

INDICATIVE TERM SHEET

This term sheet dated December 17th, 2019 provides indicative terms and conditions for the facility proposed to be availed by NISA Industrial Services Private Limited ("Company") from NAVI Technologies Private Limited and/or its affiliates / nominees ("Investor") on mutually agreed terms ("Term Sheet").

The Term Sheet is intended for your guidance and information only and does not constitute an offer, commitment or agreement to enter into any transaction. This Term Sheet is non-binding in nature other than the provisions described under the heads Costs and Expenses, Governing Law, Jurisdiction and Dispute Resolution & Confidentiality and Press Announcements.

No.	Terms	Particulars
1.	Debt Amount	Rs. 30,00,00,000 (Rupees Thirty Crores Crores Only) through the issue of Redeemable unsecured Non-Convertible Debentures ("NCDs").
2.	Instrument	Unlisted unsecured Non-Convertible Debentures ("NCDs"). The NCDs shall be compulsorily issued in dematerialized form. The NCDs shall be freely transferable.
3.	Purpose	General corporate purpose. The amount borrowed under the Facility shall not be directly or indirectly used for: <ul style="list-style-type: none"> - Investment in capital markets (liquid schemes of mutual funds are permissible investment). - Investment in real estate or land acquisition. - Any speculative business or activity.
4.	Promoters	Mr. Karanraj Sahi and Mr. Harkeerat Singh Sahi.
5.	Tenor	24 months from the end of the month during which the debentures are issued.
6.	Group Company	Cattelya Technosys Pvt. Ltd. Logicash Solutions Pvt. Ltd. NRGPL 919 Integrated Solutions Pvt. Ltd. New Industrial Security Agencies Pvt. Ltd. NISA Support Service NISA Associates NISA Allied Services Pvt. Ltd. Scorpio Fiscal Markets Pvt. Ltd.



8.	Availability Period	Within one month of execution of transaction documents.
9.	Interest Rate	Fixed rate of 14% per annum, payable monthly on the outstanding amounts of the NCDs. Interest will be payable at the end of the month.
10.	Additional Interest	Upon the occurrence of an EOD, additional interest @ 2% per annum on the face value of outstanding NCDs will be applicable from the date of occurrence of the EOD till the date it is cured.
11.	Moratorium	7 months from the end of the month during the debentures are issued.
12.	Repayment Schedule	In 17 equal installments from the end of the eighth month from the last day of the month during the debentures are issued. Installments are payable on the last day of the month.
13.	Mandatory Prepayment	Prepayment by the company shall not be permitted. However, the Company shall mandatorily redeem the NCDs in case of Equity Investment in the Company or Scorpio Fiscal Markets Limited or NISA Allied Services Private Limited.
14.	Security	Unsecured
15.	Key Conditions Precedent	<p>(a) Delivery of corporate approvals approving the issuance of NCDs and creation of security.</p> <p>(b) Certificate from practicing chartered accountant confirming that there are no tax proceedings pending against the Company that would affect the issuance of no-objection certificate under Section 281 of the Income Tax Act, 1961</p> <p>(c) Completion of due diligence exercise(s) by the Investor</p> <p>(d) Receipt of necessary consents / no-objections from the existing shareholders of the Company.</p> <p>(e) Payment of Upfront Fees.</p> <p>(f) In principle Sanction letter from State Bank of India of minimum INR 80,00,00,000 (Rupees Eighty crores) for project finance.</p>



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		(g) Others to be identified in the Transaction Documents.
16.	Condition Subsequent	Final Sanction letter from State Bank of India of minimum INR 80,00,00,000 (Rupees Eighty crores) for project finance within 30 days from the date of execution of Transaction Documents.
17.	Information Covenants	<p>(a) Monthly MIS within 45 days from the end of each month.</p> <p>(b) Annual audited financial statement within 180 days of year end.</p> <p>(c) Unaudited quarterly and year to date financial statements within 45 days of quarter end.</p> <p>(d) Annual operating budgets and projections within 60 days of financial year end.</p> <p>(e) Cash position of the Company at the end of every month within 45 days of the end of every month.</p> <p>(f) The Company shall inform the Investor, upon occurrence of events such as events of default, breach of warranties or covenants set out in the Transaction Documents, any legal proceeding / notice instituted against / received by the Company, default in any indebtedness / obligations to any creditors, any Material Adverse Change (<i>defined below</i>) and such other material events as set out in the Transaction Documents, within 1 day of the occurrence of such event.</p>
18.	Financial Covenants	<p>Following covenants to be tested on March 31, 2020 and September 30, 2020:</p> <ul style="list-style-type: none"> Debt to Net Worth shall not exceed 3 times <p>Following covenants to be tested on March 31, 2021 and September 30, 2021:</p> <ul style="list-style-type: none"> Debt to Net Worth shall not exceed 2.5 times <p>Following covenant to be tested at the end March 31, 2020</p> <ul style="list-style-type: none"> Minimum DSCR of 1.05x to be maintained Debt to EBITDA shall not exceed 4.5 times. <p>Following covenant to be tested at the end of March 31, 2021</p> <ul style="list-style-type: none"> Minimum DSCR of 1.2x to be maintained. Debt to EBITDA shall not exceed 3 times. <p>Debt includes all financial indebtedness, contingent liability and outstanding guarantees provided by the Company.</p> <p>Net Worth includes balance in Share Capital and Reserves account but after reducing Deferred Tax Assets and Intangible Assets if any.</p>
	Other covenants	a) The promoters to hold directly or indirectly 100% shareholding of the



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		<p>Company and have management control throughout the term of the facility.</p> <p>b) The Company shall keep the Investor informed of the happening of any event which is likely to have a material impact on their profit or business. The Company will inform accordingly with reasons and the remedial steps proposed to be taken.</p> <p>c) During the tenor of the facility the Company shall not without prior approval of the Investor:</p> <ol style="list-style-type: none"> Effect any change in capital structure. Formulate any scheme of amalgamation/ reconstitution Invest in Share Capital / lend/ advance funds to place deposits with other concerns, except in the normal course of business. Grant loan to promoters or any other Group Company. Undertake Guarantee obligations Declare dividends Pledge the shares of any Group Company. <p>d) Loan from Shareholders/ Promoters, if any, during the tenor of the facility, shall be sub-ordinate to the proposed debt facility of the Investor.</p>
20.	Promoter Guarantee	Irrevocable and unconditional personal guarantees from the Promoters.
21.	Indemnity	<p>(a) The Company shall indemnify the Investor / trustee against all losses incurred due to breaches of covenants, warranties, undertakings set out in the Transaction Documents or due to any enquiry or litigation with respect to the Company or with respect to the transactions contemplated under the Transaction Documents, or due to NCDs not being redeemed in accordance with the terms of the Transaction Documents.</p> <p>(b) The Promoters shall jointly and severally indemnify the Investor / trustee against the losses incurred due to any fraud, willful misconduct or gross negligence on part of any of the Promoters in relation to the Company or any matters in connection with the Transaction Documents.</p>
22.	Other Key Terms	The Transaction Documents shall contain customary provisions for such transactions including affirmative and negative covenants, representations and warranties to be repeated throughout the tenor and other terms ancillary to venture debt. The Transaction Documents shall contain necessary clauses to comply with the Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Debenture Trustee) Regulations, 1993.
23.	Events of Default	The EOD and its consequences shall be detailed in the Transaction Documents.

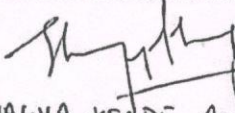
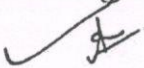



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24.	Material Adverse Change	In the opinion of the Investor, (i) a material impairment of the sufficiency, validity, value, ranking or enforceability of the security, (ii) a material adverse change in the business, operations or condition (financial or otherwise) of Company (iii) a material adverse effect on the legality or validity of the Transaction Documents (including ability of the Investor / trustee to enforce its remedies); (iv) material impairment of the ability of the Company to perform with its obligations under the Transaction Documents. Material Adverse Change will be an EOD.
25.	Due Diligence	The Investor shall have the right to carry out legal, financial, business, tax and commercial due diligence on the Company and its business and operations prior to entering into any of the transactions contemplated herein. The cost for Due Diligence will be capped at INR 5 Lakhs and applicable taxes if any.
26.	Transaction Documents	As prescribed by Investor, including but not limited to: (a) Debenture Trustee Appointment Agreement (b) Debenture Trust Deed (c) Debenture Subscription Agreement, if required (d) Personal Guarantees (e) Post-dated cheques for the amounts of interest, each repayment instalment and Redemption Premium, as indicated by the Investor / such amounts as indicated by the Investor. (f) Board approved Business Plan
27.	Investment Committee Approval	The investment in NCDs is subject to approval of the internal investment committee of the Investor.
28.	Costs and Expenses	The Company agrees to pay all costs, fees and expenses (including legal charges for documentation, stamp duty costs, mortgage registration charges, trustee fees and any other ancillary transaction costs or any other cost related to inspection, review etc.). The amount payable to the trustee and legal advisors shall be capped at INR 5 lacs.
29.	Confidentiality and Press Announcements	The Term Sheet is confidential, and contents of this Term Sheet may not be disclosed by the Company without Investor's prior written consent. If the Company determines that it is required by law to disclose the information regarding this Term Sheet to any regulatory body, it shall in a reasonable time before making such disclosure or filing consult with the Investor regarding



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		<p>such disclosure or filing and shall seek confidential treatment for such portions of the disclosure or filing as may be requested by the Investor. The Company shall not make any press releases / announcements to the public or to any third party regarding the arrangements contemplated by this Term Sheet, unless the same has been approved by the Investor.</p> <p>The debenture holders shall be entitled to disclose information pertaining to the Company to CIBIL or any other agency, CERSAI, RBI and/or electronic repositories maintained by the Insolvency and Bankruptcy Board of India, upon default.</p>
30.	Governing Law, Jurisdiction and Dispute Resolution	<p>This Term Sheet shall be governed in accordance with Indian Law. Courts at Mumbai alone shall have the exclusive jurisdiction to entertain and try any disputes arising thereof.</p> <p>The Transaction Documents shall be governed by Indian law. Any disputes shall be referred to arbitration under Arbitration and Conciliation Act, 1996, with venue in Mumbai, without prejudice to any debenture holder's rights under IBC, DRT, SARFAESI or other applicable laws.</p>
31.	Validity	This Term Sheet is valid for 7 days from date of issuance.

Signed and delivered by the undersigned as of the first day above written.

For NISA Industrial Services Private Limited	
Signature: 	
Name: BHAGYA HEGDE, AUTHORIZED SIGNATORY	
For NAVI Technologies Private Limited	
Signature: 	
Name: Ankit Agarwal, Director	

