

Term Sheet Ess Kay Fincorp Limited



**Senior Term Facility by Nederlandse Financierings-Maatschappij voor
Ontwikkelingslanden N.V. ("FMO")**

Borrower:	Ess Kay Fincorp Limited (the " Borrower ").
Lender	FMO
Trustee/ Security Agent	Beacon Trusteeship Ltd
Facility:	2,900 (two thousand and nine hundred) unlisted, unrated, senior, secured, redeemable, transferable, non-convertible debentures, each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) and aggregating to INR 290,00,00,000 (Indian Rupees Two Hundred and Ninety Crore) ("Debentures")
Use of proceeds:	Proceeds shall be applied towards loan portfolio growth, including vehicles funded in last 6 months and to be funded in next 24 months, attributable to vehicles converted from gasoline into compressed natural gas.
Availability Period:	The Facility will be available for 365 days after the signing date and will be disbursed in a maximum of 2 disbursements of not less than USD 10 million each. Amounts borrowed under the Facility that are repaid or prepaid may not be reborrowed.
Maturity Date:	January 10, 2025
Interest Rate:	10.435% p.a
Currency:	All Loans will be disbursed by FMO in INR or USD, depending on the chosen investment route. All fees will be invoiced and paid in USD.
Fees:	<ul style="list-style-type: none"> i) A commitment fee of 1.00% per annum on any undisbursed amount from the signing date until the end of the Availability Period. ii) A front-end fee equal to an amount of 1.0% of the Facility, payable within 15 days of the signing date. iii) A monitoring fee of USD 5,000 iv) A cancellation fee of 2% of the principal amount of the facility which has been cancelled during the Availability Period or on the amount which has not been disbursed after the end of the Availability Period. v) A waiver fee of USD 3,000 for any waiver or amendment of the Facility Agreement.
Default Rate:	The applicable interest rate plus 2.00% per annum.
Record Date for Principal Payment	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 7 prior to any Due Date, if any for the purposes of actual

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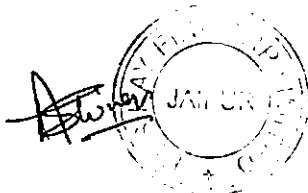
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Regd. Office : G 1-2, New Market, Khalsa Kothi, Jaipur-302001

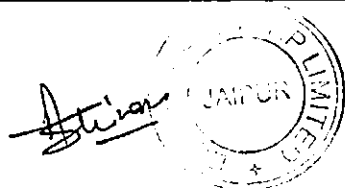
Ph.: +91-141-4161300-500 | Toll Free Number: 1800 1039 039

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	payment or as may be prescribed by the Securities and Exchange Board of India ("SEBI") during the tenure of the Debentures.
Holiday Convention	If the Redemption Date/Maturity Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day, along with coupon/interest accrued on the Debentures until but excluding the date of such payment.
Redeployment	The Borrower will pay break funding, redeployment costs and/or hedge unwinding costs if any amount under the Facility Agreement is not paid on its due date.
Security:	<p>Secured through 115% exclusive cover over specified loan receivables by way of an Indian law deed of hypothecation entered between the borrower and FMO/the Security Agent/Trustee. FMO will rank pari passu with other senior secured lenders. The Borrower shall obtain any required approvals (if any) for the creation of such security.</p> <p>Pari passu charge over the immovable property of the Company situated at Chengalpattu Registration District, Madhuranthagam Sub-Registration District, Kancheepuram District, Madhuranthagam Taluk, No.144 Melavalam Village, in the Lay-out named "Saranya Nagar", Plot measuring 33.5 Feet from East to West on both sides and 60 Feet North to South on both sides measuring 2010 Sq.Ft or thereabouts forming part of plots 38 and 37 and bounded on the:-</p> <p>North by : Plot No.39</p> <p>South by : Plot No.36</p> <p>East by : Plots 33 and 34</p> <p>West by : 30 Feet Road.</p> <p>The above property is situated within No.143, Karunkuzhi, Panchayat Union and approved as a lay-out as per No.DTCP(CR) 357/2010. [Paragraph 2.1(a) of Schedule II read with Clause 1.1 (Definition of Immovable Property)]</p> <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>
Finance Documents:	<p>The Lender's commitment will be subject to the preparation, execution and delivery of a facility agreement (the "Facility Agreement"), security documents, fee letter, and other customary facility documentation (together with the Facility Agreement, the "Finance Documents"). The Facility Agreement will be in the format of FMO's standard Term Facility Agreement in the English language.</p> <p>The Finance Documents will include, without limitation, indemnities, and other provisions customary in credit facilities of this type and appropriate for the Facility and certain FMO policies.</p> <p>Should the NCD route be adopted the documents will be structured differently and will include an offer letter, documents relating to the debenture trust and other required documents.</p>
Voluntary	The Borrower may prepay the Facility in whole or in part after giving twenty



Prepayments:	days prior notice and provided that the Borrower will (i) pay a prepayment fee of 2.00% of the aggregate amount prepaid; (ii) bear any break funding costs related to the prepayment of the Facility.
Voluntary Cancellation:	During the Availability Period, the Borrower may cancel any unused part of the Facility provided that the Borrower shall pay a cancellation fee of 2.00% of the amount cancelled.
Mandatory Prepayments:	FMO may, with at least thirty (30) days' notice to the Borrower, cancel the available Facility and/or require prepayment of the Loans: <ul style="list-style-type: none"> i) if it becomes unlawful in any applicable jurisdiction for the Lender to fund or maintain any Loan or part thereof; or ii) if it will result in a "change of control" of the Borrower without seeking prior consent of FMO. iii) if the Borrower or any member of the Borrower's Group is engaged in any corrupt practice, fraudulent practice, money laundering activity, sanctionable practice and/or terrorist financing
General Representations and Warranties:	In respect of the Borrower and/or other member of the Group usual and customary for facilities and transactions of this type and others to be reasonably specified by the Lenders, including in respect of the Group, the Holding Company and the Affiliates with regard to not being engaged in any corrupt practice, fraudulent practice, money laundering activity, sanctionable practice and/or terrorist financing and including any representations with respect to compliance with regulatory requirements (subject to advice of local counsel and depending on the investment route chosen).
Conditions Precedent:	Usual and customary for facilities and transactions of this nature and others to be reasonably specified by the Lender, including: <ul style="list-style-type: none"> i) a resolution authorizing the Borrower to enter into the Finance Documents by either the board of directors of the Borrower or the shareholders of the Borrower (depending on advice from local counsel); ii) legal opinions from counsel to the Lenders ; iii) evidence that a process agent has been appointed by the Borrower to accept service of process on behalf of the Borrower; and iv) any required approvals for the financing and the documents (if required, subject to local counsel advice); v) any notices, evidence or other documents required under the applicable laws and regulations (subject to local counsel advice); and vi) others tbd post Due Diligence and subject also to the Investment route chosen.
General Affirmative and Negative Covenants:	Will apply to the Borrower and the rest of the Group. Usual and customary for facilities and transactions of this type and others to be reasonably specified by the Lender and to apply to the Borrower and the rest of the

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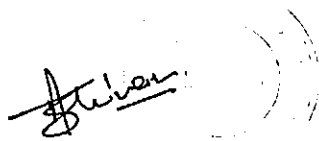
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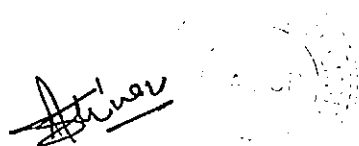
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	<p>Group. Covenants to also be included with regard to:</p> <ul style="list-style-type: none"> i) not paying dividends unless if it is in line with local bank regulations, it is paid from retained earnings only, and there will be no event of default before, during or after payment of the dividend; ii) not making acquisitions or disposals of assets or businesses per year in aggregate of more than an amount equal to 10% of the total assets of the Borrower without seeking NOC from FMO; iii) not granting security offered to FMO to any other lender and ensuring that the Facility ranks <i>pari passu</i> with the Borrower's other debt in terms of seniority of secured Term lending on exclusive charge basis; iv) the Borrower will not engage in (and will ensure that no Affiliate and Holding Company will engage in) any corrupt practice, fraudulent practice, money laundering activity, sanctionable practice and/or terrorist financing. v) compliance with all applicable regulatory requirements in relation to the financing (subject to advice of local counsel and depending on the investment route to be chosen).
Environmental and Social specific covenants and representations:	<ul style="list-style-type: none"> i) Representations that confirm that the Borrower is in compliance with Environmental and Social ("E&S") laws and requirements and undertakings to continue such compliance and to allow verification of such compliance; ii) Representations that confirm that there are no E&S claims at the date of the contract and an undertaking to notify the Finance Parties if any such claim arises or is threatened. iii) Representations that is does not finance activities listed on the exclusion list (see Annex A) and undertakings not to do so in future.
Client Protection Principles ("CPP") specific covenants and representations	<ul style="list-style-type: none"> i) Representations that confirm compliance by the Borrower of consumer protection laws and that there are no consumer protection claims pending; and ii) Undertakings whereby the Borrower agrees to comply with consumer protection laws.
Financial Covenants:	<p>Usual and customary for facilities and transactions of this type and others to be reasonably specified by the Lenders and in any event to include:</p> <ul style="list-style-type: none"> i) Capital Adequacy > the higher of (i) 1% above the percentage required by the regulator or (ii) 18%. To be defined as: Total Capital; divided by Total Risk Weighted Assets ii) Cost to Income < 70%. To be defined as: Total Operational Cost; divided by

	<p>Total Operational Income</p> <p>iii) Open Asset Exposure Ratio <20%. To be defined as: (NPL+Restructured Assets/-loan loss reserves) divided by Tier 1 Capital.</p> <p>NPL to be defined as: The aggregate of all loans and credit facilities provided by the Borrower where one or more repayment instalments or interest payments are overdue by 90 (ninety) days or more.</p> <p>iv) Non-performing Loans: <7.5%. To be defined as: Non-performing loans not to exceed 7.5% of all outstanding amount of rupee loans lent and advanced by the Company to an Obligor pursuant to a Loan Agreement.</p> <p>v) Net Stable Funding Ratio > 100%. To be defined as: the result obtained by dividing: (a) Available Stable Funding; by (b) Required Stable Funding.</p> <p>"Available Stable Funding" means the aggregate amount of the following liabilities:</p> <p>(a) Total Capital; plus</p> <p>(b) other long-term liabilities falling due after at least 12 months from the date of computation excluding any instruments with explicit or embedded options that would reduce the expected maturity to less than 12 months; plus</p> <p>(c) seventy per cent (70%) of the aggregate amount of retail and corporate deposits, including current accounts, savings accounts and term deposits to natural persons or legal entities but excluding the Borrower's bank deposits.</p> <p>"Required Stable Funding" means the aggregate amount of the following assets:</p> <p>(a) thirty five per cent. (35%) of all loans and other credit facilities and overdrafts provided by the Borrower of having not more than 90 days to final maturity; plus</p> <p>(b) All loans and other credit facilities provided by the Borrower falling due after at least 12 months from the date of computation; plus</p> <p>(c) All other illiquid assets.</p>
Information undertakings:	<p>The Borrower shall provide information reasonably specified by the Lender , including:</p> <p>i) a compliance certificate signed by the Chief Financial Officer / Authorised Signatory setting out computation and compliance with the Financial Covenants on a quarterly basis.</p>

	<p>ii) audited annual financial statements and quarterly unaudited financial statements.</p> <p>iii) information in respect of non-performing loans and loan loss reserves on a quarterly basis, certified by Chief Financial Officer / Authorised signatory.</p> <p>iv) a periodic environmental and social monitoring report.</p> <p>v) notification on incidents of an environmental nature, social nature occurring on or nearby any site, plant, equipment of the Borrower or Client which has or is reasonably likely to have a Material Adverse Effect or which has a material negative impact on the environment, the health, safety and security situation, or the social and cultural context;</p> <p>The compliance certificate delivered together with the annual financial statements will also be signed by the auditors of the Borrower. Quarterly information will be delivered within 60 days after the end of each quarter. Audited financial statements will be delivered within 90 days of the end of the Borrower's financial year.</p>
Events of Default:	Usual and customary for facilities and transactions of this type and others to be reasonably specified by the Lenders and to apply to the Borrower and the rest of the Group, including but not limited to any specific events of default with respect to regulatory requirements (subject to local counsel advice and depending on the investment route chosen)..
Assignment:	The Lender may assign any of its rights or transfer any of its rights and obligations to another entity which is regularly engaged in or established for the purpose of investing in financial assets with the prior consent of the Borrower (which may not be unreasonably withheld). No consent will be required for any assignment after an event of default has occurred. The Borrower may not assign or transfer any rights or obligations under the Facility Agreement.
Tax and Yield Protection:	The Facilities Agreement will include standard tax gross-up and tax indemnity clauses.
Costs, Expenses and Indemnification:	The Borrower will pay or reimburse the Lender for all expenses of local counsel incurred by them in connection with the preparation, negotiation, execution, delivery and administration of the Finance Documents. The Borrower will also be liable for costs and expenses that are standard in LMA agreements.
Miscellaneous:	The Facility Agreement will contain provisions relating to, among other things, Break Costs, Tax Indemnities, Increased Costs, Disclosure of information, FMO's Independent Complaints Mechanism and Set-off.
Governing Law:	English Law



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FMO's Exclusion List

The Group shall not finance any activity, production, use, distribution, business or trade involving,

1. Forced labor¹ or child labor²
2. Activities or materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as:
 - a) Ozone depleting substances, PCB's (Polychlorinated Biphenyls) and other specific, hazardous pharmaceuticals, pesticides/herbicides or chemicals;
 - b) Wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES); or
 - c) Unsustainable fishing methods (e.g., blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length).
3. Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations.
4. Destruction³ of High Conservation Value areas⁴
5. Radioactive materials⁵ and unbounded asbestos fibers.
6. Pornography and/or prostitution
7. Racist and/or anti-democratic media
8. In the event that any of the following products form a substantial part of a project's primary financed business activities⁶:
 - a) Alcoholic Beverages (except beer and wine);
 - b) Tobacco;
 - c) Weapons and munitions; or
 - d) Gambling, casinos and equivalent enterprises.

[Signature]

Date:- 02/12/2019
Place:- Jaipur

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Schedule-I



Issuance Size	2,90,00,00,000					
Tenor	1,857.00 Days or 62 Months	Deemed date of allotment	11-Dec-19			
Monthly coupon	10.435%					
Interest Payment	Semi-annual (First payout is after 6 months)					
Principal Payment	semi-annual					
DDOA	11-Dec-19					
Dates		Cashflows				
Period	Payment Date	Business Day	Principal O/S	Principal	Interest	Cashflows
0	11-Dec-19	3	2,90,00,00,000			(2,90,00,00,000)
1	10-Jul-20	5	2,90,00,00,000		17,57,65,425	17,57,65,425
2	10-Jan-21	7	2,90,00,00,000	72,50,00,000	15,25,51,123	87,75,51,123
3	10-Jul-21	6	2,17,50,00,000		11,25,47,908	11,25,47,908
4	10-Jan-22	1	2,17,50,00,000		11,44,13,342	11,44,13,342
5	10-Jul-22	7	2,17,50,00,000		11,25,47,908	11,25,47,908
6	10-Jan-23	2	2,17,50,00,000	72,50,00,000	11,44,13,342	83,94,13,342
7	10-Jul-23	1	1,45,00,00,000		7,50,31,938	7,50,31,938
8	10-Jan-24	3	1,45,00,00,000	72,50,00,000	7,62,75,562	80,12,75,562
9	10-Jul-24	3	72,50,00,000		3,77,23,240	3,77,23,240
10	10-Jan-25	5	72,50,00,000	72,50,00,000	3,81,37,781	76,31,37,781
Tenor	1,857.00					

At 10/10/20

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