



**TERM SHEET FOR INVESTMENT IN
NON-CONVERTIBLE DEBENTURES TO BE ISSUED BY
KIERAYA FURNISHING SOLUTIONS PRIVATE LIMITED**

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

DESCRIPTION	PARTICULARS								
Issuer/Company	Kieraya Furnishing Solutions Private Limited								
Issuer/Company's Business	The Company is currently engaged in the business of: A. Renting/leasing of (i) home furniture; and / or (ii) home furnishings; and / or (iii) household appliances, B. Sale and lease back transactions with affiliates (including Falcon Assets LLP) and third parties.								
Investor(s)/Debenture Holders	Vivriti Capital Private Limited								
Debenture Trustee	Axis Trustee Services Limited								
Legal Counsel	Not Applicable								
Issuance	Upto 300 Unrated, Unlisted, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures bearing a face value of Rs. 1,00,000 (Rupees one lakh only) each and having an aggregate nominal value of Rs. 3,00,00,000 (Rupees three crore only) ("NCDs" or "Debentures")								
Issuance Size	INR 3,00,00,000 (Indian Rupee three Crore)								
Interest Rate	17% (17 Percent) per annum payable monthly								
Tenor	24 months from the Deemed Date of Allotment								
Ranking	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 lenders of senior, secured investors / lenders and shall rank pari passu to all senior, secured indebtedness of the Issuer, unless otherwise specified in the definitive agreements. Each and every Company's 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.								
Registrar & Transfer Agent	NSDL Database Management Limited								
Depository	NSDL / CDSL								
Issuance mode	Dematerialized, Private Placement								
Trading mode	Dematerialized								
Settlement mode	RTGS / NEFT								
Issue Schedule	<table> <tr> <td>Issue Open Date</td><td>15 January 2020</td></tr> <tr> <td>Issue Close Date</td><td>17 January 2020</td></tr> <tr> <td>Pay in Date</td><td>On or before 17 January 2020</td></tr> <tr> <td>Deemed Date of Allotment</td><td>On or before 18 January 2020</td></tr> </table>	Issue Open Date	15 January 2020	Issue Close Date	17 January 2020	Pay in Date	On or before 17 January 2020	Deemed Date of Allotment	On or before 18 January 2020
Issue Open Date	15 January 2020								
Issue Close Date	17 January 2020								
Pay in Date	On or before 17 January 2020								
Deemed Date of Allotment	On or before 18 January 2020								
Listing	The Debentures are proposed to be unlisted								

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For Kieraya Furnishing Solutions Pvt. Ltd.
Abhishek
Company Secretary



Authorised Signatory

[Signature]
For VIVRITI CAPITAL PRIVATE LIMITED



DESCRIPTION	PARTICULARS
Business Days	A day (other than a Saturday, a Sunday or a Bank Holiday) on which banks are open for general business in Mumbai and Bangalore.
Business 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	7 (Seven) Business Days prior to each coupon payment date and redemption 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; <p>General corporate purposes shall include purchase of assets (i.e. furniture, appliances and home furnishings) for business purpose, refurbishment of assets, operating expenses, debt servicing, lease payments, other payments in the ordinary course of business and such other purposes as agreed</p> <p>No part of the proceeds shall be utilized directly/indirectly towards capital markets (debt and equity), land acquisition or usages that are restricted for bank financing.</p>
Issue price	At par
Security	<p>The company shall create charge in the nature of a hypothecation over the hypothecated property in favour of the Debenture Trustee within 30 (Thirty) days of the execution of Deed of Hypothecation, which shall rank pari passu with the existing charge.</p> <p>Unless an event of default has occurred, the company shall be entitled to deal with the hypothecated property, in the ordinary course of its business,</p> <p>For the purpose of this term sheet, the following terms shall have the meanings set out below:</p> <p>"Existing charge" shall mean existing charge created over the Hypothecated property, the details whereof are set in Annexure A hereto;</p> <p>"Hypothecated Property" shall mean collectively the Moveable Fixed Assets and the Current Assets of the company;</p>
Security Timelines	All security and contractual comforts forming part of the Security shall be created by execution of relevant security documents in favour of the Debenture holder/trustee prior to the debenture subscription.

For Kieraya Furnishing Solutions Pvt. Ltd.

 Company Secretary



For VIVRITI CAPITAL PRIVATE LIMITED

 Authorised Signatory



DESCRIPTION	PARTICULARS
Face value per Debenture	INR 1,00,000 (Indian Rupees one lakh Only)
Issue Price	INR 1,00,000 (Indian Rupees one lakh Only)
Minimum subscription amount	INR 1,00,00,000 (Indian Rupees One Crore Only)
Maturity Date	24 months from the date of drawdown of respective tranche
Put Option Date	Not Applicable
Call Option Date	Not Applicable
Put Notification Time	Not Applicable
Call Notification Time	Not Applicable
Interest Type	Fixed
Interest Rate Reset/Coupon Reset (including rates, spread, effective date, interest rate cap and floor)	Not Applicable
Day count basis	Actual/Actual
Interest Payment Frequency	Monthly
Principal Amortization	The Facility will be repaid in 2 annual instalments. Interest on the facility shall be serviced monthly
Default Interest Rate	<ul style="list-style-type: none"> Default interest rate at Interest Rate + 2% (Two Percent) per annum will be payable by the Borrower in accordance with the Sanction Letter and the Transaction Documents.
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	<p>Interest at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Debentures for the period starting from and including the date of realization of application money in Issuer's bank account up to one day prior to the Deemed Date of Allotment</p> <p>Where Pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid</p>
Transaction documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following, as required, in connection with the Issue as per latest SEBI guidelines / Companies Act 2013 (as applicable) for issuance of NCDs through Private Placement:</p> <ol style="list-style-type: none"> 1. Letter appointing Trustees to the Debenture Holders; Debenture Trusteeship Agreement; 2. Debenture Trust Deed; 3. Information Memorandum; 4. Deed of Hypothecation; 5. Private Placement Offer Letter (Form PAS 4);

For VIVRITI CAPITAL PRIVATE LIMITED

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For Kieraya Furnishing Solutions Pvt. Ltd.
Certified True Copy
 Company Secretary





DESCRIPTION	PARTICULARS
	<ol style="list-style-type: none">6. Board Resolution authorizing this Issuance;7. Applicable Shareholder Resolutions under the Companies Act 2013; and8.
Conditions Precedent	<p>The Company shall fulfil the following Conditions Precedent the satisfaction of the Debenture Trustee and submit Conditions Precedent documentation where applicable to the Debenture Trustee, prior to the Pay in Date:</p> <ol style="list-style-type: none">1. All corporate approvals from the Board of Directors and shareholders of the Issuer, if applicable, shall have been received for the issuance of the NCDs, and the execution, delivery and performance by the Issuer of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed;2. Execution of the Debenture Trustee Agreement and Debenture Trust Deed in a form and manner satisfactory to the Debenture Trustee shall have taken place;3. The Issuer shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements;4. 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); and5. The Issuer shall have submitted to the Debenture Trustee its audited account statements for the most recent financial year or audited financial half-year6.
Conditions Subsequent	<p>The Issuer shall ensure that the following documents are executed/activities are completed as per the time frame stipulated in the Debenture Trust Deed</p> <ol style="list-style-type: none">1. The Issuer shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 3 along with requisite fee within prescribed timelines;2. Creation and perfection of security and contractual comfort within stipulated timelines in a form and manner satisfactory to the debenture trustee3. 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 Allotment4. The Issuer shall ensure compliance with SEBI / Companies Act 2013 (as applicable) for issuance of NCDs; and

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Witness
Kali ke
Company Secretary



FOR VIVRITI CAPITAL PRIVATE LIMITED

Signature

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DESCRIPTION	PARTICULARS
	5. the Company shall file Form CHG 9 with the ROC within 30 (Thirty) days of execution of deed of hypothecation
Events of Default	Events of default will include such events that are customary for transactions of this nature, and as will be captured in the transaction documents
Reporting Covenants	<p>Including but not limited to:</p> <ul style="list-style-type: none">a) Information regarding occurrence of any event likely to have material adverse effect to be provided immediately, and in no case later than 5 (Five) days of occurrence.b) Promptly notify the Debenture Holder and Debenture Trustee and give information regarding any circumstance(s) adversely affecting the Borrower's financial positionc) Promptly notify the Debenture Holder and Debenture Trustee and give details of any litigation, arbitration or any other administrative proceedings threatened or instituted against the Borrower/any guarantor which may have a material adverse effectd) Promptly, and in no event later than 24 (Twenty Four) Hours inform the Debenture Holder and Debenture Trustee of the occurrence of the following<ul style="list-style-type: none">i. Filing of application/petition against the Borrower before the National Company Law Tribunal, or any other forum seeking the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016, as amended from time to time,ii. Receipt of Demand Notice under the relevant provisions of Insolvency and Bankruptcy Code, 2016, as amended from time to time, for any of their other Creditors (as defined under Insolvency and Bankruptcy Code, 2016 as amended from time to time)."e)
Key Covenants	<p>The Borrower will comply with the following additional covenants:</p> <ul style="list-style-type: none">a. The company shall remain the registered owner of the "Furlenco" trademark till the final settlement date and shall ensure that the trademark is not encumbered or otherwise dealt with. The company shall preserve the registration of the trademark and undertakes to initiate all processes required to renew the registration of the trademark (if necessary) including making payment of renewal or other fee with the appropriate authority, for this purpose during the tenor of the debentures.

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For Kieraya Furnishing Solutions Pvt. Ltd.
Kulika
Company Secretary



For VIVRITI CAPITAL PRIVATE LIMITED

[Signature]

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DESCRIPTION	PARTICULARS
	<ul style="list-style-type: none"> b. Any scheme merger or amalgamation shall require Debenture Holder's and/or Debenture Trustee's (acting for and on behalf of the Debenture Holder) prior written consent c. No transfer of business from Issuer to any other entity without prior written consent from the Debenture Holder and/or Debenture Trustee (acting for and on behalf of the Debenture Holder) d. The Issuer shall not dispose of its assets without the prior written consent of the Debenture Holder and/or Debenture Trustee (acting for and on behalf of the Debenture Holder), excluding transactions with Falcon Assetz LLP and under ordinary course of business including sale and lease back transactions. The Issuer shall not make any material change in its management, enter into any compromise arrangement with its financial creditors, or any change in its constitutional documents without the prior written consent of the Debenture Holder and/or Debenture Trustee (acting for and on behalf of the Debenture Holder). Where changes to the constitutional documents are in line with a signed shareholders agreement, no consent shall be required. e. No dividend to be declared with respect to any financial year without prior written approval of the Debenture Holder and/or Debenture Trustee (acting for and on behalf of the Debenture Holder)
Other covenants	<ul style="list-style-type: none"> 1. To utilise the proceeds of this issue for the Purpose in accordance with applicable laws and regulations 2. Notification of any potential Event of Default or Event of Default; 3. Obtain, comply with and maintain all licenses / authorizations 4. Provide details of any material litigation, arbitration or administrative proceedings (materiality threshold to be finalized during documentation) 5. Comply with any monitoring and/or servicing requests from Debenture Trustee
Representations & Warranties	<ul style="list-style-type: none"> 1. No outstanding default, event of default has occurred or is subsisting with any existing lenders. 2. No conflict with other obligations / constitutional documents 3. No Material Adverse Change in business, condition or operations of the Issuer 4. Company has the power and authority to issue Debentures and such Transactions Documents are valid and admissible in evidence 5. 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 Issue 6. No violation of law or material agreements 7. No insolvency or insolvency proceedings

And as set out in greater detail in the Transaction Documents.

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For Kieraya Furnishing Solutions Pvt. Ltd.

Kieraya



For VIVRITI CAPITAL PRIVATE LIMITED

S. J.

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DESCRIPTION	PARTICULARS
Indemnification	The Issuer will indemnify, and hold harmless the Debenture Holders from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer or its Promoter/s.
Confidentiality	The terms and conditions described in this Term Sheet, including its existence, shall be confidential information and shall not be disclosed to any third party except to each Party's advisors and counsel. Provided however that if any of the Parties is required by law to disclose information regarding this Term Sheet or to file this Term Sheet with any regulatory body, it shall, at a reasonable time after making any such disclosure or filing, informing the other Parties.
Governing Law & Jurisdiction	This Term Sheet shall be governed and construed exclusively in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at 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: 1. Trustee fees 2. Any other reasonable transaction related expense incurred by the Debenture Holders 3. Stamping and registration in relation to all Transaction Documents.
Assignment and transfer	<p>The Debenture Holder may at any time, without the prior written consent of the Borrower, assign, transfer, novate, sell down, syndicate, charge and/or otherwise create security in or over all or any of its rights, benefits and obligations under the Transaction Documents to any person, in such manner as determined by the Debenture Holder in its sole discretion.</p> <p>The Borrower shall not assign, transfer, novate, sell down and/or syndicate all or any of its rights, benefits or obligations under the Transaction Documents without the approval of Debenture Holder and/or Debenture Trustee (acting for and on behalf of the Debenture Holder).</p>
Taxes, Duties, Costs and Expenses	<p>1. Relevant taxes, duties and levies are to be borne by the Issuer.</p> <p>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.</p>
Eligible investors	As permitted under Applicable Law

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For Kierava Furnishing Solutions Pvt. Ltd.

Company Secretary



For VIVRITI CAPITAL PRIVATE LIMITED

Authorized Signatory



Accepted and agreed

For the Issuer

For VIVRITI CAPITAL PRIVATE LIMITED

Authorised Signatory

(Authorised signatory)

For the Investor

For the Investor

(Authorised signatory)

DISCLAIMER:

This term sheet only summarizes the principal terms with respect to a potential investment by the Investor in Rated, Unlisted, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures proposed to be issued by the Issuer.

This term sheet is intended solely as a basis for further discussion and is not intended to be and does not constitute a legally binding obligation. No legally binding obligations will be created, implied or inferred until the Transaction Documents are executed and delivered. Without limiting the generality of the foregoing, it is the intent of the parties that until the execution of Transaction Documents, no agreement shall exist among them and there shall be no obligations whatsoever based on such things as parol evidence, extended negotiations, "handshakes," oral understandings, or course of conduct.

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

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For Kieraya Furnishing

Kieraya
Company Secretary