

Term Sheet

Issuer/Company	Ess Kay Fincorp Limited
Debenture Trustee	Beacon Trusteeship Limited
Rating Agency	CRISIL
Legal Counsel	Chiramrit Legal LLP
Rating	A (Stable)
Issuance	Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures ("NCDs" or "Debentures")
	SERIES A1, A2, A3
Issuance Size	INR 25,00,00,000 (Indian Rupees Twenty Five Crores) each for Series A1, A2,A3
Face Value	INR 10,00,000 (Indian Rupees Ten Lakhs) each
Interest Rate	<p>11.5 % coupon payable quarterly</p> <p>Scenarios for put option:</p> <p>From Deemed Date of Allotment to 1st Put option date : 11.5% p.a. payable quarterly</p> <p>From 1st Put option date to 2nd Put Option date : 11.75% p.a. payable quarterly</p> <p>From 2nd Put option date to 3rd Put Option date : 12.00% p.a. payable quarterly</p> <p>From 3rd Put option date onwards: 12.5% p.a. payable quarterly</p> <p>The Coupon shall be payable quarterly/on specific interest payment dates from the period starting from and including the Date of Allotment and up to the Date of Put Option / Redemption.</p> <p>In case of early redemption due to any other reason, coupon shall be paid on such early redemption date and shall be paid on for the period for which the amounts were outstanding.</p>
Interest Type	Fixed
Tenor	<p>23 months from deemed date of allotment for SeriesA1</p> <p>24 months from deemed date of allotment for Series A2</p> <p>25 months from deemed date of allotment for Series A3</p>

Put Option	<p>Series A1 : The Debenture Holders may exercise the Put Option at the end of 6 months, 12 months & 18 months</p> <p>Series A2 : The Debenture Holders may exercise the Put Option at the end of 7 months, 13 months & 19 months</p> <p>Series A3 : The Debenture Holders may exercise the Put Option at the end of 8 months, 14 months & 20 months</p> <p>If the Put Option is exercised, NCDs will be redeemed at par.</p>
Put Option Notification Date	15 calendar days prior to the Put Option date
Call Option	Not Applicable
Call Option Notification Date	Not Applicable
	SERIES B
Issuance Size	INR 75,00,00,000 (Indian Rupees Seventy Five Crores)
Face Value	INR 10,00,000 (Indian Rupees Ten Lakhs) each
Interest Rate	11.85 % coupon payable quarterly
Interest Type	Fixed
Tenor	24 months from the deemed date of allotment
Put Option	The Debenture Holders may exercise the Put Option at the end of 12 months of the deemed date of allotment.
Put Option Notification Date	15 calendar days prior to the Put Option date
Call Option	Not Applicable
Call Option Notification Date	Not Applicable
Payment of issue price in tranches and pay in dates thereof	<p>First tranche of Rs. 50,000/- (5% of the face value per NCD) payable on pay in date</p> <p>Second tranche of Rs. 950,000/- (95% of the face value per NCD) at the end of 12 months from deemed date of allotment, if the Put Option on the bond has not been exercised.</p>

Non Payment of Partly Paid Amount	Failure to pay balance amount of the 95% of the face value in full, at the end 12 months from the deemed date of allotment if the put option has not been exercised, in respect of any debenture on a business day beyond 15 days of the date mentioned in the payment terms will result in such debentures for which only first tranche of the issue price, being forfeited. Investors shall not be entitled to any redemption rights or the coupon accrued on the forfeited debentures.	
	COMMON TERMS OF THE BOTH ABOVE SERIES	
Ranking	<p>Each Debenture issued by the Issuer will constitute direct, senior and secured obligations of the Issuer. The claims of the Debenture Holders shall be akin to the claims of senior, secured investors / 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>	
Deemed date of allotment	14 th June, 2019	
Registrar & Transfer Agent	KARVY Fintech Private Limited	
Depository	NSDL	
Issuance mode	Dematerialized, Private Placement	
Trading mode	Dematerialized	
Settlement mode	RTGS	
Issue Schedule*		
	Issue Open Date	13 th June, 2019
	Issue Close Date	13 th June, 2019
	Pay-in Date	14 th June, 2019
Listing	<p>The NCDs are proposed to be listed on the Bombay Stock Exchange ("BSE") within 20 calendar days of the Deemed Date of Allotment</p> <p>In case of a delay by the Issuer in listing the Debentures beyond 20 (Twenty) days from the Deemed Date of Allotment the Issuer shall make payment the Debenture Holders of penal interest calculated on the face value of the Debentures at the rate of minimum of 1% (One Percent) p.a. over the Coupon Rate from the expiry of 30 (Thirty) calendar days from the Deemed Date of Allotment until the listing of the Debentures.</p> <p>In the event that the NCDs are not listed within 20 (Twenty) days from the Deemed Date of Allotment for any reason whatsoever, then to the</p>	

	extent that any Debenture Holders are Foreign Institutional Investors or sub-accounts of Foreign Institutional Investors or Qualified Foreign Investors, the Issuer undertakes to immediately redeem and/or buyback any and all Debentures within 2 (two) Business Days of the expiry of the Listing Period.
Business Days	A day (other than a Saturday, a Sunday or a Bank Holiday) on which banks are open for general business 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	3 (Three) Business Days prior to each coupon payment date and redemption date / put option date.
End Use	<p>The proceeds of the Issuance will be utilized for the following purposes:</p> <ul style="list-style-type: none"> § General corporate purposes § for the ordinary course of business of the Issuer including repayment/re-financing of existing debt <p>The Issuer shall not use the proceeds of the Issue towards:</p> <ul style="list-style-type: none"> § any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities; or § any speculative purposes; or § any activity on the Exclusion List; or § investment in the real estate sector; <p>The Issuer shall be entitled to temporarily invest the funds raised by the Issue in liquid mutual funds and deposits held with scheduled commercial banks for a period not exceeding 60 (sixty) calendar days from the Deemed Date of Allotment.</p>
Issue price	At par
Security	The Debentures shall be secured by way of a first ranking, exclusive and continuing charge on identified 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

	<p>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 1.05x (One Decimal Point One) time or 105.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs where at least 1.05x (One Decimal Point Zero Five) time or 105.0% (One Hundred and Ten Percent) of the security cover is from principal receivables ("Security Cover"); to create, register and perfect the security over the Hypothecated Assets as contemplated above no later than 30 (thirty) calendar days 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 interest 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 Assets; to provide a list on a monthly basis, of specific loan receivables/identified book debts to the Debenture Trustee over 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") to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Assets is equal to 1.05x (One Decimal Point Zero Five) time or 105.0% (One Hundred and Five Percent) the aggregate amount of principal outstanding of the NCDs where at least 1.05x (One Decimal Point Zero Five) time or 105.0% (One Hundred and Five Percent) of the security cover is from principal receivables. to replace any Hypothecated Receivables that become non-performing with current receivables. Such replacement shall be effected within 15 (Fifteen) Business Days of the receivables becoming non-performing <p>If the Company is desirous of creating any further charge on the Immovable Property, the Company shall be entitled to do so without requiring the consent of, the Debenture Trustee.</p> <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; the receivables are not overdue at the time of selection the receivables have not been restructured or rescheduled all applicable "Know Your Customer" norms have been complied with as prescribed by the Reserve Bank of India.
Face value per Debenture	INR 10,00,000 (Indian Rupees Ten Lakh Only)
Issue Price	INR 10,00,000 (Indian Rupees Ten Lakh Only)
Day count basis	Actual/Actual

Interest Payment Frequency	Annual
Principal Amortization	Bullet
Default Interest Rate	<ul style="list-style-type: none"> · In case of default in payment of interest and / or principal redemption on the due dates, additional interest @ 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 interest @ 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period
Redemption Amount	The sum of the principal outstanding on the Debentures, accrued Coupon, Default Interest payable (if any) and other charges and fees payable.
Interest on application money	The Issuer shall be liable to pay the Debenture Holders, interest on application money at the Coupon Rate for the period commencing from the date on which the Debenture Holders have made payment of the application monies in respect of the Debenture to the Issuer and ending on one Business Day prior to the Deemed Date of Allotment. The interest on application monies, if any, shall be paid by the Issuer to the Debenture Holders within 7 (Seven) Business days from the Deemed Date of Allotment.
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. Additional Letter on Networth Covenant 7. Private Placement Offer Letter (Form PAS 4); 8. Board Resolution authorizing this Issuance; 9. Applicable Shareholder Resolutions under the Companies Act 2013; 10. Rating Agreement with the aforesaid Rating Agency(ies) with respect to this Issuance; and 11. Tripartite Agreements with the Depository(ies) and Registrar & Transfer Agent
Conditions Precedent	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:

	<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 Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed; 2. Execution of the Debenture Trustee Agreement, 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 audited financial half-year
Conditions Subsequent	<p>The Issuer shall ensure that the following documents are executed/activities as below:</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 create, register and perfect the security over the Hypothecated Assets no later than 30 (Thirty) calendar days from the Deemed Date of Allotment or as applicable under relevant regulation and Law, whichever is earlier. 3. Receive final listing approval from the BSE within 20 calendar days from the Deemed Date of Allotment 4. The Issuer shall ensure credit of demat account(s) of the allottee(s) with the number of NCDs allotted within 5 (Five) Business Days of the Deemed Date of Allotment 5. Execution of the Debenture Trust Deed in form and manner satisfactory to the Debenture Trustee shall have taken place no later than 30 (Thirty) calendar days from the Deemed Date of Allotment; 6. The Issuer shall ensure compliance with SEBI / Companies Act 2013 (as applicable) for issuance of NCDs.

Events of Default	<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, 2. Default or trigger of event of default on any other indebtedness (cross default) 3. Misrepresentation or misleading information in any of the Transaction Documents where such misrepresentation may lead to a Material Adverse Effect 4. 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; 5. Insolvency, winding up, liquidation 6. 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; 7. Depreciation in the value of assets offered as security to such an extent that they cease being standard, there is a requirement to provide further security to their satisfaction and such additional security is not provided within 15 (Fifteen) Business Days of written notice served by the Debenture Trustee; 8. If an attachment or expropriation or restraint of act of sequestration is levied on the Hypothecated Assets or any part thereof and such Hypothecated Assets are not replaced within 15 (Fifteen) Business Days of attachment; 9. Creditors' processes initiated against the company <ol style="list-style-type: none"> a. If initiated by a creditor that is not a lender / debt investor, cure period of 90 days 10. Repudiation of Transaction Documents by the Issuer 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 approval of the Debenture Holders; 14. Promoters or key management personnel of the Company being declared wilful defaulter 15. The promoter/s and/or the directors of the Company are accused of, charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter/s and/or director, including any accusations, charges and/or convictions of any offence relating to bribery; 16. Erosion of 50% or more of the Company's net worth 17. All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or
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	<p>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;</p> <p>18. Occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders.</p> <p>19. Change in management control without prior written consent from the Debenture Holders (management control to be defined in the Debenture Trust Deed)</p> <p>20. Any Transaction Document once executed and delivered, ceases to be in full force or becomes unlawful, invalid and unenforceable;</p> <p>21. 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 such proceeding is not contested by the company for staying, quashing or dismissed within 15 (Fifteen) days</p> <p>22. Any failure by the Company to comply with any of the provisions of the Transaction Documentation in relation to the security including but not limited to the failure by the Company to provide additional or alternate security to the satisfaction of the Debenture Trustee;</p> <p>23. In the opinion of the Debenture Trustee, the security is in jeopardy and the Issuer does not replace such assets within 15 (Fifteen) Business Days;</p> <p>24. 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) Change of business; Role of Promoter, (ii) decrease of Promoter stake below levels as stipulated and (iii) Dividend distribution in case of default c) Financial Covenants where such breach is not cured within 60 (Sixty) 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> <p>(a) require the Company to mandatorily redeem the Debentures and repay the principal amount on the Debentures, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with this Deed and other Transaction Documents;</p>
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	(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.
Reporting Covenants	<ol style="list-style-type: none"> 1. Quarterly Reports – within 60 (Sixty) calendar days from the end of each financial quarter <ol style="list-style-type: none"> a) Information on financials b) List of Board of Directors c) Shareholding Pattern d) Financial covenant compliance certificate signed by a Director or the Chief Financial Officer 2. Annual Reports – within 120 (One Hundred and Twenty) calendar days from the end of each financial year <ol style="list-style-type: none"> a) Audited financial statements 3. Event Based Reports – within 15 (Fifteen) Business Days of the event occurring <ol style="list-style-type: none"> a) Change in Shareholding structure b) Change in Board composition c) Changes in Accounting Policy, which have a material impact, and excluding changes required due to compliance with statutory requirements d) Change in senior management officials (any CXO or equivalent) e) Board approval of annual business plan f) Any fraud amounting to more than 1.0% of Gross Loan Portfolio g) Change in the constitutional documents of the Company h) Material Adverse Effect i) Any dispute, litigation, investigation or other proceeding which could result in a Material Adverse Effect. j) Winding up proceedings k) Any Event of Default or Potential Default, and any steps taken / proposed to remedy the same. l) Any prepayment or notice of any prepayment of any Indebtedness of the Issuer
Financial Covenants	<ol style="list-style-type: none"> 1. The Capital Adequacy Ratio shall be maintained at a minimum of the levels stipulated by the RBI at all points in time (currently 15%). 2. The Debt/Equity ratio shall not be more than 5.5x anytime during the

	<p>currency of the debenture.</p> <ol style="list-style-type: none"> 3. The Gross NPA shall be less than 7% 4. The Net NPA shall be less than 5% 5. Minimum shareholding of Mr Rajendra Setia at 35% 6. Mr Rajendra Setia to remain the Managing Director of the Issuer 7. The Issuer must have a rating of minimum A by all rating agencies within 6 (six) months from the Deemed Date of Allotment. Thereafter, if the rating is downgraded to BBB or below by any rating agency, Early Redemption would apply <p>All covenants would be tested on semi-annual basis for the Company, i.e. as on 31st March and 30th September 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 30 (Thirty) 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>“Debt” shall mean aggregate of</i></p> <ul style="list-style-type: none"> <i>§ All long-term outstanding, whether secured or unsecured, plus</i> <i>§ Contingent liabilities pertaining to corporate / financial guarantees given on behalf of any company / SPV / subsidiary / affiliate to the extent of outstanding of such guaranteed debt, plus</i> <i>§ Any short term debt outstanding whether secured or unsecured, availed of in lieu of long term debt or by way of bridge financing for long term debt</i> <i>§ Any amount raised by acceptance under any acceptance credit facility</i> <i>§ Receivables sold or discounted (other than receivables to the extent they are sold on a non-recourse basis)</i> <i>§ Any put option, shortfall / liquidity support undertaking, debt service reserve account undertaking, keep fit letter(s), Letter of Comfort issued in favour of any person(s), which give or may give rise to any financial obligation(s)</i> <i>§ Any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;</i> <p><i>“Equity” shall mean issued and paid up Equity, compulsorily convertible</i></p>
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	<p><i>instruments and Preference Share Capital (+) all reserves (excluding revaluation reserves) (-) any dividend declared (+) deferred tax liability (-) deferred tax assets (-) intangibles (including but not restricted to brand valuation, goodwill etc) as per the latest audited financials of the Issuer.</i></p> <p><i>“Gross NPA” shall mean the entire outstanding principal value of the relevant portfolio of the Issuer that has one or more instalments of payments (including principal or interest) overdue for 90 days or more or any restructured loans.</i></p> <p><i>“Net NPA” shall be calculated as Gross NPA less provision made for Gross NPA.</i></p>
Early Redemption	<p>The Debentures along with the accrued interest shall become due and payable within 30 (Thirty) days upon receipt of written notice from Debenture Trustee of happening of any of the following events (“Early Redemption Events”):</p> <ul style="list-style-type: none"> · If any time during the tenor of the Debentures, the rating of instrument is downgraded to BBB or below by any rating agency, the Debenture Trustee shall have the right, but not an obligation, to require the Issuer to redeem the Debentures.
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
Negative Covenants	<p>The Issuer shall not without the prior written permission 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 2. Change Mr Rajendra Setia’s position as the Managing Director of the Issuer 3. Ownership or control 4. M&A, acquisition, restructuring, amalgamation without approval of Debenture Holders over and above 10% of the Networth of the Issuer in a financial year 5. The Issuer shall not, without the prior approval of Debenture Holders, enter into any transaction of merger, de-merger,

	<p>consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; provided however that this restriction shall not apply in the event that the compliance with this restriction would result in the Issuer defaulting in relation to any of its payment obligations in relation to the Debentures.</p> <ol style="list-style-type: none"> 6. The Issuer will not purchase or redeem any of its issued shares or reduce its share capital without the Debenture Holders' prior written consent; 7. 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 consent of the Debenture Trustee 8. Issuer shall not change its financial year-end from 31st March (or such other date as may be approved by Debenture Holders) without prior consent of the Debenture Trustee unless required for statutory compliance 9. 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 consent of the Debenture Holders 10. No dividend, if an Event of Default has occurred and is subsisting 11. Not undertake any new major new business outside financial services or any diversification of its business outside financial services, without approval of Debenture Holders
Representations & Warranties	<ol style="list-style-type: none"> 1. The Company is registered 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 Facility 8. Illegality <p>And as set out in greater detail in the Transaction Documents.</p>
Indemnification	<p>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.</p>
Confidentiality	<p>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</p>

	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 Mumbai, 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.
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, duties and levies are to be borne by the Issuer. 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
Sole Arranger To The Issue	Derivium Tradition Securities (India) Pvt. Ltd.

Accepted and agreed

For the Issuer

For the Investor

Head – Treasury

(Authorised Signatory)

(Authorised Signatory)