



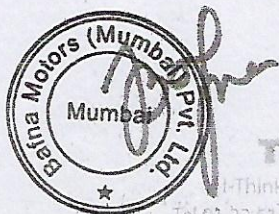
TERM SHEET

Date: January 31, 2020

This term sheet ("**Term Sheet**") summarizes the principal terms and conditions and does not constitute a proposal to subscribe to the Debentures and is subject to completion of satisfactory documentation, completion of the Due Diligence Exercise in a manner satisfactory to the Debenture Holder(s) and prevailing market conditions. Except as otherwise provided hereof, this Term Sheet is intended solely as a basis for further discussions and is not intended to be, and does not impose any, legally binding obligation on any party. Only the rows titled "*Governing Law and Jurisdiction*", "*Confidentiality*", "*Exclusivity*", "*Validity Period*" and "*Costs and Expenses*" shall be binding on the parties. No other legally binding obligations will be created, implied, or inferred until the transaction documents are executed and delivered by all parties.

A. Background

Issuer/ Company	Bafna Motors (Mumbai) Private Limited (" Company ")
Promoters	Mr. Sumatiprasad Bafna, Mrs. Nanda Bafna and Mr. Arjun Sumatiprasad Bafna
Debenture Holder(s)	shall mean Tata Motors Finance Solutions Limited (" TMFSL ") and shall include all subsequent transferees of the Debentures other than the Promoters
Debenture Trustee	IDBI Trusteeship Services Limited
TML	Tata Motors Limited
Debentures	Unlisted Unrated Secured Non-Convertible Debentures of an aggregate nominal value of up to Rs.20,00,00,000/- (Rupees Twenty Crore Only) (" NCDs ").
Rating	Unrated
Existing Facilities	TMFSL The term loan facility of an amount of up to Rs. 50,00,00,000/- (Rupees Fifty Crore only) and the revolving rupee loan facility (channel finance limit) of an amount of upto Rs. 80,00,00,000/- (Rupees Eighty Crore only) provided by Tata Motors Finance Solutions Limited to the Company, in the manner and upon the terms and conditions set out in this Facility Agreement dated March 19, 2016, the present parties whereof are the Company and Tata Motors Finance Solutions Limited. As of December 31, 2019, the principal outstanding under term loan facility is Rs.33,05,14,276/- (Rupees Thirty-Three Crore Five Lakh Fourteen Thousand Two Hundred Seventy-Six only) and channel finance limit is Rs.59,50,00,000/- (Rupees Fifty-Nine Crore Fifty Lakh)
NCD Coupon	The coupon shall be payable in respect of the NCDs to the Debenture Holders on each NCD Coupon Payment Date at the NCD Coupon Rate.
NCD Coupon Rate	13% (Thirteen percent) per annum or such other rate to which the NCD Coupon Rate is reset by the Debenture Holders in terms of the row titled 'Reset of Coupon' in Section D below.
Advisory Fees pay to TMFL	Upfront – 2% of NCD amount i.e. Rs.40,00,000/- (Rupees Forty Lakh Only) and Beginning of year 3 - 1% of the outstanding principal amount each year



Arjun Bafna Nanda Bafna

TATA MOTORS FINANCE SOLUTIONS LIMITED

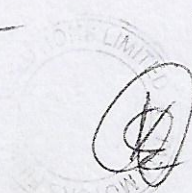
I-Think Techno Campus Building A 2nd Floor Off Pokhran Road 2 Thane West 400 601
Tel: 91 22 6181 5400 Fax: 91 22 6181 5700 website www.tmf.co.in CIN - U65910MH1992PLC187184



NCD Coupon Payment Frequency	Annual basis
Coupon Type	Fixed
NCD Coupon Payment Dates	1 (One) year from the deemed date of allotment of the NCDs and each anniversary thereafter.
Tenor	5 (Five) years from the deemed date of allotment of the NCDs.
Repayment Dates	<p>The principal amount in respect of the NCDs shall be repaid by the Company, in the following manner:</p> <ul style="list-style-type: none"> (a) 10% (Ten percent) at the expiry of 1 (One) years from the deemed date of allotment of the NCDs; (b) 15% (Fifteen percent) at the expiry of 2 (Two) years from the deemed date of allotment of the NCDs; (c) 20% (Twenty percent) at the expiry of 3 (Three) years from the deemed date of allotment of the NCDs; (d) 25% (Twenty Five percent) at the expiry of 4 (Three) years from the deemed date of allotment of the NCDs; and (e) 30% (Thirty percent) at the expiry of 5 (Three) years from the deemed date of allotment of the NCDs.
Debenture Redemption Reserve	The Company shall create a debenture redemption reserve as required under Section 71(4) of the Companies Act, 2013 read with the rules framed thereunder.
NCD Security	<p>The obligations of the Company in respect of the NCDs shall be secured by creation of the following security interests, in favour of the Debenture Trustee:</p> <ul style="list-style-type: none"> (a) Second ranking mortgage over Company's property located at Nerul, Navi Mumbai; (b) First ranking mortgage over the property of the Company situated at Thane; (c) First ranking charge, by way of hypothecation over all movable assets of the Company including, without limitation, the Escrow Account; (d) An unconditional and irrevocable guarantee from the Promoters in respect of due discharge by the Company of its obligations in respect of the NCDs. <p>(collectively, the "NCD Security")</p> <p>The NCD Security mentioned in sub-paragraph (a), (b) and (c) above shall rank pari passu with the obligations in respect of the Existing TMFSL Facilities. Other than as aforesaid, no other creditor or lender shall have any right, title or interest in the NCD Security.</p>
NCD Repayment Cheques	The Company shall submit to the Debenture Holders undated cheques signed, in respect of payment obligations of the Company in relation to the NCDs.
NCD DSRA	<p>The Company shall be required to create a debt service reserve for NCDs in the Escrow Account through a build-up of the TML Discount Reimbursement Receivables after the deemed date of allotment of the NCDs on an ongoing basis in the following manner:</p> <ul style="list-style-type: none"> a. The TML Discount Reimbursement Receivables received by the Company in any month shall be set aside, in the first instance, to



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accumulate the NCD DSRA Amount of the relevant month and any shortfall in the maintenance of NCD DSRA Amount for any of the previous months;

- b. In event that, in any month, the relevant NCD DSRA Amount for such month is not set aside and such failure is not cured by setting aside amounts from the TML Discount Reimbursement Receivables of the immediately following month in terms of subparagraph (a) above, the Debenture Holders shall be entitled to utilise any other monies credited into Escrow Account and available after payment of the amounts due in respect of the NCDs and the Existing TMFSL Facilities towards the maintenance of NCD DSRA Amount of such month.

The NCD DSRA shall not be used for any purpose other than for repayment of the amounts due in respect of the NCDs.

"NCD DSRA Amount" shall mean:

- (a) From the deemed date of allotment of the NCDs upto the date falling at the expiry of 1 (One) year from the deemed date of allotment of the NCDs: Rs 38,33,333/- (Rupees Thirty-Eight Lakh Thirty-Three Thousand Three Hundred Thirty-Three) per month;
- (b) From the date falling at the expiry of 1 (One) year from the deemed date of allotment of the NCDs up to the date falling at the expiry of 2 (Two) years from the deemed date of allotment of the NCDs: Rs 44,50,000/- (Rupees Forty-Four Lakh Fifty Thousand) per month;
- (c) From the date falling at the expiry of 2 (Two) year from the deemed date of allotment of the NCDs up to the date falling at the expiry of 3 (Three) years from the deemed date of allotment of the NCDs: Rs 49,58,333/- (Rupees Forty-Nine Lakh Fifty-Eight Thousand Three Hundred Thirty-Three) per month;
- (d) From the date falling at the expiry of 3 (Three) year from the deemed date of allotment of the NCDs up to the date falling at the expiry of 4 (Four) years from the deemed date of allotment of the NCDs: Rs 53,58,333/- (Rupees Fifty-Three Lakh Fifty-Eight Thousand Three Hundred Thirty-Three) per month;
- (e) From the date falling at the expiry of 4 (Four) year from the deemed date of allotment of the NCDs up to the date falling at the expiry of 5 (Five) years from the deemed date of allotment of the NCDs: Rs 56,50,000 (Rupees Fifty-Six Lakh Fifty Thousand) per month;

The Company shall ensure that all TML Discount Reimbursement Receivables are deposited directly into the Escrow Account by TML and if for any reason such amounts are received by the Company in any other account it shall be obliged to forthwith deposit the same into the Escrow Account and shall until such deposit hold the same in trust for the benefit of the holder of the NCDs.

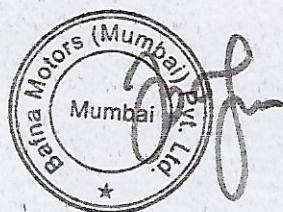
"TML Discount Reimbursement Receivables" shall mean the monies to be received by the Company from TML towards reimbursement of the amounts in respect discounts provided by the Company on the sale of vehicles



Nandesh. Sharma



	manufactured by TML pursuant to the arrangement between the Company and TML.
Escrow Account	<p>The Company shall ensure that all receivables of the Company are deposited into the Escrow Account in accordance with the Restated Escrow Agreement.</p> <p>"Escrow Account" shall mean the escrow account maintained by the Company with the Escrow Bank, which is operated and maintained in accordance with the Restated Escrow Agreement;</p> <p>"Erstwhile Escrow Agreement" shall mean the escrow agreement dated March 19, 2016, the present parties whereof are the Company, Tata Motors Finance Solutions Limited and the Escrow Bank;</p> <p>"Escrow Bank" shall mean ICICI Bank Limited;</p> <p>"Restated Escrow Agreement" shall mean the restated and amended escrow agreement to be executed by and between the Company, Escrow Bank, Tata Motors Finance Solutions Limited and the Debenture Holders which will substitute and replace the Erstwhile Escrow Agreement.</p> <p>"Base Case Business Plan" shall mean the business plan of the Company which is submitted by the Company to the Debenture Holders in terms of the row titled 'Conditions Precedent to Disbursement' below and which is approved by the Debenture Holders.</p>
Default Interest Rate	21% p.a. (Twenty one percent per annum)
Event(s) of Default	<p>As are customary for a transaction of this nature including, without limitation, the following:</p> <ul style="list-style-type: none"> (a) Any failure by the Company to make payment of the amounts due and payable in terms of the transaction documents; (b) If the Company enters into a related party transaction or makes any advances or payments to the Promoters or any other related parties without the prior written consent of the Debenture Holders; (c) If any amounts/ monies are advanced by the Company whether by way of loan, deposit, advance, subscription to securities or otherwise (excluding trade advances to third parties not related to the Company/ Promoters in the ordinary course of business and as on an arm's length basis) without the prior written consent of the Debenture Holders. (d) Any breach of representations and warranties or covenants (including, without limitation, the financial covenants) set out in the transaction documents by the Company and/or the Promoters; (e) The occurrence of any Force Majeure Event, in relation to the Promoters (or any of them); (f) If the Promoters cease to have Control (as defined in the Companies Act, 2013) over the Company and/or Promoters; (g) Any change in shareholding pattern of the Company other than any change previously approved by the Debenture Holders; (h) The relationship between the Company and the Promoters, on one hand, and TML, on the other, as authorised dealer and manufacturer,



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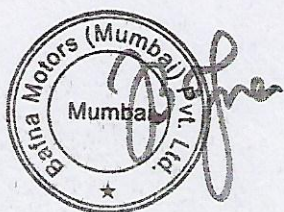
	<p>is terminated, suspended or otherwise, in the opinion of the Debenture Holders, in jeopardy;</p> <p>(i) In the event that the Company fails to create and perfect the security interest created over the NCD Security, in the manner and within the timelines stipulated by the Debenture Holders;</p> <p>(j) Any application/ proceeding for liquidation, receivership, administration, insolvency proceedings, dissolution, arrangements or compositions being filed (including, without limitation, under the Insolvency and Bankruptcy Code, 2016) against the Company and/ or any of the Promoters making any compromise or arrangements;</p> <p>(k) The Company and/or any of the Promoters are unable to or admits inability to pay their debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties;</p> <p>(l) The Company and/ or any of the Promoters have voluntarily become the subject of proceedings under any bankruptcy or insolvency law (including, without limitation, under the Insolvency and Bankruptcy Code, 2016) or the Company is voluntarily or involuntarily dissolved;</p> <p>(m) Any of the issued shares of the Company or the whole or any part of their business or revenues or assets is seized, nationalised, expropriated or compulsorily acquired;</p> <p>(n) The Company cease to or threaten to cease to carry on its business operations;</p> <p>(o) In the event that any disputes arise between the shareholders of the Company including without limitation <i>inter-se</i> the Promoters;</p> <p>(p) It is or becomes unlawful for the Company and/or any of the Promoters to perform any of their obligations under the transaction documents and/ or any obligation or obligations of the Company and/or any of the Promoters cease to be valid, binding or enforceable;</p> <p>(q) In the event that the Company and/or any of the Promoters repudiates the transaction document(s) to which it is a party or any part thereof;</p> <p>(r) Deviation of 15% (Fifteen percent) or more, in any financial year, from the Base Case Business Plan, for the relevant financial year, which is not consented to (by way of a prior written consent) by the Debenture Holders;</p> <p>(s) Significant fall in TML business of the Company which in the opinion of the Debenture Holders would have a material adverse effect;</p> <p>(t) Other events which are customary to a transaction of this nature and which will be incorporated in the transaction documents.</p>
Conditions Precedent	<p>As are customary for a transaction of this nature including, without limitation, the following:</p> <p>(a) execution of all the transaction documents;</p> <p>(b) issuance of a private placement offer letter, in Form PAS-4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, to the Debenture Holders;</p> <p>(c) passing of requisite board and shareholder resolution by the Company;</p> <p>(d) there is no material adverse effect;</p> <p>(e) the Company shall have delivered to the Debenture Trustee a</p>



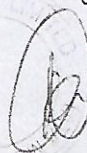
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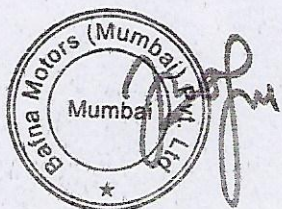
	<p>certificate issued by the statutory auditor of the Company, certifying that there are no proceedings or claims for the recovery of any Tax pending against the Company including without limitation any income tax proceedings requiring it to obtain the consent of the assessing officer under Section 281(1) of the Income Tax Act, 1961 for the purpose of creating the Mortgage</p> <p>(f) valuation reports and encumbrance certificates in respect of the NCD Security;</p> <p>(g) completion of financial, legal and tax due diligence to the sole satisfaction of the Debenture Holders; ("Due Diligence Exercise");</p> <p>(h) certificates/letters to the satisfaction of the Debenture Holders from the existing charge/security interest holders of the NCD Security, conveying their respective no-objection for the transactions contemplated hereunder;</p> <p>(i) creation of security over the NCD Security (other than the second ranking pari passu mortgage over the immovable property of the Company situated at Nerul, Navi Mumbai) in favour of The Debenture Trustee in the manner and upon the terms and conditions stipulated by the Debenture Holders;</p> <p>(j) the Company shall have submitted to the Debenture Holders a Base Case Business Plan acceptable to the Debenture Holders;</p> <p>(k) the Company shall have made an application to Maharashtra Industrial Development Corporation seeking approval for creation of a second ranking mortgage over the property of the Company situated at Nerul, Navi Mumbai, in favour of the Debenture Trustee (for the benefit of the Debenture Holders) in respect of its obligations towards NCDs</p> <p>(l) There are no overdues in any of the facilities extended to Bafna group by TMFSL/TMF prior to the disbursement</p>
Conditions Subsequent	<p>As are customary for a transaction of this nature including, without limitation, the following:</p> <p>(a) Appointment of an auditor acceptable to the Debenture Holder in such a manner, with such scope of work and such terms and conditions which Debenture Trustee may stipulate time to time including reports on monthly flash review, related party transactions, stock and debtors' position, balance confirmation of receivables, payment of statutory dues, determination of Available Surplus etc.</p> <p>(b) Appointment of a nominee observer acceptable to the Debenture Holder on the board of directors of the Company. Such observer shall have such rights as may be specified in the transaction documents including, without limitation, the right to attend board meetings of the Company (including the right to receive notices for any such meeting along with all information, documents and writings as sent to the directors), review financial, operational and other key business matrices, compliance by the Company to covenants imposed by the Debenture Holders, review of the concurrent audit reports and / or findings etc. If the Observer does not attend any Meeting, the Company shall promptly furnish to the Observer a report of the proceedings of such Meetings.</p> <p>(c) allotment of the Debentures by means of issuance of letter of allotment within the timelines prescribed in the transaction documents;</p>



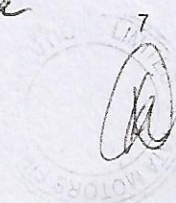
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	<p>(d) filing of all necessary forms with the relevant registrar of companies in relation to the issuance of the Debentures including, without limitation, filing of the return of allotment of securities in Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, within 30 (Thirty) days of the deemed date of allotment of the NCDs;</p> <p>(e) filing of all necessary forms with the relevant registrar of companies for perfection of the NCD Security, including filing of Form CHG-9 under the Companies Act, 2013 within 30 (Thirty) days from the deemed date of allotment, except in relation to the second ranking mortgage over the immovable property of the Company situated at Nerul, Navi Mumbai;</p> <p>(f) creation and perfection of a second ranking mortgage over the immovable property of the Company situated at Nerul, Navi Mumbai within 90 (Ninety) days of deemed date of allotment of the NCDs, to secure the obligations of the Company in respect of the NCDs including filing of all necessary forms with the relevant registrar of companies under the Companies Act, 2013 to register the charge and registration of the deed of mortgage with the relevant sub-registrar of assurances</p>
Covenants	<p>As are customary for a transaction of this nature including the following:</p> <p>(a) The Company shall not, except with the prior written consent of the Debenture Holders, avail of any financial indebtedness from any person; provided that drawing on existing channel finance sanctioned limits for purchase of vehicles in the ordinary course of its business shall not be construed as availing of fresh financial indebtedness;</p> <p>(b) The Company and the Promoters shall not, except with the prior written consent of the Debenture Holders, create any security interests over any of their assets;</p> <p>(c) The Company shall not effect any change in its shareholding structure, reorganisation, merger, demerger or other scheme of arrangement or undertake any similar exercise without the prior written consent of Debenture Holders.</p> <p>(d) The Company shall provide financial statements including, without limitation, monthly stock statements, quarterly financials, cash and bank register and other statements as may be requested by the Debenture Holders from time to time.</p> <p>(e) The Company shall diligently preserve its corporate existence and status and all rights, contracts, privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business including without limitation the status of the Company as an authorised dealership of TML.</p> <p>(f) The Company shall ensure that all receivables of the Company are directly deposited into the Escrow Account including, without limitation, the TML Discount Reimbursement Receivables.</p> <p>(g) The Company will not contribute to any discount being offered by TML pursuant to scheme or otherwise, other than in the normal course of business that will have an adverse impact on the Base Case Business plan of the Company.</p> <p>(h) The Company shall submit a report, certified by TML, setting out the sales target of the Company for a period of 1 (One) year from the</p>



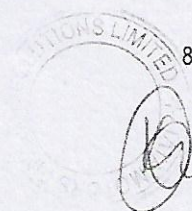
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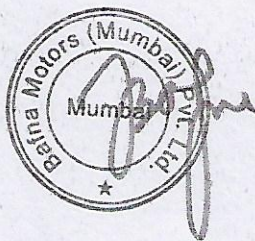
	<p>deemed date of allotment in such format as may be acceptable to the Debenture Holders.</p> <p>(i) The Company shall ensure that its obligations under the transaction documents shall rank above and prior to all other present and future obligations of the Company.</p> <p>(j) The Company shall not, without the prior written consent of the Debenture Trustee, enter into any transactions with any related party or makes any advances or payments to the Promoters or any other related parties or any otherwise enter into transaction in which the directors, shareholders, key managerial personnel or the relatives thereof, are interested. For the advances in lieu of sales and purchase transactions with related parties in the normal course of business, Company will take consent from Debenture Trustee/TMFSL at the beginning of each financial year detailing party wise proposed advances and nature of transaction for the full year.</p> <p>(k) The Company shall not, without the prior written consent of the Debenture Trustee, provide any loans, advances, or borrowings, by whatever name called, to any person.</p> <p>(l) The Company shall not, without the prior written consent of the Debenture Trustee, provide guarantees to or for the benefit of any entity or person.</p> <p>(m) The Company shall not, without the prior written consent of the Debenture Trustee, advance any amounts/ monies whether by way of loan, deposit, advance, guarantees, subscription to securities or otherwise (excluding trade advances to third parties not related to the Company/ Promoters in the ordinary course of business and as on an arm's length basis).</p>
Financial Covenants	<p>(a) Current ratio – as per Base Case Business Plan;</p> <p>(b) Total outside liability/ total net worth ratio – as per Base Case Business Plan;</p> <p>(c) Debt to equity ratio – as per Base Case Business Plan;</p> <p>(d) Minimum debt service coverage ratio – as per Base Case Business Plan.</p> <p>The Financial Covenants shall be tested on an annual basis starting from March 31, 2021.</p>
Key Personnel	<p>The Company shall submit, as a condition precedent to the issuance of the Debentures the details of the compensation (including perquisites, commissions, salaries and any other form or mode of compensation) currently paid to the promoters, directors or key managerial personnel of the Company ("Key Personnel") and shall make such changes and revisions thereto, if any, as the Debenture Holders may require ("Pre-Issue Compensation Levels"). The list of Key Personnel shall be detailed in the transaction document.</p> <p>The Company shall not make any upward revision to the compensation of the Key Personnel from the Pre-Issue Compensation Levels without first obtaining the prior written consent of the Debenture Holders.</p>
Representations and Warranties	As are customary for a transaction of this nature and as shall be set out in the transaction documents.



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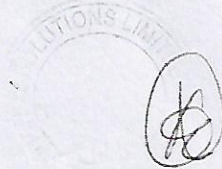


Reset of Coupon	<p>The Debenture Holders shall; in their sole discretion on each Coupon Reset Date, be entitled to reset the rate of the NCD Coupon payable by the Company to the Debenture Holders provided that the Company shall have a right to redeem the NCDs within 15 (Fifteen) days from the Coupon Reset Date.</p> <p>"Coupon Reset Date" shall mean the date falling at the expiry of 6 (Six) months from the deemed date of allotment of the Debentures and each half-yearly anniversary of such date.</p>
Exclusivity	For a period of 60 (Sixty) days from the date hereof, the Company and/or the Promoters shall not solicit, encourage or initiate any offer or proposal from, or engage in negotiations with, any person concerning the availing of any financial indebtedness or issuance of any debentures by the Company (not including any working capital loans which are availed of by the Company, in the ordinary course of its business).
Confidentiality	The Company shall not share, distribute or disclose the contents of this document or the details of the proposals contained herein to any third party (other than the advisors of the Company, on a strict confidentiality basis), without the consent of the Debenture Holders.
Validity Period	This Term Sheet shall be valid only for a period of 60 (Sixty) days from the date hereof and shall automatically fall away unless signed by the Company and the Promoters within such time.
Governing Law and Jurisdiction	This document and the transaction documents shall be governed by and construed in accordance with the laws of India. All disputes and differences between the parties shall be finally settled by a single arbitrator appointed by the Debenture Holders and the process for arbitration shall be as set out in the Arbitration and Conciliation Act, 1996. It is clarified that nothing contained herein shall prejudice or affect Debenture Holders' rights under the SARFAESI Act, 2002.
Costs and Expenses	The Company shall be solely responsible for making payment of all fees, charges, expenses and other costs which may be incurred in relation to the transaction, including, without limitation, any costs and expenses incurred in the preparation of this document, legal fees, expenses incurred and fees charged in relation to the Due Diligence Exercise and/or travelling expenses. The aforesaid obligation of the Company shall not be prejudiced in any manner by the non-completion or non-fructification of the transaction.



[Signature]

Nandesh Sahra



[Signature]

Signed by: [Mr. Vishwanathan Nallepalli]
(On behalf of Tata Motors Finance Solutions Limited)

[Signature]

Signed by: [Mr. Sumatiprasad Bafna]
(On behalf of Bafna Motors (Mumbai) Private Limited)

[Signature]



Signed by: Mr. Sumatiprasad Bafna

Nanda S. Bafna

Signed by: Mrs. Nanda Bafna

[Signature]

Signed by: Mr. Arjun Sumatiprasad Bafna