

TERM SHEET

This term sheet dated June 06, 2019 provides indicative terms and conditions for the facility proposed to be availed by Imagine Marketing 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 Costs and Expenses, Governing Law, Confidentiality and Press Announcements and Exclusivity.

No.	Terms	Particulars
1.	Debt Amount	Rs. 20,00,00,000 (Rupees Twenty Crores Only) through the issue of redeemable Non-Convertible Debentures ("NCDs") in two tranches. Rs 15 crores Tranche 1 Rs 5 crores Tranche 2
2.	Instrument	[Unlisted Secured] Non-Convertible Debentures ("NCDs"). The NCDs shall be compulsorily issued in dematerialized form. The NCDs shall be freely transferable.
3.	Purpose	Working capital requirements of the Company and General corporate purposes
4.	Promoters	Aman Gupta and Sameer Mehta The Promoters shall be confirming parties to the Transaction Documents.
5.	Tenor	18 months from the issuance of each tranche.
6.	Upfront Fees	Non-refundable fee of 1% of the entire amount of NCDs, exclusive of all applicable taxes payable on each tranche
7.	Interest Rate	14.5% per annum, payable monthly on the outstanding debentures.
8.	Redemption Premium	3.5% payable at the end of the tenor on principal outstanding (just at the end of Moratorium Period)
9.	Additional Interest	Upon the occurrence of an EOD, additional interest @ 2% per month on the face value of outstanding NCDs will be applicable from the date of occurrence of the EOD till the date it is cured. Cure period of 7 days will be given for any EOD, except payment default for which no cure period will be allowed
10.	Moratorium	6 months from the issuance of first Tranche
11.	Repayment Schedule	In 12 equal installments starting from 7 th month
12.	Voluntary Prepayment	(a) Upon the expiry of the 12month period, the Company is permitted to voluntarily redeem the NCDs, subject to payment of (a) prepayment premium at the rate of 2% of the amounts being prepaid; (b) No part redemption of the NCDs is permitted.

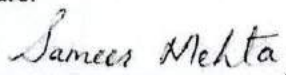



No.	Terms	Particulars
13.	Mandatory Prepayment	(a) The Company shall mandatorily redeem the NCDs, if it becomes unlawful for the any debenture holder to hold the NCDs or perform its obligations under the transaction documents, pursuant to a change in law, within a period of [45] days from the date of notification by the debenture holder or shorter time prescribed under applicable laws.
14.	Security	Promoters to pledge 25% of the equity in the Borrowing entity as security for the transaction. The Security shall be duly perfected prior to the disbursement in the manner detailed in Transaction Documents
15.	Target Close	14 th June 2019
16.	Key Conditions Precedent	(a) Delivery of corporate approvals approving the issuance of NCDs and creation of security. (b) 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 (c) Completion of due diligence exercise(s) by the Investor (d) Receipt of necessary consents / no-objections from the existing shareholders / lenders of the Company / security providers (e) Payment of Upfront Fees (f) Creation and perfection of security, to the extent possible. (g) Others to be identified in the Transaction Documents.
17.	Information Covenants	(a) Monthly financial statements within 30 days of month end (b) Annual audited financial statement within 180 days of year end (c) Unaudited quarterly and year to date financial statements within 45 days of quarter end (d) Annual operating budgets and projections within 45 days of financial year end. (e) Cash position of the Company at the end of every month within 10 days of the end of every month. (f) MIS statements at the end of every month sent to equity investors, (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 (defined below) and such other material events as set out in the Transaction Documents, within 1 day of the occurrence of such event.
18.	Financial Covenant	Outstanding Debt to net working capital (Current Assets minus cash balance minus current liabilities) to be capped at 0.75x
19.	Indemnity	(a) The Company shall indemnify the Investor / trustee against all losses incurred due to breaches of covenants, warranties, undertakings set out in the Transaction Documents or due to any enquiry or litigation with respect to the Company or with respect to the transactions contemplated under the Transaction

No.	Terms	Particulars
		Documents, or due to NCDs not being redeemed in accordance with the terms of the Transaction Documents. (b) The Promoters shall jointly and severally indemnify the Investor / trustee against the losses incurred due to any fraud, willful misconduct or gross negligence on part of any of the Promoters in relation to the Company or any matters in connection with the Transaction Documents.
20.	Other Key Terms	The Transaction Documents shall contain customary provisions for such transactions including affirmative and negative covenants, representations and warranties to be repeated throughout the tenor and other terms ancillary to venture debt. The Transaction Documents shall contain necessary clauses to comply with the Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Debenture Trustee) Regulations, 1993.
21.	Events of Default (EOD)	The EOD and its consequences shall be detailed in the Transaction Documents.
22.	Material Adverse Change	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. Material Adverse Change will be an EOD.
23.	Due Diligence	The Investor shall have the right to carry out legal, financial, business, tax and commercial due diligence on the Company and its business and operations prior to entering into any of the transactions contemplated herein
24.	Transaction Documents	As prescribed by Investor, including but not limited to: (a) Debenture Trustee Appointment Agreement (b) Debenture Trust Deed (c) Debenture Subscription Agreement, if required (d) Security documents such as deed of hypothecation, pledge agreement, mortgage documents, etc. as applicable (e) Post-dated cheques for the amounts of interest, each repayment instalment and Redemption Premium, as indicated by the Investor / such amounts as indicated by the Investor
25.	Investment Committee Approval	The investment in NCDs is subject to approval of the internal investment committee of the Investor.
26.	Costs and Expenses	The Company agrees to pay all costs, fees and expenses (including legal charges for documentation, stamp duty costs, mortgage registration charges, trustee fees and any other ancillary transaction costs or any other cost related to inspection, review etc.). The amount payable to the trustee and legal advisors shall be capped at INR [5 lacs].

No.	Terms	Particulars
27.	Confidentiality and Press Announcements	<p>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 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>
28.	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 venue in Bengaluru, without prejudice to any debenture holder's rights under IBC, DRT, SARFAESI or other applicable laws.</p>
29.	Validity	This Term Sheet is valid for [7] days from date of issuance.

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

For Imagine Marketing Private Limited	
Signature:	
Name:	Sameer Mehta
For BAC Acquisitions Private Limited	
Signature:	
Name:	