

August 26, 2021

No. BAMPL 08 /FY 21-22

To,  
 Hiveloop Technology Private Limited  
 No 1090 G, 18<sup>th</sup> Cross, 14<sup>th</sup> Main,  
 Sector 3, HSR Layout,  
 Bengaluru Urban,  
 Karnataka - 560102

Dear Tanushree Bagrodia,

This term sheet (the “Term Sheet”) sets out the indicative terms and conditions pursuant to which Blacksoil Capital Private Limited & its affiliates and other investors (collectively called the “Investors”) agrees to Invest in Hiveloop Technology Private Limited (“HTPL”) (the “Issuer”). The Term Sheet and the contents herein are confidential and shall not be revealed to any party that does not have a need to know the contents for the purpose of negotiating and approving the potential financing involving the Investor.

This Term Sheet does not constitute an offer or agreement by the Investor or commitment by the Investor to provide any financing or enter any financing documents. The terms set forth herein are not the complete terms and conditions of any financing documents and completion of the proposed investment described in this Term Sheet shall be dependent upon the satisfactory conclusion of the Investor’s credit approval process and the successful execution of Transaction Documents, the terms of which may differ substantially from the terms set forth herein.

This Term Sheet shall be read with the terms of the Engagement Letter dated August 26, 2021 executed between the TA and Issuer and both read together shall form the complete terms in relation to the potential financing by the Investor contemplated in both documents.

Terms	Final Terms								
Issuer	Hiveloop Technology Private Limited (“HTPL”)								
Investment Amount	INR 100 Crores (Rupees One Hundred Crores Only) in two tranches Tranche 1: INR 50 Crores Tranche 2: INR 50 crores								
Promoters and shareholding % in Issuer	As on 31 <sup>st</sup> May 2021: <table border="1" style="margin-left: 20px;"> <tr> <td>Vaibhav Gupta</td> <td>22.54%</td> </tr> <tr> <td>Sujeet Kumar</td> <td>22.54%</td> </tr> <tr> <td>Amod Malviya</td> <td>22.54%</td> </tr> <tr> <td>Trustroot Internet Private Limited (“TIPL”)</td> <td>32.37%</td> </tr> </table>	Vaibhav Gupta	22.54%	Sujeet Kumar	22.54%	Amod Malviya	22.54%	Trustroot Internet Private Limited (“TIPL”)	32.37%
Vaibhav Gupta	22.54%								
Sujeet Kumar	22.54%								
Amod Malviya	22.54%								
Trustroot Internet Private Limited (“TIPL”)	32.37%								
Individual Promoters	Vaibhav Gupta, Sujeet Kumar and Amod Malviya								
Corporate Guarantor/ Ultimate Holding Company	TIPL (Incorporated in Singapore)								
Instrument	Secured Non-Convertible Debentures (NCDs) of face value INR 5 Lakh to be issued in dematerialized form								
Investors	Blacksoil India Credit Fund, Blacksoil Capital Private Limited & its affiliates and other investors who will be subscribing to the NCD’s collectively called the “Investors”								



Anchor Investor	Blacksoil India Credit Fund, Blacksoil Capital Private Limited & its affiliates ('BCPL')
Series A Debentures	INR 25 crores (Rupees Twenty Five Crores only) Tranche 1 contribution: INR 5 Crores Tranche 2 contribution: INR 20 Crores
Series B Debentures	INR 75 crores (Rupees Seventy Five Crores only) Tranche 1 contribution: INR 45 Crores Tranche 2 contribution: INR 30 Crores
Ranking of Debentures	All Debentures shall rank Pari-Passu with each other
Transaction Documents	As specified in General terms annexed hereto
Transaction Administrator (TA)	Blacksoil Asset Management Private Limited ("BAMPL")
Availability Period	First Tranche: To be drawn prior to 15 <sup>th</sup> September 2021 Second Tranche: Available for drawdown on 1 <sup>st</sup> November 2021  If First Tranche happens post 15 <sup>th</sup> September 2021 then Second Tranche will be drawn on 1 <sup>st</sup> December 2021.
Minimum Subscription	Anchor Investor shall subscribe and hold minimum 30% (INR 25 Crores from Series A Debentures and balance from Series B Debentures) of the total issued NCDs till the final redemption
Investment Tenor	24 months from allotment date of each Tranche and not later than 31 <sup>st</sup> August 2023 for First Tranche and 30 <sup>th</sup> November 2023 for Second Tranche
Principal Moratorium	4 months from date of Each of the Tranche allotment subject to 1 <sup>st</sup> Principal to be paid on or before 31 <sup>st</sup> December 2021 for First Tranche and on or before 31 <sup>st</sup> March 2022 for Second Tranche as further illustrated in Annexure A
Coupon Rate for Series B Debentures	13.5% p.a. (payable monthly) on the outstanding investment amount.
Use of Proceeds	General Corporate Purpose
Debenture Redemption	Debentures shall be redeemed in 8 (eight) equal quarterly principal instalments by face value reduction in accordance with the redemption schedule. A sample of the redemption schedule has been illustrated under Annexure A.
Call Option	<ul style="list-style-type: none"> <li>• Call option cannot be exercised in the first 12 months of allotment</li> <li>• Issuer can exercise call option post 12 months from date of allotment by paying 0.75% of the amount being prepaid</li> <li>• Issuer can exercise call option post 18 months from date of allotment by paying NIL of the amount being prepaid</li> <li>• Minimum Prepayment amount – 5% of Outstanding Investment Amount</li> <li>• Notice period of 15 days for exercise of Call option</li> </ul> <p>In case of any approval that may be required by the Issuer from the Investor under this Term Sheet, if the Investor doesn't respond within 15 days from the date of receipt of intimation from the Issuer, the Issuer will be entitled to exercise Call option without paying 0.75% of the amount being prepaid.</p>
Control (HTPL level)	'HTPL Control' shall mean (i) TIPL retaining 85% of its current voting rights in the Issuer; and (ii) Individual Promoter retaining 50% of the Individual Promoters' current aggregate shareholding in the Issuer. Provided that:



	<ul style="list-style-type: none"> <li>The Individual Promoters are permitted to sell/ transfer/encumber / create security interest over or otherwise dispose in any manner whatsoever, upto 50% of their aggregate current shareholding in the Issuer with post facto notice to the TA. Any sale/ transfer/encumbrance / creation of security interest / disposal in any other form of more than 50% of the current aggregate shareholding of the Individual Promoters in the Issuer shall be with the consent of the TA, which shall not be unreasonably withheld.</li> <li>TIPL is permitted to sell/ transfer/encumber / create security interest over or otherwise dispose in any manner whatsoever its current shareholding in the Issuer such that its voting rights in the Issuer is not reduced to less than 15% of its current voting rights, with post facto notice to the TA. Any sale/ transfer/encumbrance / creation of security interest / disposal in any form of TIPL's shareholding in HTPL, which results in TIPL's voting rights in HTPL falling below 85% of its current voting rights shall only be with the consent of the TA (which shall not be unreasonably withheld),</li> <li>It is clarified that dilution of equity interest by any fresh infusion of shares (equity or preference) (by way of shares or any other instrument of any nature whatsoever), shall not trigger a change in HTPL Control.</li> <li>Any dilution of the Individual Promoters aggregate shareholding in HTPL on account of (i) any group level restructuring / transfer / contribution of assets into a trust etc. for tax purposes; and (ii) any fresh infusion of shares (equity or preference, by way of shares or any other instrument of any nature whatsoever), shall not trigger a change in HTPL Control.</li> </ul>
Control (TIPL level)	<p>'TIPL Control' shall mean current shareholders of TIPL continue to hold at least 51% of the paid-up equity share capital of the TIPL on a fully diluted basis along with the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise during the entire tenure of investment.</p> <p>Provided that any change / dilution on account of any fresh issuance of shares (equity or preference, by way of shares or any other instrument of any nature whatsoever), shall not trigger a change in TIPL Control.</p>
Transaction Cost	<ul style="list-style-type: none"> <li>All transaction costs, is to be borne by the Issuer including but not limited to NCD issue costs, security creation cost, initial and annual debenture trustee cost, applicable legal cost for drafting &amp; finalization of documents</li> <li>Applicable Stamp duty &amp; Registration cost as per Maharashtra Stamp Act shall be payable by the Issuer over &amp; above the costs mentioned above</li> </ul>
Security	<ul style="list-style-type: none"> <li>First Pari Passu charge on all existing &amp; future fixed and current assets, other assets, including but not limited to inventory (if any), receivables (if any), rental deposits, Uncalled share capital, all unencumbered investments including investments in subsidiaries, etc. except for assets which are taken on financial lease.</li> <li>First Pari Passu charge on the existing and future cashflows of the Issuer</li> <li>Non disposal Undertaking for Brand and IP</li> <li>Post-dated cheques from the Issuer</li> </ul>



	<ul style="list-style-type: none"> <li>• Demand promissory notes from the Issuer</li> <li>• Corporate Guarantee from TIPL including confirmation on no change in HTPL Control and TIPL Control during the term of the NCD's</li> <li>• Non disposal undertaking from Individual Promoters with respect to (i) 50% of the Individual Promoters' current aggregate shareholding in the Issuer in accordance with and subject to the terms agreed upon under this Term Sheet; and (ii) confirmation on no change in TIPL Control and HTPL Control during the term of NCD's.</li> <li>• NACH setup in designated bank account. Account details to be defined during documentation.</li> <li>• NACH setup cannot be changed without consent of the Anchor Investor/TA except if required by laws and regulations.</li> <li>• NCD's to be secured via a charge on movable and fixed assets of the Issuer, as specified above including investments in subsidiaries, that is sufficient for the due repayment of the NCD's and interest thereon.</li> </ul>
<b>Escrow Mechanism</b>	<p>Escrow mechanism to be set up in the company, a minimum 1X of the principal instalment, coupon amount along with any fees will be routed in the escrow account on 2 business day prior to redemption as per the repayment schedule.</p> <p>All debits from Escrow will happen at the instruction of Debenture Trustee</p> <p>Flow from DSRA shall be considered in 1x routing</p>
<b>Debt Service Reserve Amount (DSRA)</b>	Minimum 15% of the principal due in the quarter will be transferred to the Escrow account 20 days prior to such repayment date.
<b>Financial Covenants - Issuer</b>	<ul style="list-style-type: none"> <li>• Undertaking from Issuer at the end of every financial quarter certifying that as on that day, basis the internal projections, the Udaan Group (On a Consolidated basis at HTPL plus TIPL level) has sufficient Cash funds to be a going concern for at least the next 6 months.</li> <li>• Maximum Financial Indebtedness to adjusted Tangible Network &lt; 4x</li> </ul> <p>The Anchor Investor/TA shall have the right to stipulate in the documentation such other covenants, as it may deem fit and is agreed with the Issuer.</p> <p>In the event of non-compliance of any of the financial covenants the coupon rate will increase by 2% p.a. for the investment.</p>
<b>Debenture Trustee</b>	Will be appointed as mutually decided by the Anchor Investor and Issuer
<b>Coupon Rate for Series A Debentures</b>	As per Engagement Letter dated August 26, 2021
<b>Default Coupon</b>	2% p.m. higher than the applicable coupon rate on outstanding balances
<b>Defaults (Defined in detail in General Terms)</b>	<ul style="list-style-type: none"> <li>• Material Default</li> <li>• Monitoring Obligation Default</li> <li>• Other Defaults</li> </ul>
<b>Material Adverse Effect (MAE)</b>	<p>"Material Adverse Effect" means, as of any date of determination by the Investor, that there has occurred or there is reasonably likely to occur an effect, event, matter or circumstance or a change in circumstances (or any combination of any of the foregoing) on:</p> <p>a) the business, operations, secured assets, financial condition of the Issuer which has or is likely to have an impact on the Issuer's repayment abilities;</p> <p>b) the ability of the Issuer to perform and observe its material obligations under</p>



	<p>the Transaction Documents to which it is a Party within the time period specified therein;</p> <p>c) the legality, validity or enforceability of, or the rights or remedies of the Investor under any Transaction Document or any Security; or</p> <p>d) the ranking of any Security.</p> <p>The Investor shall have the sole and exclusive right to determine a Material Adverse Effect and such determination shall be final and binding on the Issuer."</p>
<b>Cure Period for Material Defaults</b>	Please refer General terms Clause 8
<b>Cure Period for Monitoring Obligation Defaults</b>	30 days, please refer General terms Clause 9
<b>Cure Period for Other Defaults</b>	30 days, unless otherwise mentioned. Please refer General terms Clause 10
<b>Validity</b>	<p>This term sheet is valid for 30 days from its Issue Date.</p> <p>Terms of this Term sheet will expire, if disbursement does not take place within 60 days of execution of term sheet</p>

Please note that the above-mentioned terms are subject to modifications at the time of documentation stage.

Accepted by Anchor Investor



Accepted by Corporate Guarantor



Accepted by Issuer



## General Terms

1. List of Transaction Documents to be executed:
  - a. Debenture Trust and Hypothecation Deed;
  - b. Transaction Administrator Agreement
  - c. PoA for Hypothecation;
  - d. Debenture Trustee Agreement
  - e. Non disposal undertaking from Individual Promoters with respect to (i) 50% of the Individual Promoters' current aggregate shareholding in the Issuer in accordance with and subject to the terms agreed upon under this Term Sheet; and (ii) confirmation on no change in TIPL Control and HTPL Control during the term of NCD's
  - f. Non disposal Undertaking for Brand and IP
  - g. Corporate Guarantee from TIPL including confirmation on no change in HTPL Control and TIPL Control during the term of the NCD's
  - h. Escrow Agreement
  - i. Any other undertakings, notes, letters, writings, agreements, deeds and documents as may be necessary and are customary to the nature of the Investment and as required by the Anchor Investor/TA to its satisfaction in respect of the Investment and agreed with the Issuer
  
2. Condition Precedent for First Tranche:
  - a. Corporate CP
    - i. Requisite Board and Shareholder resolutions & Corporate authorisations of the Issuer, Corporate Guarantor and/or of their shareholders/any other group company as may be required for the transaction including but not limited to Issuance of NCD and creation of Security;
    - ii. Executing the Corporate Guarantor resolution and filing of Corporate Guarantee with ACRA.
    - iii. Amend the articles of association and memorandum of association of the Issuer to remove any enforcement restrictions or as required during documentation (if any);
    - iv. Investor consent(if any) for issuance of NCD and creation of Security
    - v. NOCs from existing lenders (if any) for issuance of NCD and creation of Security
  - b. Diligence
    - i. Satisfactory CIBIL or any other credit information companies reports as mandated by RBI, MCA and other checks of Issuer
    - ii. Completion of satisfactory financial, legal and commercial due diligence
    - iii. Completion of 'Know Your Customer' requirements to the satisfaction of the Investor of Issuer and Corporate Guarantor;
      1. Last 3 years ITR
      2. Details of existing debt obligations (secured and unsecured)
      3. Any other document as per KYC policy of Investor
    - iv. Signed Quarterly Business plan for next FY22 and yearly for FY23(On the letter head of the Issuer);
  - c. Bank & Escrow related
    - i. Opening and Operationalization of Escrow Account
    - ii. View access for Escrow Bank Account
  - d. Security
    - i. Creation of Security by execution of all relevant Transaction Documents;
    - ii. Demand Promissory Note for Total Investment Amount & Transaction Administrator Fees;
    - iii. Post Dated Cheques (PDC) including principal and coupon amount of Investment Amount;
    - iv. Post Dated Cheques (PDC) for TA fees;
    - v. Issuer to sign and give NACH (National Automated Clearing House)/ECS (Electronic Clearing Service) mandate for the principal, coupon and TA fees payment
  - e. NCD Issuance
    - i. Obtaining ISIN
    - ii. Offer letter for subscription
    - iii. Appointment of Trustee
    - iv. Appointment of Transaction Administrator
    - v. Completion of Trustee KYC and checklist
  - f. Closing
    - i. All relevant transaction cost to be paid before the disbursement;



- ii. CP Completion Letter
- g. CA Certificates
  - i. Latest Net worth certificates of Issuer certified by a CA as on 30-6-2021;
  - ii. CA Certified Financial Covenant Compliance Certificate at HTPL level;
  - iii. Management Certified Financial Covenant Compliance Certificate at TIPL level;
  - iv. Managements' certificates as specified under the definitive documents;
  - v. Management certificate for compliance and payment of all Statutory Dues prior to disbursement;
  - vi. CA Certificate implying Section 281 of the Income Tax Application not applicable to the Issuer, if applicable for the security provided for this trade;

The Anchor Investor/TA shall have the right to stipulate in the documentation such other Condition Precedent, as they may deem fit and agreed mutually with the Issuer / Corporate Guarantor (as applicable);

3. Condition Precedent for Second Tranche
  - a. Corporate CP
    - i. Investor Consent (if required) for issuance of NCD and creation of Security
    - ii. NOCs from existing lenders (if required) for issuance of NCD and creation of Security
    - iii. Management Certificate for non-applicability of NOC from specific lenders
  - b. Diligence
    - i. No Event of Default shall have occurred and is not subsisting at the time of disbursement;
    - ii. No covenants or other conditions have been breached
    - iii. All representation & Warranties provided in Tranche 1 are valid and subsisting
  - c. Security
    - i. Post Dated Cheques (PDC) including principal & coupon amount for Tranche Amount;
    - ii. Post Dated Cheques (PDC) for TA fees;
    - iii. Issuer to sign and give NACH (National Automated Clearing House)/ECS (Electronic Clearing Service) mandate for the principal, coupon and TA fees payment
  - d. NCD Issuance
    - i. Modification of ISIN, if required
    - ii. Offer letter for subscription
  - e. Closing
    - i. CP Completion Letter
    - ii. CS Completion Letter of Tranche I
  - f. CA Certificates
    - i. Latest Net worth certificates of Issuer certified by a CA;
    - ii. Undertaking from the CA certifying that as on that day, basis the internal projections, the Udaan Group (On a Consolidated basis at HTPL plus TIPL level) has sufficient Cash funds to be a going concern for at least the next 6 months;
    - iii. Managements' certificates as specified under the definitive documents;
    - iv. Management certificate for compliance and payment of all Statutory Dues prior to disbursement;
    - v. CA Certified Covenant compliance certificate at HTPL level;
    - vi. Management Certified Financial Covenant Compliance Certificate at TIPL level;
4. Condition Subsequent for Tranche 1:
  - a. Perfection of the security by filing of necessary charge with ROC within 30 days;
  - b. CA certificate for end use within 30 days from the date of disbursement and quarterly post that till the time all funds are not utilized (investment in FD/ liquid instruments will not be considered as utilization)
  - c. The Anchor Investor/TA shall have the right to stipulate in the documentation such other Condition Subsequent, as they may deem fit and agreed with the Issuer
5. Condition Subsequent for subsequent Tranches:
  - a. Perfection of the security by filing of necessary charge with ROC within 30 days if any;
  - b. CA certificate for end use within 30 days from the date of disbursement and quarterly post that till the time all funds are not utilized (investment in FD/ liquid instruments will not be considered as utilization)
  - c. The Anchor Investor/TA shall have the right to stipulate in the documentation such other Condition Subsequent, as they may deem fit and agreed with the Issuer



## 6. Information Obligations

- a. Monthly within 20 days of month end
  - i. MIS, including the following:
    - a. Profit and Loss Statement
    - b. Cashflow statement
    - c. Debt Profile of each Lender
    - d. Details of bank accounts
    - e. Monthly Collection Details
    - f. Key Business Metrics - (Number of Orders Shipped and Delivered, Return %, AOV, Monthly Active Buyers, Monthly Active Sellers, Monthly addition of Buyers and Sellers, No of Cities and Pincodes Served, Category wise Gross GMV etc.)
- b. Quarterly within 30 days of Quarter End
  - i. Provisional Balance sheet, Cashflow and Profit & Loss Statement
  - ii. Financial Covenant satisfaction letter including calculations where required certified by the Management at HTPL as well as TIPL level
  - iii. Security Cover satisfaction letter including calculations where required certified by the Management
  - iv. Management certificate for compliance with all Statutory Dues
- c. Half Yearly within 45 days of half year end
  - i. Financial Covenant satisfaction letter including calculations where required certified by the CA at HTPL Level
  - ii. Security Cover satisfaction letter including calculations where required certified by CA
  - iii. Management certificate for compliance with all Statutory Dues
- d. Yearly
  - i. A copy of provisional financials of Issuer shall be submitted to the Investor within 90 days from the end of each financial year
  - ii. A copy of audited financials of the Issuer shall be submitted to the Investor within 6 months from the end of each financial year
- e. Event Basis
  - i. Prompt intimation to the TA on Issuer's letterhead regarding any material change in the scope, nature and/or activities of the business of the Issuer once approved in board meeting;
  - ii. Intimation of changes in composition of Board of Directors including resignation and appointments, constitution of board committees of any member of the Board within 15 days of such event;
  - iii. Signed business plan within 7 days of board approval
  - iv. Updated list/status change of IP to be provided upon receipt of prior written notice from Investor within 10 days of such notice
  - v. List of existing admitted litigation on the Issuer's letterhead on a half yearly basis if cumulative litigation above INR 1000 Lakhs or any independent litigation above INR 500 Lakhs
  - vi. Fully diluted shareholding of Corporate Guarantor to be provided, if there is a dilution beyond 5% of the current shareholding of any shareholder of the Corporate Guarantor, within 15 days of such event

The Anchor Investor/TA shall have the right to stipulate in the documentation such other information obligation, as they may deem fit and agreed mutually

## 7. Other Covenants

- a. TA may with intimation to the Issuer vary the Coupon Rate on account of deterioration in credit quality/ rating of the Issuer or otherwise as assessed by Investor from time to time. If the varied Coupon Rate is not agreeable to the Issuer, Issuer shall be entitled to exercise Call Option without paying 0.75% of the amount being prepaid;
- b. The coupon payable by the Issuer, shall be post deduction of Tax Deducted at Source under Income Tax Act ("TDS") (as applicable). The Issuer shall directly pay TDS on a monthly basis, by electronic mode in the specified form, to the Income Tax Authorities, who will generate and provide TDS certificates for the quarter for all Investors within 45 days of quarter end;
- c. Group company payables which are in the nature of quasi equity for the group companies will become subordinate to this Facility and value of such payables will be decided during documentation. It is hereby clarified that this will include only payables from HTPL to other group companies.
- d. Post the disbursement of the second tranche and the total NCD amount being equal to or more than INR 100cr Consent required by the Issuer from the Anchor Investor/TA for any further borrowing from any other debt provider; including unsecured loans and overdrafts facility. Consent from Anchor Investor/TA shall not be unreasonably withheld and shall respond with their approval / rejection within 7 days from the date of request by Issuer. In case Anchor Investor/TA fails to respond with their approval / rejection of the request within 7 days from the date of request seeking consent, it shall be deemed that Investor has consented to further borrowing as requested by Issuer;



- e. The Issuer cannot undertake guarantee obligations on behalf of any other entity above a cumulative limit of INR 1000 crores without the prior written consent of the Anchor Investor/TA. Consent from Anchor Investor/TA shall not be unreasonably withheld and shall respond with their approval / rejection of the request within 7 days from the date of request by Issuer. In case Anchor Investor/TA fails to respond with their approval / rejection of the request within 7 days from the date of request seeking consent, it shall be deemed that Investor has consented to Issuer giving guarantee on behalf of any other entity;
  - f. The Issuer agrees that once the transaction documents are signed the TA can disclose the association/involvement to third parties including the media for marketing purposes provided TA receives a prior written consent from the Issuer before such disclosure. Such consent shall not be unreasonably withheld;
  - g. The Issuer authorizes the Anchor Investor/TA to disclose the details of the Issuer to RBI/CIBIL/any other credit information companies reports as mandated by RBI;
  - h. Issuer to authenticate the information filed by Anchor Investor/TA on CERSAI & NeSL portals;
  - i. Corporate Guarantor will not affect any change in HTPL Control in Issuer during the term of the NCD's. Doing so will trigger an event of default and the Investor will have an option for early redemption of Debentures;
  - j. The Issuer shall not formulate any scheme of Mergers and acquisitions, de-merger, divestment, re-organization, amalgamation or reconstruction leading to MAE and intimate the same to Anchor Investor/TA promptly on receiving the board approval. Investor shall not disclose any information relating to mergers and acquisitions, de-merger, divestment, re-organization, amalgamation or reconstruction to which the Issuer is a party without obtaining a prior written consent from the Issuer;
  - k. Issuer shall not make any material change in the scope, nature and/ or activities of the business leading to MAE and shall intimate the same to Anchor Investor/TA promptly on receiving the board approval.
  - l. Issuer shall promptly intimate Anchor Investor/TA on receiving the board approval for declaration of dividend
  - m. The Corporate Guarantor and Individual Promoters shall not effect any change in HTPL Control and TIPL Control in the Issuer and Corporate Guarantor at any time during the entire tenure of the Investment. The Investor shall be entitled to early redemption of debentures in case of change in HTPL Control and TIPL Control as defined in this Term Sheet.
  - n. The Anchor Investor/TA reserves the right to undertake inspection of the book of accounts of the Issuer, by appointing an external agency or by its own personnel and/or through its authorized representative(s) at a 72-hours' notice under default and a 5 business days notice under ordinary course of business. The Issuer shall provide complete access to its internal receivable dashboard. Books of accounts may be audited at a frequency at the option of the Investor by giving an advance notice of atleast 5 business days;
  - o. Management to ensure that the Investment Amount is used for legal and valid purposes and not for acquisition of real estate properties;
  - p. It is hereby clarified that other than the clauses pertaining to Control and the corporate guarantee, there are no other covenants which will be applicable to the Corporate Guarantor.
  - q. The Anchor Investor/TA shall have the right to stipulate in the documentation such other covenants, as it may deem fit and agreed mutually with Issuer.
8. Material Default
    - a. Delay or non-repayment of principal & coupon payment as per the redemption schedule. Cure period of 1 day to be provided for this default;
    - b. Failure to maintain Escrow Mechanism
    - c. Second instance of failure to replenish the DSRA within the specified timeline;
    - d. Financial Cross default resulting in MAE. Cure period of 5 working days to be provided for this default
    - e. Termination of TA
  9. Monitoring Obligation Defaults
    - a. Failure to provide Information Obligations:  
If the Monitoring Obligations Default occurs, a 15 days' notice will be served to the Issuer to provide the information. If the information is not provided within 15 days from the date of notice, then 2% p.a. (on the Outstanding Due) will be charged additionally from the date of occurrence of Default (Coupon will increase by 2%p.a.).
  10. Other Default
    - a. Non-Compliance & Non-Fulfilment of obligations under the Transaction Documents;
    - b. Non-Compliance & Non-Fulfilment of Financial Covenants;
    - c. Use of proceeds other than what is specified in the transaction documents
    - d. Failure to create or perfect security within agreed timelines;



- e. Creation of any further security interest/transfer/disposal of the assets of Issuer which is secured for the benefit of the Investor without the consent of the Investor;
- f. Payment to group company payables which are subordinate to this facility (if any)
- g. Dilution of Individual Promoter's stake in the Issuer other than in the manner agreed upon under this Term Sheet, without prior written consent from the Anchor Investor/TA;
- h. Change of HTPL Control of the Issuer without prior written consent from the Anchor Investor/TA other than as permitted under the Transaction Documents;
- i. Change of TIPL Control of the Corporate Guarantor without prior written consent from the Anchor Investor/TA other than as permitted under the Transaction Documents;
- j. Misrepresentation or Breach of any Representation, Warranty or Covenant undertaking, or Failure to Perform any deeds of the document, Fraud;
- k. Revocation or non-receipt of any material Statutory Licenses, Authorizations, or business licenses ;
- l. Non-payment of cumulative statutory dues above INR 25 lakhs. Cure period for this default would be 30 days;
- m. Any event or circumstance, which could result in a Material Adverse Effect or any other default as stated in the documents (to be defined during deal documentation)
- n. Termination of major Business Contracts (to be defined in detail during documentation) resulting in MAE
- o. Non-financial cross default leading to a MAE;
- p. Insolvency & Insolvency Proceedings; Judgments and Creditor's process; Material litigation; Expropriation;
- q. Filing of petition under IBC
- r. Deterioration of credit rating (if any) of the Issuer by more than 2 notches;
- s. Cessation of business; Unlawfulness or change in law as agreed to in the transaction documents;
- t. Repudiation of transaction documents;
- u. Material Audit qualification leading to MAE;
- v. Termination of any KMP of the Issuer as identified and to be specified in the Transaction Documents without prior notice of 7 days
- w. Sexual Harassment complaint against any KMP of the Issuer leading to MAE. Upon occurrence of such an event, the Investor may be entitled to option of early redemption of debentures.
- x. The Anchor Investor/TA shall have the right to stipulate in the documentation such other defaults, as it may deem fit as agreed with Issuer.

For Other Defaults a notice will be served to the Issuer asking them to explain the stand. If the Debenture Trustee/TA is not satisfied with the explanation provided then the Debenture Trustee/TA shall call it a Default and take necessary steps as per Consequences of Defaults

11. Consequences of Defaults post respective cure period, if any:
  - a. Declare all debentures to be due and payable immediately;
  - b. Charge Penal Coupon on overdue amount
  - c. Collection of funds through ECS/NACH Mandate
  - d. Appropriation of Funds from Escrow
  - e. Appropriation of Funds from DSRA
  - f. Assignment of Investment to any third party (including competitor);
  - g. Cancellation of the Investment (or any part);
  - h. Enforce Security;
  - i. Enforce Corporate Guarantee;
  - j. Apply for winding up/dissolution of the Issuer under IBC including appointment of an Insolvency Resolution Professional;
  - k. Resolution as per SARFESI Act / Initiate Proceedings in NCLT as per Insolvency & Bankruptcy Code or any other applicable Act
  - l. Appoint a Receiver;
  - m. Disclose the details of payment default of the Issuer to RBI/CIBIL/any other credit information companies reports as mandated by RBI;
  - n. Appoint Board Observer on non-payment of any dues payable under this Facility by the Issuer for a period of over 60 days;;
  - o. The Anchor Investor/TA shall have the right to stipulate in the documentation such other Consequences of Defaults, as it may deem fit.
12. Representation and Warranties of the Issuer:
  - a. Legal authority to execute the Transaction Documents to which it is a Party
  - b. Compliance with all applicable laws
  - c. Validity of Issuer's constitution and corporate documents



- d. Maintenance and accuracy of statutory registers and books
- e. Non-existence of material litigation, material adverse effect or event of default;
- f. Due filing of all taxes;
- g. Solvency of the Issuer
- h. Title to properties and assets forming part of Security
- i. No charge has been created on any of the assets of the Issuer except encumbered bank deposits and security which has been provided for existing financial indebtedness.
- j. Transaction does not trigger any event of default at the time of disbursement or cross default
- k. Valid, enforceable and rightful creation and perfection of security
- l. Names of Issuer and its directors do not figure in any willful defaulters list
- m. Issuer/Promoter is not being liable under Fugitive Economic Offenders Act, 2018 or Prevention of Money Laundering Act, 2002 and or other economic laws of India
- n. Obtaining applicable NOC from any lenders for issuance of NCD's / confirmation of Non-applicability (as applicable).



## Annexure A

## Sample Redemption Schedule

Installment No.	Date	No of Days	Opening Principal	Principal Receipt / Payment	Gross Interest (Incl. of TDS)	Facility Repayment	Closing Principal	Gross Receipts / Payments
Tranche 1	15-Sep-21		-	(45,00,00,000)			45,00,00,000	(45,00,00,000)
1	30-Sep-21	16	45,00,00,000	-	26,63,014	26,63,014	45,00,00,000	26,63,014
2	31-Oct-21	31	45,00,00,000	-	51,59,589	51,59,589	45,00,00,000	51,59,589
Tranche 2	01-Nov-21		45,00,00,000	(30,00,00,000)			75,00,00,000	(30,00,00,000)
3	30-Nov-21	30	75,00,00,000		83,21,918	83,21,918	75,00,00,000	83,21,918
4	31-Dec-21	31	75,00,00,000	5,62,50,000	85,99,315	6,48,49,315	69,37,50,000	6,48,49,315
5	31-Jan-22	31	69,37,50,000		79,54,366	79,54,366	69,37,50,000	79,54,366
6	28-Feb-22	28	69,37,50,000	3,75,00,000	71,84,589	4,46,84,589	65,62,50,000	4,46,84,589
7	31-Mar-22	31	65,62,50,000	5,62,50,000	75,24,401	6,37,74,401	60,00,00,000	6,37,74,401
8	30-Apr-22	30	60,00,00,000		66,57,534	66,57,534	60,00,00,000	66,57,534
9	31-May-22	31	60,00,00,000	3,75,00,000	68,79,452	4,43,79,452	56,25,00,000	4,43,79,452
10	30-Jun-22	30	56,25,00,000	5,62,50,000	62,41,438	6,24,91,438	50,62,50,000	6,24,91,438
11	31-Jul-22	31	50,62,50,000		58,04,538	58,04,538	50,62,50,000	58,04,538
12	31-Aug-22	31	50,62,50,000	3,75,00,000	58,04,538	4,33,04,538	46,87,50,000	4,33,04,538
13	30-Sep-22	30	46,87,50,000	5,62,50,000	52,01,199	6,14,51,199	41,25,00,000	6,14,51,199
14	31-Oct-22	31	41,25,00,000		47,29,623	47,29,623	41,25,00,000	47,29,623
15	30-Nov-22	30	41,25,00,000	3,75,00,000	45,77,055	4,20,77,055	37,50,00,000	4,20,77,055
16	31-Dec-22	31	37,50,00,000	5,62,50,000	42,99,658	6,05,49,658	31,87,50,000	6,05,49,658
17	31-Jan-23	31	31,87,50,000		36,54,709	36,54,709	31,87,50,000	36,54,709
18	28-Feb-23	28	31,87,50,000	3,75,00,000	33,01,027	4,08,01,027	28,12,50,000	4,08,01,027
19	31-Mar-23	31	28,12,50,000	5,62,50,000	32,24,743	5,94,74,743	22,50,00,000	5,94,74,743
20	30-Apr-23	30	22,50,00,000		24,96,575	24,96,575	22,50,00,000	24,96,575
21	31-May-23	31	22,50,00,000	3,75,00,000	25,79,795	4,00,79,795	18,75,00,000	4,00,79,795
22	30-Jun-23	30	18,75,00,000	5,62,50,000	20,80,479	5,83,30,479	13,12,50,000	5,83,30,479
23	31-Jul-23	31	13,12,50,000		15,04,880	15,04,880	13,12,50,000	15,04,880
24	31-Aug-23	31	13,12,50,000	9,37,50,000	15,04,880	9,52,54,880	3,75,00,000	9,52,54,880
25	30-Sep-23	30	3,75,00,000		4,16,096	4,16,096	3,75,00,000	4,16,096
26	31-Oct-23	31	3,75,00,000	3,75,00,000	4,29,966	3,79,29,966	-	3,79,29,966
<b>Grand Total</b>		<b>777</b>		-	<b>11,87,95,377</b>	<b>86,87,95,377</b>		<b>11,87,95,377</b>

