

DATANET ECOMMERCE SERVICES LIMITED

FLAT NO. 302, 3F, "PRESTIGE" NO. 26/8 VIVIANI ROAD RICHARDS TOWN BANGALORE 560005

E-Mail: compliancesection@gmail.com; Mobile: 09739434958

CIN: U72900KA2001PLC029683

TERM SHEET

[FOR ISSUE OF 20,00,000 (Twenty Lakhs), 1% UNSECURED OPTIONALLY CONVERTIBLE DEBENTURES OF RS. 100/- EACH]

1. **This offer is only for Companies and its Directors and not for Individuals (except Directors of the Company)** , Partnership Firms, Trusts, Hindu Undivided Family (HUF), Body corporate and Limited Liability Partnership (LLP) and are transferable by novation to a company or its Directors only after seeking the prior written consent of the Board of Directors.
2. The OCD shall be unsecured.
3. The objective of the issue is to raise funds to strengthen the fund base of the Company and will be utilized for general corporate purposes as the management may deem fit and appropriate and necessary.
4. The OCD will be issued and offered as per provisions of Companies Act, 2013 and the Rules made there under to the extent applicable.
5. The offer is valid till the financial year ending 31-03-2021 or till full subscription is received.
6. The OCD may be converted into equity shares at the option of issuer after a period of 48 months from the date of allotment and before redemption of debentures.
7. The OCD by themselves do not give to the holder thereof any rights of a shareholder of the Company.

8. Other terms:

- (i) Face Value – Rs. 1,00/- per Debenture.
- (ii) Tenure – 6 years from the date of allotment of the Debenture.
- (iii) Conversion price: To be determined at a later date as per the valuation to be obtained pursuant to applicable laws.
- (iv) Debentures to Rank Pari Passu- The 1% Unsecured Optionally Convertible Debentures ("OCD") shall rank Pari Passu Inter-se without any preference or priority of one over the other or others of them.
- (v) Put option-after expiry of 1 year subscriber can ask for an early redemption of debentures. If the subscriber exercises put option before expiry period of 6 years , no premium will be paid.
- (vi) Call Option – Not applicable.
- (v) Interest – Interest on debenture shall be paid @ 1% per annum (subject to deduction of Income Tax where applicable at the rates for the time being prescribed under the Income Tax Act, 1961 or any statutory modification or re-enactment thereof and such interest shall be due every year 31st March which shall be the record date.

(vi) Redemption:

- (a) The Debenture shall be redeemed at a premium of 50% of the face value of the Debenture on expiry of 6 years from the date of allotment thereo, if option of conversion is not exercised by issuer.debenture can be redeemed earlier if subscriber excercises put option after 1 year from the date of allotment.
- (b) The Debenture may be converted into equity share of Rs. 10/- each of the Company on at value to be determined by a registered valuer, if option of conversion is exercised.
- (c) No premium will be paid if the Debentures are redeemed before the expiry period.
- (d) In case the Company fails to pay the redemption amount within the respective time-frame prescribed herein, then the Company may be liable to pay interest @ 8% p.a. compounded annually for the period of delay.

(vii) Conversion:

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Debentures are convertible at the option of the company to be exercised at any time after expiry of the 4th year from date of allotment, but before the same is due for redemption in terms hereof. On option being exercised, the debenture-holders shall be entitled to allotment of such number of fully paid up equity shares of Rs. 10/- each against debentures held by them respectively, as shall be determined as per the valuation report to be obtained pursuant to the applicable laws.

(viii) Rights of Debenture holder:

1. The 1% Unsecured Optionally Convertible Debentures shall not confer upon the debenture holder thereof the right to receive any notice or annual report of the Company and to attend and/or vote at any General Meeting of the Company.
2. The Register of Debenture holder will be maintained for 1% Unsecured Optionally Convertible Debentures in accordance with Section 88 of the Act and all sums becoming due and payable on the 1% Unsecured Optionally Convertible Debentures will be paid to the registered holder thereof for the time being.
3. In case of death/dissolution/bankruptcy/winding-up of a Debenture holder, the 1% Unsecured Optionally Convertible Debentures shall be transmittable to the legal representative(s), successor(s) or the Liquidator in accordance with the Law on such terms as may be deemed appropriate by the Company.
4. **The Debentures can be transferred to any Company or Directors of the issuing Company i.e pre-emptive rights of directors of the Issuing Company , subject to approval of the Board of Directors**

Certified true copy

For and on behalf of the company

DATANET ECOMMERCE SERVICES LIMITED

ANSHUMAN PRAKASH

DIN: 00434909

Date: 26.11.2020

Place: Bangalore