

TERM SHEET

This term sheet dated 2nd June, 2019 provides indicative terms and conditions for the facility proposed to be availed by **Si Creva Capital Services Pvt. Ltd.** ("Company") from **BAC Acquisitions 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, Confidentiality and Press Announcements and Exclusivity.

No.	Terms	Particulars
1.	Debt Amount	Rs. 50,00,00,000 (Rupees Fifty Crores Only) through the issue of redeemable Non-Convertible Debentures ("NCDs") in two tranches
2.	Instrument	[Unlisted Secured] Non-Convertible Debentures ("NCDs"). The NCDs shall be compulsorily issued in dematerialized form. The NCDs shall be freely transferable.
3.	Purpose	General corporate purpose, to originate loans and to meet short term liquidity requirements. The amount borrowed under the Facility shall not be directly or indirectly be 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. Krishnan Vishwnathan and Mr. Ranvir Singh. The Promoters shall be confirming parties to the Transaction Documents.
5.	Tenor	36 months from the issuance of each tranche.
6.	Put Option	At the end of every 6 months, subject to a notice 10 days (Exercise Date) prior to the Put option Date.
7.	Upfront Fees	Non-refundable fee of 1% of the entire amount of NCDs, exclusive of all applicable taxes payable [prior to disbursement of the first tranche]
8.	CPs to tranche 2	Close of Series [c] funding of more than INR 330 crores No Event of default has happened Tranch1 has been dematerialized All condition subsequent for Tranche 1 are completed
9.	Interest Rate	1 st six months :- [Fixed] rate of 13% per annum, payable monthly 2 nd six months :- [Fixed] rate of 15.5% per annum, payable monthly 3 rd six months :- [Fixed] rate of 16.5% per annum, payable monthly 4 th six months :- [Fixed] rate of 16.5% per annum, payable monthly 5 th six months :- [Fixed] rate of 15.5% per annum, payable monthly 6 th six months :- [Fixed] rate of 15.5% per annum, payable monthly on the outstanding amounts of the NCDs

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		Note : Interest Rates as mentioned above will be reduced by 50 bps for an one notch upgrade in rating. It will be effected from date of upgrade in rating.
10.	Additional Interest	Upon the occurrence of an EOD, additional interest @ 2% per month 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	36 months from the issuance of each Tranche
12.	Repayment Schedule	Bullet repayment at the end of 36 th month from each tranche.
13.	Voluntary Prepayment	<ul style="list-style-type: none"> (a) Upon the expiry of the 12month period, the Company is permitted to voluntarily redeem the NCDs, subject to payment of (a) prepayment premium at the rate of 2% of the amounts being prepaid; (b) No part redemption of the NCDs is permitted.
14.	Mandatory Prepayment	<ul style="list-style-type: none"> (a) The Company shall mandatorily redeem the NCDs, if it becomes unlawful for the any debenture holder to hold the NCDs or perform its obligations under the transaction documents, pursuant to a change in law, within a period of [45] days from the date of notification by the debenture holder or shorter time prescribed under applicable laws. Prepayment Penalty wont be applicable
15.	Security	<p>Exclusive first charge by way of hypothecation over certain identified receivables ("Portfolio") consisting of performing loans (net of financial charges NPA, other charges, etc) of the Company as detailed in the Transaction Documents, amounting to not less than 110% of the Principal Amount. The Borrower, shall replace such assets constituting the Portfolio that have one or more installments of principal, interest, additional interest, fee or any other expected payments overdue with performing loans.</p> <p>Portfolio will be defined in the documentation stage. The security shall be created and perfected [prior to the drawdown of the NCDs].</p> <p>The value of the secured assets should be at least 1.1x of the outstanding amount of the NCDs at any time. The Company shall ensure that the NCDs remain 'secured debentures' for the purposes of the Companies Act, 2013, throughout the Tenor.</p> <p>Security cover of 1.1x will include receivables overdue upto 60 days. Note Such overdues receivables should not exceed the 10% of total receivables to be hypothecated.</p> <p>Corporate Guarantee from OnEMI Technology Solutions Pvt. Ltd. (Holdco)</p> <p>The Security shall be duly perfected prior to the Investors subscribing to any of the Subscription Securities in the manner detailed in Transaction Documents</p>
16.	Target Close	10 th June, 2019
17.	Key Conditions Precedent	<ul style="list-style-type: none"> (a) Delivery of corporate approvals approving the issuance of NCDs and creation of security.

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		<ul style="list-style-type: none"> (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 (c) Completion of due diligence exercise(s) by the Investor (d) Receipt of necessary consents / no-objections from the existing shareholders / lenders of the Company / security providers (e) Payment of Upfront Fees. Upfront fees will be paid to the extent of amount drawn. (f) Creation and perfection of security, to the extent possible. Initial receivables to be assigned within 60 days from date of disbursement. (g) Others to be identified in the Transaction Documents.
18.	Information Covenants	<ul style="list-style-type: none"> (a) Monthly financial statements within 30 days of month end (b) Annual audited financial statement within 180 days of year end (c) Unaudited quarterly and year to date financial statements within 45 days of quarter end (d) Annual operating budgets and projections within 45 days of financial year end. (e) Cash position of the Company at the end of every month within 15 days of the end of every month. (f) MIS statements at the end of every month sent to equity investors, which should include disbursal amount, AUM , PAR 90. (g) The Company shall provide a certificate from a practicing chartered accountant confirming the security cover on an annual basis and a certificate confirming the value of secured assets on a quarterly basis. (h) 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.
19.	Financial Covenant	<ol style="list-style-type: none"> 1.) Company to maintain a Capital Adequacy Ratio (as per RBI norms) greater than 20% 2.) Company to ensure that Financial Indebtedness does not exceed a value of 3 times the Adjusted Tangible Net Worth <ul style="list-style-type: none"> i. Financial Indebtedness shall include the outstanding amounts under any financing raised from a sale of receivables of the Company that benefit from an implicit/explicit recourse to the Company ii. Tangible Net worth means the sum of paid up capital and reserves adjusted to account for intangible items iii. Adjusted Tangible Net Worth means Tangible Net worth less credit enhancement provided as first loss protection cash collateral on a nonrecourse sale of receivables 3.) Maximum permissible ratio of Portfolio at Risk beyond 90 days to Cumulative Disbursals, excluding disbursals in the most recent 3 months, should not exceed 5%

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		<p>4.) Company and HoldCo to collectively maintain a total free cash reserve of 10% of outstanding Principal Amounts of debt. For avoidance of doubt, lien marked cash for FLDG will not be counted for this purpose.</p> <p>(a) First 2 financials covenants will be tested at the end of every quarterly period and balance 2 at the end of every month</p>
20.	Early Redemption Event	<p>Any change in RBI regulation, which hampers the business prospects of Borrower will trigger the early redemption event. Example of this could be a cap on Interest being charged or cap on NIM.</p> <p>Investors will determine, if the new regulation will trigger the early redemption event.</p> <p>Rating downgrade below 'BBB-'</p>
21.	Indemnity	<p>(b) 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>(c) 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 (EOD)	The EOD and its consequences shall be detailed in the Transaction Documents.
24.	Material Adverse Change	<p>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.</p> <p>Material Adverse Change will be an EOD.</p>
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
26.	Transaction Documents	<p>As prescribed by Investor, including but not limited to:</p> <p>(a) Debenture Trustee Appointment Agreement</p>

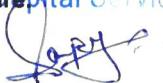
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No.	Terms	Particulars
		<p>(b) Debenture Trust Deed</p> <p>(c) Debenture Subscription Agreement, if required</p> <p>(d) Security documents such as deed of hypothecation, pledge agreement, mortgage documents, etc. as applicable</p> <p>(e) Post-dated cheques for the amounts of interest, each repayment instalment and Redemption Premium, as indicated by the Investor / such amounts as indicated by the Investor</p>
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 Announcement s	<p>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 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 Bengaluru 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 SIAC Rules, with venue in Bengaluru, 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 [Name of Company] <i>SiCerva Capital Services Pvt. Ltd.</i>	
Name: 	
For BAC Acquisitions Private Limited <i>Authorised Signatory</i>	
Signature:	

Name: