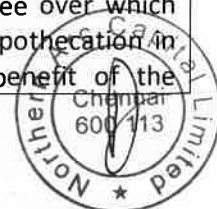


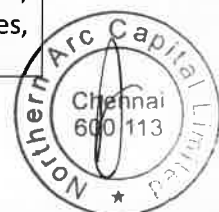
Borrower / Company / Issuer	Northern Arc Capital Limited									
Debenture Trustee	Catalyst Trusteeship Limited									
NCDs / Debentures	Rated, Unlisted, Senior, Secured, Redeemable, Non-Convertible Debentures ("NCDs" or "Debentures")									
End use	<p>Issue proceed will be utilized for following 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 or land acquisition or usages as restricted under bank finance</p>									
Mode of Issue	Private Placement									
Amount	INR 15,00,00,000									
Rating	A+									
Tenor / Final Redemption Date	18 Months from the Deemed Date of Allotment									
Issuance Schedule	<table border="1"> <tr> <td>Issue Open Date</td> <td>TBD</td> </tr> <tr> <td>Issue Close Date</td> <td>TBD</td> </tr> <tr> <td>Pay-in Date</td> <td>TBD</td> </tr> <tr> <td>Deemed Date of Allotment</td> <td>TBD</td> </tr> </table>		Issue Open Date	TBD	Issue Close Date	TBD	Pay-in Date	TBD	Deemed Date of Allotment	TBD
Issue Open Date	TBD									
Issue Close Date	TBD									
Pay-in Date	TBD									
Deemed Date of Allotment	TBD									
Interest Rate	9.30% p.a.									
Interest Type	Fixed									
Interest Payment Frequency	Quarterly									
Amortization Frequency	Bullet payment at the end of 18 months									
Issue Price	At Par									
Face Value per Debentures	Rs 10,00,000/-									
Minimum Subscription Amount	Rs 1,00,00,000/-									
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 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 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 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>									



	(iv) If the Final 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.
Record Date	15 Business Days prior to each interest payment date and 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 Price per Debenture	Each Debenture shall be redeemed at Face Value together with accrued Coupon
Security	<p>1. The outstanding amounts under the Debentures, together with coupon, default interest, remuneration of the Debenture Trustee, charges, fees, expenses and all other monies due from the Company, shall be secured by (to the satisfaction of the Debenture Holders) by a first ranking and exclusive charge of 1.10x over identified loan receivables and investments which are free from any encumbrances/charge/lien ("Hypothecated Receivables").</p> <p>2. Hypothecated Receivables are existing at the time of selection, and have not been terminated or prepaid</p> <p>3. All the extant "know your customer" norms specified by the RBI must have been complied with for each Hypothecated Receivables;</p> <p>4. All Hypothecated Receivables must comply with RBI norms and guidelines</p> <p>Security Cover of 1.10 times ("Security Cover") to be maintained on the outstanding principal amount of the Debentures at all times during the tenure of the Debentures.</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 Hypothecated Receivables as contemplated above as on the Deemed Date of Allotment of this Issuance by executing a duly stamped security document 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 Hypothecated Receivables; • The charge over the Hypothecated Receivables, book debts, investments is to be created within 30 days of the Deemed Date of Allotment. In the event the Security Cover 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 and investments to the Debenture Trustee over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the



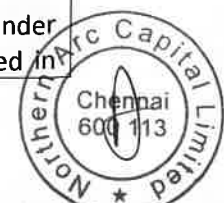
	<p>Debenture Holders) and sufficient to maintain the Security Cover on quarterly basis within the 20th calendar day from the end of every quarter.</p>
<p>Eligibility Criteria/Portfolio Origination</p>	<p>Loans constituting the Hypothecated Receivables must be originated on the basis of criteria specified below:</p> <ul style="list-style-type: none"> • Loans must be unencumbered (other than under the Transaction Documents) and not sold or assigned by the Borrower • Loans must have been originated while complying with all the extant 'know your customer' norms specified by the RBI. • Each client loans must satisfy the Borrower's credit and underwriting policies including credit referencing agency checks where commonly used
<p>Security Creation</p>	<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>Interest on Application Money</p>	<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> <p>Where Pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid</p>
<p>Transaction Documents</p>	<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;
<p>Conditions Precedent</p>	<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;



	<ul style="list-style-type: none"> • 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 agency having provided a minimum rating of 'A+' for the Debentures 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 <ul 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 g) the Debenture Trustee shall have received from the Company its audited account statements for the financial year ended 31st March 2019. • 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>



	<p>(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;</p> <p>(b) File Form PAS 5 along with the Information Memorandum with SEBI;</p> <p>(c) Credit of demat account(s) of the allottee(s) by number of NCDs allotted within 2 Business days from the Deemed Date of Allotment;</p> <p>(d) To ensure compliance with SEBI/ Companies Act 2013 for issuance of NCDs</p> <p>(e) Shareholders resolutions approving the issuance of NCD and current borrowing limit obtained within the timelines stipulated as per Companies Act 2013.</p> <p>(f) Any others as required by the Debenture Trustee in the Transaction Documents.</p>
<p>Acceleration of Redemption/ Events of Default</p>	<p>The occurrence of any one of the following events shall constitute an "Event of Default" by the Company, leading to accelerated redemption:</p> <p>(a) PAYMENT DEFAULT</p> <p>The Company does not pay on the due date any amount payable pursuant to this Deed (whether at scheduled maturity, by acceleration or otherwise) at the place at which and in the currency in which it is expressed to be payable, unless its failure to pay is caused by administrative or technical error and payment is made within 3 (Three) calendar days of its due date.</p> <p>(b) BREACH OF TERMS OF THIS DEED</p> <p>Except for the event contained in Clause (a) (<i>Payment Default</i>) above, the Company defaults in the performance of any of its representations, obligations and covenants provided in terms of this Deed and/or Transaction Documents and such default has continued for a period of 30 (Thirty) calendar days from the earlier of (i) the date when the Company obtained actual knowledge thereof or (ii) the Debenture Trustee has notified the Company of such failure.</p> <p>(c) INSOLVENCY / INABILITY TO PAY DEBTS</p> <p>The Company admits in writing its inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual financial difficulties, legal proceedings or other procedure or step or action is taken by any person (whether a financial creditor or an operational creditor or otherwise) or authority including a Governmental Authority (including but not limited to, the making of an application, the presentation of a petition, the filing or service of a notice or the passing of a resolution), in relation to an insolvency resolution process under the provisions of IBC or a moratorium is agreed or declared in</p>



respect of or affecting all the debts of the Company and the same is not cured/rectified within 30 (thirty) calendar days.

(d) MISREPRESENTATION

Any representation or warranty made by the Company in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/ Debenture Holder(s) by the Company shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.

(e) MATERIAL ADVERSE EFFECT

There shall have occurred a change in the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Company since the date hereof that has resulted in a Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified for a period of 30 (Thirty) calendar days.

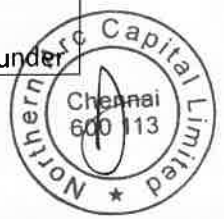
(f) CROSS DEFAULT

If the Company defaults in payment of any Financial Indebtedness, beyond the period of grace, if any, provided in the agreement under which such Financial Indebtedness was created.

(g) LIQUIDATION OR DISSOLUTION OF THE COMPANY / APPOINTMENT OF RECEIVER OR LIQUIDATOR

Any corporate action, legal proceedings or such other procedure or step is taken in relation to:

- (i) the suspension of payments, a moratorium of any Financial Indebtedness, winding-up, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company;
- (ii) a composition, compromise, assignment or arrangement with creditors of the Company;
- (ii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or for a substantial part of its assets;
- (iii) the Company, under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "Prudential Framework for Resolution of Stressed Assets" (as amended or modified or restated from time to time));
- (iv) the commencement of an insolvency resolution process under



the (Indian) Insolvency and Bankruptcy Code, 2016 (to the extent applicable) or under any other applicable Law, in respect of the Company; or

- (v) enforcement of any security over substantial part of the assets of the Company.
- (vi) Any other event occurs or proceeding instituted under any applicable Law that would have an effect analogous to any of the events listed in sub-Clauses (A) to (F) above.

AND

- (vii) the aforesaid events are not cured or vacated or stayed with a period of 30 (thirty) calendar days.

(h) TRANSACTION DOCUMENTS

The Transaction Document in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Company and such event is not cured within 30 (thirty) calendar days.

(j) CESSATION OF BUSINESS

The Company suspends or ceases to carry on its business or any substantial part thereof or gives notice of its intention to do so.

(k) UNLAWFULNESS

It is or becomes unlawful for the Company to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Company under any Transaction Document are not or cease to be valid, binding or enforceable and the same is not cured within 30 days.

(l) REPUDIATION

The Company repudiates any of the Transaction Documents or evidences an intention to repudiate any of the Transaction Documents and the same is not cured within 30 days.

(m) SECURITY

(g) The value of the Hypothecated Property is insufficient to maintain the Security Cover and the Company fails to maintain the Security Cover within 15 (fifteen) days of written notice by the Majority Debenture Holders or the Debenture Trustee; or

- (i) In the opinion of the Debenture Trustee acting on the instructions of the Majority Debenture Holders, the Security offered for the Debentures is in jeopardy and not remedied within 15 (fifteen) Business Days to the satisfaction of the Debenture Trustee.

(n) EXPROPRIATION, NATIONALIZATION ETC.



Any Governmental Authority condemns, nationalizes, seizes, expropriates or otherwise assumes custody or control of all or any substantial part of the business, operations, property or other assets (including assets forming part of the Security) of the Company or of its share capital, or takes any action for the dissolution of the Company or any action that would prevent the Company or its officers from carrying on all or a substantial part of its business or operations and the same is not cured within 30 (Thirty) calendar days.

(o) OTHER

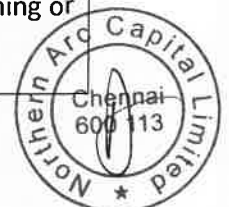
(i) Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Company funds or revenues or any other act having a similar effect being committed by the management or an officer of the Company unless the same is cured within 30 (thirty) calendar days.

(ii) 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.

(ii) 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.

(iii) 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.

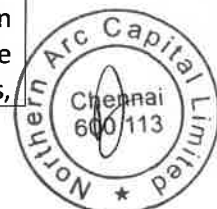
(iv) A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company or is filed on the Company / (voluntary or otherwise) or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding is not contested by the Company / for staying, quashing or dismissed within 15 (fifteen) days.



	(a) The Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors unless the same is cured within 30 days
Covenants for Debentures	<p>The Company shall provide for following covenant for the Debentures:</p> <p><u>Financial Covenants</u></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) TOL / TNW Ratio shall not exceed 6.0 times 3) PAR > 90 to AUM ≤ 5% 4) Minimum Equity shall not fall below Rs.1000 Crs <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 30 June, 2019 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>“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 more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 days or more, including restructured loans.</p> <p>A detailed description of, and additional Financial Covenants are provided in the Debenture Trust Deed.</p> <p><u>Other Covenants</u></p> <ol style="list-style-type: none"> 1) The Company shall not, without the prior consent in writing of the Debenture Trustee, make material 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) Standalone financial statements at the end of financial year 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;



	<ol style="list-style-type: none"> 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. 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 13) Provide details of any material litigation, arbitration or administrative proceedings 14) Maintain internal control for the purpose of preventing fraud lent by the issuer from money being used for money laundering or illegal purposes 15) Permit visits and inspection of books of records, documents and accounts to debenture holders as and when required by them 16) 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>	<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 performing any obligation contemplated under the transaction documents. • No Material Adverse Change in business, condition or operations of the Company • 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,



	<p>performance or prospects of the Company or that purports to affect the Debentures</p> <ul style="list-style-type: none"> • 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.
Governing Law and Jurisdiction	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 Chennai.
Indemnification	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.
Review of subscription	In case of multi notch downgrade of the credit rating of the Issuer, the Debenture Holder shall have the right to ask for a copy of external rating report in order to review/analyze its investment in the Debentures.
Confidentiality	The parties (i.e. Investors, Debenture Trustee and all such parties who gets to view this term sheet, for whatever reason) undertake to keep confidential all information with respect to this agreement/sanction and the same shall not be disclosed to any person other than its officers, directors, employees, accountants, attorneys and other advisors, and the information shall be shared only on a "need to know" and "confidential" basis and such disclosure shall be solely for the permitted purpose or if required under applicable law. The parties shall further ensure that all confidential information including unpublished price sensitive information arising out of this agreement or transactions contemplated herein shall be identified and its confidentiality shall be maintained as per the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended or replaced from time to time
Transaction Costs	The Issuer shall bear all transaction related costs incurred by the Investor with respect to legal counsel, valuers and auditors / consultants. Such costs include: <ol style="list-style-type: none"> 1. Legal fees 2. Trustee fees 3. Stamping and registration in relation to creation of Security and all Definitive Agreements.
Taxes duties cost and expenses	1. Relevant taxes, duties and levies are to be borne by the Company.

