TERM SHEET

The intent of this indicative and non-binding term sheet ("**Term Sheet**") is to describe, for negotiation purposes only, some key terms of the proposed agreement to be entered into between **Grand Anicut Trust-1, ("Investor")** an Indian trust registered with Securities and Exchange Board of India as an Alternative Investment Fund acting through its Trustee, UTPL Corporate Trustees Private Limited having office at *A. 902 , Marathon Futurex, NM Joshi Marg Lower Parel, Mumbai - 400013*, and represented by its investment manager, *Anicut Capital LLP*, a limited liability partnership registered under the Limited Liability Partnership Act, 2008 and having its registered office at *78/132 Dr Radhakrishnan Salai, Mylapore, Chennai 600004*, and Kaynes Technology India Private Limited (the "**Company**" or "**Issuer**"), a company incorporated under the provisions of Companies Act, 1956 or Companies Act, 2013, as the case may be and having its registered office at # 23-25, Belagola, Food Industrial Estate Metagalli P O, Mysore Karnataka 57001 with respect to the proposed investment/s by the Investor in the Company ("**Proposed Transaction**"). This Term Sheet should not be construed as a binding offer by the Investors and any transaction contemplated herein, is subject to, among other things, the completion of a legal, financial and tax due diligence process satisfactory to the Investor in its sole and absolute discretion and the execution of the transaction documents ("Definitive Documents") by Investor and the Company, as well as the satisfaction of the other conditions which are set forth herein or in the Definitive Documents. Nothing contained herein shall constitute an offer to buy or sell the securities described in this Term Sheet.

Notwithstanding anything to the contrary, any obligations of Investor to complete or provide funding for any transaction, whether contemplated herein or otherwise, are subject to Investor's internal approval, completion of detailed due diligence covering business, financial, legal and tax due diligence, to the satisfaction of Investor in its sole and absolute discretion, all necessary corporate approvals having been obtained, and the parties hereto having negotiated, approved, executed and delivered the appropriate definitive agreements. Notwithstanding anything to the contrary, any obligations of the Company to complete any transaction, whether contemplated herein or otherwise, are subject to the parties hereto having negotiated, approved, executed and delivered the appropriate definitive agreements and such definitive agreements remaining in full force and effect.

This Term Sheet shall remain valid up to 7 days from the date hereof, however, the same can be extended by additional 7 days at the option of the Investor. If this Term Sheet remains unsigned after that time, Investor at its option may immediately terminate discussions with the Company or change any or all pricing, terms and conditions contained herein. Notwithstanding the foregoing, the Investor shall have the right to terminate this Term Sheet at any time before the expiry of the aforesaid period, at its sole and absolute discretion, without any liability or obligation whatsoever.

1.0 Parties

1.1	**Investor**	Grand Anicut Fund – 1
1.2	**Issuer / Company**	Kaynes Technology India Private Limited
1.3	**Founders / Promoters**	Mr. Ramesh Kannan Ms. Savitha Ramesh

ANICUT CAPITAL LLP CHENNAI 600 004

1.4	**Holding Companies**	NA
1.5	**Other Shareholders**	Nil
1.6	**Debenture Trustee**	Milestone Trusteeship Services Private Limited
1.7	**Depository**	NSDL
1.8	**Registrar & Transfer Agent**	
1.9	**Business of the Issuer**	Electronic system and design manufacturing services

2.0 Investment and Returns

2.1	**Type of Security**	Unrated Unlisted Unsecured Non-Convertible Debentures (**"NCDs"** / **"Debentures"**)
2.2	**Face Value of NCDs**	Rs.10,00,000
2.3	**Issue Size**	150 NCDs to be issued by the Company at par for cash in dematerialized form.
2.4	**Investment Amount**	Rs. 15,00,00,000 (**"Investment Amount"**) Subject to the fulfilment of the terms and conditions set out in the Definitive Agreements, the Investor will invest the Investment Amount into the Company.
2.5	**Deemed Date of Allotment**	The date falling after the expiry of 2 (two) working days from Transaction closure
2.6	**Interest on Subscription Amounts**	The Company shall be liable to pay interest at the rate of **18%** per annum from the date of investment of the subscription monies till the Deemed Date of Allotment.
2.6	**Maturity Date**	The maturity date for all the NCDs shall be the date falling on the expiry of **730** days from the Deemed Date of Allotment
2.7	**Coupon**	The NCDs shall be serviced at a coupon of **18%** p.a., payable at monthly advance rests from each of the respective Deemed Date of Allotment. Schedule of payout date and amounts to be detailed out in the Definitive Agreements
2.8	**Security**	The NCDs shall be secured by: (a) personal guarantee from the Founders of the Company; (b) pledge of **26%** shares by the Founders of the Company; (c) issue of demand promissory note by the Company; (d) post-dated cheques for monthly coupon payments and principal payment instalments and an undated cheque for the entire Investment Amount; and

ANICUT CAPITAL LLP CHENNAI 600 004

		(e) such other security as may be created under the Definitive Documents.
2.9	**Warrants**	Not applicable
2.10	**End Use**	The Investment Amount will be utilized in the manner set forth in the business plan, primarily to meet the working capital requirements of the Company or such other purposes as may be agreed between the parties in writing.
2.11	**Voluntary Prepayment**	The Company shall not be entitled to prepay the Investment Amount or any part thereof until the expiry of 12 months from the Deemed Date of Allotment with 30 days advance notice. It is clarified that the aforesaid stipulation shall not prevent the Investor from causing the Company to redeem all or any of the NCDs upon occurrence of an Event of Default (*defined hereunder*).
2.12	**Redemption Provisions**	(a) The NCDs shall, if not redeemed earlier in the manner prescribed herein, be redeemed in entirety on the Maturity Date ("**Bullet Redemption**"), whereby the Company shall pay the entire Investment Amount along with the outstanding Coupon, Default Interest, if any, and any other amounts that may be outstanding and payable by the Company to the Investor. Without prejudice to the provisions of Clause 2.12 (a) mentioned above, the Investor shall, have an option, exercisable at its own discretion, by giving a notice in writing ("**Redemption Notice**"), to cause the Company to redeem all the NCDs in a manner that, the Company shall pay and the Founders shall ensure that the Company shall pay, the Investment Amount to the Investor within 30 days from the date of Investor serving the redemption notice on the Company. The Company shall pay, along with each instalment of the Investment Amount, the outstanding Coupon, Default Interest, if any, and any other amounts that may be outstanding and payable by the Company to the Investor (b) Upon occurrence of an Event of Default, the Company shall be liable to redeem the NCDs and pay to the Investor, along with the Investment Amount and any other outstanding amount due and payable to the Investor, an Amount that gives the Investor

ANICUT CAPITAL LLP CHENNAI 600 004

		an yield of 18% till the time all the NCDs are redeemed in full.
2.13	**Grace Period**	The Company shall be provided with 15 cumulative calendar days of grace period commencing from Investment Date to enable interest and principal repayments. In the event the Company redeems the NCDs in the manner set out in Clause 2.12 (b) above, then, the Company shall have a grace period of not more than 7 (seven) consecutive days for payment of each instalment of Investment Amount. There shall be no graceperiod available to the Company for payment of Coupon. If the Company fails to make payments within the availed grace period set out above, it shall constitute an Event of Default. Notwithstanding the grace period mentioned hereinabove, the Company shall be liable to pay Default Interest (*defined below*) in case of any delay in payment of the Investment Amount or part thereof beyond the respective due dates .
2.14	**Default Interest**	The Company shall be liable to pay additional default interest at 1% per month of the outstanding amount in the event of any delay in repayment of the Investment Amount or part thereof, or the Coupon, on the applicable due dates and / or any other amounts payable to the Investor, in terms of the definitive documents.
2.15	**Events of Default and Consequences of Default**	The following is an indicative list of events that shall be termed as Event(s) of Default: (a) Any failure to pay any amounts due to the Investor (including coupon or principal amount of part thereof), including any amounts that become due and payable pursuant to Clause 2.12(a) and 2.12(b)above.; (b) Any event that triggers a change of control of the Board from the hands of Founders; (c) Any issue of a notice of default or withdrawal / reduction of the cash credit/working capital facilities of the Company/its subsidiaries due to financial stress in the Company, by any of the lenders / banks if not cured within 15 days;

ANCUT CAPITAL LLP CHENNAI 600 004

(d) Any issue of a notice of default from any lender to the Company in respect of any present or future indebtedness of the Company if not cured within 15 days;

(e) Any capital raise event such as equity raise (through Initial Public Offering or Private Equity investment), either at the Parent Company or the Company level and failure of the Company repay the Investor dues form the proceeds of capital raise event within the Maturity Date

(f) The consolidated debt:equity ratio of the Company exceeds 2:1 and not cured within 15 days ;

(g) The cumulative value of the Security furnished by or on behalf the Company falls below 45 crores/if any Security created by the Company or its Promoters in respect of the issuance is set aside, or rendered defective or invalid, or encumbered in any manner whatsoever or/in the sole opinion of the Investor is jeopardized and not cured within 15 days;

(h) Any punitive action on the Directors / Founders / Management as applicable of the Company/ its subsidiary / Holding Companies by Regulatory Authorities in lieu of non-compliance / non-payment / delayed payments of dues, statutory or otherwise and not cured within 15 days;

(i) Any representation, warranty or statement made by the Company (in the Definitive Documents with the Investor) is incorrect or misleading or the Company or the Founders breach any of the conditions or covenants provided in the Definitive Documents;

(j) Bankruptcy, dissolution, insolvency, liquidation or winding up proceedings in relation to the Company or Parent / Holding Company, without the approval of the Investor.

Upon occurrence of an Event of Default, the Investor shall serve a notice in writing (**"Redemption Notice"**) to the Company / Founders, and the repayment shall be as per Clause 2.12(b) above, within 3 days of serving of Redemption Notice. If there is any delay in payments as stated in Clause 2.12(c), the Investor

ANICUT CAPITAL LLP CHENNAI 600 004

		may exercise any or all of the following rights, in any order: (a) Require the Company and/or the Holding Company and/or the Founders to mandatorily redeem and/or purchase the NCDs immediately such that the Investor receives an yield of 18% on the Investment Amount; (b) Enforce any one or more Security created for the benefit of the Investor; (c) Appoint nominee directors on the Board of the Company; (d) Take such other action expressly permitted under the Definitive Documents with the Investor or permitted under applicable laws.

3.0 Associated Rights

3.1	**Transfer by Investor**	In case of change of control of the Investor entity, there will be no restriction on the ability of Investor to transfer all or any of the Debentures held by it along with rights attached to such Debentures and the Company and the Founders shall do all such acts and deeds as may be necessary to give effect to such transfer.
3.2	**Information Rights**	The Company will prepare quarterly management reports and annual operating plans in a form and timetable acceptable to the Investor and provide any other information reasonably required by the Investor from time to time. Specifically, the Company will deliver to the Investor: (a) Audited annual financial statements within time frame as permitted by Companies Act, 2013 before September 30th of each fiscal year; (b) Monthly MIS in the format agreeable to the Investor; (c) Annual business plan (including quarterly budget containing an income statement, a statement of cash flow, a balance sheet and detailed break-down of working capital), no later than 15 (fifteen) days of the end of each fiscal year for the following fiscal year; (d) Quarterly reports on key performance indicators identified by the Investor and notified to the Company within 21 (twenty-

ANICUT CAPITAL LLP
CHENNAI
600 004

4.0 Conditions to closing

The obligation of the Investor to invest in the Company shall be subject to *inter alia*, the following conditions. Notwithstanding the generality of the foregoing, the Investor may enjoin such other conditions upon the Company, prior to making the investment, as it deems fit.

4.1	**Due Diligence**	The Investor shall complete a detailed due diligence covering business, financial, legal and tax areas, to its satisfaction.
4.2	**Business Plan**	Finalization of business plan for 36 months from date of investment of the Investment Amount.
4.3	**Undertakings, Representations and Warranties**	The Definitive Documents will contain customary representations, warranties, indemnities, undertakings and covenants, together with deal-specific provisions arising from the due diligence exercise.
4.4	**Approvals and Consent**	The Proposed Transaction must be approved by Investor's Investment Committee and by the Board of Directors and shareholders of the Company.

5.0 Other Matters

5.1	**Costs & Expenses**	The drafting charges for the Definitive Documents, Diligence, diligence and incidental expense shall be borne by the Company on actuals. Also, the Company shall bear all other costs and expenses pertaining to the Proposed Transaction, including the stamp duty and other expenses related to documentation and transaction closure.
5.2	**Dispute resolution**	Any dispute arising out of this Term Sheet shall be subject arbitration of a sole arbitrator mutually appointed by the parties herein. The Arbitration shall be held in Chennai, India, and the language of the proceedings shall be in English. The arbitration shall be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996.
5.3	**Governing law**	The laws of India. Subject to Clause 5.2 above, the courts in Chennai shall have exclusive jurisdiction.
5.4	**Exclusivity**	The Company agrees, acknowledges and understands to not negotiate or enter into or continue discussions with any other person or entity or solicit or encourage, directly or indirectly, or furnish information to any other person or entity, with respect to transactions and arrangements contemplated in this Term Sheet, upto October 14th 2017
5.5	**Confidentiality**	The parties shall keep confidential at all times the fact that the parties herein have executed this Term

ANICUT CAPITAL LLP
CHENNAI
600 004

		Sheet, the terms of this Term Sheet and the existence and content of any negotiations between both the parties except that both parties may (i) inform advisors, counsels, and employees with a need to know as each party deems necessary, and (ii) make appropriate disclosures if required by applicable laws.

ACCEPTED AND AGREED:

For Issuer / Company Per: Title: Date: RAMESH KANNAN MANAGING DIRECTOR 28-SEPT-2017	**For Investor** Per: Title: Date: A.S. BALAMURUGAN MANAGING PARTNER 28/Sep/2017 ANICUT CAPITAL LLP CHENNAI 600 004
For Founders Per: Title: Date: RAMESH KANNAN 28-SEPT-2017	

ADDENDUM TO TERM SHEET

This is an addendum ("**Addendum**") to the indicative and non-binding term sheet dated 28.09.2017 ("**Term Sheet**") executed between Grand Anicut Trust – 1, a Category - II Alternative Investment Fund registered with the Securities and Exchange Board of India ("**Investor**") and Kaynes Technology India Private Limited (the "**Company**" or "**Issuer**"), a company incorporated under the Companies Act, 1956 or Companies Act, 2013, as the case may be and having its registered office at 104/9 Erode Main Road, Chitode, Tamil Nadu 638102, India, with respect to the proposed investment/s by the Investor in non-convertible debentures of the Company ("**Proposed Transaction**"). The Investor and the Company are hereinafter collectively referred to as the "**Parties**" and individually referred to as "**Party.**"

1. The Parties are executing this Addendum to amend and replace following sub-paragraphs of paragraph 2 of the Term Sheet:

2.0. Investment & Returns

2.6	*Maturity*	*30 months form first Deemed Date of allotment*

2. Paragraphs 5.2 (*Dispute Resolution*), 5.3 (*Governing Law*) and 5.4 (*Exclusivity*) of the Term Sheet shall be deemed to have been incorporated *mutatis mutandis* in this Addendum.
3. The Parties agree that all of the provisions of the Term Sheet, except those amended and replaced in accordance with this Addendum, shall continue to be applicable in full force and effect.

For Issuer/Company	For Investor
Per: Title: Date:	Per: Title: Date:
For Promoter/s Per: RAMESH KUNHIKANNAN Title: MANAGING DIRECTOR Date: 04/10/2017	A. Jayakumar 04/10/2017