

**INDICATIVE TERM SHEET FOR INVESTMENT IN
NON-CONVERTIBLE DEBENTURES TO BE ISSUED BY
SINDHUJA MICROCREDIT PRIVATE LIMITED**

The purpose of this document ("the Indicative Term Sheet") is to outline the terms and conditions of a potential Non-Convertible Debenture issuance by the Issuer proposed to be subscribed to by the Investor. This Indicative Term Sheet does not constitute a final offer, is not exhaustive and may be subject to change.

DESCRIPTION	PARTICULARS
Issuer/Company	Sindhuja Microcredit Private Limited
Investor(s)/Debenture Holders	Creation Investments FPI, LLC
Name of instrument	Sindhuja NCD 02 2021
Debenture Trustee	IDBI Trusteeship Services Limited
Legal Counsel	Phoenix Legal
Structurer & Arranger	CredAvenue Private Limited
Rating Agency	India Ratings
Rating	IndRa BBB-
Issuance	Rated, Unlisted, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures ("NCDs" or "Debentures")
Guarantor	Not applicable
Issuance Size	INR 20,00,00,000 /- (Indian Rupees Twenty Crore Only)
Coupon Rate	Variable Coupon Rate As set out in Annexure I
Step Up Coupon	<p>In the event of a downgrade in the credit rating of the Debentures issued under this facility by 1 notch to cash or lower by India Ratings or any other Credit Rating Agency, the Coupon Rate applicable shall be increased by 0.50% (Zero Decimal Point Five Zero Percent).</p> <p>In case the NCDs have ratings from multiple rating agencies, the lowest rating would be considered.</p> <p>The increased coupon will be applicable from the date of such rating downgrade. In case the rating of the Instrument is subsequently notched up to rating at the time of issuance then the coupon rate applicable at time of issuance would apply.</p>
Step Down Coupon	Not Applicable
Redemption Value	At par
Tenor	36 (Thirty Six) months from the Deemed Date of Allotment
Ranking	<p>Each Debenture issued by the Issuer will constitute direct, secured and senior obligations of the Issuer. The claims of the Debenture Holders shall be akin to the claims of senior secured lenders and shall rank pari passu to all senior, secured indebtedness of the Issuer.</p> <p>Each of the Debenture Holders shall inter-se rank pari passu in relation to their rights and benefits in relation to the Debentures, without any preference or privilege.</p>
Registrar & Transfer Agent	Skyline India Private Limited
Depository	NSDL
Issuance mode	Dematerialized, Private Placement
Trading mode	Dematerialized
Settlement mode	RTGS / NEFT



Issue Schedule*	<p>Issue Open Date March 31, 2021</p> <p>Issue Close Date March 31, 2021</p> <p>Pay-in Date March 31, 2021</p> <p>Deemed Date of Allotment March 31, 2021</p>
Business Days	A day (other than a Saturday, a Sunday or a Bank Holiday) on which banks are open for general business in Mumbai. Additionally, the day on which payment of interest/redemption with respect to debt securities falls due, it has been decided that interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.
Business Day Convention	<ul style="list-style-type: none"> • If any coupon payment date falls on a day that is not a working day, the payment shall be made on the immediately succeeding working day. • If the redemption date of the Debentures falls on a day that is not a working day, the redemption proceeds shall be paid on the immediately preceding working day. • If the Maturity Date (also the last coupon payment date) of the Debentures falls on a day that is not a working day, the redemption proceeds and coupon payment shall be paid on the immediately preceding working day.
Record Date	15 (Fifteen) Business Days prior to each coupon payment date and redemption date.
End Use	<p>The issue proceeds will be utilized to meet funding requirements of the Issuer for on lending to its Micro Finance portfolio or for General Corporate Purposes .</p> <p>The funds raised by the Issue shall not be used for any refinancing or repayment/redemption of any Financial Indebtedness (including borrowings and non-convertible debentures raised from/issued to other lenders).</p>
Issue price	At par
Security	<p>The Debentures shall be secured by way of a first ranking and exclusive charge on Micro Finance Loan receivables ("Hypothecated Receivables") created pursuant to the deed of hypothecation to be executed between the Company and the Debenture Trustee as described herein. The Hypothecated Property shall at all times be equal to the value of the outstanding principal amount of the Debentures. The issuer undertakes:</p> <ul style="list-style-type: none"> • to maintain the value of security at all times equal to 1.10 x (One Decimal Point One Zero) times or 110.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs where at least 1.10x (One Decimal Point One Zero) times or 110.0% (One Hundred and Ten Percent) of the security cover is from principal receivables ("Security Cover"); • to create, (as a condition subsequent) and register /perfect the security over the Hypothecated Receivables as contemplated above no later than 30 (Thirty) calendar day after the Deemed Date of Allotment by executing a duly stamped deed of hypothecation ("Deed of Hypothecation") and filing CHG-9 within the time period applicable; • to pay a penal Coupon of 2.0% (Two Percent) p.a. over the coupon rate in case there is any delay in the creation, registration and perfection of the security over the Hypothecated Receivables; • to provide a list on a monthly basis in a format acceptable to the Majority Debenture Holders, of specific loan receivables/identified book debts to the Debenture Trustee over



	<p>which the charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) ("Monthly Hypothecated Asset Report")</p> <ul style="list-style-type: none"> to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Receivables is equal to 1.10x (One Decimal Point One Zero) times or 110.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs where at least 1.10x (One Decimal Point One Zero) times or 110.0% (One Hundred and Ten Percent) of the security cover is from principal receivables. to replace any Hypothecated Receivables that become overdue with current receivables. Such replacement shall be effected within 30 (Thirty) Business Days of the receivables becoming overdue <p><u>Eligibility Criteria for the Hypothecated Receivables:</u></p> <ul style="list-style-type: none"> the receivables are existing at the time of selection and have not been terminated or pre-paid; all loans hypothecated under the deed of hypothecation comply with RBI norms and guidelines; the receivables have not been restructured or rescheduled or under moratorium at the time of selection; the receivables are current loans not having any principal, interest, additional interest, fee or any other overdues of any kind whether accrued/ capitalized i.e. 0 (zero) days past due ("Current Loans") in the books of the Company (in accordance with the criteria prescribed by the Reserve Bank of India); all "Know Your Customer" norms have been complied with as prescribed by the Reserve Bank of India. <p>Further, the Debentures shall be supported by a lien marked in favour of the Debenture Trustee, for the benefit of the Debenture Holders on the Cash Collateral (in the event furnished in accordance with the terms hereof upon occurrence of a First Rating Downgrade Event).</p> <p>The Company shall replace all such receivables constituting the Hypothecated Receivables that are not qualifying as a Current Loan with Current Loans which meet the eligibility criteria for Hypothecated Receivables provided herein.</p>
Face value per Debenture	INR 10,00,000/- (Indian Rupees Ten Lakhs Only)
Issue Price	INR 10,00,000/- (Indian Rupees Ten Lakh Only)
Minimum subscription amount	INR 1,00,00,000/- (Indian Rupees One Crore Only)
Maturity Date	36 months from deemed date of allotment
Put Option Date	February 26, 2023
Put Option Notification	45 (Fourty Five) calendar days prior to the exercise date
Call Option Date	Not Applicable
Call Option Notification	Not Applicable
Coupon Type	Fixed
Day count basis	Actual/Actual
Coupon Payment Frequency	Monthly
Principal Amortization	1/2 of the Face Value of Debentures will be redeemed at the end of 24 months from Deemed Date of Allotment. Remaining will be redeemed at Maturity.



Payment Mechanism	On each Payment Date ("T"), Issuer shall make payments of Coupon and Principal amounts due along with all other obligations (if any) under the Transaction Documents by 2 PM India time on T Business Days.
Default Coupon Rate	<ul style="list-style-type: none"> In case of default in payment of Coupon and / or principal redemption on the due dates, additional Coupon @ 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period. In case of default by the Issuer in the performance of any of the covenants of this Issuance, including but not limited to the financial covenants of this Issuance, additional Coupon @ 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period
Prepayment Penalty	No prepayment is permitted for the Debentures till 18 months from Deemed Date of Allotment . In case of early redemption of the Debentures after 18 months from Deemed Date of Allotment at the instance of the Issuer, on any date other than the Maturity Date and not arising due to an Event of Default, the Issuer shall pay a penalty of 3% (Three Percent) on the principal amount prepaid. If the Issuer redeems Debentures pursuant to this paragraph, the Issuer shall provide a prior written notice (" Prepayment Notice ") of at least 15 (Fifteen) Business Days to the Debenture Trustee (with copy marked to the Debenture Holders) prior to the proposed date of redemption (" Prepayment Date ") on which the Debentures are proposed to be redeemed by the Issuer. Once the Issuer has issued the Prepayment Notice, the Issuer shall redeem the Debentures in relation to which the Prepayment Notice has been issued on the Prepayment Date
Redemption Amount	The sum of the principal outstanding on the Debentures, accrued Coupon, Default Coupon payable (if any), Redemption Premium and other charges and fees payable.
Rating Downgrade Event and Cash Collateral	<p>The Issuer shall place a cash collateral in the form of fixed deposit for an amount equivalent to 5% (five percent) of the aggregate NCD amount outstanding at the time of occurrence of the Rating Downgrade Event, in case of occurrence of the First Rating Downgrade Event with a scheduled commercial bank as acceptable to the Debenture Trustee acting on behalf of Majority Debenture Holders, and lien marked in favour of the Debenture Trustee acting for the benefit of the Debenture Holders, in order to secure the NCDs, to the Debenture Trustee's satisfaction ("Cash Collateral"). The Cash Collateral shall be placed within 30 days of the Rating Downgrade Event.</p> <p>Occurrence of Second Rating Downgrade Event will constitute an Event of Default.</p> <p>For the purposes of this Clause:</p> <p>"Rating Downgrade Event" means the First Rating Downgrade Event or the Second Rating Downgrade Event, as applicable.</p> <p>"First Rating Downgrade Event" means the downgrade in rating of the Issuer by not more than 1 (one) notch of the standard ratings from the credit rating assigned to the Issuer and subsisting as on the date of Issuance of NCDs.</p> <p>"Second Rating Downgrade Event" means the downgrade in rating of the Issuer by 2 (two) notches of the standard ratings or more from the credit rating assigned to the Issuer and subsisting as on the date of Issuance of NCDs.</p>



	<p>Rating downgrade by any rating agency that has a public rating on the company would qualify for Rating Downgrade Event.</p> <p>It is agreed between the Parties that the Cash Collateral in the form of the fixed deposit shall be kept with the bank by the Issuer and lien marked within 30 (thirty) Business Days from the date of the Rating Downgrade Event. The decision to adjust this Cash Collateral against any liability of the Issuer under the Debentures shall be at the sole discretion of the Majority Debenture Holders.</p> <p>In the event of the Cash Collateral being utilised by the Debenture Trustee to appropriate any amounts in accordance with the Transaction Documents, then the Issuer shall deposit such amounts into the fixed deposit account, as may be necessary, to reimburse the Cash Collateral to the extent of the utilised amount.</p>
Coupon on application money	<p>Coupon at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Debentures for the period starting from and including the date of realization of application money in Issuer's bank account up to one day prior to the Deemed Date of Allotment</p> <p>Where Pay-in Date and Deemed date of Allotment are the same, no Coupon on Application money is to be paid</p>
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"> 1. Letter appointing Trustees to the Debenture Holders; 2. Debenture Trusteeship Agreement; 3. Debenture Trust Deed; 4. Deed of Hypothecation 5. Information Memorandum; 6. Private Placement Offer Letter (Form PAS 4); 7. Board Resolution authorizing this Issuance; 8. Applicable Shareholder Resolutions under the Companies Act 2013; 9. Rating Agreement with the aforesaid Rating Agency(ies) with respect to this Issuance; and 10. Tripartite Agreements with the Depository(ies) and Registrar & Transfer Agent 11. any document pertaining to maintaining and marking a lien on the Cash Collateral in favour of the Debenture Trustee 12. Any other documents 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>
Conditions Precedent	<p>The Company shall fulfil the following Conditions Precedent the satisfaction of the Debenture Trustee and submit Conditions Precedent documentation where applicable to the Debenture Trustee, prior to the Pay in Date:</p> <ol style="list-style-type: none"> 1. All corporate approvals from the Board of Directors and shareholders of the Issuer, if applicable, shall have been received for the issuance of the NCDs, and the execution, delivery and performance by the Issuer of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the



	<p>Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed;</p> <ol style="list-style-type: none"> 2. Execution of the Debenture Trustee Agreement, Debenture Trust Deed and Deed of Hypothecation in a form and manner satisfactory to the Debenture Trustee shall have taken place; 3. The Issuer shall have submitted to the Debenture Trustee the rating letter and rating rationale; 4. The Issuer shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements; 5. 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); 6. The Issuer shall have submitted to the Debenture Trustee its audited account statements for the most recent financial year or unaudited financial half-year or latest available unaudited results. 7. Prior to the Deemed Date of Allotment, the Issuer shall provide its membership details and other credentials (as applicable) with respect to any credit information bureau (including without limitation, CIBIL, Equifax, RIF Highmark, CIBIL and Experian) to the Debenture Trustee in the mode and manner as required by the Majority Debenture Holders.
Conditions Subsequent	<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 along with requisite fee within prescribed timelines; 2. To register and perfect the security over the Hypothecated Receivables within 30 (Thirty) calendar days from the Deemed Date of Allotment 3. The Issuer shall, furnish proof of necessary registrations made with the relevant authorities including the Registrar of Companies with respect to the security on the Hypothecated Receivables and evidencing that the security extends to the aggregate Redemption Amounts due at all times to the extent of the Security Cover. 4. Receive final listing approval from the BSE within timelines mandated by SEBI 5. The Issuer shall ensure credit of demat account(s) of the allottee(s) with the number of NCDs allotted within 5 (Five) Trading Days of the Issue Closure Date 6. The Issuer shall ensure compliance with SEBI/ Companies Act 2013 (as applicable) for issuance of NCDs. 7. the Company shall file Form CHG 9 with the ROC within 30 (Thirty) day of the Deemed Date of Allotment and Form I with CERSAI within 30 (Thirty) days of Deemed Date of Allotment in a form and substance satisfactory to the Debenture Trustee.



Force Majeure	<p>If the whole or any part of the performance by the parties of any part of their respective obligations under the Transaction Documents and/ or under applicable laws in relation to the Debentures is prevented or delayed by causes, circumstances or events beyond the control of the Issuer, including delays due to floods, fires, accidents, earthquakes, riots, explosions, wars, hostilities, acts of government, custom barriers, or other causes of like character beyond the control of the Issuer then to the extent the Issuer is prevented or delayed from performing all or any part of its obligations hereunder solely by reason thereof, despite due diligence and reasonable efforts to do so notwithstanding such causes, circumstances or events, the Issuer shall be excused from performance of such obligations for so long as such causes, circumstances or events continues to prevent or delay such performance, provided prompt notice of commencement and cessation of force majeure conditions is given by the Issuer to the Investor. In the event the force majeure event subsists for a period exceeding 30 (thirty) days, then the Debenture Trustee as instructed by the Majority Debenture Holders shall, determine the measures to be adopted with respect to such obligations which have been prevented or delayed from being performed, in accordance with applicable laws and the terms of the Transaction Documents.</p>
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<p>Events of Default</p>	<p>Customary for financings of this nature and others appropriate in the judgment of the Debenture Holders, including but not limited to:</p> <ol style="list-style-type: none"> 1. Non-payment of any of the dues under this Issuance, with a grace period of 3 (Three) calendar days in case of delays due to technical reasons; 2. Payment Default on any other indebtedness (cross default), with a grace period of 3 (Three) calendar days; 3. Acceleration of payments due to covenant trigger by any other lender 4. Misrepresentation or misleading information in any of the Transaction Documents; 5. Issuer is unable or admits in writing its inability to pay its debts as they mature or suspends making payment of any of its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or a moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Company; 6. Insolvency, winding up, liquidation 7. A receiver or liquidator, provisional liquidator, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of the Company or any of its assets is appointed or allowed to be appointed of all or any part of the undertaking of the Company; 8. If an attachment or expropriation or restraint of act of sequestration is levied on the Hypothecated Receivables or any part thereof; 9. Lenders processes initiated against the company 10. Repudiation of Transaction Documents 11. Cessation of business 12. Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer / Promoter funds or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer 13. The Company has taken or suffered to be taken any action for re-organisation of its capital or any rearrangement, merger or amalgamation without the prior written intimation of the Debenture Holders; 14. Erosion of 50% or more of the Company's net worth. 15. All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or Government authority; 16. Occurrence of a Material Adverse Effect, not driven due to Force Majeure event, as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders. 17. Change in management control without prior written intimation. 18. Any Transaction Document once executed and delivered, ceases to be in full force or becomes unlawful, invalid and unenforceable; 19. A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed on the Company (voluntary or otherwise) or have been admitted or makes an assignment for the benefit of its creditors generally and
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	<p>such proceeding is not contested by the company for staying, quashing or dismissed within 15 (Fifteen) days;</p> <p>20. Failure to place the Cash Collateral within the stipulated timeline upon occurrence of a First Rating Downgrade Event;</p> <p>21. Occurrence of Second Rating Downgrade Event;</p> <p>22. Breach of the following covenants:</p> <ul style="list-style-type: none"> a) Affirmative Covenants – (i) Preserve corporate status; authorisations, (ii) Payment of Stamp Duty, (iii) Handling Investor grievances, (iv) Compliance with Investor Education and Protection Fund requirements, (v) Regulatory Filings, (vi) Regulatory requirements in case of a Foreign Investor, (vii) Maintenance of Books of Account and (viii) Corporate Governance; and b) Negative Covenants - (i) Material Change of business; Role of Promoter, and (ii) Dividend distribution in case of default c) Financial Covenants where such breach is not cured within 90 (Ninety) calendar days. <p>Upon occurrence of any of the aforesaid event of default, the Debenture Trustee may by a notice in writing to the Company initiate actions as may be contemplated in the Transaction Documents including the following:</p> <ul style="list-style-type: none"> (a) require the Company to mandatorily redeem the Debentures and repay the principal amount on the Debentures, along with accrued but unpaid Coupon, and other costs, charges and expenses incurred under or in connection with this Deed and other Transaction Documents; (b) declare all or any part of the Debentures to be immediately (or on such dates as the Debenture Trustee may specify) due and payable, whereupon it shall become so due and payable. (c) enforce security.
Reporting Covenants	<p>The Issuer shall submit the following reports to the Debenture Trustee:</p> <ul style="list-style-type: none"> a) Monthly Reports – Details of monthly ALM (asset liability mismatch) of the Issuer shall be submitted to the Debenture Trustee within 15(Fifteen) calendar days from the end of each month as per the format acceptable to the Debenture Trustee. b) Quarterly Reports – Following information shall be submitted to the Debenture Trustee within 45 (Forty Five) calendar days from the end of each financial quarter: <ul style="list-style-type: none"> i. Information on financials of the Issuer; ii. List of Board of Directors of the Issuer; iii. Shareholding Pattern of the Issuer; iv. Financial covenant compliance certificate along with operational summary details (as required by investor) signed by a Director or the Chief Financial Officer in the format acceptable to the Debenture Trustee; v. Asset liability report of the Issuer prepared in line with the extant RBI guidelines; if any vi. Portfolio cuts (including PAR data) as per format acceptable to the Debenture Trustee; vii. Details of any prepayment or notice of any prepayment of any Financial Indebtedness of the Issuer. c) Annual Reports – within September 30 of each financial year



	<p>d) Submit to the Debenture Trustee (and to the Debenture Holder(s), if so requested), its duly audited annual accounts, within 180 (One Hundred and Eighty) days from the close of its accounting year.</p> <p>e) Event Based Reports – Without prejudice to the quarterly report or any other report to be submitted by the Issuer to the Debenture Trustee, the Issuer shall also within 10 (Ten) Business Days from the date of occurrence of any event mentioned below, provide details of such events occurred in the format acceptable to the Debenture Trustee</p> <ol style="list-style-type: none"> 1. Change in Shareholding structure 2. Change in Board composition 3. Changes in Accounting Policy, which have a material impact, and excluding changes required due to compliance with statutory requirements 4. Change in senior management officials (any CFO/CEO or equivalent) 5. Board approval of annual business plan 6. Any fraud amounting to more than 1.0% of gross loan portfolio of the Issuer 7. Change in the constitutional documents of the Company 8. Material Adverse Effect 9. Any dispute, litigation, investigation or other proceeding which could result in a Material Adverse Effect. 10. Winding up proceedings 11. Any Event of Default or Potential Default, and any steps taken / proposed to remedy the same. 12. Report on any rating change or retention as published by any of the rating agencies of the company at any time <p>f) Any other information as sought by the Debenture Holder.</p>
Financial Covenants	<ol style="list-style-type: none"> 1. The Capital Adequacy Ratio shall be always compliant with minimum levels stipulated by the regulator ("RBI") or 20%, (which ever is higher) at all points in time; 2. Tier 1 capital adequacy ratio to be in line with regulatory norms as prescribed by RBI from time to time, 3. PAR 90 Pre Write Off: The Company shall maintain ratio A:B of not more than 3.5% till September 2021 and 3% thereafter,, where A is the Portfolio at Risk over 90 days pre write off and B is the Asset Under Management, and such determination is multiplied by 100 and followed by the "%" symbol 4. PAR 30 Pre Write Off: The Company shall maintain ratio A:B of not more than 7%, where A is the Portfolio at Risk over 30 days and B is the Asset Under Management, and such determination is multiplied by 100 and followed by the "%" symbol 5. Loan Loss Coverage Ratio: The Company shall maintain ratio A:B with provisioning requirement more than or equal to the prudential norms of the RBI for NBFC-MFIs, where A is the Loan Loss Reserves and B is the sum of Portfolio at Risk over 90 days pre-write off and Restructured Loan, and such determination is multiplied by 100 and followed by the "%" symbol



	<p>6. Company shall not report pre-provisioning profitability losses through June-21, and shall not report any losses (PAT) in any quarter thereafter</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, on consolidated and standalone balance sheet till the redemption of the Debentures.</p> <p>The covenants shall be certified by the Company within 45 (Forty-Five) calendar days from the end of each financial half year.</p> <p><i>For the purpose of this aforesaid clause, the following definitions may be relied upon:</i></p> <p><i>"Assets Under Management" means the aggregate of the loan receivables on the balance sheet of the Borrower, the loan receivables originated and serviced by the Borrower and securitised / assigned over time and the loan receivables originated and serviced by the Borrower on the balance sheet of another financial institution.</i></p> <p><i>"PAR 90" shall mean, on the Borrower's entire assets under management at any point of time, as the case may be, the outstanding principal value of the relevant portfolio of the Borrower that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 days or more, includes restructured loans but excludes loans that have been written off by the Borrower.</i></p>
Affirmative Covenants	<ol style="list-style-type: none"> 1. To utilise the proceeds of this issue in accordance with applicable laws and regulations 2. To comply with corporate governance, fair practices code prescribed by the RBI 3. Notification of any potential Event of Default or Event of Default; 4. Obtain, comply with and maintain all licenses / authorizations 5. Provide details of any material litigation, arbitration or administrative proceedings (materiality threshold to be finalized during documentation) 6. Maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes 7. Permit visits and inspection of books of records, documents and accounts to Debenture Trustee as and when required by them 8. Comply with any monitoring and/or servicing requests from Debenture Trustee 9. Issuer to arrange for field visit to be conducted by Majority Debenture Holders or the Debenture Trustee or a third party appointed by the Majority Debenture Holders, of at least 5 branches of the Issuer by 31st March 2021 and the remaining 5 (five) branches operated by the Issuer by 30th June 2021. The Branches to be visited shall be selected at the discretion of Majority Debenture Holders. The expense for the same shall be borne by Debenture Holders.
Negative Covenants	<p>The Issuer shall not without the prior written intimation of the Debenture Holders and Debenture Trustee, do or undertake to do any of the following:</p>



	<ol style="list-style-type: none"> 1. Change in promoter, ownership upto 51% by existing shareholders or control by existing shareholders 2. M&A, acquisition, restructuring, amalgamation without intimation of Debenture Holders over and above 10% of the Networth of the Issuer in a financial year 3. The Issuer shall not, without the prior intimation of Debenture Holders, enter into any transaction of merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; 4. The Issuer will not purchase or redeem any of its issued shares or reduce its share capital without the Debenture Holders' prior written intimation; 5. 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, without prior intimation of the Debenture Trustee; 6. Issuer shall not change its financial year-end from 31st March (or such other date as may be approved by Debenture Holders) without prior intimation of the Debenture Trustee; 7. 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 intimation of the Debenture Holders; 8. No dividend, if an Payment Default has occurred and is subsisting 1. Not undertake any new major new business outside financial services or any diversification of its business outside financial services, without intimation of Debenture Holders.
Representations & Warranties	<ol style="list-style-type: none"> 1. The Company is registered with the RBI as an NBFC 2. No Event of Default has occurred and is continuing on the date of this transaction 3. The Debentures under this Issuance shall rank pari passu amongst themselves, and with all other senior, secured creditors. Binding obligation of Transaction Documents 4. No conflict with other obligations / constitutional documents 5. No Material Adverse Change in business, condition or operations of the Issuer 6. Company has the power and authority to issue Debentures and such Transactions Documents are valid and admissible in evidence 7. Absence of any pending or threatened litigation, investigation or proceedings that may have a material adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the Issuer or that purports to affect the Debentures 8. Illegality <p>And as set out in greater detail in the Transaction Documents.</p>
Additional Conditions	<ol style="list-style-type: none"> a. The Debenture Trustee shall have the right to run a scrub on the Hypothecated Portfolio with any credit bureau in which the Company is registered as a member including but not limited to CIBIL, Equifax, RIF Highmark, CIBIL and Experian during the tenor of the Debentures. b. The Debenture Trustee shall during the tenor of the Debentures, have the right to seek such information regarding the Company, its portfolio, company performance and quality of data shared by it or any other information as required by the Debenture Trustee from the Company or various counterparties and third parties including but not limited to any credit bureau, bankers, its lenders or statutory or governmental authorities.



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 or its Promoter/s.
Confidentiality	The terms and conditions described in this Term Sheet, including its existence, shall be confidential information and shall not be disclosed to any third party except to each Party's advisors and counsel. Provided however that if any of the Parties is required by law to disclose information regarding this Term Sheet or to file this Term Sheet with any regulatory body, it shall, at a reasonable time after making any such disclosure or filing, informing the other Parties.
Governing Law & Jurisdiction	This Term Sheet shall be governed and construed exclusively in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at [●] , India.
Transaction Costs	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: <ol style="list-style-type: none"> 1. Trustee fees 2. Listing fees 3. Rating fees 4. Stamping and registration in relation to all Transaction Documents 5. Any other reasonable transaction related expense incurred by the Debenture Holders
Taxes, Duties, Costs and Expenses	<ol style="list-style-type: none"> 1. Relevant taxes such as TDS, GST and any other applicable direct and indirect taxes for the time being in force. 2. 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.
Eligible investors	As permitted under Applicable Law

Accepted and agreed
For the Issuer

Abhishek Kumar

(Authorised signatory)



For the Investor

(Authorised signatory)

DISCLAIMER:

This term sheet only summarizes the principal terms with respect to a potential investment by the Investor in rated, non-convertible, redeemable, cumulative preference shares proposed to be issued by the Issuer. This term sheet is intended solely as a basis for further discussion and is not intended to be and does not constitute a legally binding obligation. No legally binding obligations will be created, implied or inferred until the Transaction Documents are executed and delivered. Without limiting the generality of the foregoing, it is the intent of the parties that until the execution of Transaction Documents, no agreement shall exist among them and there shall be no obligations whatsoever based on such things as parol evidence, extended negotiations, "handshakes," oral understandings, or course of conduct.

** The Issuer reserves its sole and absolute right to modify (pre-pone/ postpone) the above issue schedule without giving any reason(s) whatsoever or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Issuer. The Issuer also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice. In case the Issue Closing Date/ Pay in Dates is/are changed (advanced/ postponed), the Deemed Date of Allotment may also be changed*



(advanced/ postponed) by the Issuer at its sole and absolute discretion. Consequent to change in Deemed Date of Allotment, the Dividend Payment Date(s) and/or Redemption Date may also be changed at the sole and absolute discretion of the Issuer.

ANNEXURE I

1) Cash Flow (if PUT option not exercised)

Month	Coupon Rate Applicable*	Interest Payout Date	Principal Payout Date	Days	Principal Outstanding	Principal	Interest	Cashflows
		31-03-2021			20,00,00,000			(20,00,00,000)
1	15.70%	15-04-2021		15	20,00,00,000	-	12,90,411	12,90,411
2	15.70%	15-05-2021		30	20,00,00,000	-	25,80,822	25,80,822
3	15.70%	15-06-2021		31	20,00,00,000	-	26,66,849	26,66,849
4	15.20%	15-07-2021		30	20,00,00,000	-	24,98,630	24,98,630
5	15.20%	15-08-2021		31	20,00,00,000	-	25,81,918	25,81,918
6	15.20%	15-09-2021		31	20,00,00,000	-	25,81,918	25,81,918
7	14.70%	15-10-2021		30	20,00,00,000	-	24,16,438	24,16,438
8	14.70%	15-11-2021		31	20,00,00,000	-	24,96,986	24,96,986
9	14.70%	15-12-2021		30	20,00,00,000	-	24,16,438	24,16,438
10	14.54%	15-01-2022		31	20,00,00,000	-	24,70,622	24,70,622
11	14.54%	15-02-2022		31	20,00,00,000	-	24,70,622	24,70,622
12	14.54%	15-03-2022		28	20,00,00,000	-	22,31,529	22,31,529
13	14.54%	15-04-2022		31	20,00,00,000	-	24,70,622	24,70,622
14	14.54%	15-05-2022		30	20,00,00,000	-	23,90,924	23,90,924
15	14.54%	15-06-2022		31	20,00,00,000	-	24,70,622	24,70,622
16	14.54%	15-07-2022		30	20,00,00,000	-	23,90,924	23,90,924
17	14.54%	15-08-2022		31	20,00,00,000	-	24,70,622	24,70,622
18	14.54%	15-09-2022		31	20,00,00,000	-	24,70,622	24,70,622
19	14.54%	15-10-2022		30	20,00,00,000	-	23,90,924	23,90,924
20	14.54%	15-11-2022		31	20,00,00,000	-	24,70,622	24,70,622
21	14.54%	15-12-2022		30	20,00,00,000	-	23,90,924	23,90,924
22	14.54%	15-01-2023		31	20,00,00,000	-	24,70,622	24,70,622
23	14.54%	15-02-2023		31	20,00,00,000	-	24,70,622	24,70,622
24	14.54%	15-03-2023		28	20,00,00,000	-	22,31,529	22,31,529
	14.54%		31-03-2023		10,00,00,000	10,00,00,000	0	10,00,00,000
25	14.54%	15-04-2023		31	10,00,00,000	-	24,70,622	24,70,622
26	14.54%	15-05-2023		30	10,00,00,000	-	11,95,462	11,95,462
27	14.54%	15-06-2023		31	10,00,00,000	-	12,35,311	12,35,311
28	14.54%	15-07-2023		30	10,00,00,000	-	11,95,462	11,95,462
29	14.54%	15-08-2023		31	10,00,00,000	-	12,35,311	12,35,311
30	14.54%	15-09-2023		31	10,00,00,000	-	12,35,311	12,35,311
31	14.54%	15-10-2023		30	10,00,00,000	-	11,95,462	11,95,462
32	14.54%	15-11-2023		31	10,00,00,000	-	12,35,311	12,35,311
33	14.54%	15-12-2023		30	10,00,00,000	-	11,95,462	11,95,462
34	14.54%	15-01-2024		31	10,00,00,000	-	12,35,311	12,35,311
35	14.54%	15-02-2024		31	10,00,00,000	-	12,35,311	12,35,311
36	14.54%	15-03-2024		29	10,00,00,000	-	11,55,613	11,55,613
	14.54%	30-03-2024	30-03-2024	15	0	10,00,00,000	5,97,731	10,05,97,731

2) Cash Flow (if PUT option exercised)

Month	Coupon Rate Applicable*	Interest Payout Date	Principal Payout Date	Days	Principal Outstanding	Principal	Interest	Cashflows
		31-03-2021			20,00,00,000			-20,00,00,000
1	15.70%	15-04-2021		15	20,00,00,000	-	12,90,411	12,90,411
2	15.70%	15-05-2021		30	20,00,00,000	-	25,80,822	25,80,822



3	15.70%	15-06-2021		31	20,00,00,000	-	26,66,849	26,66,849
4	15.20%	15-07-2021		30	20,00,00,000	-	24,98,630	24,98,630
5	15.20%	15-08-2021		31	20,00,00,000	-	25,81,918	25,81,918
6	15.20%	15-09-2021		31	20,00,00,000	-	25,81,918	25,81,918
7	14.70%	15-10-2021		30	20,00,00,000	-	24,16,438	24,16,438
8	14.70%	15-11-2021		31	20,00,00,000	-	24,96,986	24,96,986
9	14.70%	15-12-2021		30	20,00,00,000	-	24,16,438	24,16,438
10	14.54%	15-01-2022		31	20,00,00,000	-	24,70,622	24,70,622
11	14.54%	15-02-2022		31	20,00,00,000	-	24,70,622	24,70,622
12	14.54%	15-03-2022		28	20,00,00,000	-	22,31,529	22,31,529
13	14.54%	15-04-2022		31	20,00,00,000	-	24,70,622	24,70,622
14	14.54%	15-05-2022		30	20,00,00,000	-	23,90,924	23,90,924
15	14.54%	15-06-2022		31	20,00,00,000	-	24,70,622	24,70,622
16	14.54%	15-07-2022		30	20,00,00,000	-	23,90,924	23,90,924
17	14.54%	15-08-2022		31	20,00,00,000	-	24,70,622	24,70,622
18	14.54%	15-09-2022		31	20,00,00,000	-	24,70,622	24,70,622
19	14.54%	15-10-2022		30	20,00,00,000	-	23,90,924	23,90,924
20	14.54%	15-11-2022		31	20,00,00,000	-	24,70,622	24,70,622
21	14.54%	15-12-2022		30	20,00,00,000	-	23,90,924	23,90,924
22	14.54%	15-01-2023		31	20,00,00,000	-	24,70,622	24,70,622
23	14.54%	15-02-2023		31	20,00,00,000	-	24,70,622	24,70,622
24	14.54%	26-02-2023	26-02-2023	11	-	20,00,00,000	8,76,672	20,08,76,672

