


Annexure-A -Term Sheet for Issuance of Secured Unlisted Non-Convertible Debentures

Name of Investor	DMI Alternative Investment Fund- Special Opportunities Scheme
Issuer	DMI Finance Private Limited ("Issuer/Company/DMI")
Issue Size	2000, 9.50 % Non-Convertible Debentures (NCDs) face value of Rs.10,00,000/- (Rupees Ten lakhs only) each at par aggregating to Rs.200.00 Crore (Rupees Two Hundred Crores only)
Nature of the Instrument	Secured, Unlisted, Rated, Redeemable Non-Convertible Debentures ("NCDs")
Utilization of the Proceeds	Towards Growth of Loan Book/General Corporate Purposes in accordance with RBI regulations
Drawdown	The amount will be drawn down in 2 tranches of INR 100 Crores each
Mode of Issue	Private Placement
Rating of the Instrument	"AA-" by CARE
Trustee	Axis Trustee Services Ltd.
Depository	CDSL
Listing	Unlisted
Final Maturity	18 months from date of issuance
Repayment schedule	Quarterly after a moratorium of 6 months
Coupon Rate	9.50% p.a.
Coupon Payment Frequency	Quarterly
Security	Exclusive charge by way of hypothecation of book debts of the Issuer to the extent of 1.25 times of outstanding borrowing through NCDs
Security Cover	<ul style="list-style-type: none"> • Issuer to provide security cover of 1.25x prior to the allotment of the NCDs and ensure that the same is maintained till such time the debentures are outstanding. Security cover of the Issuer shall be determined on the basis of the standard assets of the Issuer as defined by the Reserve Bank of India's definitions provided for NBFCs, as amended from time to time. • No NPAs to form part of the security created. During the currency of the NCDs, if any part of the hypothecated book debt turns NPA, such assets shall be excluded and shall be topped up with other standard assets so as to maintain the Security Cover. • No restrictions on further borrowings or security creation by the Issuer under any instrument, subject to Financial Covenants including Security Cover as stipulated in this term sheet being maintained at all times during the tenor of the Debentures.
Prepayment	The Issuer shall have the option to prepay the whole/part amount after a lock in of minimum 90 days from the date of issuance
Other Covenants	<p>The Company shall provide, inter alia, the following information as per the terms of the Debenture Trust Deed.</p> <ul style="list-style-type: none"> • Notification of any Event of Default at the end of each year from the Allotment Date,

	<ul style="list-style-type: none"> a certificate from the statutory auditors/CA of the Company with respect to the use of the proceeds raised through the issue of Debentures
Events of Default	<ul style="list-style-type: none"> The occurrence of any one of the following events shall constitute an "Event of Default" by the Company: Default is committed in payment of any interest on the Debentures or payment of the principal amount of the Debentures on the due date(s) and is not rectified within 30 (thirty) business days of intimation to the Company ("Financial Event of Default"); Default is committed by the Company in the performance or observance of any material covenant, obligation condition or provision contained in this Deed (other than the obligation to repay Principal and Interest) and where such default continues for 60 (sixty) days after written notice has been given thereof by the Debenture Trustee (on instruction by way of Majority Resolution) to the Company requiring the same to be remedied; Any material information given by the Company to the Debenture Holders / Beneficial Owners or the Trustee in any representations and warranties given by it to the Debenture Trustee pursuant to any requirement of Applicable Laws, is misleading or incorrect in any material respect; The Company has voluntarily or involuntarily commenced or become the subject of proceedings under any bankruptcy or insolvency law and such proceedings are not set aside or enjoined within 3 (three) months from their commencement; The Company is voluntarily or involuntarily dissolved or liquidated; and If, any extra-ordinary circumstance has occurred which results in Material Adverse Effect.
Consequences of Event of Default	<p>On and at any time after the occurrence of an Event of Default, the Debenture Trustee shall if so directed by the Majority Debenture Holder(s):</p> <ul style="list-style-type: none"> declare the principal of and all accrued Interest on the Debentures to be due and payable forthwith and the Debentures shall without any further action become due for redemption along with the interest accrued thereon. In case of default in payment of Interest and/or payment of principal on the respective Due Dates and not cured within 60 (sixty) the Debenture Trustee may thereafter charge a penal interest @ 0.5% p.a. on the outstanding Principal Amount o in respect of the Debentures over and above the Interest, for the period of such default. enforce any Security Interest as per the terms of the Deed. exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under Indian law.
Governing Law and Jurisdiction	<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 Delhi and as more particularly provided for in the Debenture Trust Deed.</p>



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 : Mr. Sahib Pahlwa

: Mr. Sahib Pahwa

: Company Secretary & Compliance Officer

: May 30, 2018

New Delhi!

