

Indicative Term Sheet

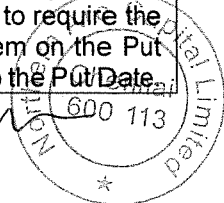
Borrower / Company / Issuer	Northern Arc Capital Limited								
Debenture Trustee	Catalyst Trusteeship Limited								
NCDs / Debentures / Facility	Rated, Listed, Senior, Secured, Redeemable, Non-Convertible Debentures ("NCDs" or "Debentures")								
End use	<p>Issue proceed will be utilized for following purposes:</p> <ul style="list-style-type: none"> For deployment in business & growth of asset book by on-lending General Corporate Purpose for ordinary course of business <p>No part of the proceeds would be utilized directly/indirectly towards equity capital markets, land acquisition or usages which are restricted for bank financing.</p>								
Rating	A+ by ICRA Limited								
Tenor / Final Redemption Date	<ul style="list-style-type: none"> 23 Months from the Deemed Date of Allotment for Series A NCDs 24 Months from the Deemed Date of Allotment for Series B NCDs 								
Amount	<p>INR 1,00,00,00,000 (Indian Rupees One Hundred Crores Only)</p> <ul style="list-style-type: none"> INR 50,00,00,000 (Indian Rupees Fifty Crores Only) as Series A NCDs INR 50,00,00,000 (Indian Rupees Fifty Crores Only) as Series B NCDs 								
Issuance Schedule	<table border="1"> <tr> <td>Issue Open Date</td><td>February 26, 2020</td></tr> <tr> <td>Issue Close Date</td><td>February 26, 2020</td></tr> <tr> <td>Pay-in Date</td><td>February 27, 2020</td></tr> <tr> <td>Deemed Date of Allotment</td><td>February 27, 2020</td></tr> </table>	Issue Open Date	February 26, 2020	Issue Close Date	February 26, 2020	Pay-in Date	February 27, 2020	Deemed Date of Allotment	February 27, 2020
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Issue Close Date	February 26, 2020								
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Deemed Date of Allotment	February 27, 2020								
Interest Rate/ Coupon Rate	11.35% per annum and payable quarterly.								
Interest Type	Fixed								
Interest Payment Frequency/ Coupon Payment Date	Quarterly. The Coupon shall be payable on the [] day of each financial quarter.								
Issue Price	At Par								
Face Value per bond	Rs 10,00,000/-								
Minimum Subscription Amount	Rs 1,00,00,000/-								
Listing	<p>The NCDs issued under this document are proposed to be listed on the BSE / NSE</p> <p>In case the Debentures are not listed within 20 days of Deemed Date of Allotment for any reason whatsoever, the Issuer shall pay penal interest of atleast 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 Investors</p>								
Depository	National Securities Depository Ltd. (NSDL)								
Business Day Convention	<p>(i) 'Business Day' shall be a day on which commercial banks are open for business in the city of Mumbai and Chennai. Should any of dates defined above or elsewhere in the Disclosure Document, excepting the Date of Allotment, fall on a Sunday or a Public Holiday in Mumbai / Chennai, payment shall be done as per SEBI circular.</p> <p>(ii) If the date of payment of any interest in respect of the Debentures falls on a day that is not a Business Day, such</p>								

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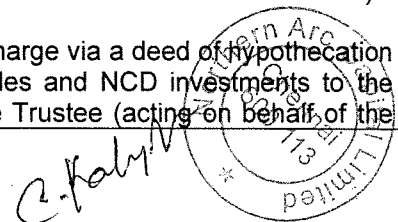
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	<p>payment of interest shall be made on the next occurring Business Day;</p> <p>(iii) If the date of payment of any redemption amount falls on a day that is not a Business Day, such payment of installment shall be made on the immediately preceding Business Day; and</p> <p>(iv) If the Final Redemption Date or the Early Redemption Date (the date on which the Debentures are redeemed prior to the Final Redemption Date in terms of the Transaction Documents), as the case may be, falls on a day that is not a Business Day, such payment of interest and redemption amount shall be made on the immediately preceding Business Day.</p>
Record Date	3 (three) Business Days prior to each Coupon Payment Date and Final Redemption Date.
Default Interest Rate	In case of default in payment of interest and/or principal redemption on the due dates, additional interest @ 2% p.a. over the Interest Rate will be payable by the Company for the defaulting period.
Redemption Amount	The sum of the outstanding amounts in the Debentures, accrued Coupon, Default Rate payable (if any) and other charges and fees payable.
Step Up / Step Down Coupon Rate	<p>In case of upgrade in external credit rating of the NCDs, the Coupon Rate for the balance period would decrease by 0.25% p.a. for each upgrade in rating until AA- and 0.50% p.a. thereafter, and the same will be with effect from the rating upgrade date.</p> <p>In case of downgrade in external credit rating of the NCDs, the Coupon Rate for the balance period would increase 0.25% p.a. for each notch downgrade in rating until A and 0.50% p.a. thereafter, and the same will be with effect from the rating downgrade date.</p> <p>In case of rating from multiple rating agencies, lowest rating available shall be considered for the above purpose</p>
Put/Call Option	<p>At the Put Date, the Debenture Holders shall have the right but not the obligation to call upon the Issuer to redeem the Debentures held by such Debenture Holder by issuing the Put Option Notice. Upon receipt of the Put Option Notice, the Issuer shall redeem such Debentures as is indicated in the Put Option Notice by making payment to the Debenture Holder, the Redemption Amount payable under the Transaction Documents upto the Put Date.</p> <p>At the Call Date, the Issuer shall have the right but not the obligation to pay to the Debenture Holders, the Redemption Amount payable under the Transaction Documents. Upon payment of such Redemption Amount, all obligations of the Issuer under the Debentures shall stand discharged and the Debentures shall stand redeemed. However it is to be noted that when Call Option is exercised by the Issuer it will be required to pay entire amount along with accrued interest to all the investors.</p> <p>Debenture trustee to inform all debenture holders in case of an exercise of put/call option.</p>
Put Date /Call Date	<p>At the end of 12 months from the Deemed date of Allotment for Series A NCDs</p> <p>At the end of 13 months from the Deemed date of Allotment for Series B NCDs</p>
Put Option Notice/Call Option Notice	Each Investor shall, upon giving not less than 30 Business Days' notice to the Debenture Trustee, prior to the Put Date, be entitled to require the Issuer to redeem all or part of the Debentures held by them on the Put Date at the applicable Redemption Amount calculated up to the Put Date.

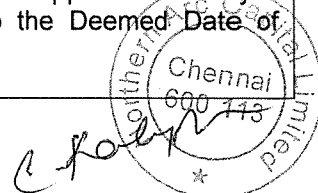
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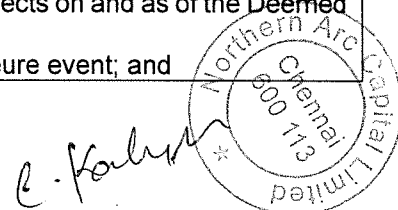
	<p>The Debenture Trustee will intimate the Issuer of such redemption within one day from the receipt of such notice.</p> <p>The Issuer, upon giving not less than 30 Business Days' notice to the Debenture Trustee, prior to the Call Date, be entitled to redeem all of the Debentures held by them on the Call Date at the applicable Redemption Amount calculated up to the Call Date. The Debenture Trustee will intimate the Issuer of such redemption within one day from the receipt of such notice.</p>
Early Redemption/ Early Redemption Events	<p>The Debentures along with accrued interest shall become due and payable days upon the occurrence of the following ("Early Redemption Events"):</p> <ol style="list-style-type: none"> 1. Breach of any covenants remaining uncured or otherwise as specified in the Debenture Trust Deed 2. Withdrawal / Suspension of long term rating of the instrument 3. Downgrade of long term rating of the Issuer / Instrument to BBB or below by any rating agency. Downgrade of the long term rating of the Issuer/Instrument by the Rating Agency or any other rating agency to BBB or below by any rating agency. However, where on the date of any downgrade of the issuer/instrument by the Rating Agency or any other rating agency any other lender to the company has the right to accelerate redemption at a threshold higher than BBB, the Debenture Holder (s) shall be entitled to take the benefit of the similar covenant offered to such other lender. 4. In the event of there being any material adverse effect in the business, condition (financial or otherwise), operations, performance or prospects of the company due to any pending or threatened litigation, charges, investigation or proceedings that may or can have an adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the company, that affects the payment of outstanding on the NCDs to the Debentures holders in any manner, and after the Company has been provided 30 (thirty) calendar days to amend the situation or as specified in the Debenture Trust Deed <p>Any of the Debenture Holder shall have the option to require the Company to redeem the Debentures held by such Debenture Holder ("Early Redemption Option") on happening of any of the Early Redemption Events. Upon the exercise of the Early Redemption Option by the Debenture Holder, the Debenture Trustee shall issue a notice to the Company for redemption of all amounts outstanding in relation to the Debentures held by such Debenture Holder (including any unpaid principal, accrued but unpaid Coupon, Default Interest (if applicable)) as on the date of exercise of the Early Redemption Option ("Early Redemption Date").</p> <p>The Company shall be required to make payment of the aggregate amounts outstanding in relation to the Debentures, including any unpaid Principal Amount, accrued but unpaid Coupon, Default Interest (if applicable) and liquidated damages (if applicable) within 30 business days of the Early Redemption Date.</p>
Security	<p>The outstanding principal amount of the Debentures, together with interest, YTM Adjustment Amount, default interest, remuneration of the Trustee, charges, fees, expenses and all other monies due from the Company, shall be secured by (to the satisfaction of the NCD holders):</p> <ol style="list-style-type: none"> 1. First ranking and exclusive charge via a deed of hypothecation over specified loan receivables and NCD investments to the satisfaction of the Debenture Trustee (acting on behalf of the



	<p>Debenture Holders), including present and future receivables ("Company's Receivables"). The ratio of senior debt to subordinated debt in the Company's Receivables shall be 65:35</p> <ol style="list-style-type: none"> Company's Receivables must be current (no overdue) as on the date of allotment; and underlying company to have an investment grade rating (considering most conservative rating) Company's Receivables are existing at the time of selection, and have not been terminated or prepaid Company's Receivables should not have been restructured, rescheduled and should not have had any overdues in the past that remained unpaid for a continuous period of 30 (Thirty) days; All the extant "know your customer" norms specified by the RBI must have been complied with for each hypothecated loans; All loans hypothecated under the deed of hypothecation comply with RBI norms and guidelines Revaluation and replacement of security: The Company's Receivables provided as Security shall be current. If a Company's Receivables becomes overdue, such receivable shall be replaced within 15 days. <p>Security Cover of 1.2times to be maintained on the outstanding principal amount of the Debentures at all times during the tenure of the Facility.</p> <p>The Issuer undertakes:</p> <ul style="list-style-type: none"> to maintain the value of Security Cover at all times during the period of the Issue; to create, register and perfect the security over the Company's Receivables as contemplated above as on the Deemed Date of Allotment by executing a duly stamped Deed of Hypothecation and filing relevant forms with the concerned ROC in relation thereto as soon as practicable and no later than thirty (30) calendar days of the date of execution of the relevant security document. ; The charge over the Company's Receivables is to be created within 30 days of the Deemed Date of Allotment. In the event the Security is not created or has insufficiently created, the proceeds from the Issue are to be placed in an escrow account until the creation of security. to provide a list of specific loan receivables / identified book debt / NCDs / PTC investments to the Trustee over which charge is created and subsisting by way of hypothecation in favour of the Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the security cover on monthly basis within the 15th day of every calendar month
Security Creation	<p>Security to be created within 30 days of the Deemed Date of Allotment. In the event of delay in security creation, issuer shall pay penal interest of 2% per annum over the coupon rate for the delayed period till such conditions are complied.</p> <p>In case security cover fall below the required cover, the issuer to pay 0.5% additional interest over XIRR for the period till the security cover is restored back to the requisite levels</p>
Interest on Application Money	<p>Interest at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Debentures for the period starting from and including the date of realization of application money in Issuer's Bank Account upto one day prior to the Deemed Date of Allotment</p>



	Where Pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid
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 for issuance of NCDs through Private Placement:</p> <ol style="list-style-type: none"> 1. Security documents 2. Letter appointing Trustees to the Debenture Holders; 3. Debenture Trusteeship Agreement; 4. Debenture Trust Deed; 5. Rating Agreement with the aforesaid rating agency(ies) as regards to this Issue 6. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form; 7. Listing Agreement with BSE;
Conditions Precedent	<p>Customary to facilities of this nature, including but not limited to:</p> <ul style="list-style-type: none"> • Compliance with all the regulatory guidelines. • A certified true copy of the constitutional documents of the Company (being its Memorandum and Articles of Association and Certificate of Incorporation) shall have been submitted to the Debenture Trustee • All corporate approvals from the Board of Directors and shareholders of the Company, if applicable, shall have been received for the issuance of the NCDs, creation of the Security and the execution, delivery and performance by the Company 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; • Execution of the Debenture Trustee Agreement and Debenture Trust Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place; • The Company shall have created the security in respect of the NCDs, which shall entail including without limitation payment of requisite stamp duty on this Deed and the other Transaction Documents, as may be required under the Applicable Laws. However, filing of Form CHG 9 pursuant to Rule 3 of Companies (Registration of Charges) Rules, 2014 with the concerned Registrar of Companies can be done within 30 days from the Pay In Date. • Rating of the Debentures being completed and the rating letter issued by the Rating Agency being in a form and manner satisfactory to the Debenture Trustee; • The Company shall covenant in the Transaction Document that:- <ol style="list-style-type: none"> a) the Company and its Directors have the necessary powers under the Memorandum and Articles of Association of the Company to borrow moneys pursuant to the issuance of the Debentures; b) the borrowing of moneys pursuant to the issuance of the Debentures and the creation of Security will not cause any limit binding on the Company to be exceeded; c) no Material Adverse Effect has occurred in the Company, and/or the business of the Company; d) the Company has obtained all necessary consents and approvals, if applicable, from including but not limited to its creditors, secured or unsecured, for the issuance of the Debentures and creation of Security shall have been delivered in a form and manner satisfactory to the Debenture Trustee; e) all representations and warranties contained in this Deed are true and correct in all material respects on and as of the Deemed Date of Allotment f) non-occurrence of any force majeure event; and



	<p>g) the Debenture Trustee shall have received from the Company its audited account statements for the financial year ended 31st March 2019.</p> <ul style="list-style-type: none"> • Due execution of the Depository Agreements by, inter-alia, the Depository and the Issuer; • Due execution of the Tripartite Agreement by, inter-alia, the Registrar and Transfer Agent, Depository and the Issuer; • The Debenture Trustee shall have received satisfactory reports from CIBIL in respect of the Company; • The Company shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements; • No Event of Default or reasonably to the knowledge of the issuer potential Event of Default has occurred and is continuing, or would result from such advances; and • Execution of transaction documents in form and manner mutually acceptable to Investor & Issuer.
Conditions Subsequent	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Document:</p> <ul style="list-style-type: none"> (a) 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; (b) File Form PAS 5 along with the Information Memorandum with SEBI; (c) Receive final listing approval from BSE within 20 calendar days from Deemed Date of Allotment; (d) Credit of demat account(s) of the allottee(s) by number of NCDs allotted within 2 Business days from the Deemed Date of Allotment; (e) To ensure compliance with SEBI/ Companies Act 2013 for issuance of NCDs (f) Shareholders resolutions approving the issuance of NCD and current borrowing limit obtained within the timelines stipulated as per Companies Act 2013. (g) Any others as required by the Debenture Trustee in the Transaction Documents.
Acceleration of Redemption/ Events of Default	<p>The occurrence of any one of the following events shall constitute an "Event of Default" by the Company, each subject to any cure period as may be specified in the Debenture Trust Deed:</p> <ul style="list-style-type: none"> (a) Failure to pay any amount due in respect of Debentures including any installment of interest (including penal interest, if applicable) or the principal amount of the Debentures, any other monies including costs, charges, expenses incurred by the Trustee, as and when the same shall have become due and payable by the Company's; (b) Any information given by the Company's in the Information Memorandum, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s) under the Transaction Documents for financial assistance by way of subscription to the Debentures is or proves to be misleading or incorrect in any respect or is found to be incorrect; (c) Default by the Company in complying with, or committing a breach of any of the terms, Financial Covenants and Conditions as set out in any of Transaction Documents;

(Signature)

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- (d) If the Issuer / subsidiaries is unable to 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;
- (e) If the assets offered as security to the Trustee Debenture Holder(s) for the Debentures depreciate in value to such an extent that in the opinion of the Debenture Holder(s)/ Debenture Trustee, further security to the satisfaction of the Debenture Holder(s) / Debenture Trustee should be given and such security is not given within 5 (five) days of written notice by the Majority Debenture Holders or the Debenture Trustee;
- (f) The occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders. For the purpose of this transaction any material adverse effect in the business, condition (financial or otherwise), and operations, performance or prospects of the Issuer, the presence 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, including any change in regulation that may have a material adverse effect on the business condition (financial or otherwise), and operations, performance or prospects of the Issuer, which affects the payment on the Debentures.
- (g) Key management personnel of the company being declared willful defaulter
- (h) The Company/ subsidiary shall have voluntarily or involuntarily become the subject of proceedings under bankruptcy or insolvency law including any corporate action, legal proceedings or other procedure or step which has been taken (including the making of an application, the presentation of a petition, the filing or service of a notice or the passing of a resolution);
- (i) Voluntary application of insolvency petition under bankruptcy code/NCLT by the Issuer;
- (j) The Company has taken or suffered any action to be taken for its reorganization, liquidation or dissolution;
- (k) Any failure of the Company to comply with any of the provisions of the Transaction Documents in relation to the Security and Security Cover including but not limited to the failure of the Company to provide any additional or alternate security to the satisfaction of the Majority Debenture Holders within a period of 5 (five) business days from the date of such failure;
- (l) If an attachment or expropriation or restraint or act of sequestration is levied on the Company's Receivables or any part thereof and or certificate proceedings are taken or commenced for recovery of any dues from the Company;
- (m) any Financial Indebtedness of the Company or subsidiaries is not paid when due and the applicable cure period has lapsed without the Company remedying the same; or
- (n) any Financial Indebtedness of the Company is declared or otherwise becomes due and payable before its specified maturity as a result of an event of default under the respective transaction documents;
- (o) If the Company suspends, ceases or threatens to suspend or cease to carry on its business or gives notice of its intention to do so;

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- (p) If, in the reasonable opinion of the Debenture Trustee, the security of the Debenture Holder(s) is in jeopardy;
- (q) 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;
- (r) Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer funds or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer
- (s) The Company has taken or suffered to be taken any action for merger or amalgamation or reduction in share capital by any method (including buyback) without the prior written approval of the Debenture Holders;
- (t) The Borrower shall seek the Lender's consent before any change in the shareholding that involves dilution of stake of Dvara Trust, excluding ESOP's, to less than 10% till the time of listing and dilution of stake of Dvara Trust, Leapfrog and Accion cumulatively, excluding ESOP's to less than 20% till the time of listing
- (u) Any Transaction Document once executed and delivered, ceases to be in full force and effect or becomes unlawful, invalid or unenforceable or fails to provide the Debenture Trustee and the Debenture holder(s)/Beneficial Owners(s) with the interests in the Security intended to be created thereby;
- (v) Any of the necessary clearances required or desirable in relation to the project or Company or the Debentures in accordance with any of the Transaction Documents is not received or is revoked or terminated, withdrawn, suspended, modified or withheld or shall cease to be in full force and effect which shall, in the opinion of Debenture Holder(s), have Material Adverse Effect on the Company or the Debentures;
- (w) The directors (excluding independent and nominee directors) of the Company are charged with, arrested or convicted of a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the Promoter/s and/or director, including any charges, convictions of any offence relating to bribery and such director is not terminated by the Issuer within 15 days;
- (x) A petition for the reorganization, arrangement, adjustment, or composition of debts of the Company or a petition for winding up of the Company or any application in relation to an insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 is filed and such proceeding is not quashed or dismissed within 5 (five) calendar;
- (y) It is or becomes unlawful for the Company to perform any of its obligations under any Transaction Document
- (z) The Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors
- (aa) If extraordinary circumstances have occurred which make it improbable for the Company to fulfill its obligations under this Agreement and/or the Debentures;
- (bb) If it is certified by an accountant or a firm of accountants appointed by the Debenture Trustee that the liabilities of the Company exceed its assets;

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	In case of breach in these covenants resulting in an Event of Default, all dues would stand immediately accelerated apart from other proceedings, as applicable
Covenants for Facility	<p>The Company shall provide for following covenant for the Debentures:</p> <p>Financial Covenants</p> <ol style="list-style-type: none"> 1) The capital adequacy ratio (as defined in NBFC Regulations) shall not be less than 15% or as prescribed by the RBI from time to time. Tier I capital adequacy ratio to be at least 13% or higher or as prescribed by RBI from time to time 2) The company should be in compliance with RBI guidelines on LCR as and when they become applicable. 3) Debt/Equity Ratio shall not exceed 4.5 times 4) The company needs to adhere to following (While calculating PAR 90 / Gross NPA / Stage 3 NPA assets, in addition to loan aum, the exposure of securitization transactions, exposure written off during the last one year (excluding any exposures written off on securitisation pools affected due to demonetization), exposures on guarantees expected to be invoked would also be considered) (a) PAR > 90 to AUM <=2% (b) Net NPA to Equity <=6% 5) Minimum Equity shall not fall below Rs.1400 Crs 6) No loss on annual basis (PAT Basis) 7) Current Ratio to be maintained above 1.0 times at all times. Current Ratio = [Current Assets minus Gross NPA) divided by Current Liabilities] <p>All covenants would be tested on quarterly basis for the Company i.e. as on 31 March, 30 June, 30 Sept and 31 Dec every year, starting from 31 March, 2020 on consolidated and standalone balance sheet till the redemption of the Debentures. The covenants shall be certified by the Company within 60 days from end of each reporting quarter.</p> <p>"Debt" shall mean aggregate of</p> <ol style="list-style-type: none"> 1. All long-term debt outstanding, whether secured or unsecured, plus 2. Contingent liability pertaining to corporate/ financial guarantees given on behalf of any company / partnership firm/SPV / subsidiary / affiliate to the extent of outstanding of such guaranteed debt, plus 3. Any short term debt outstanding, whether secured or unsecured, availed of in lieu of long term debt or by way of bridge financing for long term debt 4. Any amount raised by acceptance under any acceptance credit facility 5. Receivables sold or discounted (other than any receivables to the extent they are sold on a non- recourse basis) 6. Any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing <p>"Equity" shall mean issued and paid up Equity and Compulsorily Convertible Preference Share capital (+) all reserves (excluding revaluation reserves) (-) any dividend declared (+) deferred tax liability (-) deferred tax asset (-) intangibles (including but not restricted to brand valuation, goodwill etc) as per the latest audited financials of the Company.</p> <p>"PAR 90" shall mean, on the Company's entire assets under management at any point of time, as the case may be, the outstanding principal value of the relevant portfolio of the Company that has one or</p>

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more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 days or more, including restructured loans.

"Net NPA" shall mean the difference between (i) on the Company's entire assets under management at any point of time, as the case may be, the outstanding principal value of the relevant portfolio of the Company that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 days or more, including restructured loans but excluding loans that have been written off by the Company and (ii) all provisions created against standard assets, sub-standard assets, doubtful assets and loss assets.

"Assets Under Management (AUM)" shall mean the loan receivables on the balance sheet of the Issuer, plus investments in NCD's, plus investment in AIF, plus the loan receivables originated and serviced by the Issuer and securitised / assigned over time, plus the loan receivables originated and serviced by the Issuer on the balance sheet of another financial institution. It shall also include off balance sheet exposure in the form of guarantee and risk participation.

A detailed description of, and additional Financial Covenants are provided in the Debenture Trust Deed.

Other Covenants

- 1) The Company shall not, without the prior consent in writing of the Debenture Trustee, make any changes in its Memorandum or Association and/or Articles of Association, which change, in the reasonable opinion of the Debenture Trustee adversely affects the interests of the Debenture Holders, including changes in clauses pertaining to main objects, share capital, business or operation of the Company, borrowing powers, etc.
- 2) Consolidated financial statements at the end of financial year and standalone at the end of financial half years of Issuer
- 3) Notification of any potential Event of Default or Event of Default;
- 4) Obtain, comply with and maintain all licenses / authorizations;
- 5) compliance with environmental and other laws;
- 6) No M&A, acquisition, restructuring, amalgamation without approval of debenture holders
- 7) the Issuer will not purchase or redeem any of its issued shares or reduce its share capital without the investors' prior written consent;
- 8) Any sale of assets / business / division or re-structuring of the existing business, to be with the prior consent of the Debenture Holder(s). This excludes regular ongoing asset sale transactions as part of ordinary course of business
- 9) No dividend, if an Event of Default has occurred and is subsisting
- 10) The Issuer shall maintain its corporate existence and right to carry on its business and operations and comply with all Applicable Laws in all respects, at all times
- 11) The Issuer shall not, without the prior approval of Investors, enter into any transaction of merger, de-merger, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; provided however that this restriction shall not apply in the event that the compliance with this restriction would result in the Issuer defaulting in relation to any of its payment obligations in relation to the Debentures.

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NORTH INDIA CAPITAL LIMITED

	<p>12) Not undertake any new business or any diversification of its business (other than financial services or ancillary business activities) without approval of the Debenture Holders</p> <p>13) Provide details of any material litigation, arbitration or administrative proceedings</p> <p>14) The hypothecated receivables offered as security cover for this Issuance are free from encumbrances</p> <p>15) Maintain internal control for the purpose of preventing fraud lent by the issuer from money being used for money laundering or illegal purposes</p> <p>16) Permit visits and inspection of books of records, documents and accounts to debenture holders as and when required by them</p> <p>17) The Borrower shall seek the Lender's consent before any change in the shareholding that involves dilution of stake of Dvara Trust, excluding ESOP's, to less than 10% till the time of listing and dilution of stake of Dvara Trust, Leapfrog and Accion cumulatively, excluding ESOP's to less than 20% till the time of listing</p>
Representations, Warranties	<p>The Company will make representations customary for the facilities of this nature and others appropriate in the judgment of the Investor, including but not limited to:</p> <ul style="list-style-type: none"> • Issuer will give representations and warranties that, amongst other things, that it has full title on all the rights, property and undertakings subject to the security (free from any litigations) • No Event of Default or potential Event of Default has occurred and is continuing and no such event or circumstance will result as a consequence of the Company / Subsidiary/ Promoters performing any obligation contemplated under the transaction documents. • No Material Adverse Change in business, condition or operations of the Company / Subsidiary • 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 Company / Subsidiary or that purports to affect the Facility • Compliance with all laws and regulations (including any disclosure requirements) and procuring all relevant approvals in order to creation and perfection of the security, as may be required in relation to the Transaction. • Cross default to other indebtedness, including without limitation contingent liabilities of the Company and its Subsidiaries
Governing Law and Jurisdiction	<p>This Term Sheet shall be governed and construed exclusively in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at Mumbai.</p>
Indemnification	<p>The Company will indemnify, and hold harmless the Debenture Holder(s) from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of a breach of this Term Sheet by the Company.</p>
Confidentiality	<p>The terms and conditions described in this Term Sheet, including its existence, shall be confidential information and shall not be disclosed to any third party except to each Party's advisors and counsel. Provided however that if any of the Parties is required by law to disclose information regarding this Term Sheet or to file this Term Sheet with any regulatory body, it shall, at a reasonable time after making any such disclosure or filing, informing the other Parties.</p>
Transaction Costs	<p>The Issuer shall bear all transaction related costs incurred by the Investor with respect to legal counsel, valuers and auditors / consultants. Such costs include:</p> <ol style="list-style-type: none"> 1. Legal fees

C. Kalish

Chennai
600 113

North Chennai
South Chennai
East Chennai
West Chennai
Central Chennai
North Chennai
South Chennai
East Chennai
West Chennai
Central Chennai

	<ul style="list-style-type: none"> 2. Trustee fees 3. Stamping and registration in relation to creation of Security and all Definitive Agreements.
Taxes duties cost and expenses	<ul style="list-style-type: none"> 1. Relevant taxes, duties and levies are to be borne by the Company.

