

Draft Term Sheet
Non-Convertible Debentures ("NCD")

3rd March 2017

This Term Sheet is a summary of the key terms and conditions in relation to non-convertible debentures (NCDs). It is a condition that the Issuer will appoint Phoenix Law as its legal advisor in relation to the issuance of the NCD.

This document does not constitute a legally binding agreement or offer under any applicable law.

1.	Type of Instrument	Non-Convertible Debentures ("NCD")
2.	Issuer	Anand Teknow Aids Engineering India Limited ("Issuer")
3.	Arranger / Servicing agent for the NCD	Jain Sons Finlease Limited ("IntelleGrow")
4.	Purchaser of NCD	AAV SarL (Luxembourg), through its Indian Custodian Deutsche Bank AG, Mumbai Branch.
5.	Purpose	For working capital
6.	Disbursements	On Deemed Date of Allotment, in full
7.	Deemed Date of Allotment	April 07, 2017
8.	Principal Amount	INR 10,50,00,000
9.	Currency Denomination	INR
10.	Maturity Date	June 12, 2020
11.	Principal Redemption	April 08, 2020: 50% of the Principal Amount June 12, 2020: 50% of the Principal Amount
12.	Interest Rate	13.05% p.a. (fixed) Day count fraction : ACT / ACT Subject to gross-up for withholding tax (currently at a rate of 10%)
13.	Interest Payment Dates	Semi-annually, i.e. 12 June and 12 December in each year In relation to each Interest Payment Date and in relation to each date when any other payment is due by the Issuer under the NCDs (each, a "Relevant Payment Date"), the Issuer undertakes to courier to the Purchaser (or its designated agent, as confirmed in writing by the Purchaser), within 1 Business Day after a Relevant Payment Date, the duly completed and signed Form 15 CA/CB. A scan of such duly completed and signed Form 15 CA/CB shall be sent to the Purchaser



		on the Relevant Payment date by e-mail.
14.	Guarantee	Personal Guarantee of: a. Rakesh Ranjan b. Ragini Ranjan
15.	Credit Rating	The Issuer is required to obtain a credit rating of the NCD by Fitch.
16.	Costs	All other ancillary costs relating to issuance of debentures such as legal advice (including legal opinion), credit rating, trusteeship fees, stamp duties and any other costs shall be borne directly by the Issuer.
17.	Early Redemption	No early redemption is possible.
18.	Default Interest	2% p.a. above the prevailing Interest Rate to be calculated on principal, interest and any other payment due and unpaid under the NCDs.
19.	Negative Pledge (Asset Cover)	The Issuer shall undertake to have, at any time, unencumbered assets of a notional amount of not less than the amounts due under the NCD.
20.	Ranking	Obligations by the Issuer under the NCDs shall rank pari passu with all other unsecured obligations of the Issuer from the date of allotment.
21.	Conditions Precedent to NCDs purchase	<ul style="list-style-type: none"> - No event or potential event of default; - Compliance with all representation and warranties; - Satisfactory Due Diligence; - Execution of all relevant transaction documents; - A rating shall have assigned to the NCDs of not less than B+ by Fitch; - Satisfactory independent legal opinion by Phoenix Law regarding enforceability and capacity of Issuer of NCDs.
22.	Events of Default	<p>Upon an event of default, the NCDs can (at the discretion of the holder of the NCDs) be declared immediately repayable</p> <p>The Events of Default shall include the following:</p> <ul style="list-style-type: none"> - Failure to Pay; - Breach of Covenant; - Misrepresentation; - Breach of Agreement; - Cross-Default; (including but not limited to failure to pay the Review Fees) - Material Adverse Change; - Liquidation / Bankruptcy; - Creditor's Process / Court Judgment; - Unlawfulness.
23.	Financial Covenants	<p>The Issuer shall maintain at all times:</p> <ul style="list-style-type: none"> - Positive earnings before interest, depreciation and tax - A debt service coverage ratio above 1 times - A financial leverage of not more than 3 times (debt to equity)



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24.	Reporting Covenants	The Issuer shall provide to the Purchaser of the NCD (unless delegated by the Purchaser of the NCD to a third party): <ul style="list-style-type: none"> - Quarterly monitoring report in accordance with Annex 1, on each of 30 March, 30 June, 30 September, and 30 December of each year; - Quarterly unaudited and annual audited financial statements by 30th September Annually the Issuer shall provide social impact data reporting as may be requested by the Servicer. - Any other information requested by Intellegrow from time to time.
25.	Negative Covenants	The Issuer will not, without prior written consent of the Purchaser: <ul style="list-style-type: none"> - Undertake any merger, consolidation or reorganization; - Enter into a single transaction or a series of transactions (whether related or not) to sell, lease, transfer or otherwise dispose of all or substantially all of its assets; - Allow for a change of control event in relation to its shareholders (change of control event defined as an event whereby existing shareholders are diluted below 67% of voting rights);
26.	Taxation	All payments by the Issuer to the Purchaser shall be made net of all taxes.
27.	Representations and Warranties	The NCDs contract will contain customary representations and warranties, appropriate for facilities of this nature, including but not limited to valid incorporation, approved listing within stipulated timeline, capacity of authority, pari passu ranking, and no default, which shall be deemed to be made on signing of the NCDs contract and repeated implicitly on the first utilization date, subsequent utilization dates and Interest Payment Dates.
28.	Other covenants	As are customary for transactions of this nature and as specifically prescribed by AAV SarL (Luxembourg).
29.	Governing Law	Indian Law
30.	Jurisdiction	The courts and tribunals of Mumbai, India

If you agree upon these terms as mentioned above, please return a duly signed copy to us.

For AAV SarL (Luxembourg)



Accepted and agreed by:

Name: Phillip Juy
Title: Manager

For Anand Teknow Aids Engineering India Limited



Accepted and agreed by:

Name: Vinayak Kishoresagar
Title: GM Accounts



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Annex: Form of quarterly monitoring report

- (a) Revenues (YTD)
- (b) Expenses (YTD)
- (c) Profits (YTD)
- (d) Aggregate Equity
- (e) Net Worth
- (f) Aggregate Borrowings
- (g) Trade payables
- (h) Provisions
- (i) Other liabilities
- (j) Fixed assets
- (k) Investments
- (l) Aggregate of inventories, capital work in progress, and receivables
- (m) Cash and bank balances
- (n) Other assets
- (o) Assets in local currency
- (p) Assets in foreign currency
- (q) Liabilities in foreign currency
- (r) Equity and liabilities in local currency
- (s) Cumulated Income from operations (YTD)
- (t) Cumulated Income from Investments (YTD)
- (u) Cumulated Other Operating Income (YTD)
- (v) Cumulated Financial expenses (YTD)
- (w) Cumulated Personnel expenses (YTD)
- (x) Cumulated Administrative and Other Operating expenses (YTD)
- (y) Cumulated Depreciation and Amortisation expenses (YTD)
- (z) Cumulated Non-operating income (YTD)
- (aa) Cumulated Non-operating expense (YTD)
- (bb) Cumulated FX gain / loss (YTD)
- (cc) Cumulated Taxes on net income (YTD)
- (dd) Cumulated Write offs (YTD)
- (ee) Number of employees
- (ff) Number of new employees hired this quarter
- (gg) Is there any open breach of covenant or event of default on any loan agreement, or any document or instrument relating to the issuance of convertible or non-convertible securities, or any breach of compliance with regulatory requirements prescribed by the relevant Government Authority
- (hh) If the answer to the question in (gg) above is yes, please indicate if waivers have been obtained for all the breaches
- (ii) Confirmation as to compliance with the financial covenants, the information covenants, the reporting covenants and any other obligations of the Issuer in the Transaction Documents to which it is a party
- (jj) Such other information or details as may be required by the Servicer

