



**Indicative Term-sheet for investment in  
Non-convertible Debentures issued by  
Aye Finance Private Limited  
Under GOI PCG Scheme**

*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 under GoI PCG Scheme. This Indicative Term Sheet does not constitute a final offer, is not exhaustive and may be subject to change.*

DESCRIPTION	PARTICULARS
<b>Security</b>	10.00% Secured Senior Rated Listed Redeemable Non-Convertible Debentures
<b>Issuer</b>	Aye Finance Private Limited ("Aye/Issuer/Company")
<b>Nature of Instrument</b>	Secured
<b>Seniority</b>	Senior
<b>Mode of Issue</b>	Private Placement
<b>Objects &amp; Details of the utilisation of the proceeds</b>	<ul style="list-style-type: none"><li>• The Issue proceeds will be utilised to meet funding requirements of the issuer for on-lending purposes</li><li>• 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</li><li>• 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</li></ul>
<b>Rating of Instrument</b>	India Ratings A-  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
<b>Debenture Trustee</b>	IDBI Trusteeship Services Limited
<b>Registrar &amp; Transfer Agent</b>	Kfin Technologies Private Limited
<b>Eligible Investors</b>	As mentioned in the Disclosure Document under captioned "Eligible Investor"





DESCRIPTION	PARTICULARS
<b>Tranche / Issue Size</b>	Rs. 10,00,00,000/- (Rupees Ten Crores only)
<b>Series</b>	F Group Debt Instruments
<b>Face Value</b>	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
<b>Issue Price</b>	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
<b>Tenor</b>	18 months from the Deemed Date of Allotment
<b>Coupon Type</b>	Fixed
<b>Coupon Rate</b>	10.00% p.a.
<b>Coupon Payment Frequency</b>	Annual and on Redemption
<b>Coupon Payment Dates</b>	The Coupon shall be payable on annual basis from the Deemed Date of Allotment and on Redemption as mentioned below subject to Business Day Convention  [19 <sup>th</sup> August 2020]  [19 <sup>th</sup> February 2022]
<b>Coupon Reset Process</b>	N.A.
<b>Step up / Step Down Coupon Rate</b>	In the event the Credit Rating of the Issuer is downgraded, the Coupon shall be increased by 0.25% for every notch of rating downgrade till BBB. The step-up coupon is applicable from the date of such downgrade until such event is cured, on the outstanding principal amount and accrued interest, if any, of the Debentures.
<b>Redemption Date</b>	At the end of 18 months from the deemed Date of Allotment i.e. 19 <sup>th</sup> August 2020
<b>Redemption Amount</b>	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
<b>Redemption</b>	Bullet, At Par
<b>Redemption Premium / Discount</b>	N.A.
<b>Discount at which security is issued and the effective yield as a result of such discount</b>	N.A.
<b>Put Date</b>	N.A.





DESCRIPTION	PARTICULARS
Put Price	N.A.
Put Option Notice	N.A.
Call Date	N.A.
Call Price	N.A.
Call Option Notice	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A.
Security and 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"> <li>• 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.</li> </ul> <p>The Issuer undertakes:</p> <ol style="list-style-type: none"> <li>Company's Receivables must be standard</li> <li>Company's Receivables are existing at the time of selection, and have not been terminated or prepaid</li> <li>Company's Receivables should not have been restructured or rescheduled</li> <li>Company's Receivables are free from all Encumbrances and are not subject to any lien or charge;</li> <li>All loans hypothecated under the deed of hypothecation should comply with RBI norms and guidelines.</li> <li>The Company's Specific Receivables being charged must comply with all extant 'know your customer' norms specified by RBI;</li> <li>The Company's Receivables generated from lending to Issuer's associate/s &amp; 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.</li> </ol> <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</p>





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	<p>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>
<b>Material Adverse Effect definition</b>	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 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.
<b>Day Count Basis</b>	Actual / Actual
<b>Interest on Application Money</b>	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.
<b>Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)</b>	<ul style="list-style-type: none"> <li>Proposed to be listed on the Wholesale Debt Market Segment of BSE Limited within 20 days from the Deemed Date of Allotment.</li> <li>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</li> </ul>
<b>Representations and Warranties of the Issuer</b>	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
<b>Minimum application size and in Multiples</b>	The minimum application size for the Issue shall be 10 Debentures and in multiples of 1 Debenture thereafter





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<b>Debt Security thereafter</b>	
<b>Issuance mode of the Instrument</b>	Demat only
<b>Trading mode of the Instrument</b>	Demat only
<b>Settlement mode of the Instrument</b>	RTGS / Any other electronic mode
<b>Depositories</b>	NSDL / CDSL
<b>Business Day</b>	Any being a day excluding Saturdays, Sundays or public holiday in Mumbai
<b>Business Convention Day</b>	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 interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact. 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 to the Debentures until but excluding the date of such payment
<b>Record Date</b>	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 11 (Eleven) Business days prior to any Due Date
<b>Transaction Documents</b>	<ul style="list-style-type: none"> <li>i. Debenture Trust Deed,</li> <li>ii. Deed of Hypothecation</li> <li>iii. Debenture Trustee Agreement</li> <li>iv. Disclosure Document</li> <li>v. PAS-4</li> </ul> <p>Such other documents as agreed between the Issuer and the Debenture Trustee.</p>
<b>Conditions Precedent to Disbursement</b>	<ul style="list-style-type: none"> <li>i. Execution of Disclosure Document</li> <li>ii. Credit Rating Letter &amp; Rationale</li> <li>iii. Trustee Consent Letter</li> <li>iv. Resolution of the Company's board of directors authorizing the issuance of debentures;</li> <li>v. Resolution of the shareholders of the Company under 180(1)(c) of the Act</li> <li>vi. Execution of any other documents as agreed between the Issuer and the Debenture Trustee/ Investor.</li> </ul>
<b>Conditions Subsequent to Disbursement</b>	<p>The Company shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee, pursuant to the Deemed Date of Allotment:</p> <ul style="list-style-type: none"> <li>i. the Issuer shall ensure that the Debentures are credited into the</li> </ul>





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	<p>demat account(s) of the Debenture Holders within 2 (two) Business Days from the Deemed Date of Allotment of the respective Series;</p> <p>ii. the Company will ensure listing of Debentures on the BSE within stipulated timelines;</p> <p>iii. 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;</p> <p>iv. Execution of Deed of Hypothecation &amp; Debenture Trust Deed within the stipulated timelines as per Companies Act, 2013</p> <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>
<b>Default Interest Rate / Additional Interest Rate</b>	<p>Without prejudice to any other rights and remedies available to the Debenture Trustee pursuant to the terms of Transaction Documents:</p> <p>1. 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>2. 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>
<b>Event of Defaults</b>	As mentioned in the Disclosure Document under captioned 'Event of Defaults'
<b>Role &amp; Responsibilities of Debenture Trustee</b>	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).
<b>Indemnification</b>	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
<b>Arbitration</b>	In the event of any dispute or difference between the Parties to this agreement in respect of or concerning or connected with the interpretation





DESCRIPTION	PARTICULARS
	or implementation of this Agreement or arising out of this Agreement, such dispute or difference shall be referred to 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 Delhi. 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.
<b>Governing Law</b>	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 Delhi and as more particularly provided for in the Debenture Trust Deed
<b>Transaction Costs</b>	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: <ol style="list-style-type: none"> <li>1. Trustee fees</li> <li>2. Rating fees</li> <li>3. Stamping and registration costs in relation to all Transaction Documents</li> <li>4. Any other reasonable transaction related expense incurred by the Debenture Holders</li> </ol>
<b>Taxes, Duties, Costs and Expenses</b>	<ul style="list-style-type: none"> <li>• Relevant taxes, duties and levies are to be borne by the Issuer.</li> <li>• 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</li> </ul>
<b>Issue Opening Date</b>	18 <sup>th</sup> August, 2020
<b>Issue Closing Date</b>	19 <sup>th</sup> August, 2020
<b>Issue Pay-in Date</b>	19 <sup>th</sup> August, 2020
<b>Issue Deemed Date of Allotment</b>	19 <sup>th</sup> August, 2020

#### Bond Cash Flows on Per Debenture Basis

<b>Face Value</b>	Rs. 10,00,000					
<b>Coupon Rate</b>	10.00% p.a.					
<b>Months</b>	<b>Date</b>	<b>Net Cash Flow</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal O/s</b>	<b>days</b>
	19 <sup>th</sup> August 2020	(10,00,000)			10,00,000	





12	19 <sup>th</sup> August 2021	1,00,000	-	1,00,000	10,00,000	365
18	19 <sup>th</sup> February 2022	10,50,411	10,00,000	50,411		184

**DISCLAIMER:**

*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 NCD Documentation are executed and delivered. Without limiting the generality of the foregoing, it is the intent of the parties that until the execution of NCD Documentation, 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.*

