 'know your customer' norms specified by RBI;</li> <li>vii. The Company's Receivables generated from lending to Issuer's associate/s &amp; subsidiary/s and/or Related Party shall not be considered for asset cover calculation for this issuance. No drawing power for shall be provided for Company's Specific Receivables generated from the lending to Issuer's associate/s /subsidiary/s/ Related Party.</li> </ul> <p>The Company undertakes to maintain Minimum Security Cover of 1.25 times to be maintained on the outstanding NCD amount of the Debentures along with interest thereon at all times during the tenure of the NCDs.</p> <p>Non-Maintenance of minimum-security cover as mentioned above will attract 1% p.a. penalty over and above the coupon rate as specified in the terms, for the period of non-maintenance of cover. However, in no case reinstatement of such security cover shall exceed 30 days from the day such cover falls below the required cover.</p> <p>The Company shall have option for providing additional /replacement of security at any time during the tenure of the Debentures to ensure the Minimum-Security Cover as provided hereinabove in consultation with Debenture Trustee.</p> <p>The Issuer shall execute Debenture Trust Deed and Deed of Hypothecation and perfect the same by filing requisite forms with ROC within three months from the Issue Closure Date. If the Issuer fails to execute the Debenture Trust Deed &amp; Deed of Hypothecation, then the Issuer shall, at the option of the Debenture Holders, either (i) return the subscription amount with the agreed rate of interest or (ii) pay additional interest at the rate of 2% (Two Percent) per annum above the applicable Interest Rate on all amounts outstanding under the NCDs (including the Outstanding Principal Amounts and any accrued</p>
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Vinod Kumar  
  
 Viniti Capital Private Limited  
 Chennai 600 035

	<p>interest) from the Deemed Date of Allotment until such time the deed is executed and the conditions prescribed by Debenture Holders (if any) have been complied with.</p>
<b>Financial covenants</b>	<ol style="list-style-type: none"> <li>1. The capital adequacy ratio (as defined in RBI NBFC Regulations) shall be equal to 20% or above at all points in time.</li> <li>2. The cumulative Asset - Liability Mismatch should always be within the limits prescribed by RBI/Company's ALM Policy</li> <li>3. Asset Quality: Ratio of PAR-90 to Gross Loan Portfolio shall be 5% or lower.</li> <li>4. The Gearing ratio shall not be more than 6 times</li> </ol> <p>“Gross Loan Portfolio” shall include on balance sheet and off balance sheet portfolio</p> <p>“Off Balance Sheet Portfolio” shall mean principal balance of loans securitized, assigned, originated on behalf of other institutions in respect of which the Issuer has provided credit enhancements in any form or manner whatsoever</p> <p>“PAR-90” shall mean the outstanding principal amount of all client loans that have one or more instalments of principal past due for ninety days or more.</p> <p>“Client Loan” means each loan made by the Company as a lender.</p> <p>“Gross NPA” shall have the meaning in accordance with the guidelines issued by the Reserve Bank of India.</p> <p>All covenants would be tested on quarterly basis for the Company, i.e. as on 31st March, 30th June, 30th September and 31st December every year, starting from 31st March 2020 on consolidated and standalone balance sheet till the redemption of the Debentures.</p> <p>The covenants shall be certified by the Company within 60 (Sixty) calendar days from the end of each financial quarter.</p>
<b>Rating Covenant</b>	Indian Bank reserves the right to recall the facility should there be any deterioration in the credit ratings of the company below BBB+ by any rating agency recognized by RBI . For the purpose of this clause, if the issue is rated by more than one agency, then the lowest of the ratings shall be considered.
<b>Rating downgrade/upgrade event</b>	<p>In the event that the rating of the Issuer is downgraded by one notch from its current rating, the applicable coupon rate shall be increased by 0.25%. The bank shall have a right of early redemption incase the ratings fall by two notches.</p> <p>For the purpose of this clause, if the issue is rated by more than one agency, then the lowest of the ratings shall be considered.</p> <p>[In the event that the rating of the Issuer is restored to the rating prior to the downgrade event, the applicable coupon rate shall be reduced by 0.25%]</p>

Vinod Kumar  
 Capital Private Limited  
 Chennai 600 035

Additional Covenants	<ul style="list-style-type: none"> <li>a) Capital adequacy of the company should not fall below 20% during entire tenor of debenture till maturity.</li> <li>b) Debt equity ratio should be maintained below 5.00 during entire tenor of debenture till maturity.</li> <li>c) If the debentures get delisted during the tenor of the NCD, issuer will bear all expenses for listing it again within 30 days from date of delisting</li> </ul>
Negative Covenants	<p>The Issuer shall not without the prior written permission of the Indian Bank (Debenture Holder) and Debenture Trustee, do or undertake to do any of the following:</p> <ul style="list-style-type: none"> <li>a) Any change in promoter share holding has to be done with prior approval from the bank or debenture trustee.</li> <li>b) Formulate any scheme of amalgamation or reconstitution</li> <li>c) Undertake guarantee obligations on behalf of any other Company / Firm etc., except in the ordinary course of business.</li> <li>d) Declare dividends for any year out of profits relating to the year if any of the financial commitments to Indian Bank have not been duly met</li> <li>e) Withdraw funds from the business out of the profits relating to the year if any of the financial commitments to Indian Bank have not been duly met</li> <li>f) Sell, assign, mortgage or otherwise dispose off any of the assets charged to Indian Bank so as the security cover does not fall below 1.25 x</li> <li>g) Change in promoter, ownership or control (excluding Employee Stock Option).</li> <li>h) Issuer shall not amend or modify clauses in its Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect as defined earlier, without prior consent of the Debenture Trustee.</li> <li>i) Any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business, to be with the prior consent of the debenture holder.</li> <li>j) Acquisition or event of the Business Restructuring of the issuer including but not limited to any scheme of merger demerger amalgamation slump sale of assets arrangement with creditors or lenders compromise or .</li> <li>d) Undertake any new major new business outside financial services or any diversification of its business outside financial services without approval of NCD holders.</li> </ul>
Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following, as required, in connection with the Issue as per latest SEBI guidelines / Companies Act 2013 (as applicable) for issuance of NCDs through Private Placement:</p> <ol style="list-style-type: none"> <li>1. Letter appointing Trustees to the Debenture Holders;</li> <li>2. Debenture Trusteeship Agreement;</li> <li>3. Debenture Trust Deed;</li> <li>4. Deed of Hypothecation;</li> <li>5. Shelf Disclosure Document;</li> <li>6. Private Placement Offer Letter (Form PAS 4);</li> <li>7. Board Resolution authorizing this Issuance;</li> <li>8. Applicable Shareholder Resolutions under the Companies Act 2013;</li> <li>9. Credit Rating Letter &amp; Rationale</li> </ol>

Vinod Subramanian  
  
 Viniti Capital Private Limited  
 Chennai 600 035

	<p>10. Rating Agreement with the aforesaid Rating Agency(ies) with respect to this Issuance;</p> <p>11. BSE In-principle Approval for Listing</p> <p>12. the audited financial results of the Issuer for the for FY 19 and Tripartite Agreements with the Depository(ies) and Registrar &amp; Transfer Agent</p>
Conditions Precedent to Disbursement	<p>The Issuer shall, prior to the Deemed Date of Allotment, fulfil the following conditions precedent, each in a form and manner satisfactory and acceptable to the Debenture Trustee/the Applicants:</p> <p>(a) a copy of the Issuer's Constitutional Documents certified as correct, complete and in full force and effect by the appropriate officer;</p> <p>(b) copies of the authorisations and licenses received by the Issuer from the RBI;</p> <p>(c) a copy of resolution of the debenture allotment committee of the Issuer's board of directors, together with a copy of resolution of the Issuer's board of directors authorising the execution, delivery and performance of the Transaction Documents certified as correct, complete and in full force and effect by an appropriate officer of the Issuer;</p> <p>(d) copies of the resolution of the shareholders of the Issuer under Section 42 of the 2013 Act, certified as correct, complete and in full force and effect by an appropriate officer of the Issuer;</p> <p>(e) a copy of the resolution of the shareholders of the Issuer in accordance with Section 180(1)(c) of the 2013 Act approving the borrowing contemplated under the Transaction Documents OR a certificate of an authorised person of the Issuer confirming the non-applicability of Section 180(1)(c) of the 2013 Act;</p> <p>(f) a copy of the resolution of the shareholders of the Issuer in accordance with Section 180(1)(a) of the 2013 Act approving the creation of Security over the Hypothecated Assets OR a certificate of an authorised person of the Issuer confirming the non-applicability of Section 180(1)(a) of the 2013 Act;</p> <p>(g) a copy of the rating letter and the rating rationale issued by the Rating Agency in relation to the Debentures;</p> <p>(h) a copy of the consent from the Debenture Trustee to act as the debenture trustee for the issue of Debentures;</p> <p>(i) a copy of the consent from the Registrar to act as the registrar and transfer agent for the issue of Debentures;</p> <p>(j) execution, delivery and stamping of the Debenture Trustee Agreement by the Issuer in a form and manner satisfactory to the Debenture Trustee and the Applicants;</p> <p>(k) evidence that all "know your customer" requirements prescribed by the Debenture Trustee and the Applicants have been provided/fulfilled;</p>

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 Viviti Capital  
 Private Limited  
 Chennai  
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	<p>(l) the audited financial results of the Issuer for the half Year ended September 30, 2019;</p> <p>(m) evidence that the fees, costs and expenses then due from the Issuer pursuant to the DTD (including the fee of the legal counsel)) has been or will be paid; and</p> <p>(n) such other information, documents, certificates, opinions and instruments as the Debenture Trustee and the Applicants may request in connection with the transactions contemplated under the DTD and the other Transaction Documents.</p>
Conditions Subsequent to Disbursement	<p>The Issuer shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee, following the Deemed Date of Allotment:</p> <p>(a) the Company shall execute, deliver and stamp the Transaction Documents (other than the Debenture Trustee Agreement) in a form and manner satisfactory to the Debenture Trustee and the Applicants within 30 (thirty) from the Deemed Date of Allotment;</p> <p>(b) the Issuer shall ensure that the Debentures are credited into the demat accounts of the respective Debenture Holders within 3(three) Business Days from the Deemed Date of Allotment;</p> <p>(c) the Issuer shall 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 15 (fifteen) calendar days of the allotment of the Debentures along with a list of the Debenture Holders or within such other extended time as permissible by the Ministry of Corporate Affairs and with the prescribed fee; along with a list of the Debenture Holders and PAS 5;</p> <p>(d) the Issuer shall file copies of the Debt Disclosure Document with SEBI within the prescribed timelines;</p> <p>(e) the Issuer shall obtain listing of the Debentures within 20 (twenty) calendar days of Deemed Date of Allotment, and deliver evidence in a form and manner satisfactory to the Debenture Holders of the final listing of Debentures within 20 (twenty) days of the Deemed Date of Allotment;</p> <p>(f) the Issuer shall file Form CHG-9 with the ROC within 30 (thirty) calendar days from the date of execution of the Deed of Hypothecation or within such other extended time as permissible by the Ministry of Corporate Affairs;</p> <p>(g) the Issuer shall assist the Debenture Trustee in filing Form I with CERSAI within 30 (thirty) calendar days from the date of execution of the Deed of Hypothecation;</p> <p>(h) within 15 (fifteen) days (or such other time period prescribed by the Debenture Trustee (acting on the instructions of the Debenture Holders)) of the filing of charges pursuant to paragraph (e) above, receipt of certified true copy of the certificate of registration of charge issued by the ROC;</p>

Vivint Capital Private Limited  
Chennai 600 035  
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	<p>(i) within 90 (ninety) calendar days from the date of execution of the Deed of Hypothecation, provide such other documents/comply with such other requirement as may be prescribed by Debenture Trustee for the perfection of the security created under the Deed of Hypothecation; and</p> <p>(j) provide such other information, documents, certificates, opinions and instruments as the Debenture Trustee and the Debenture Holders may request in connection with the transactions contemplated under the DTD and the other Transaction Documents.</p> <p>(k) the Issuer will ensure listing of Debentures on the BSE within stipulated timelines;</p> <p>(l) Receive final listing approval from the BSE within 20 calendar days from the Deemed Date of Allotment;</p> <p>(m) The Issuer shall ensure compliance with SEBI / Companies Act, 2013 (as applicable) for issuance of NCDs.</p>
Events of Default	<p>As mentioned in the Shelf Disclosure Document under captioned “Event of Defaults”.</p> <ul style="list-style-type: none"> <li>• Failure to pay amounts due under the Issue on the relevant due date by the Issuer;</li> <li>• Insolvency, reorganization, liquidation, suspension of payment of debts, winding up, illegality, cessation of business by the Issuer;</li> <li>• Illegality, cessation of business of the Issuer;</li> <li>• Security in jeopardy;</li> <li>• Bankruptcy, CDR proceedings filed with respect to the Issuer</li> <li>• Breach of any of the terms of the Transaction Documents by the Issuer;</li> <li>• Breach of any covenants mentioned in this Term sheet;</li> <li>• Breach of any Representations and Warranties;</li> <li>• Nationalization or expropriation of any of a substantial part of the assets of the Issuer;</li> <li>• Unlawfulness</li> </ul>
Consequences of Event of Default	<p>The consequences of default will, include but not be limited to the following:</p> <ul style="list-style-type: none"> <li>• Acceleration of all outstanding dues, cancellation of total Issue and enforcement of Security;</li> <li>• To transfer assets of the Issuer comprised within the Security created in favour of Debenture Trustee or such other person by way of lease, leave and license, sale or otherwise. Any surplus realized from the transfer of assets after fulfilment of all the obligations of the Issuer under the Issue shall be paid to the Issuer;</li> <li>• Enforce its right under the Transaction Documents;</li> <li>• Appropriate any amount in the Accounts and utilize it for payment/repayment of any amount outstanding under the Issue;</li> <li>• Charge Default Interest. It is clarified that the default interest shall be charged from the date of occurrence of event of default irrespective of the same being declared by the Investor(s) till such date the default subsists;</li> </ul> <p>Any cost incurred on any of the above shall be borne by the Issuer.</p>
Provisions related to Cross Default Clause	Other than default under the present issue, if the issuer is in default under the terms and conditions of any issuances/obligations under other facilities and receives such notice of event of default from such



	<p>lender/investor, then that shall also constitute an event of default under the present issue as well.</p>
Role and Responsibilities of Debenture Trustee	<p>As more particularly set out in the Transaction Documents, and to oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s), including but not limited to:</p> <p>(a) the Debenture Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Issuer or by the Debenture Trustee or otherwise and shall not be responsible for any loss occasioned by so acting. PROVIDED THAT, the Debenture Trustee shall at all times act with due care and diligence before relying upon any advice, opinion, information and communication received by it from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert its attorney, representative or receiver;</p> <p>(b) subject to the approval of the Debenture Holders by way of Super Majority Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have the discretion as to the exercise thereof and to the mode and time of exercise thereof. In the absence of any fraud, gross negligence, willful misconduct or breach of trust the Debenture Trustee shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the aforementioned exercise or non-exercise thereof. The Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing the same and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;</p> <p>(c) with a view to facilitating any dealing under any provisions of these presents, subject to the Debenture Trustee obtaining the prior written consent of the Super Majority Debenture Holders, the Debenture Trustee shall have the power (i) to consent (where such consent is required) to a specified transaction or class of transactions (with or without specifying additional conditions), (ii) to determine all questions and doubts arising in relation to the interpretation or construction any of the provisions of the DTD, and (iii) to take any action on behalf of the Debenture Holders;</p> <p>(d) the Debenture Trustee shall not be responsible for the amounts paid by the Applicants for the Debentures;</p> <p>(e) the Debenture Trustee and every receiver, attorney, manager, agent or other person appointed by them shall, subject to the provisions of the Act, be entitled to be indemnified by the Issuer in respect of all liabilities and expenses incurred by them in the execution or purported execution of the powers and trusts thereof; and</p> <p>(f) the Debenture Trustee shall forward to the Debenture Holders copies of any information, documents from the Issuer pursuant to the DTD</p>

Vincent Selvaraj  
 Capital Private Limited  
 Chennai 600 035

	<p>within 2 (two) Business Days of receiving any of the foregoing from the Issuer.</p> <p>(g) Debenture trustee shall obtain from the MFI, at the end of each quarter, a Chartered Accountant's Certificate stating, inter-alia, that the criteria on (i) qualifying assets, (ii) the aggregate amount of loan, extended for income generation activity, and (iii) pricing guidelines are followed.</p> <p>(h) Debenture Trustee shall make sure the company comply with Guidelines on MFI/NBFC-MFI issued by RBI and any other statutory body(issued in time )</p> <p>PROVIDED THAT nothing contained in this Clause shall exempt the Debenture Trustee, its representatives or any receiver appointed by the Debenture Trustee from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule or Applicable Law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder</p>
Representation and warranties	<p>The Issuer (and where applicable its affiliates) shall make representations customary for issuance of this nature, including but not limited to:</p> <ol style="list-style-type: none"> <li>Corporate existence, power and authority;</li> <li>The Company is registered with the RBI as a NBFC</li> <li>Legal validity and binding nature of the transaction;</li> <li>Corporate authorizations and consents;</li> <li>Non-contravention of constitutional documents and binding nature of the same;</li> <li>No outstanding default or material litigation;</li> <li>No violation of law or material agreements;</li> <li>No occurrence of a material adverse effect;</li> <li>No litigation that may have a material adverse effect on operation of business;</li> <li>No insolvency;</li> </ol> <p>(Completeness and accuracy of financial statements;</p>
Illustration of Bond Cash-flows	Kindly refer to Annexure VI of this Information Memorandum.
Governing Law	The Transaction Documents shall be governed by and will be construed in accordance with the laws of India. The courts and tribunals at Mumbai, India have jurisdiction to settle all disputes which may arise out of or in connection with the Transaction Document.
Transaction Costs	<p>The Issuer shall bear all transaction related costs incurred by the Debenture Holder with respect to legal counsel, valuers and auditors/ consultants. Such costs include:</p> <ul style="list-style-type: none"> <li>• Trustee fees</li> <li>• Rating fees</li> <li>• Stamping and registration costs in relation to all Transaction Documents</li> </ul> <p>Any other reasonable transaction related expense incurred by the Debenture issuer</p>
Arbitration	<p>In the event of any dispute or difference between the Parties to this agreement in respect of or concerning or connected with the interpretation or implementation of this Agreement or arising out of this Agreement, such dispute or difference shall be referred to arbitration by a sole arbitrator, appointed by the Investor in its sole discretion, in accordance with the (Indian) Arbitration and Conciliation Act, 1996, or any modification or amendment thereof. The arbitration shall be held in</p>

Vinod Kumar  
  
 Viniti Capital Private Limited  
 Chennai 600 035

	Mumbai/ New Delhi. The language of the arbitration proceedings shall be English. The expenses of the arbitration shall be borne by the Issuer. The decision of such arbitration shall be binding and conclusive upon the Parties and may be enforced in any court of competent jurisdiction.
Indemnification	The Issuer will indemnify, and hold harmless the Debenture Holder, Investment Manager of Debenture Holders, and their respective shareholders, officers, directors, employees, representatives and attorneys 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.

Vincent John

Vivriti Capital Private Limited  
Chennai 600 035