

Term Loan B (TLB)

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An ed-tech giant has recently failed to pay interest on its **Term Loan B**.



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About the Term Loan B:

- A term loan B is a **debt instrument** through which start-ups **raise money** that allows for a **flexible repayment** of their dues to **creditors**.
- Under term loan B, **borrowers** are **not** required to pay the **principal amount**, and unlike a **regular loan** borrowers can pay a **large amount** at the end of the loan period.
- This allows **borrowers** the flexibility to **spend money** and invest in growing their business.