

Term Sheet

1	Security Name	9.85% Secured Senior Rated Listed Redeemable Non-Convertible Debentures
2	Type of Instrument	Secured Senior Rated Listed Redeemable Non-Convertible Debentures (NCDs/ Debentures)
3	Nature of the Instrument	Secured
4	Mode of Issue	Private placement
5	Objects & Details of the utilization of the Proceeds	<ul style="list-style-type: none"> The Issue proceeds will be utilized to meet funding requirements of the Issuer for on-lending purposes The Issuer undertakes that no part of the proceeds of the Debentures shall be utilized by the Company directly or indirectly towards capital markets (including equity, debt, debt linked and equity linked instruments or any other capital market activities), any speculative purposes, land acquisition or usages that are restricted for bank financing, any activity in the 'Exclusion List' (as such term shall be defined under the Transaction Documents) or investment in the real estate sector. The proceeds of the NCD shall not be used for any purpose, which may be in contravention of the government/RBI/SEBI/Other regulatory guidelines.
6	Rating of Instrument	<p>"CARE A-" by CARE Ratings Ltd</p> <p><i>The Issuer/Investor(s) reserves the right to obtain an additional credit rating from any SEBI registered Credit Rating Agency for full or part of the issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating to the issue</i></p>
7	Debenture Trustee	Catalyst Trusteeship Limited
8	Registrar & Transfer Agent	KFIN Technologies Private Limited
9	Eligible Investors	As mentioned in the Disclosure Document under captioned "Eligible Investor"
10	Tranche /Issue Size	Rs. 15,00,00,000/- (Rupees Fifteen Crores only).
11	Face Value	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
12	Issue Price	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
13	Tenor	18 Months from the Deemed Date of Allotment
14	Coupon Type	Fixed
15	Coupon Rate	9.85% p.a.
16	Coupon Payment Frequency	Annual and on Redemption



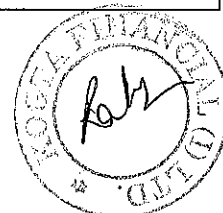
17	Coupon Payment dates	The Coupon shall be payable on annual basis from the Deemed Date of Allotment and on Redemption i.e. 16 th July 2021 and 16 th January 2022.
18	Coupon Reset Process	N. A
19	Step Up/Step Down Coupon Rate	N.A.
20	Redemption Date	At the end of 18 months from the Deemed Date of Allotment i.e. 16 th January 2022
21	Redemption Amount	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
22	Redemption	Bullet, At Par
23	Redemption Premium/ Discount	NA
24	Discount at which security is issued and the effective yield as a result of such discount.	N.A.
25	Put Date	N.A.
26	Put Price	N.A.
27	Put Option Notice	N.A.
28	Call Date	N.A.
29	Call Price	N.A.
30	Call Option Notice	N.A.
31	Put Notification Time	N.A.
32	Call Notification Time	N.A.
33	Security & Security Cover	<p>The outstanding debentures amount together with interest, default interest, remuneration of the Trustee, charges, fees, expenses and all other monies dues from the Company shall be secured by:</p> <ul style="list-style-type: none"> • Exclusive charge via deed of hypothecation on the specific standard asset portfolio of receivables ("Company's Receivables") to be executed between the Company and the Debenture Trustee as described herein. <p>The Issuer undertakes:</p> <ol style="list-style-type: none"> Company's Receivables must be standard Company's Receivables are existing at the time of selection, and have not been terminated or prepaid Company's Receivables should not have been restructured or rescheduled Company's Receivables are free from all Encumbrances and



		<p>are not subject to any lien or charge;</p> <p>v. All loans hypothecated under the deed of hypothecation should comply with RBI norms and guidelines.</p> <p>vi. The Company's Specific Receivables being charged must comply with all extant 'know your customer' norms specified by RBI;</p> <p>vii. The Company's Receivables generated from lending to Issuer's associate/s & subsidiary/s and/or Related Party shall not be considered for asset cover calculation for this issuance. No drawing power for shall be provided for Company's Specific Receivables generated from the lending to Issuer's associate/s /subsidiary/s/ Related Party.</p> <p>The Company undertakes to maintain Minimum Security Cover of 1.10 times to be maintained on the outstanding NCD amount of the Debentures along with interest thereon at all times during the tenure of the NCDs.</p> <p>Non-Maintenance of minimum-security cover as mentioned above will attract 1% p.a. penalty over and above the coupon rate as specified in the term sheet, for the period of non-maintenance of cover. However, in no case reinstatement of such security cover shall exceed 60 days from the day such cover falls below the required cover.</p> <p>The Company shall have option for providing additional /replacement of security at any time during the tenure of the Debentures to ensure the Minimum-Security Cover as provided hereinabove in consultation with Debenture Trustee.</p> <p>The Issuer shall execute Debenture Trust Deed and Deed of Hypothecation within three months from the Issue Closure Date. In case of delay in execution of the Debenture Trust Deed the company will refund the subscription with agreed rate or will pay penal interest of 2% p.a. over and above the Coupon Rate for the delayed period till the execution is complete, at the option of the debenture holders.</p>
34	Material Adverse Effect definition	<p>Means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on (a) the financial condition, business or operation of the Company, environmental, social or otherwise or</p>



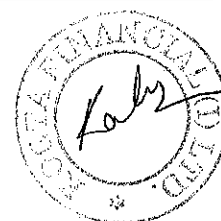
		prospects of the Company; (b) the ability of the Company to perform its obligations under the Transaction Documents; or (c) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder); or (d) the rights or remedies of the Debenture Trustee acting for the benefit of the Debenture Holders hereunder or under any other Transaction Document
35	Day Count Basis	Actual / Actual
36	Interest on Application Money	At the Initial Coupon rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque (s)/ demand draft(s)/ RTGS up to one day prior to the Deemed Date of Allotment. Where pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid.
37	Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	<ul style="list-style-type: none"> Proposed to be listed on the Wholesale Debt Market Segment of BSE Limited within 20 days from the Deemed Date of Allotment. In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Company will pay penal interest of 1% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of such Debentures to the Debenture Holder.
38	Representations and Warranties of the Issuer	As mentioned in the caption titled "Representations and Warranties of the Issuer" in the Disclosure document to the Issue. The Representations and Warranties shall be continuous in nature and shall be deemed to occur on every day till redemption of the Debentures.
39	Minimum Application size and in multiples Debt Security thereafter	The minimum application size for the Issue shall be 10 Debentures and in multiples of 1 Debenture thereafter.
40	Issuance mode of the Instrument	Demat only
41	Trading mode of the Instrument	Demat only
42	Settlement mode of the Instrument	RTGS/ Any other electronic mode
43	Depositories	NSDL/CDSL
44	Business Day	Any being a day excluding Saturdays, Sundays or public holiday in Mumbai.
45	Business Day Convention	If any Coupon Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, then the succeeding Business Day will be considered as the effective date. The



		<p>interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact.</p> <p>If the Redemption 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.</p>
46	Record Date	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 15 (Fifteen) Calendar days prior to any Due Date.
47	Transaction Documents	<ol style="list-style-type: none"> Debenture Trust Deed, Deed of Hypothecation Disclosure Document and the Termsheet; PAS-4 <p>Such other documents as agreed between the Issuer and the Debenture Trustee.</p>
48	Conditions Precedent to Disbursement	<ol style="list-style-type: none"> Execution of Disclosure Document Credit Rating Letter & Rationale Trustee Consent Letter Resolution of the Company's board of directors authorizing the issuance of debentures; Resolution of the shareholders of the Company under 180(1)(c) of the Act Execution of any other documents as agreed between the Issuer and the Debenture Trustee/ Investor.
49	Conditions Subsequent to Disbursement	<p>The Company shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee, pursuant to the Deemed Date of Allotment:</p> <ol style="list-style-type: none"> the Issuer shall ensure that the Debentures are credited into the demat account(s) of the Debenture Holders within 2 (two) Business Days from the Deemed Date of Allotment of the respective Series; the Company will ensure listing of Debentures on the BSE within stipulated timelines; the Company shall, inter alia, file a copy of Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC within 15 (fifteen) days of the allotment of Debentures along with a list of the Debenture Holders and PAS 5; Execution of Deed of Hypothecation & Debenture Trust Deed within the stipulated timelines as per Companies Act, 2013



		<p>v. Filing CHG-9 Form with ROC within stipulated timelines</p> <p>vi. Execution of any other documents as customary for transaction of a similar nature and size.</p>
50	Default Interest Rate/Additional Interest Rate	<p>Without prejudice to any other rights and remedies available to the Debenture Trustee pursuant to the terms of Transaction Documents:</p> <p>i. If, at any time, a Payment Default occurs, the Issuer agrees to pay additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the relevant series of Debentures (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such a Payment Default until such Payment Default is cured or the Debentures are fully redeemed.</p> <p>ii. If the Issuer fails to execute the Debenture Trust Deed and Deed of Hypothecation within the stipulated timelines, then the Issuer shall, at the option of the Debenture Holders, either (i) return the subscription amount with the agreed rate of interest or (ii) pay additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the NCDs (including the Outstanding Principal Amounts and any accrued interest) from the Issue Closure Date until such time the deed is executed and the conditions prescribed by Debenture Holders (if any) have been complied with.</p>
51	Event of Defaults	As mentioned in the Disclosure Document under captioned "Event of Defaults".
52	EBP Process	<p>Issue and Payment Procedure</p> <p>• Bidding Process</p> <p>All Eligible Participants are required to apply for the Issue and make payment of the full application amount in accordance with the Bidding Process outlined in the Disclosure Document. The Issue will be through open bidding on the EBP platform in line with EBP Guidelines vide SEBI circular SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 or such other circular issued from time to time.</p> <p>• Manner of settlement</p> <p>Settlement of the Issue will be done through the [escrow account of the Issuer / ICCL] and the account details are given in the section on 'Payment Mechanism' of this Disclosure Document.</p>



• **Provisional or Final Allocation**

Allocation shall be made on a pro rata basis in the multiples of the bidding lot size, i.e., in multiples of Rs. 10,00,000 (Rupees Ten Lakh Only). Post completion of bidding process, the Issuer will upload the provisional allocation on the BSE EBP platform. Post receipt of details of the successful bidders, the Issuer will upload the final allocation file on the BSE-EBP platform.

• **Payment Mechanism**

Payment of subscription money for the Bonds should be made by the Identified Investors as notified by the Issuer.

The participants should complete the funds pay-in to the designated bank account of Indian Clearing Corporation Ltd (ICCL).

List of Designated Banks is as under:

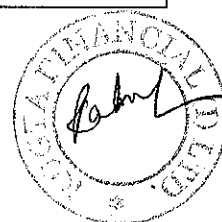
	ICICI BANK	YES BANK	HDFC BANK
Beneficiary Name	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd
Account Number	ICCLEB	ICCLEB	ICCLEB
IFSC Code	ICIC0000106	YESBOCMSNOC	HDFC0000060
Mode	RTGS	RTGS	RTGS

Successful bidders must do the subscription amount payment to the Designated Bank Account on or before 10:30 a.m. on the Pay-in Date ("Pay-in Time"). Identified Investors should ensure to make payment of the subscription amount for the Bonds from their same bank account which is updated by them in the BSE EBP platform while placing the bids. In case of mismatch in the bank account details between BSE - EBP platform and the bank account from which payment is done by the successful bidder, the payment would be returned.

Note: In case of failure of any Identified Investor to complete the subscription amount payments by the Pay-in Time or the funds are not received in the Designated Bank Account by the Pay-in Time



		<p>for any reason whatsoever, the bid will liable to be rejected and the Issuer shall not be liable to issue Bonds to such Identified Investors.</p> <p>• Settlement Process</p> <p>Upon final allocation by the Issuer, the Issuer or the Registrar on behalf of the Issue shall instruct the Depositories on the Pay-In Date, and the Depositories shall accordingly credit the allocated Bonds to the demat account of the successful bidder.</p> <p>The Company shall give the instruction to the Registrar for crediting the Debentures by 12:00 p.m. on the Pay-In Date. The Registrar shall provide corporate action file along with all requisite documents to Depositories by 12:00 p.m. on the Pay-In Date. On the Pay-In Date, the Depositories shall confirm to the Issuer the transfer of Bonds in the demat account(s) of the successful bidder(s).</p>
53	Method of Allotment	Uniform Yield
54	Bid Timing	10.00 am to 2.00 pm
55	Settlement cycle	T+1
56	Manner of Bidding	Open
57	Settlement Through	ICCL & BSE
58	Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).
59	Indemnification	The Issuer will indemnify, and hold harmless the Debenture Holder, Investment Manager of Debenture Holders, and their respective shareholders, officers, directors, employees, representatives and attorneys 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.
60	Arbitration	In the event of any dispute or difference between the Parties to this agreement in respect of or concerning or connected with the interpretation or implementation of this Agreement or arising out of this Agreement, such dispute or difference shall be referred to



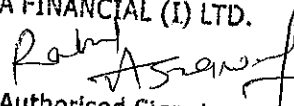
		<p>arbitration by a sole arbitrator, appointed by the Investor in its sole discretion, in accordance with the (Indian) Arbitration and Conciliation Act, 1996, or any modification or amendment thereof. The arbitration shall be held in Mumbai. The language of the arbitration proceedings shall be English. The expenses of the arbitration shall be borne by the Issuer. The decision of such arbitration shall be binding and conclusive upon the Parties and may be enforced in any court of competent jurisdiction.</p>
61	Governing Law	<p>The Debentures / and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Mumbai and as more particularly provided for in the Debenture Trust Deed.</p>
62	Transaction Costs	<p>The Issuer shall bear all transaction related costs incurred by the Debenture Holder with respect to legal counsel, valuers and auditors/ consultants. Such costs include:</p> <ul style="list-style-type: none"> • Trustee fees • Rating fees • Stamping and registration costs in relation to all Transaction Documents <p>Any other reasonable transaction related expense incurred by the Debenture Holders</p>
63	Taxes, Duties, Costs and Expenses	<ul style="list-style-type: none"> • Relevant taxes, duties and levies are to be borne by the Issuer. • 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.
64	<p>Issue Timing & Tranche Amount</p> <p>Issue/ Bid Opening Date</p> <p>Issue/ Bid Closing Date</p> <p>Issue Pay-in Date</p> <p>Issue Deemed Date of Allotment</p>	<p>15th July 2020</p> <p>15th July 2020</p> <p>16th July 2020</p> <p>16th July 2020</p>



Bond Cash Flows on per Debenture Basis

Face Value		10,00,000				
Coupon Rate		9.85%				
Months	Date	Net Cash Flow	Principal	Interest	Principal O/s	days
	16 July 2020	(10,00,000)			10,00,000	
12	16 July 2021	98,500	-	98,500	10,00,000	365
18	16 January 2022	10,49,655	10,00,000	49,655	-	184

For KOGTA FINANCIAL (I) LTD.


Authorised Signatory