

4.35 Issue Details along with the Cash Flows

Security Name	13.75% Ashv Finance Limited 2022
Issuer / Company	Ashv Finance Limited ("Company")/ "AFL" / "Issuer")
Type of instrument	Secured, Rated, Redeemable, Taxable, Non-Convertible Debentures ("NCDs" / "Debentures")
Nature of instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	<p>The following categories of Investors, when specifically approached, and identified upfront by the Issuer, shall be eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form</p> <ol style="list-style-type: none"> Mutual Funds NBFCs Provident Funds and Pension Funds Trust inclusive of public charitable trust subject to their investment guidelines Corporates Banks Insurance Companies Individual <p>Any other person eligible to invest in the Debentures subject the relevant prevalent guidelines and as permitted under Applicable Laws.</p>
Listing	<p>The NCDs shall be Unlisted on Issuance.</p> <p>However, the debentures can be listed at the WDM segment of the BSE Limited (BSE) on the option of the Debenture holder(s) during the tenure of the NCDs. The Issuer undertakes to provide the necessary documentations for listing.</p>
Objects & Details of the utilization of the Proceeds	<p>The issue proceeds will be to meet funding requirements of the Issuer for on lending purpose.</p> <p>The Issuer hereby agrees, confirms and undertakes that the proceeds shall not be utilized for:</p> <ul style="list-style-type: none"> Real Estate Business, Capital Market Investments and Purchase of Land Extending loans or making any inter-corporate deposits to/in subsidiary/associate Company(ies) Any speculative/other purposes specifically restricted by RBI and other regulatory/bodies and updated from time to time Bill Discounting Repayment of any Loans from Directors/ Promoters <p><i>*In this context, the expression, "Real Estate Business" shall have the same meaning as assigned to it in Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2017; Notification No. FEMA 20(R)/2017-RB; dated November 07, 2017 and as amended from time to time</i></p>
Rating of Instrument & Rating Agency	<p>CARE BBB- (Pronounced as "CARE Triple B Minus") by from CARE Ratings Ltd</p> <p><i>The Issuer/Investor(s) reserves the right to obtain an additional credit rating from any SEBI registered Credit Rating Agency for full or part of the issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating to the issue.</i></p>
Promoter & Promoter Group	Promoter/ Promoter group shall have the meaning as defined under Companies Act, 2013 and as defined under applicable laws.
Debenture Trustee	Beacon Trusteeship Limited
Registrar & Transfer Agent	Satellite Corporate Services Pvt. Ltd.
Depositories	NSDL

Series	Non-Convertible Debentures
Issue Size	Up to Rs. 20,00,00,000/- (Rupees Twenty Crores Only)
Face Value	Rs. 1,00,000 (Rupees One Lakh) per Debenture
Issue Price	Rs. 1,00,000 (Rupees One Lakh) per Debenture
Option to retain oversubscription (amount)	N.A.
Tenor	15 (Fifteen) Months
Coupon Type	Fixed
Coupon Rate	13.75% p.a. (Thirteen Decimal Seven Five percent per annum), subject to modification in terms of the row titled 'Step Up/Step Down Coupon Rate'.
Coupon Payment Frequency	Monthly and on Redemption of the Debentures.
Coupon Payment dates	The Coupon shall be payable on a monthly basis from the Deemed Date of Allotment and on the Final Redemption Date (subject to the Business Day convention set out in the row titled 'Business Day Convention'). The Coupon Payment Dates are specifically set out in Annexure I hereto.
Coupon Reset Process	As set out in the row titled 'Step Up/Step Down Coupon Rate'
Step Up Coupon Rate / Step Down Coupon Rate	In case of downgrade or assignment of any new rating, which is lower than the external credit rating of the NCDs, the Coupon Rate for the balance period would increase 1% per annum for each notch downgrade in rating and the same will be with effect from the rating downgrade date. In case, rating from multiple rating agencies is available, the lowest rating available for long term borrowing shall be considered for the purpose of this clause.
Redemption Date/s	Principal repayment by way of amortizing over monthly redemptions starting from the end of 1 st (First) month from the Deemed Date of Allotment and every month thereafter till the Final Redemption Date. The principal repayment dates (subject to the Business Day convention set out in the row titled 'Business Day Convention' below), shall be as stated in the Annexure I hereto.
Redemption Amount	The amount to be paid by the Company to the Debenture Holder(s) at the time of the redemption of the Debentures and shall include, without limitation, the outstanding Principal Amount(s), Coupon, Default Interest, (if any) and any other amounts, if any, in respect of the Debentures, payable on each of the Due Date(s).
Final Redemption Date	June 01, 2022
Redemption Premium/ Discount	NA
Discount at which security is issued and the effective yield as a result of such discount.	NA
Put Option	NA
Put Option Date	NA
Put Option Price	NA
Put Option Notice	NA
Put Notification Date/ Time	NA
Call Option	NA
Call Option Date	NA
Call Option Price	NA
Call Option Notice	NA
Call Notification Date/Time	NA

Day Count Basis	Actual / Actual
Interest on Application Money	At the Initial / Coupon rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque(s)/ demand draft(s)/ RTGS up to one day prior to the Deemed Date of Allotment. Where pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid.
Minimum Application size	The minimum application size for the issue shall be 100 (Hundred) Debentures and in multiples of 1 (One) Debenture thereafter.
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	RTGS
Reissuance	<p>The Issuer reserves the right to make multiple issuances under the same ISIN with reference to SEBI circular CIR/IMD/DF-1/67/2017 dated 30th June 2017</p> <p>Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium / par / discount as the case may be in line with SEBI circular CIR/IMD/DF-1/67/2017 dated 30th June 2017.</p>
Business Day	Any day of the week (excluding Saturdays, Sundays and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which banks are normally open for business in Mumbai India.;
Business Day Convention	<p>If any Due Date (i.e., any Coupon Date/s or any other due date/s other than the Redemption Date) falls on a day which is not a Business Day, the payment to be made on such due date shall be made on the immediately succeeding Business Day.</p> <p>If the Redemption Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day, along with Coupon accrued on the Debentures.</p>
Record Date	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.	<p>The outstanding NCD amount, together with interest, default interest remuneration of the Trustee, charges, fees, expenses and all other monies due from the Company, shall be secured by (to the satisfaction of the NCD holders):</p> <ol style="list-style-type: none"> 1. Exclusive charge via a deed of hypothecation over specific asset portfolio of receivables ("Hypothecated Assets") with a security cover of 1.25 times ("Minimum Security Cover") to be maintained on the Outstanding Amounts of the NCDs along with coupon thereon at all times during the tenure of the NCDs. ("Primary Security") 2. The Issuer shall maintain Cash Collateral in the form of Fixed Deposit which is equivalent to minimum 5% on the outstanding NCDs in Kotak Mahindra Bank which shall be lien marked in favor of the Debenture Trustee ("Other Security"). <p>The Issuer shall execute the Debenture Trust Deed and Deed of Hypothecation prior to Deemed Date of Allotment and perfect the same by filing CHG-9 with Registrar of Companies (ROC) within 30 (Thirty) calendar days of the execution of Deed of Hypothecation.</p>

	<p><u>Eligibility Criteria for the Hypothecated Assets</u></p> <ol style="list-style-type: none"> 1. The Hypothecated Assets must be in the form of loans which are current as on the date of creation and perfection of security over such Hypothecated Assets in terms of the deed of hypothecation and should not have been restructured and/or rescheduled; 2. The Hypothecated Assets are 'standard assets' as defined under the extant RBI regulations in the books of the Company with days past due of not above 30 (Thirty) days in the books of the Company; 3. The Hypothecated Assets must comprise of only loans directly originated by the Company and not loans purchased from any third party; 4. The Hypothecated Assets are existing at the time of selection, and have not been terminated or prepaid; 5. The Hypothecated Assets shall be free from all encumbrances and are not subject to any encumbrance (including, without limitation, any lien or charge); 6. Hypothecated Assets to be provided to the Debenture Trustee must comprise of only secured portfolio. 7. The Hypothecated Assets shall comply with applicable law including RBI norms and guidelines; 8. The Hypothecated Assets shall not be generated from lending provided by the Company to its associates, subsidiaries and/or related parties; 9. All 'know your customer' requirements applicable in terms of applicable law shall have been complied with in respect of the Hypothecated Assets. <p>In the event of any fall in the Security Cover below the Minimum-Security Cover or in the replacement of Primary Security or, the Company shall be obliged to reinstate the Security Cover to atleast the Minimum-Security Cover in terms of the Deed of Hypothecation, within 15 (Fifteen) calendar days from the date of such fall in the Security Cover. The Company shall execute such deeds, documents and writings and do such acts and things in this regard as may be required by the Debenture Trustee including filing of the requisite forms with relevant registrar of companies in this regard on half yearly basis.</p> <p>Without prejudice to the obligation of the Company in terms of the foregoing, the Company shall be liable to pay 2% (Two percent) per annum additional interest, over and above the Coupon Rate from the date on which the Security Cover falls below the Minimum-Security Cover until the date on which it is reinstated in terms of the Transaction Documents.</p> <p>For the purposes of this Term Sheet:</p> <p>"RBI" shall mean the Reserve Bank of India.</p>
Undertaking	The Issuer hereby undertakes that the Primary Security to be created on the Hypothecated Assets are free from all Encumbrances and are not subject to any lien or charge
Post-dated Cheques (PDCs) & Un-dated Cheques (UDCs)	<p>On or before the Deemed Date of Allotment, PDCs to be issued by the Issuer towards all coupon and instalments of principal payment along-with 4 UDCs for an amount not exceeding the principal amount of the NCD in favour of Debenture Trustee, to be signed by the Mr. Nikeshkumar Sinha, Managing Director of Ashv Finance Limited.</p> <p>The Coupon and Principal repayment to be serviced by way of RTGS to the Debenture Holder.</p>
Transaction Documents	<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 (as applicable) for issuance of NCDs through private placement:</p> <ol style="list-style-type: none"> i. Debenture trustee agreement to be executed in respect of the Debentures; ii. Debenture trust deed to be executed in respect of the Debentures which shall also include such other representations and covenants as may be mutually agreed upon between the Company and the Debenture Trustee ("Debenture Trust Deed");

	<ul style="list-style-type: none"> iii. Deed of hypothecation to be executed in respect of the Debentures ("Deed of Hypothecation"); iv. Cash collateral in form of Fixed Deposit in Kotak Mahindra Bank. v. PDCs & UDCs vi. Disclosure Document and Term Sheet; vii. PAS-4; viii. Undertaking from the Issuer mentioning all the borrowing facilities of the Company are standard in nature; <p>Such other documents as agreed between the Issuer and the Debenture Trustee</p>
Conditions Precedent to Disbursement	<ul style="list-style-type: none"> 1. Execution of the Debenture Trustee Agreement prior to the Deemed Date of Allotment. 2. Execution of the Debenture Trust Deed and the Deed of Hypothecation prior to the Deemed Date of Allotment. 3. Creation of the Cash Collateral and lien marking the same in favor of the Debenture Trustee prior to the Deemed Date of Allotment alongwith depositing the FD receipts with the Debenture Trustee; 4. Receipt of credit rating letter and rationale from the Rating Agency prior to the Deemed Date of Allotment; 5. Receipt of the Debenture Trustee Consent Letter prior to the Deemed Date of Allotment; 6. Submission of PDCs & UDCs 7. A certified copy of the resolution of the Company's board of directors authorizing the issuance of the Debentures to be provided prior to the Deemed Date of Allotment; 8. A certified copy of the resolution of the shareholders of the Company under Sections 180(1)(a) and 180(1)(c) of the Act to be provided prior to the Deemed Date of Allotment; 9. A certificate issued by the independent chartered accountant, prior to the Deemed Date of Allotment confirming that: (A) issuance of the Debentures would not cause any borrowing, or similar limit binding on the Company to be exceeded; (B) execution of the relevant Security Documents and creation of the security interests, would not breach any limits under the constitutional documents of the Company, the terms of any other contractual arrangements entered into by the Company or any limits prescribed by the shareholders or board of directors of the Company; 10. A certificate issued by an independent chartered accountant, prior to the Deemed Date of Allotment, certifying that there are no proceedings or claims for the recovery of any Tax pending against the Company except the amounts disputed by the company including, without limitation, any income tax proceedings requiring it to obtain the consent of the Assessing Officer under Section 281(1) of the Income Tax Act, 1961 for the purpose of creating security interest in respect of the secured property. 11. Duly completed self-attested KYC Documents including the passport copy of the Authorized Signatory of the Issuer signing the PDCs/UDCs. 12. The Issuer to submit to the Debenture Trustee a PDCs issued by the Issuer towards all coupon and instalments of principal payment along-with 4 UDCs for an amount not exceeding the principal amount of the NCD in favour of Debenture Trustee, 13.
Conditions Subsequent to Disbursement	<p>The Company shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee, pursuant to the Deemed Date of Allotment:</p> <ul style="list-style-type: none"> 1. The Company shall ensure that the Debentures are credited into the beneficial owner account(s) of the Debenture as per the applicable regulation; 2. The Company shall file a copy of Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the relevant registrar of companies and SEBI within 15 (Fifteen) days from the Deemed Date of Allotment; 3. The Company shall provide the details on utilisation of funds raised through the issue of Debentures duly certified by the Company's chartered accountants/ statutory auditors to the Debenture Trustee within 60 (Sixty) days from the Deemed Date of Allotment; 4. Perfection of the security over the Hypothecated Assets by filing Form CHG -9 with the Registrar of Companies within 30 (Thirty) calendar days from the Deemed Date of Allotment 5. Execution of any other documents as the Debenture Trustee may require.

Representations and Warranties of the Issuer	<p>The Company declares, represents and warrants to the Debenture Trustee and the Debenture Holders, as follows which representations and warranties shall be made as on the date of this Term Sheet and shall be deemed to repeated on each date until the Final Settlement Date:</p> <p>(a) Authority and Capacity</p> <ul style="list-style-type: none"> (i) The Company has been duly incorporated, organized and is validly existing, under Applicable Law; (ii) The Company is a non-banking financial company registered with the RBI and such registration is valid and subsisting; (iii) The Company has the corporate power, authority and all permits, approvals, authorizations, licenses, registrations, and consents including registrations, to own and operate its assets and to carry on its business in substantially the same manner as it is currently conducted; (iv) The Company is in compliance with Applicable Law for the performance of its obligations with respect to this issuance of the Debentures; and (v) All consents, and actions of, filings with and notices to any governmental authority as may be required to be obtained by the Company in connection with the issuance of the Debentures has been obtained and is in full force and effect. <p>(b) Corporate Matters</p> <ul style="list-style-type: none"> (i) All the legal and procedural requirements specified in the constitutional documents or required under Applicable Law have been duly complied with in all respects in relation to the issuance of the Debentures. (ii) The registers, and minute books (including, without limitation, the minutes of board and shareholders meeting) required to be maintained by the Company under Applicable Law: <ul style="list-style-type: none"> A. are up-to-date and have been maintained in accordance with Applicable Law; B. comprise complete and accurate records of all information required to be recorded in such books and records; and C. no notice or allegation that any of them are incorrect and/or should be rectified has been received. <p>(c) Binding Obligations</p> <p>The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.</p> <p>(d) Non-conflict with other obligations</p> <p>The entry into and performance by the Company of, the transactions contemplated by the Transaction Documents do not and will not conflict with:</p> <ul style="list-style-type: none"> I. any Applicable Law to which the Company is subject including, without limitation, any laws and regulations regarding anti-money laundering/ terrorism financing and similar financial sanctions; II. its constitutional documents; III. any agreement or instrument binding upon it or any of its assets, including but not limited to any terms and conditions of the Financial Indebtedness availed of by the Company. <p>(e) Power and authority</p> <p>It has the power to issue the Debentures and enter into, perform and deliver, and has taken all necessary action to authorize its entry into, performance and delivery of, the</p>
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	<p>Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.</p> <p>(f) Validity and admissibility in evidence</p> <p>All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:</p> <ol style="list-style-type: none"> I. to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party; II. to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and III. for it to carry on its business, and which are material, have been obtained or effected and are in full force and effect. <p>(g) Accounts and Records</p> <p>The books of accounts of the Company have been fairly and properly maintained, the accounts of the Company have been prepared in accordance with Applicable Law and in accordance with the generally accepted accounting principles, so as to give a true and fair view of the business (including the assets, liabilities and state of affairs) of the Company and its subsidiaries. The Company has a proper, efficient and effective book-keeping and accounting system in place as well as adequate professional staff, including maintaining of accounts showing the loan drawings, payments, interest etc.</p> <p>(h) Taxation Matters</p> <ol style="list-style-type: none"> (i) The Issuer has complied with all the requirements as specified under the respective tax laws as applicable to it in relation to returns, computations, notices and information which are or are required to be made or given by the Issuer to any tax authority for taxation and for any other tax or duty purposes, have been made and are correct. (ii) The Company has not received any notice of any tax disputes or other liabilities of taxes in respect of which a claim has been made or notice has been issued against the Company. <p>(i) Legal / Litigation Matters</p> <ol style="list-style-type: none"> (i) There are no claims, investigations or proceedings before any court, tribunal or governmental authority in progress or pending against or relating to the Issuer, which would have a Material Adverse Effect. (ii) There are no unfulfilled or unsatisfied judgments or court orders in respect of the Company. (iii) The Issuer has not taken any action nor has any order been passed for its winding-up, dissolution or re-organization or for the enforcement of any security over its assets or for the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer for it or in respect of its assets. <p>(j) Assets</p> <p>Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN U65910MH1998PLC333546) on the website http://www.mca.gov.in/MCA21/index.html under the heading Index of Charges), the Issuer has, free from any security interest or encumbrance, the Issuer has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on</p>
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	<p>arm's length terms), all material assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.</p> <p>(k) Pari Passu Ranking</p> <p>The Company's payment obligations under the Transaction Documents rank at least <i>pari passu</i> with the claims of all of its other senior and secured creditors, except for obligations mandatorily preferred by law applying to companies generally.</p> <p>(l) No Default</p> <p>No Event of Default has occurred and is continuing or would be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures. No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Company or any of its assets or which might have a Material Adverse Effect</p> <p>(m) Material Adverse Effect</p> <p>The Issuer hereby represents that there is no Material Adverse Effect existing and that there are no circumstances existing which could give rise, with the passage of time or otherwise, to a Material Adverse Effect.</p> <p>(n) No Immunity</p> <p>Neither the Issuer nor any of its assets is entitled to immunity from suit, execution, attachment or other legal process in its jurisdiction of incorporation. This Issue (and the documents to be executed in relation thereto) constitutes, and the exercise of its rights and performance of and compliance with its obligations in relation thereto, will constitute, private and commercial acts done and performed for private and commercial purposes.</p> <p>(o) Security</p> <ul style="list-style-type: none"> - Save and except the charge created to secure the Debentures, the Hypothecated Assets is the sole and absolute property of the Company and is free from any other encumbrance and is not subject to any <i>lis pendens</i>, attachment, or other order or process issued by any Governmental Authority and that the Company has a clear and marketable title to the Hypothecated Assets. - The Transaction Documents executed or to be executed constitute, and will constitute legal, valid and enforceable security interests in favour of inter alios the Debenture Trustee and for the benefit of the Debenture Holder(s) on all the assets thereby secured, prior and superior to all other security interest (unless otherwise specified) and all necessary and appropriate consents for the creation, effectiveness, priority and enforcement of such Security have been obtained. <p>(p) Information</p> <p>All information provided by the Issuer is true and accurate in all material respects as at the date it was provided or as at the date at which it was stated and is not misleading whether by reason of omission to state a fact or otherwise.</p> <p>(q) Illegality</p> <p>It is not illegal or unlawful for the Company to perform any of its obligations under the Transaction Documents.</p>
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	<p>For the purposes of this Term Sheet:</p> <p>“Material Adverse Effect” shall mean, with respect to any entity, the effect or consequence of an event, circumstance, occurrence or condition including change in credit rating/ outlook/ opinion, change in senior management team, change in board of directors’ member which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on: (i) the financial condition, business or operation of the entity which in the opinion of the Debenture Holder is prejudicial to the ability of the entity to perform its obligations under the Transaction Documents; (ii) on the rights or remedies of the Debenture Holders hereunder or under any other Transaction Documents; (iii) the ability of the entity to perform its obligations under the Transaction Documents; or (iv) the legality, validity or enforceability of any of the Transaction Documents;</p> <p>“Final Settlement Date” shall mean the date on which the Payments have been irrevocably discharged in full and all the Debentures have been redeemed by the Company in full in accordance with the terms of the Transaction Documents and the Debenture Holders have provided a written confirmation of the same to the Company (with a copy marked to the Debenture Trustee).</p>
Affirmative & Reporting Covenants	<p>The Company hereby covenants with the Debenture Trustee that the Company shall at all times till the Final Settlement Date:</p> <p>(a) Purpose</p> <p>The Company shall utilise the monies received upon subscription of the Debentures solely towards the purpose and in accordance with Applicable Law as set out in the row titled ‘Objects & Details of Utilization of Proceeds’.</p> <p>(b) Validity of Transaction Documents</p> <p>Ensure that the Transaction Documents shall be validly executed and delivered and will continue in full force and effect and will constitute valid, enforceable and binding obligations of the Company.</p> <p>(c) Further documents and acts</p> <p>Execute all such deeds, documents, instruments and assurances and do all such acts and things as the Debenture Trustee may require for exercising the rights under the Transaction Documents and the Debentures and for perfecting charge created in terms of the Deed of Hypothecation or for effectuating and completing the security intended to be hereby created and shall from time to time and at all times after the security hereby constituted shall become enforceable, execute and do all such deeds, documents, assurance, acts, and things as the Debenture Trustee may require for facilitating realization of the Hypothecated Assets.</p> <p>(d) Make the Relevant filings with the Registrar of Companies/SEBI or such regulatory as may be applicable from time to time</p> <p>Pursuant to the Act and the relevant rules thereunder, the Company undertakes to make the necessary filings of the documents mandated therein.</p> <p>(e) Compliance with laws</p> <p>The Company shall comply with:</p> <p>A. all Applicable Law (including, without limitation, the Act) as applicable in respect to the issuance of the Debentures, and obtain such regulatory approvals as may be required from time to time, including but not limited, in</p>

	<p>relation to the (i) the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the other rules under the Act; and</p> <p>B. comply with all the provisions as mentioned in the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993, the Act, corporate governance and fair practices code prescribed by the RBI and/or any other notification, circular, press release issued by the SEBI/RBI, from time to time.</p>
	<p>(f) The Company shall maintain adequate internal controls for the purpose of preventing fraud on or in relation to the amounts lent by the Company. The Company shall ensure that no amounts lent by the Company are being used for money laundering or illegal purposes.</p>
	<p>(g) The Company shall keep proper books of account as required by the Act and make true and proper entries therein of all dealings and transactions of and in relation to the Debentures, the Hypothecated Assets and the business of the Company and the Company will ensure that the same shall at times be open for inspection by the Debenture Trustee and such person or persons, as the Debenture Trustee shall, from time to time, in writing for that purpose appoint.</p>
	<p>(h) The Company shall permit the Debenture Trustee and such person, as the Debenture Trustee shall from time to time for that purpose appoint, to enter into or upon and to view and inspect (i) the books of records, documents and accounts maintained by the Company, and (ii) the state and condition of all the security, together with all records and registers relating to the security, in each case as and when required by the Debenture Trustee.</p>
	<p>(i) The Company shall procure adequate insurance policies in respect of the insurable assets comprised in the security and shall keep the security in proper condition.</p>
	<p>(j) The Company shall promptly pay and discharge all taxes, cases, insurance premium, which may become due and payable in respect of the security.</p>
	<p>(k) The Company shall comply with any directions/ guidelines issued by any governmental authority, in relation to the issuances of the Debentures.</p>
	<p>(l) The Company shall submit to the Debenture Trustee (and to the Debenture Holder(s), if so requested) within 120 (One Hundred and Twenty) days from the close of each Financial Year:</p> <ul style="list-style-type: none"> (i) its duly audited annual financial statements; (ii) a certificate from a director of the Company/ the chief financial officer of the Company confirming that no Event of Default or potential Event of Default has occurred or is subsisting; (iii) all information/ documents required to be submitted by the Company to the RBI on an annual basis in respect of such Financial Year.
	<p>(m) The Company shall submit to the Debenture Trustee (and to the Debenture Holder(s), if so requested), within 45 (Forty-Five) calendar days from the close of each quarter in a Financial Year:</p> <ul style="list-style-type: none"> (i) its quarterly financials along with the relevant schedules thereto; (ii) information on financials, operations, portfolio growth and asset quality (collection efficiency and portfolio at risk data), funding data, in a format acceptable to the Debenture Holders; (iii) the list of the directors on the board of directors of the Company; (iv) the shareholding pattern of the Company;

	<p>(v) a certificate signed by a director of the Company or the chief financial officer of the Company confirming the compliance of the Company with the Financial Covenants;</p> <p>(vi) the debt profile of the Company (including, without limitation, the non-convertible debentures issued by the Company) with detailed terms of borrowings availed by the Company;</p> <p>(vii) Asset liability management ("ALM") statement of the Company for such quarter;</p> <p>(viii) Liquidity position of the Company at the end of such quarter, in a format acceptable to the Debenture Holders;</p> <p>(ix) Certified copy of the filings/ returns filed by the Company with the RBI for and during such quarter;</p> <p>(x) Static pool data.</p> <p>(n) The Company shall submit to the Debenture Trustee and to the Debenture Holder(s), within 15 (Fifteen) calendar days from the end of each month, a certificate from the authorized signatory of the Company (duly authorized by the board of directors of the Company) listing the Hypothecated Assets and the value thereof, on the letter head of the Company along with a MS Excel version of such details.</p> <p>(o) The Company shall submit to the Debenture Trustee and to the Debenture Holder(s), within 45 (Forty-Five) calendar days from the close of each half Year, a certificate from the statutory auditor of the Company certifying the list of the Hypothecated Assets and the value of such Hypothecated Assets.</p> <p>(p) The Company shall submit to the Debenture Trustee and to the Debenture Holder(s), within 30 (Thirty) calendar days from the close of each quarter in a Financial Year, a certificate from an independent chartered accountant certifying the value of book debts / receivables of the Company, confirming the list of the Hypothecated Assets and the value of such Hypothecated Assets.</p> <p>(q) The Company shall submit to the Debenture Trustee and to the Debenture Holder(s), a certificate from the authorized signatory of the Company (duly authorized by the board of directors of the Company) certifying the debt profile of the Company (including, without limitation, the guarantee obligations of the Company) in a format acceptable to the Debenture Trustee: (a) for the half-year period ended March 31st of a Financial Year by April 15th of the immediately succeeding Financial Year; and (b) for the half-year period ended September 30th of a Financial Year by October 15th of such Financial Year, until the Final Settlement Date.</p> <p>(r) Notification to the Debenture Trustee</p> <p>The Company shall provide information to the Debenture Trustee in respect of the following promptly on the occurrence of such event:</p> <p>A. notify the Debenture Trustee in writing, of any notice of an application or petition for insolvency and/ or winding up having been made or receipt of any statutory notice of insolvency and/ or winding up under the provisions of the Act or any other notice under any other Applicable Law or otherwise of any suit or legal process intended to be filed affecting the title to the property of the Company;</p> <p>B. notify the Debenture Trustee in writing, if it becomes aware of any fact, matter or circumstance which would cause any of the representations and warranties under any of the Transaction Documents to become untrue or inaccurate or misleading in any respect;</p>
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	<p>C. provide to the Debenture Trustee such further information regarding the financial condition, business and operations of the Company as the Debenture Trustee may request;</p> <p>D. notify the Debenture Trustee promptly of any revision in the rating or assignment of a fresh rating provided by the Rating Agency to the Debentures;</p> <p>E. inform the Debenture Trustee promptly about any failure to create, perfect and maintain the Security and about all orders, directions, notices of court/tribunal affecting the Hypothecated Assets;</p> <p>F. The Company agrees that it shall forward to the Debenture Trustee promptly:</p> <ol style="list-style-type: none"> a copy of the statutory auditors' and directors' annual report, balance sheet and profit and loss account and of all periodical and special reports at the same time as they are issued; a copy of all notices, resolutions and circulars relating to new issue of debt securities at the same time as they are sent to shareholders/holders of debt securities; and a copy of all the notices, call letters, circulars, etc. of the meetings of debt security holders at the same time as they are sent to the holders of debt securities or advertised in the media. <p>(s) The Company shall inform the Debenture Trustee about any change in nature and conduct of business by the Company prior to effecting any such change.</p> <p>(t) Preserve Corporate Status</p> <p>The Company shall diligently preserve its corporate existence and status and obtain, comply with and maintain all its licenses and/ or authorizations required including, without limitation, the license to conduct business as a non-banking financial company and any other rights, licenses and franchises necessary for its obligations under the Debentures and the Transaction Documents and continue to be a validly existing organization in good standing and at all times act and proceed in relation to its affairs and business in compliance with Applicable Law.</p> <p>(u) The Company shall provide written intimation to the Debenture Trustee and the Debenture Holders prior to entering into any transaction of merger, acquisition, restructuring, amalgamation, de-merger scheme of arrangement or compromise with its creditors or shareholders (including, without limitation, any such transaction proposed to be entered into subsequent to the receipt of banking license from the RBI or receipt of approval from the RBI to acquire an existing bank).</p> <p>(v) The Company shall forthwith intimate the Debenture Trustee and the Debenture Holders, in writing, upon receipt by the Company of a banking license from RBI and/ or the approval from RBI for acquisition of an existing bank and shall provide a certified copy of such approval/ license and such other documents as the Debenture Trustee and the Debenture Holders may require in this regard.</p> <p>(w) The Company shall forthwith provide a written intimation to the Debenture Trustee of any event which constitutes an Event of Default or which may with the expiry of time be classified as an Event of Default, specifying the nature of such event and any steps the Company is taking and proposes to take to remedy the same.</p> <p>(x) The Company shall keep the Debenture Trustee informed of all the orders, directions or notices of any court or tribunal affecting or likely to affect the assets (or any part thereof) of the Company.</p>
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	<p>(y) The Company shall forthwith provide to the Debenture Trustee the details of any litigation, arbitration or administrative proceedings filed or initiated against the Company.</p> <p>(z) Event Based Reporting</p> <ol style="list-style-type: none"> 1. The Company shall provide to the Debenture Trustee and to the Debenture Holder(s), information in respect of the following events forthwith and in any event not later than 10 (Ten) calendar days from the occurrence of such event: <ol style="list-style-type: none"> (i) Any changes effected in shareholding structure of the Company; (ii) Any change in the composition of the board of directors of the Company; (iii) Any change in the senior management officials of the Company (including, without limitation, the CXO or any official holding an equivalent position); (iv) Any amendment to the constitutional documents of the Company; (v) Any Material Adverse Effect; (vi) Any dispute, litigation, investigation or other proceeding against the Company and/ or any notice in this regard received by the Company; (vii) Resignation of the statutory auditor of the Company along with its resignation letter; (viii) Any prepayment of Financial Indebtedness by the Issuer or any notice received for prepayment of any Financial Indebtedness of the Company that would lead to a negative mismatch on cumulative basis in any of the buckets till one year of the ALM of the Company; 2. The Company shall provide to the Debenture Trustee and to the Debenture Holder(s), information in respect of the following events forthwith and in any event not later than 1 (One) working day from the occurrence of such event: <ol style="list-style-type: none"> (i) Any events of default, breach of warranties or covenants set out in transaction documents of any Financial Indebtedness of the Company; (ii) any legal proceeding/ notice instituted against/ received by the Company; (iii) default in any Financial Indebtedness/ obligations to any creditors. (iv) Any application or petition filed for the dissolution or re-organization of the Company; (v) Occurrence of any Event of Default or potential Event of Default (vi) Occurrence of other events such breach of warranties or covenants set out in Transaction Documents of any indebtedness of the Company, any legal proceeding / notice instituted against / received by the Company, default in any indebtedness / obligations to any creditors, any Material Adverse Change and such other material events as set out in the Transaction Documents. <p>(aa) Furnishing of Information to the Debenture Trustee</p> <p>The Company shall provide to the Debenture Trustee and to the Debenture Holder(s), information in respect of the following events within a maximum of 15 (Fifteen) calendar days from the occurrence of such event:</p> <ol style="list-style-type: none"> (i) Submit to the Debenture Holders (in a format which shall be provided by the Debenture Holders/ Debenture Trustee, from time to time) such other information relevant to the Issue that the Debenture Holder may request on a monthly, quarterly and annual basis or pursuant to an annual diligence by the Debenture Holder. (ii) Submit to the Debenture Trustee, if so requested, a statement that the assets of the Company which are available by way of security is/are sufficient to discharge the claims of the Debenture Holders as and when they become due.
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	<p>(iii) Such information as the Debenture Holders may require as to all matters relating to the business, property and affairs of the Company that materially impacts the interests of the Debenture Holders and provide access to relevant books of accounts, documents and records in relation to this Issue and to enter into or upon and to view and inspect the state and condition of all the Hypothecated Assets, together with all records, registers of the Company including the registers relating to the Hypothecated Assets as required by the Debenture Trustee and to take copies and extracts thereof.</p> <p>(iv) Furnish quarterly report to the Debenture Trustee containing the following particulars:</p> <ol style="list-style-type: none"> A. Updated list of the names and addresses of the Debenture Holder(s). B. Details of the Coupon and principal payments to be made, but unpaid and reasons for the non-payment thereof; C. The number and nature of grievances received from the Debenture Holder(s) and resolved by the Company, and those grievances not yet solved to the satisfaction of the Debenture Holder(s) and the reasons for the same; D. A statement that the assets of the Company which are available by way of security are sufficient to discharge the claims of the Debenture Holder(s) as and when they become due; E. Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holder(s). The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of its compliance; <p>(v) The Company shall provide to the Debenture Trustee such information as it may require for any filings, statements, reports that the Debenture Trustee is required to provide to any Governmental Authority under Applicable Law;</p> <p>(bb) The Company shall promptly comply with any monitoring and/or servicing requests from Debenture Trustee.</p> <p>(cc) The Company shall submit to the Debenture Trustee such other information as may be required by the Debenture Trustee for the effective discharge of its duties and obligations hereunder, including copies of reports, balance sheets, profit and loss account etc.</p> <p>(dd) The Company hereby agrees and undertakes that the Promoter Debt shall at all times be contractually subordinated (in ranking and payment) to the Secured Obligations and at any time after the occurrence of an Event of Default/ Optional Accelerated Redemption Event no payments shall be made in respect of the Promoter Debt except with the express prior written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).</p> <p>(ee) The Company shall maintain the Minimum-Security Cover until the Final Settlement Date.</p> <p>(ff) The Company hereby further agrees, declares and covenants with the Debenture Trustee as follows:</p> <ol style="list-style-type: none"> (i) The Debentures shall be secured by way of a first ranking exclusive charge on the Hypothecated Assets; (ii) that the Company is not aware of any document, judgment or legal process or defects affecting the title, ownership of the Security which has remained undisclosed and/or which may have Material Adverse Effect on the Debenture Holders.
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	<p>(gg) Filings</p> <p>The Company shall cooperate with the Debenture Trustee/ Debenture Holders in connection with any assistance the Debenture Trustee/ Debenture Holders may require for the purpose of submitting information in relation to the Debentures and the Transaction Documents to any relevant information utility in accordance with the IBC, and to confirm or authenticate all filings and information sought to be uploaded, and update or modify or rectify any errors in such financial information submitted.</p> <p>(hh) Financial Terms and Conditions</p> <p>The Company shall comply with each of the financial terms and conditions set out in the Transaction Documents until the Final Settlement Date.</p> <p>For the purposes of this Term Sheet:</p> <p>“Financial Year” shall mean the financial year of the Company used for the purposes of accounting;</p> <p>“IBC” shall mean the Insolvency and Bankruptcy Code, 2016 and the rules and regulations issued in respect thereof, as the same may be amended, modified and supplemented from time to time;</p> <p>“Majority Debenture Holder(s)” shall mean Debenture Holder(s) holding an aggregate amount representing not less than 75% (Seventy-Five per cent) of the value of the nominal amount of the Debentures for the time being outstanding;</p> <p>“Promoter Debt” shall mean all existing and future Financial Indebtedness availed of by the Company from the Promoters. The details of the existing Financial Indebtedness availed of from the Promoters are set out in the Debenture Trust Deed;</p> <p>“Secured Obligations” shall mean all obligations at any time due, owing or incurred by the Company to the Debenture Trustee and the Debenture Holder(s) in respect of the Debentures and shall include, without limitation, the obligation to redeem the Debentures in terms thereof together with the Coupon accrued thereon, Default Interest, if any, accrued thereon, any outstanding remuneration of the Debenture Trustee and all fees, costs, charges and expenses payable to the Debenture Trustee and other monies payable by the Company in respect of the Debentures.</p>
Negative Covenants	<p>The Issuer shall maintain the below mentioned covenants during the entire tenor of the NCDs and till all the amounts outstanding are been duly repaid, in case of any change the Issuer to seek a prior-written consent of the Majority Debenture Holders:</p> <ol style="list-style-type: none"> a. Change the nature of its business from that which is permitted to be undertaken by the Company as a 'Non-Banking Financial Company' by the RBI; b. Declare or pay any dividend or make any distributions to its equity shareholders during any Financial Year unless: <ol style="list-style-type: none"> a. the proposed payment or distribution is out of net income of the current Financial Year (excluding any amount resulting from the revaluation of any of the Company's assets); b. no Event of Default has occurred and is then continuing, or could occur or is reasonably likely to occur, as a result of such payment or declaration of any dividend or distribution and after giving effect to any such action; c. the Company is in compliance with the Financial Covenants; and d. it has paid all the dues to the Debenture Holder(s)/Debenture Trustee upto the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions therefor.

	<p>c. Enter into any transaction of merger, acquisition, restructuring, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction excluding the current ongoing de-merger of the de-merged undertaking of TribeTech Private Limited with the Issuer Company.</p> <p>d. Change in the financial year end from 31st March unless such change is mandatorily required to be made for compliance with Applicable Law</p> <p>e. Undertake or permit any merger, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction excluding the current ongoing de-merger of the de-merged undertaking of TribeTech Private Limited with the Issuer Company.</p> <p>f. Acquire any company, business or undertaking if the amount of the acquisition cost, whether paid by cash or otherwise, when aggregated with the aggregate acquisition cost of any other companies, business or undertaking acquired by it during that financial year exceeds 10% (ten percent) of the Equity.</p> <p>g. Acquire (or agree to acquire) any shares, stocks, securities or other interest in any joint venture; or transfer any assets or lend to or guarantee or indemnify or give security for the obligations of a joint venture (or agree to transfer, lend, guarantee, indemnify or give security for the obligations of a joint venture).</p> <p>h. The Issuer shall not extend a loan to any single individual or entity amounting to greater than 15% (Fifteen percent) of its Tangible Net Worth and/ or undertake to guarantee the liabilities of any individual or entity (unless the entity is a wholly owned subsidiary of the Company).</p> <p>i. The Issuer shall not:</p> <ul style="list-style-type: none"> (i) enter into any transaction with any person or enter into or continue business relations with its shareholders, employees, affiliate(s), holding company(ies), and/or subsidiary(ies) except on proper commercial terms negotiated on an arm's length basis; (ii) enter into or establish any partnership, profit sharing, royalty agreement or other similar other arrangement whereby the Company's income or profits are, or might be, shared with any other person other than in the ordinary course of business on an arms' length basis and in compliance with applicable.; or (iii) enter into any management contract or similar arrangement whereby its business or operations are managed by any other person. <p>j. Effect any change in the statutory auditors of the Company, other than as per mandatory requirement under Applicable Law;</p> <p>k. Undertake any new business outside financial services or any diversification of its business outside financial services.</p> <p>l. Make any amendments to its memorandum of association and articles of association of the Company (except increase in Authorised Share Capital clause of memorandum of association of the Company).</p> <p>m. Reduction of the share capital of the Company.</p> <p>n. Appoint or continue to the appointment of any person classified as or who is director of a company classified as a wilful defaulter as a director and/ or a key managerial person of the Company</p>
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	<p>o. Enter into any contractual obligation which may adversely affect the financials standing</p> <p>p. Apply to the court for the winding up of the Company or agree to the winding up of the Company</p> <p>q. Sell, transfer, or otherwise dispose of in any manner whatsoever any Assets of the Company, other than any securitization/ direct assignment transaction undertaken by the Company in the ordinary course of its business in terms of the RBI master direction dated September 1, 2016 titled 'Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016' or any amendment, supplement or restatement thereto. It is clarified that, a securitization/ direct assignment representing an exit of line of business will not be construed as being in the ordinary course of business of the Company and the Company shall not be permitted to effect the same except after obtaining the prior written consent of the Debenture Trustee</p> <p>r. Enter into compromise or arrangement or settlement with any of its creditors (secured and unsecured) that would prejudicially affect the interest of the Debenture Holders.</p> <p>s. Participate in any involuntary process under IBC</p> <p>t. Undertake/permit any voluntary process under the Insolvency and Bankruptcy Code 2016 (IBC)</p> <p>u. Voluntary prepayment of any financial indebtedness of the company, which would lead to a cumulative mismatch in the ALM, after incorporating all the liabilities of the Company including Put Options, resets etc. (in any form) & excluding Unutilized Bank lines, on the proposed day of prepayment.</p> <p>v. Unsecured Loans from Promoters/ related parties/ Inter Corporate Deposits shall not be repaid (except by way of equity conversion) incase wherein breach of covenant/s is subsisting.</p>
Financial Covenants And Additional Covenants	<p>The Issuer shall maintain the below mentioned covenants during the entire tenor of the Debentures and till all the amounts outstanding are been duly repaid:</p> <p>a) Total Debt/Equity ratio to be within [3] x.</p> <p>b) Capital Adequacy Ratio of atleast [20] % or as per applicable RBI regulation, whichever is higher, Of the above CAR, TIER 1 CAR to remain at minimum of [15] % ([Fifteen] Percent)</p> <p>c) PAR > 90 days (of the Issuer's entire portfolio, including receivables sold or discounted on a non-recourse basis) not to exceed [5] % of Gross Loan Portfolio</p> <p>d) Write off plus Net NPA to Tangible Net Worth shall not exceed [10] % (Ten percent)</p> <p>e) Company to maintain a minimum Net-worth of Rs. [240] crores</p> <p>f) Earnings: After-tax Net Income (excluding extraordinary income) to remain positive. The said covenant to be tested on a quarterly and on Annual basis.</p> <p>g) Company to maintain minimum liquidity amount equivalent to next 3-month liabilities after including Put Options/interest reset on liabilities (assuming 100% haircut in collections) in the form of unencumbered Cash and Cash equivalents.</p>

	<p>h) No Loans exceeding [5%] of Net-worth to any single party and/or guarantees on behalf of third parties</p> <p>i) There shall not be any negative mismatches on cumulative basis in any of the buckets till the next one year of ALM statement after incorporating all the liabilities of the company incorporating Put Options/ Reset Options etc. (in any form). The asset will also include all the unencumbered Cash and Cash equivalent maturing across all the buckets of the ALM as part of the opening asset balance. Unutilized bank lines and cash credit limits shall not be taken into account while testing the same</p> <p>j) In case Intellectap and /or Avishkar Group extends any comfort /guarantee in respect of any indebtedness of the Company (except in case of Banks/ FPIs/ Impact Funds) at any point in time during the currency of the NCDs, the same shall be deemed to be applicable to this NCD issuance also. The company shall ensure that Intellectap and /or Avishkar Group forthwith executes all the necessary documents as may be required by the Debentureholder/s in this regard and failure to do so shall be an event of default.</p> <p>k) Any other additional covenant as may be mutually agreed and shall form a part of the transaction documents.</p> <p>All covenants would be tested on quarterly basis i.e., as on 31 March, 30 June, 30 Sept and 31 Dec every year, starting from March 31, 2021 on consolidated and standalone balance sheet till the redemption of the NCDs. The covenants shall be certified by the Chartered Accountant within 45 (Forty-Five) calendar days from the end of each reporting quarter.</p> <p>In case of breach of any of the covenants, the Issuer shall pay additional coupon at the rate of 2 % (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the relevant series of NCDs (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such a breach, until the NCDs are fully redeemed or till the covenants criteria has been replenished.</p>
Holding & Management Covenant	<p>The Company undertakes that the following covenants ("Holding and Management Covenants") shall be maintained at all times until the Final Settlement Date, unless the prior written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) is obtained:</p> <p>a) Intellectap & Avishkar Group shall hold minimum unencumbered 51% shareholding on a fully diluted basis in the Company, and management control of the Company during the entire tenor of the NCDs and till all the amounts outstanding are been duly repaid.</p> <p>b) Mr. Vineet Rai to remain Chairman and part of the Board of Directors of the Issuer</p> <p>For the purposes of this Term Sheet:</p> <p>"Control" means the term 'control' as defined under the Act. "Controlling" and "Controlled" shall be construed accordingly;</p> <p>"Management Control" shall, in relation to any entity, mean:</p> <ol style="list-style-type: none"> the right to appoint the majority of directors of such entity; and to control the management of such entity or policy decisions are exercisable by a person or persons acting individually or in concert, directly or indirectly, by virtue of their shareholding or management rights or shareholders agreements or voting agreements.
Rating Covenant	<p>The Issuer shall maintain the below mentioned covenants during the entire tenor of the NCDs and till all the amounts outstanding are been duly repaid ("Rating Covenants"):</p> <p>i. The Company shall ensure that there is no downgrade in the credit rating of the Company/Instrument and/or assignment of long-term credit rating at "BB+" or below" from the any credit rating agency;</p>

	<p>ii. The Company shall ensure that there is no suspension of the credit rating of the Issuer. and/ or the Debentures due to the Company not cooperating with the credit rating agency.</p>
Optional Accelerated Redemption	<p>Any Debenture Holder/s shall have the right but not an obligation to require the Company to redeem the Debentures along with accrued interest upon the occurrence of any of the below mentioned ("Optional Accelerated Redemption Events"):</p> <ol style="list-style-type: none"> 1. Breach of any of the covenants as mentioned under the Rating Covenant 2. Breach of any of the covenants as mentioned under the Holding and Management Covenant 3. Breach of any of the covenants as mentioned under the Financial Covenant upon lapse of cure period as per the Transaction Document 4. Occurrence of Material Adverse Effect 5. If the Issuer prepays any loans or redeem NCDs; voluntarily or mandatorily before its stated maturity such that it leads to a negative mismatch on cumulative basis in any of the buckets of ALM statement upto the residual tenure of the Debentures after incorporating all the liabilities of the company including Put Options/interest reset on liabilities. Unutilized bank lines shall not be taken into account while testing the same. 6. Any adverse effect in the business, condition (financial or otherwise), operations, performance or prospects of the company due to any pending or threatened litigation, charges, investigation or proceedings that may or can have an adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the company, that affects the payment of outstanding on the NCDs to the Debentures holders in any manner <p>The occurrence of events above will be determined by the Debenture Holders solely and at its discretion.</p> <p>The Debenture Holder/ Debenture Holders individually shall have the option to require the Company to redeem the Debentures ("Optional Accelerated Redemption") on happening of any of the Optional Accelerated Redemption Events. Upon the exercise of the 'Optional Accelerated Redemption' by the Debenture Holder/ Debenture Holders, the Debenture Trustee shall issue a notice to the Company for redemption of all amounts outstanding in relation to the Debentures (including any unpaid principal, accrued but unpaid Coupon, Default Interest (if applicable)) as on the date of exercise of the 'Optional Accelerated Redemption' Option ("Optional Accelerated Redemption Date").</p> <p>The Company shall be required to make payment of the aggregate amounts outstanding in relation to the Debentures, to the exercising Debenture Holder/ Debenture Holders including any unpaid Principal Amount, accrued but unpaid Coupon, Default Interest (if applicable) and liquidated damages (if applicable) within 15 (Fifteen) calendar days of the Optional Accelerated Redemption Date.</p> <p>The issue of notice for exercising the Optional Acceleration Redemption by the Debenture Holder/s shall not be dependent upon the consent of the Majority Debenture Holders.</p>
Event of Defaults (including manner of voting /conditions of joining Inter Creditor Agreement)	<p>An Event of Default ("Event of Default") shall have occurred upon the happening of any event or circumstances mentioned hereunder:</p> <ol style="list-style-type: none"> 1. The Company does not pay on the Due Date(s) any amount payable in terms of the Transaction Documents at the place at and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 1 (One) calendar day of the relevant Due Date; 2. If the fails to perfect the Security (i.e. filing CHG-9 with the ROC) with the stipulated timelines as per the Transaction Documents. 3. If the Issuer fails to submit the Monthly Secured Property Report in terms of the Deed of Hypothecation setting out the details of the receivables which are free from encumbrance and meet the Eligibility Criteria;

	<p>4. In the event that the Security Cover falls below the Minimum-Security Cover and the Company fails to reinstate the same within 30 (Thirty) calendar days from the date of such fall in the Security Cover;</p> <p>5. In the event that the Cash Collateral falls below 5 % of the outstanding NCDs and the Company fails to reinstate the same within 5 (Five) calendar days from the date of such fall.</p> <p>6. Failure of the Company to redeem the Debentures in terms of the Transaction Documents upon exercise of the Optional Accelerated Redemption Option in terms hereof;</p> <p>7. The breach of any terms, covenants (including, without limitation, negative covenants, affirmative covenants, reporting covenants, financial covenants) or obligation under the Transaction Documents (other than breach of terms, covenants or obligations covered specifically by other Events of Default set out herein) and such breach has continued for a period of 30 (Thirty) calendar days.</p> <p>8. The Issuer admits in writing its inability to pay its debts as they fall due or suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with one or more creditors with a view to rescheduling its indebtedness;</p> <p>9. The Issuer fails to share the any information within 7 (Seven) calendar days upon the request by the Debenture Holder.</p> <p>10. 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 Holders by the Company shall have been incorrect, false or misleading in any respect when made or deemed made;</p> <p>11. There shall have occurred Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified within a period of 15 (Fifteen) calendar days;</p> <p>12. Any corporate action, legal proceedings or other procedure or step is taken in relation to:</p> <ol style="list-style-type: none"> the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company; the composition, compromise, assignment or arrangement with any creditor of the Company; the appointment of a liquidator, receiver or similar other officer in respect of the Company, a composition, compromise, assignment or arrangement with any creditor of the Company; enforcement of any security over any assets of the Company or any analogous procedure or step is taken in any jurisdiction; any other event occurs or proceeding is instituted that under any applicable law would have an effect analogous to any of the events listed in paragraphs (a), (b), (c) and (d) above; <p>13. The Disclosure Document or any other Transaction Document in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Company;</p> <p>14. 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;</p>
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	<p>15. The Company repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents;</p> <p>16. Any of the Transaction Documents failing to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests failing to have the priority contemplated under the Transaction Documents, or the security interests becoming unlawful, invalid or unenforceable or the security over the Hypothecated Assets is in jeopardy;</p> <p>17. 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;</p> <p>18. The Company's organizational status or any licenses or franchise is revoked or suspended by any government agency or authority after the Company has exhausted all remedies and appeals relating thereof;</p> <p>19. Surrender, revocation or suspension of the Company's certificate of registration as a non-banking financial company by the Reserve Bank of India provided that this shall not apply where such certificate of registration is surrendered pursuant to obtaining a banking license;</p> <p>20. The Company ceases to carry on its business or any substantial part thereof or gives notice of its intention to do so.</p> <p>21. The Company has taken or suffered to be taken any action for reorganization of its capital or any rearrangement, merger or amalgamation without prior approval of the Debenture Holders in terms hereof;</p> <p>22. 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 by the management of the Issuer/ Promoter.</p> <p>23. The Promoters and/or the directors/ or the key managerial personnel of the Company are accused of, charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the Promoters and/or the directors and/ or the key managerial personnel of the Company, including any accusations, charges and/or convictions of any offence relating to bribery or being declared a willful defaulter;</p> <p>24. In the event that an application for corporate insolvency resolution process of the Company is filed or any form of communication indicating an intention to file such application is issued or any creditor of the Company takes any steps requesting the filing of such application, in each case, by the appropriate regulator (i.e. the Reserve Bank of India), under the IBC and the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019;</p> <p>25. If the Company commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect (including by passing any resolution of the Board or the shareholders of the Company) or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consents to the appointment of or the taking of possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property;</p>
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	<p>26. If a petition is filed for the winding up of the Company under the Companies Act, 2013 and the same is not stayed or dismissed within a period of 15 days of its filing;</p> <p>27. An event of default shall arise if the Company/ any of the Promoters/ guarantors (if any)/ the subsidiaries or holding company(ies) of the Company:</p> <ul style="list-style-type: none"> (a) defaults in any payment of Financial Indebtedness beyond the period of grace if any, provided in the instrument or agreement under which such Financial Indebtedness was created; or (b) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Financial Indebtedness to become due prior to its stated maturity; or (c) any Financial Indebtedness of the Issuer is declared to be due and payable, or would permit to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof; <p>provided that if the above-mentioned Event of Default is capable of being remedied in the sole discretion of the Debenture Holders, the Majority Debenture Holder may provide a cure period as deemed appropriate to them;</p> <p>28. The Company commences negotiations with one or more of its lenders/ debenture trustees/ debenture holders with a view to rescheduling any of its indebtedness or failure or inability of the Company to pay its debts as they mature.</p> <p>Subject to the approval of the debenture holders and the conditions as may be specified by the SEBI from time to time, the Debenture Trustee, on behalf of the debenture holders, may enter into inter-creditor agreements provided under the framework specified by the Reserve Bank of India. The voting shall be through show of hands or poll or through such other manner as the majority Debenture Holder/s may deem fit. The details with respect to same shall be specifically mentioned in the Debenture Trust Deed</p> <p>For the purposes of this Term Sheet:</p> <p>"Maturity Date" shall mean the date falling at the expiry of 15 (Fifteen) months from the Deemed Date of Allotment or such other earlier date on which the Debentures are required to be redeemed pursuant to the Transaction Documents.</p>
Provisions related to Cross Default Clause	As mentioned in paragraph 27 of the row titled 'Events of Default'
Consequences of Events of Default	On and at any time after the occurrence of an Event of Default, unless such Event of Default at the request of the Company is expressly waived by the Debenture Trustee acting on the instructions of the Majority Debenture Holder(s), (a) upon the expiry of the cure period provided to the Company, if any, or (b) if the cure period provided is mutually extended by the Parties hereto upon the expiry of such extended period or (c) where no cure period is provided or it is not practical to provide a cure period, then forthwith, or (d) where no cure period has been provided and the Parties mutually agree to provide for a cure period, upon the expiry of such mutually agreed cure period, the Debenture Trustee shall if so directed by any of the Debenture

	<p>Holder(s) without seeking Issuer's consent : declare that all or part of the obligations be immediately due and payable, whereupon they shall become immediately due and payable;</p> <ul style="list-style-type: none"> i. accelerate the redemption of the Debentures; ii. Deposit of PDCs/ UDCs iii. Enforcement of the Cash Collateral lien marked in favour of Debenture Trustee. iv. enforce such security in such a manner as the Debenture Holders may deem fit; v. Exercise all the rights and remedies available to it in such manner as Debenture Holders may deem fit without intervention of the Court and without having to obtain any consent of the Borrower; vi. without prejudice to its other rights hereunder or under IBC or any other applicable Law, in its sole discretion to exercise all the rights, powers and remedies vested in it for the protection, perfection and enforcement of its rights in respect of the Security herein.
Default interest rate	<p>All monies due in respect of the Debentures shall, in case the same be not paid on the respective Due Dates, carry further interest at the rate of 2% (Two Percent) per annum, computed from the relevant Due Date upto the date on which such monies are paid or realised by the Debenture Holder(s) ("Default Interest"). It is clarified that any Default Interest which becomes payable in terms hereof shall be payable over and above the applicable Coupon Rate.</p>
Conditions for breach of covenant (as specified in the Debenture Trust Deed)	<p>The Conditions for breach of covenants if any shall be specified in the Debenture Trust Deed</p>
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	<p>Other than as disclosed in the Disclosure Document, there are no other covenants.</p>
Role and Responsibilities of Debenture Trustee	<p>To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s)</p>
Risk Factors pertaining to the Issue	<p>As mentioned in the Disclosure Document under captioned "Risk Factor"</p>
Annual Review Date	<p>Annual Review Date shall mean the date which falls 15 calendar days prior to the expiry of 12 (Twelve) months from the Deemed Date of Allotment.</p>
Annual Review	<p>The aforesaid Facility shall be subject to Annual review, at the option of the Debenture holders. The said review shall be completed within 15 calendar days of the Annual Review Date, subject to the satisfaction of Debenture Holder.</p>
Right to Re-purchase and Re-issue the Debenture	<p>The Company, subject to the prevailing guidelines, rules/regulations of Reserve Bank of India, the Securities and Exchange Board of India and other Authorities, shall have the option from time to time to repurchase a part or all of the Debentures from the secondary markets or otherwise, on prior mutual consent(s) from the debenture holder(s), at any time prior to the date of maturity.</p> <p>In the event of a part or all of its Debentures being repurchased as aforesaid or redeemed under any circumstances whatsoever, the Company shall have, and shall be deemed to have had, the power to reissue the Debenture either by reissuing the same Debentures or by issuing other Debenture in their place.</p> <p>Further the Company, in respect of such repurchased/redeemed Debenture shall have the power exercisable either for a part or all of those Debenture, to cancel, keep alive, appoint nominee(s) to hold or reissue at such price and on such terms and conditions as it may deem fit and as permitted by law.</p>
Ranking	<p>Each Debenture issued by the Issuer will constitute direct, senior and secured obligations of the Issuer. The claims of the Debenture Holders shall be akin to the claims of senior, secured investors / lenders and shall rank pari passu to all senior, secured indebtedness of the Issuer. Each of the Debenture Holders of this Series shall inter-se rank pari passu in relation to their rights and benefits in relation to the Debentures, without any preference or privilege.</p>
Role and Responsibilities of Debenture Trustee	<p>To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).</p>

Risk Factors pertaining to the Issue	As mentioned in the Shelf Disclosure Document under captioned "Risk Factor"
Indemnification	The Issuer will indemnify, and hold harmless the Debenture Holders from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer or its Promoters.
Confidentiality	The terms and conditions described in this Term Sheet, including its existence, shall be confidential information and shall not be disclosed to any third party except to each Party's advisors and counsel. Provided however that if any of the Parties is required by law to disclose information regarding this Term sheet or to file this Term sheet with any regulatory body, it shall, at a reasonable time after making any such disclosure or filing, informing the other parties.
Governing Law and Jurisdiction	<p>This Term Sheet and the Transaction Documents shall be governed by and shall be construed in accordance with the applicable laws of India.</p> <p>Subject to the paragraph below, any disputes which may arise out of or in connection with the Transaction Documents shall be subject to the exclusive jurisdiction of the courts and tribunals at Mumbai and that accordingly, any suit, action or proceedings ("Proceedings") arising out of or in connection with the Transaction Documents may be brought in such courts or tribunals.</p> <p>Any dispute arising in connection with the interpretation, performance, termination of this Term Sheet, or otherwise in connection with this Term Sheet ("Dispute") shall be finally settled by arbitration under the Arbitration and Conciliation Act, 1996. The arbitral tribunal shall be composed of 1 (One) arbitrator appointed by the Debenture Trustee. The arbitration proceedings shall be conducted in English and the seat and venue of arbitration shall be Mumbai India. The sole arbitrator may, from time to time, lay down the procedure to be followed in conducting the arbitration proceedings and shall conduct the arbitration proceedings in such manner as it considers appropriate. The arbitration award including any interim awards made by the arbitrator shall be final and binding on the Parties, and enforceable in accordance with its terms. The arbitrator shall state reasons for its findings in writing. The Parties agree to be bound thereby and to act accordingly. The costs of such arbitration shall be borne by the Company.</p> <p>The Debenture Trustee, may, however, in its absolute discretion commence any Proceedings arising out of this Term Sheet in any other court and tribunal in India, and the Company irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such court or tribunal, and the Company irrevocably waives any objection it may have now or in the future to the laying of the venue of any Proceedings and any claim that any such Proceedings have been brought in an inconvenient forum.</p>
Transaction Costs	<p>The Issuer shall bear all transaction related costs incurred by the Debenture Holders/ Debenture Trustee with respect to legal counsel, valuers and auditors/ consultants. Such costs include:</p> <ul style="list-style-type: none"> • Debenture Trustee fees; • Rating fees; • Stamping and registration costs in relation to all Transaction Documents; <p>Any other reasonable transaction related expense incurred by the Debenture Holders/ Debenture Trustee.</p>
Taxes, Duties, Costs and Expenses	<ul style="list-style-type: none"> • Relevant taxes, duties and levies are to be borne by the Issuer. • The charges/ fees and any amounts payable under the Debentures by the Issuer as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.
<u>Issue Schedule</u> Issue Opening Date Issue Closing Date Pay-In Date Deemed Date of Allotment	March 01, 2021 March 01, 2021 March 01, 2021 March 01, 2021

Illustration of Bond Cash Flows on per Debenture basis:

Issuer	Ashv Finance Limited
Face Value per NCD	Rs.1,00,000 (Rupees One Lakh only)
Date of Allotment	March 01, 2021
Redemption	Principal repayment by way of amortizing over monthly redemptions starting from the end of 1 st (First) month from the Deemed Date of Allotment and every month thereafter till the Final Redemption Date. The principal repayment dates (subject to the Business Day convention set out in the row titled 'Business Day Convention' below),
Coupon Rate	13.75% p.a. (Thirteen Decimal Seven Five percent per annum)
Frequency of the Coupon	Monthly and on Redemption
Day Count Convention	Actual/ Actual

Coupon Cashflow on Per Debenture Basis

Months	Particulars	Payment Date	No. of Days in Coupon Period	Amt in Rs
1	1st Coupon	April 01, 2021	31	1,168
2	2nd Coupon	May 01, 2021	30	1,055
3	3rd Coupon	June 01, 2021	31	1,012
4	4th Coupon	July 01, 2021	30	904
5	5th Coupon	August 01, 2021	31	856
6	6th Coupon	September 01, 2021	31	779
7	7th Coupon	October 01, 2021	30	678
8	8th Coupon	November 01, 2021	31	623
9	9th Coupon	December 01, 2021	30	527
10	10th Coupon	January 01, 2022	31	467
11	11th Coupon	February 01, 2022	31	389
12	12th Coupon	March 01, 2022	28	281
13	13th Coupon	April 01, 2022	31	234
14	14th Coupon	May 01, 2022	30	151
15	15th Coupon	June 01, 2022	31	78

Principal Payment on per Debenture Basis:

Particulars	Payment Date	Amt in Rs
1st Principal	April 01, 2021	6,666
2nd Principal	May 01, 2021	6,666
3rd Principal	June 01, 2021	6,666
4th Principal	July 01, 2021	6,666
5th Principal	August 01, 2021	6,666
6th Principal	September 01, 2021	6,666
7th Principal	October 01, 2021	6,666
8th Principal	November 01, 2021	6,666
9th Principal	December 01, 2021	6,666
10th Principal	January 01, 2022	6,666
11th Principal	February 01, 2022	6,666
12th Principal	March 01, 2022	6,666
13th Principal	April 01, 2022	6,666
14th Principal	May 01, 2022	6,666
15th Principal	June 01, 2022	6,676

* The cash flow above is subject to the Business Day Convention