



SAGAR DEPOSITS AND ADVANCES LTD.

'A' Grade Non-Banking Finance Company (APPROVED BY: RESERVE BANK OF INDIA)

Regd. Office: SCF-272, 2nd Floor, Motor Market, Mani Majra, Chandigarh - 160101

TERM SHEET

Company / Issuer	SAGAR DEPOSITS AND ADVANCES LIMITED
Type of Instrument:	Secured, Redeemable, Unlisted, Transferable, Non-Convertible Debentures ("Debentures") issued on Private Placement basis
Nature of Instrument	Secured
Issue size	INR 2 (Two) Crore
Face Value of Debentures	INR 5,00,000 (Indian Rupees Five Lakh)
Number of Debentures	40 (Forty) Debentures
Issue Price:	At Par
Debenture Trustee	Catalyst Trusteeship Limited
Promoter (s)	[Redacted]
Purpose and objects of the Issue:	<ul style="list-style-type: none">- For onward lending- Funds cannot be used for onward lending to other NBFCs/ Financial Institutions without the express written permission from the Debenture Holder
Specified Drawdown Dates:	Issue Opening Date: 04 th February, 2019 Issue Closing Date: 06 th Feb 2019 Deemed Date of Allotment ("DOA"): 07 th Feb 2019
Issuance mode of Debentures	Dematerialized
Coupon Rate	12% per annum



Regional Office: E-66, Bhagat Singh Marg, C-Scheme, Jaipur-302001 (Raj.)

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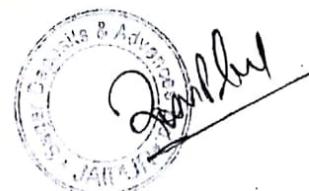
Coupon payment frequency	Monthly
Maturity/ Redemption Date	13 (thirteen) months from the DOA.
Default Interest Rate	In case of default in payment of coupon on the coupon payment dates specified as per Schedule I or any other amount/charges required to be paid by the Issuer to the Debenture Holder under the Transaction Documents, an additional interest of 2% (two percent) over the coupon rate will be payable by the Issuer for the defaulting period on the defaulted amount.
Day count basis	Actual/ Actual
Financial Covenants	<p>The Company shall comply with the following financial covenants till all the Debentures are redeemed to the satisfaction of the Debenture Holder:</p> <ul style="list-style-type: none"> a) Maximum Net Debt/Equity of 2.0x b) Minimum Capital Adequacy Ratio of 30% c) Maximum Net NPA ratio of 0.5%
Meeting Dates	<p>Date Of Board Meeting : 22.01.2019</p> <p>Date of EGM : 25.01.2019</p>
Put Option Exercise Date	Every 3 rd Coupon Payment Date a month after the DOA shall be a Put Option Exercise Date
Put Notice	On each Put Option Exercise Date, the Debenture Trustee (acting on the instructions of the Debenture Holder) shall have the right to seek redemption of the Debentures (Put Option) by informing the Company in writing atleast 15(fifteen) business days prior to the Put Option Exercise Date. If the Put Option is exercised, the Debentures will be redeemed on the Put Option Exercise Date. Any such notice issued by the Debenture Trustee is irrevocable.
Primary Security	<p>The Debentures shall be primarily secured by way of:</p> <p>Exclusive charge on present & future loan receivables (net of financial charges, NPA, other charges etc.) ("Hypothecated Receivables") created upfront as a condition precedent, pursuant to a Deed of Hypothecation</p>



	<p>executed between the Company and the Debenture Trustee.</p> <p>The Issuer undertakes to the following and covenants as follows:</p> <ol style="list-style-type: none"> 1. To ensure that the Hypothecated Receivables shall at all times be equal to 150% of the value of the outstanding principal amount of the Debentures. ("Security Cover") 2. The Company to ensure that the Hypothecated Receivables (current or future) will at all times, during the tenor of the Debentures, cover underlying loans with a CIBIL rating of 650 and above 3. To provide a list on a quarterly basis, of specific loan receivables/identified book debts to the Debenture Trustee over which the charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) 4. To hypothecate and charge fresh / additional receivables in favour of the Debenture Trustee pursuant to the Deed of Hypothecation to ensure that the Security Cover is maintained at all times during the tenor of the Debentures 5. To file Form CHG 9 for perfecting the security with respect to the original and additional receivables charged in favour of the Debenture Trustee within 30 days from the date of execution of the Deed of Hypothecation.
Additional Security	The Company shall secure the Debentures together with all dues, costs, charges and expenses and all present and future monies, debts and liabilities due and incurred from time to time by the Company under or in connection with the Debentures, by creating a first ranking sole and exclusive charge by way of pledge ("Share Pledge Deed") over such number of shares of the Company constituting 26 % of the equity share held by Mr Omprakash Sharma director & shareholder in the capital of the Company and such security cover shall be maintained at all times during the tenor of the Debentures.
Initial CA certified List of receivables/ Primary Security	To be provided upfront before Pay-in as per selection criteria
Selection Criteria	Selection Criteria and other details would be shared, post data sharing by the Company and Due Diligence done by Debenture Holder
Material Adverse Change:	In the opinion of the Debenture Holder (i) a material impairment in the perfection of the Hypothecated Receivables or in the value of such Hypothecated Receivables (ii) a material adverse change in the business, assets, operations, prospects or condition (financial or otherwise) of Issuer (iii) a material impairment of the prospect of repayment of any portion of the obligations or to perform and comply with its obligations under any Debenture Document (iv) validity, legality or enforceability of, any rights or remedies of the Debenture Holder under any Transaction Document. Material Adverse Change will constitute an Event of Default.
Repayment Mode	Monthly Coupon Payments or Redemption proceeds shall be done by RTGS/cheques to the Debenture Holder



Business day convention	Should any date(s) including the DOA, coupon payment dates or Maturity date falls on a day which is a Saturday or Sunday or public holiday and no high value clearing or RTGS is available for any reason whatsoever at Mumbai, the previous business day shall be considered as the effective date.
Documentation:	As prescribed by the Debenture Trustee (acting on behalf of the Debenture Holder) including but not limited to Debenture Trust Deed, Debenture Trustee Agreement, Deed of Hypothecation, Deed of Guarantee, Fee letters, Legal Opinions and any other document including this Term Sheet to give effect to the provisions of this Term Sheet ("Transaction Documents").
Representations and Warranties	<p>The Company provides the following representations and warranties to the Debenture Trustee/Debenture Holders:</p> <ul style="list-style-type: none"> • The Company is registered with the RBI as a NBFC and is in compliance with the relevant provisions of law in relation to the issue of debentures; • No Event of Default has occurred and is continuing on the date of this Term Sheet; • The Company has the power and authority to issue Debentures and the transaction documents entered into pursuant to this Term Sheet are valid and admissible in evidence; • It has obtained all corporate and governmental authorizations and consents (including those from central and state government, local authorities), no contravention of existing agreements and constitutional documents, or any document which is binding; • No Material Adverse Change in business, condition or operations of the Issuer; • Completeness and accuracy of financial statements and other information shared with the Debenture Holder; • 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 Issuer or that purports to affect the transaction contemplated under this Term Sheet; • Illegality <p>Any other representations as may be required by the Debenture Holder and as set out in the Transaction Documents including those required pursuant to any due diligence carried out by the Debenture Holder.</p>
Information Undertakings:	<ul style="list-style-type: none"> • The Financial Covenants specified above have to be complied with at all times during the tenor of the Debentures and a certificate to be submitted on a quarterly basis confirming the same • The Issuer should ensure that such financials are submitted to the Debenture holders within 30 days in the case of un-audited results and 60 days in the case of audited results from the end of the respective period.



	<ul style="list-style-type: none"> • To provide a CA certificate and CA certified receivables to be submitted in accordance with the selection criteria every quarter • Provide details of any material litigation, arbitration or administrative proceedings • To utilize the proceeds of this Issue in accordance with applicable laws and regulations • To comply with corporate governance, fair practices code prescribed by the RBI • Notify of any potential Event of Default or Event of Default; • Obtain, comply with and maintain all licenses and authorizations • Maintain internal controls for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money-laundering or illegal purposes; • Permit visits and inspection of books of records, documents and accounts to Debenture Trustee as and when required by them; • Comply with any monitoring and/or servicing requests from Debenture Trustee <p>Any other Information Undertaking as agreed between the Debenture Holder and the Issuer</p>
Conditions Precedent	<p>The Company shall fulfil the following Conditions Precedent to the satisfaction of the Debenture Trustee and submit Conditions Precedent documentation where applicable to the Debenture Trustee, prior to the Pay in Date:</p> <ol style="list-style-type: none"> a) All corporate approvals from the Board of Directors and shareholders of the Issuer, if applicable; shall have been received for the issuance of the Debentures, and the execution, delivery and performance by the Issuer 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; b) The Issuer shall have executed the Transaction Documents prior to the Pay-In date; c) The Issuer shall have submitted to the Debenture Holders /Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements; d) The Issuer shall have submitted to the Debenture Trustee /Debenture Holders a certified true copy of the constitutional documents of the Company (the Memorandum and Articles of Association and the Certificate of Incorporation) e) The Issuer shall have submitted to the Debenture Trustee/Debenture Holders its audited account statements for the most recent financial year or audited financial half-year;
Conditions Subsequent	<p>The Issuer shall ensure that the following documents are executed/activities are completed as per the time frame stipulated in the Debenture Trust Deed:</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/Private Placement Offer Letter and Form PAS 3 along with requisite fee within prescribed timelines; b) The Issuer shall ensure credit of Demat account of the Debenture Holder with the number of Debentures allotted within 2 (Two) Business Days of the DOA; c) The Issuer shall ensure compliance with SEBI / Companies Act 2013 (as applicable) for issuance of NCDs.
Affirmative Covenants	<ul style="list-style-type: none"> a) To utilize the proceeds of this issue in accordance with applicable laws and regulations b) To comply with corporate governance, fair practices code prescribed by the RBI c) Notification of any potential Event of Default or Event of Default; d) Obtain, comply with and maintain all licenses / authorizations e) Provide details of any litigation, arbitration or administrative proceedings having a Material Adverse Effect; f) Maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes; g) Permit visits and inspection of books of records, documents and accounts to Debenture Trustee as and when required by them; h) Comply with any monitoring and/or servicing requests from Debenture Trustee
Negative Covenants	<p>Issuer shall not, without the prior written permission (which approval shall not be unreasonably withheld) of the Debenture Holder and Debenture Trustee, do or undertake to do any of the following:</p> <ul style="list-style-type: none"> a) Change in promoter, and management control b) c) Any merger, acquisition, restructuring, amalgamation d) The Issuer shall not, enter into any transaction of merger, demerger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; e) Issuer shall not modify clauses in its Memorandum of Association and Article of Association related to debenture of the Company, where such amendment would have a Material Adverse Effect, and shall not amend or modify clauses in its Memorandum of Association and Article of Association which affects the validity and enforceability of the Transaction Documents, f) Issuer shall not change its financial year-end from 31st March



	<p>(or such other date as may be approved by Debenture Holder)</p> <p>g) Any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business</p> <p>h) No dividend, If an Event of Default has occurred and is subsisting</p> <p>i) Not undertake any new major new business outside financial services or any diversification of its business outside financial services</p> <p>j) If an Event of Default occurs, incur any financial indebtedness (in addition to the indebtedness stipulated in the Debenture Trust Deed) without the prior consent of the Debenture Trustee, other than for refinancing the Debentures.</p> <p>k) Without prior approval of the Debenture Trustee, the Issuer shall not make any modification to the structure of the Debenture in terms of coupon, conversion, redemption, or otherwise.</p>
Events of Default	<p>Events of Default (including carve-outs as agreed in the Transaction Documents) shall be usual for financings of this nature and as appropriate for this transaction as applicable to the Issuer including, but not limited to the following:</p> <ul style="list-style-type: none"> • Failure to pay • Breach of any covenants (affirmative and negative) and representations and warranties; • Misrepresentation or misleading information leading to a Material Adverse Effect; • Bankruptcy, insolvency, winding up • Restructuring or Liquidation • Cross-default with other obligations of the Issuer or its group entities • Initiation of any action against the Company under the Insolvency and Bankruptcy Code 2016 • Depreciation in the value of any of its assets offered as security to such an extent that in the opinion of the Debenture Trustee, there is a requirement to provide further security and such additional security is not provided with 7(seven) business days of written notice served by the Debenture Trustee or the Security Cover is not maintained • Material Adverse Change • Repudiation of Transaction Documents • Breach of financial covenants • Breach of regulatory guidelines, payment of stamp duty, corporate governance issues • Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer/ Promoter funds or revenues or any other act having a similar effect being committed



	<p>by the management or any officer of the Issuer</p> <ul style="list-style-type: none"> • Change in Control without prior written consent from the Debenture Holders where "control" has the meaning given to it in the Companies Act, 2013
Expenses:	Issuer agrees to pay all costs, fees and expenses incurred by the Debenture Holder (including legal costs) in connection with the Transaction Documents.
Jurisdiction	<p>The Debentures and the Transaction Documents (including the Debenture Trust Deed) are governed by and will be construed in accordance with the Indian laws. The courts and tribunals of Mumbai, India have exclusive jurisdiction to settle any dispute arising out of or in connection with the Debentures or the Transaction Documents.</p> <p>Notwithstanding anything to the contrary contained in any other Transaction Document/Disclosure Document, the Debenture Trustee/Debenture Holders may commence any legal action/proceedings arising out of the Debentures or the Transaction Documents in a court, tribunal or any other appropriate forum in India and the Company hereby consents to that jurisdiction.</p>
Confidentiality:	This Term Sheet is confidential, and contents of this letter may not be disclosed by the Company without the Debenture Holder's prior written consent.
Listing	The debentures are not proposed to be listed on any stock exchange
Minimum Application Size	1 Debenture and in multiples of 1 Debenture thereafter of Rs 5,00,000 each
Computation of Interest	Interest payable on the Debenture will be calculated on the basis of actual number of days elapsed in a year of 365 or 366 Days as the case may be.
Holiday Convention	<p>If any of the interest or principal payment date is a holiday or any unscheduled non-business day in Chandigarh or in Rajasthan, interest will be payable on the next succeeding business day in Chandigarh or in Rajasthan and shall be the interest payment date.</p> <p>Such payment on the next working day would not constitute non-payment on due date.</p>



Mode of Payment	<p>All cheques/drafts should be in favor of "Sagar Deposits and Advances Limited" and crossed 'Account Payee Only' payable at par at the center where the same is deposited. The entire amount of Debenture is payable on application subject to minimum application size of 1 Debenture and in multiples of 1 Debenture thereafter.</p> <p>In case the payment is made by Real Time Gross Settlement (RTGS), the funds have to be credited to the Company's RTGS account, the details of which are given below:</p> <table border="1"> <tr> <td>Name of the Bank</td><td>Kotak Mahindra Bank Ltd</td></tr> <tr> <td>Address of the Branch</td><td>Sardar Patel Marg, C-scheme, Jaipur</td></tr> <tr> <td>Name of the Beneficiary</td><td>SAGAR DEPOSITS AND ADVANCES LIMITED</td></tr> <tr> <td>Bank A/c No.</td><td>5911974112</td></tr> <tr> <td>IFSC</td><td>KKBK0000271</td></tr> </table>	Name of the Bank	Kotak Mahindra Bank Ltd	Address of the Branch	Sardar Patel Marg, C-scheme, Jaipur	Name of the Beneficiary	SAGAR DEPOSITS AND ADVANCES LIMITED	Bank A/c No.	5911974112	IFSC	KKBK0000271
Name of the Bank	Kotak Mahindra Bank Ltd										
Address of the Branch	Sardar Patel Marg, C-scheme, Jaipur										
Name of the Beneficiary	SAGAR DEPOSITS AND ADVANCES LIMITED										
Bank A/c No.	5911974112										
IFSC	KKBK0000271										
Purpose and object of the offer	The present issue of Debentures is being made pursuant to applicable regulations to meet our requirements relating to working capital, general corporate purposes and normal capital expenditure.										

FOR SAGAR DEPOSITS AND ADVANCES LIMITED



Ravi Prakash Sharma
Principle Officer