

Capfloat Financial Services Private Limited ("Capital Float")

Disclaimer: This is an indicative, non-binding term sheet and is submitted for discussion purpose only. This term sheet is subject to various internal approvals including but not limited to, that from Risk and Investment Committee. Definitions of terms used herein and clauses customary to transaction of this nature would be detailed & finalized at the documentation stage. If there is any typo error, same to be rectified at documentation stage.

Issuer/Company	Capfloat Financial Services Private Limited ("Capital Float")
Investor(s)/Debenture Holders	Akshay Mansukhani
Issuance	Fully Paid, UnListed, Secured, Taxable, Non-Convertible Debentures ("NCDs" or "Debentures")
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 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>
Amount/Issuance Size	INR UPTO 20,00,00,000 (Indian Rupees Twenty Crores Only)
Issue price	At par
Security	<p>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 issuer undertakes</p> <ul style="list-style-type: none"> to maintain the value of Security at all times equal to 1.0 (One decimal point zero) time or 100.0% (One Hundred Percent) the aggregate amount of principal outstanding of the NCDs where at least 1.0 (One decimal point zero) time or 100.0% (One Hundred 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 60 (Sixty) calendar days after the Deemed Date of Allotment to provide a list on a quarterly 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

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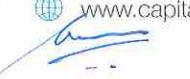
CIN: U65993KA1993PTC074590

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Akshay Mansukhani

	<p>benefit of the Debenture Holders) ("Quarterly Hypothecated Asset Report").</p> <ul style="list-style-type: none"> to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Assets is equal to 1.0 (One Decimal point one zero) time or 100.0% (One Hundred Percent) the aggregate amount of principal outstanding of the NCDs where at least 1.0 (One Decimal Point Zero) time or 100.0% (One Hundred Percent) of the security cover is from the principal receivables
Face value per Debenture	INR 1,00,00,000 (Indian Rupees One Crore Only)
Issue Price	INR 1,00,00,000 (Indian Rupees One Crore Only)
Minimum subscription amount	INR 1,00,00,000 (Indian Rupees One Crore Only)
Tenor	24 months from the Deemed Date of Allotment.
Interest Rate/Coupon Rate	13.61% (XIRR of 14.50%)
Interest Type	Fixed
Interest Payment Frequency	Monthly on 1st of the month
Default Interest Rate	<p>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.</p> <p>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</p>
Redemption Amount	The sum of the principal outstanding on the Debentures, accrued Coupon, Default Interest payable (if any) and other charges and fees payable.
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. Term sheet 6. Private Placement Offer Letter (Form PAS 4); 7. Board Resolution authorizing this Issuance; 8. Applicable Shareholder Resolutions under the Companies Act 2013;

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	<p>9. Rating Agreement with the aforesaid Rating Agency(ies) with respect to this Issuance; and</p> <p>10. Tripartite Agreements with the Depository(ies) and Registrar & Transfer Agent</p>
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, the Deed of Hypothecation 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) 5. The Issuer shall have submitted to the Debenture Trustee its audited account statements for the most recent financial year or audited financial half-year or unaudited quarterly financials
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 5 along with the Information Memorandum and Form PAS 3 along with requisite fee within prescribed timelines;

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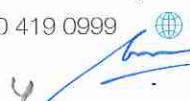
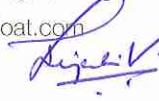
	<ol style="list-style-type: none"> 2. To create, register and perfect the security over the Hypothecated Assets no later than 30 (Thirty) calendar days from the Deemed Date of Allotment or as applicable under relevant regulation and Law, whichever is earlier. 3. The Issuer shall ensure credit of demat account(s) of the allottee(s) with the number of NCDs allotted within 30 (Thirty) Business Days of the Deemed Date of Allotment. • The Issuer shall ensure compliance with Companies Act 2013 (as applicable) and amendments thereto 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 on the payment day, 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 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. Depreciation in the value of assets offered as security to such an extent that in the opinion of the Debenture Trustee, there is a requirement to provide further security to their satisfaction and such additional security is not provided within 7 (Seven) Business Days of written notice served by the Debenture Trustee; 7. If an attachment or expropriation or restraint of act of sequestration is levied on the Hypothecated Assets or any part thereof; 8. 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;

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9. Creditors' processes initiated against the company
10. Repudiation of Transaction Documents
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 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;
14. All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or 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;
15. Occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders.
16. Any Transaction Document once executed and delivered, ceases to be in full force or becomes unlawful, invalid and unenforceable;
17. 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
18. 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

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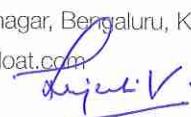
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	<p>Company to provide additional or alternate security to the satisfaction of the Debenture Trustee</p> <p>Breach of any covenants (including financial/management/affirmative/negative) would give the DT the option, but not the obligation to demand accelerated redemption of all outstanding amounts from the Issuer.</p>
Representations & Warranties	<ol style="list-style-type: none"> 1. The Company is registered with the RBI 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 4. Binding obligation of Transaction Documents 5. No conflict with other obligations / constitutional documents 6. No Material Adverse Change in business, condition or operations of the Issuer 7. Company has the power and authority to issue Debentures and such Transactions Documents are valid and admissible in evidence 8. 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 9. Illegality 10. The Transaction Documents executed or to be executed constitute legal, valid and enforceable security interest in favour of the Debenture Trustee and for the benefit of the Debenture Holders on all the assets thereby secured and all necessary and appropriate consents for the creation, effectiveness, priority and enforcement of such security have been obtained. 11. And as set out in greater detail in the Debenture Trust Deed.
Taxes, Duties, Costs and Expenses (Issuer)	<p>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>

Taxes, Duties, Costs and Expenses (Investor)	Investor is subject to the additional charges as per the relevant statutes like Income Tax, Goods and Service Tax etc and the same will be charged by the Issuer Company
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Accepted and agreed

For Capfloat Financial Services Private Limited



Authorised Signatory

And



Mr. Akshay Mansukhani

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