

## INDICATIVE TERM SHEET

***The terms and conditions given below are indicative only and are not exhaustive and subject to change.***

<b>PARTIES INVOLVED IN THE ISSUE</b>		
Issuer / Company	ASHV FINANCE LIMITED	
Debenture Trustee	Beacon Trusteeship Limited	
Subscriber(s)	Axis Trustee Services Limited acting in its capacity as the trustee of the <b>Northern Arc Income Builder Trust (Series II)</b> with <b>Northern Arc Income Builder Fund (Series II)</b> as its scheme.	
Depository	NSDL	
Registrar and transfer agent	Satellite Corporate Services Pvt. Ltd.	
Rating Agency	INDIA RATINGS	
Structurer and Arranger	Not Applicable	
Legal Counsel	Verist Law	
Guarantor(s)	Not Applicable	
Credit Enhancer(s)	Not Applicable	
Other obligor(s)	Not Applicable	
<b>DETAILS OF THE INSTRUMENT</b>		
Type of instrument	Principal protected non-convertible market linked debentures	
Nature of instrument	Rated Unsubordinated Secured Transferable Redeemable Principal Protected Market Linked Debentures.	
Ranking	Unsubordinated	
Security requirements	Debentures shall be secured as per the terms and conditions stipulated under the heading ' <b>Security Creation</b> ' hereunder.	
Listing requirements	Unlisted	
Rating	PP - MLD IND BBB	
<b>ISSUE DETAILS</b>		
Mode of Issue	Private Placement	
Form of issue	Debentures will be issued in dematerialized form.	
Issue size	INR. 20 Crores /- (Indian Rupees Twenty Crores only)	
Tenor	39 months	
Face value	INR. 1,00,000/- (Indian Rupees One Lakh only)	
Issue price	Debentures will be issued at par.	
Issue Schedule	Issue Opening Date	June 29, 2021
	Issue Payin Date	June 29, 2021

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		Issue Closing Date	June 29, 2021	
		Deemed Date of Allotment	June 29, 2021	
Objects of the issue	For onward lending			
Utilization of issue proceeds	The Issuer shall utilize the proceeds of the Issue solely for meeting the Objects of the Issue as stated in the Information Memorandum			
<b>REDMPTION</b>				
Redemption Amount	Face Value together with Effective Coupon Amount per Debenture. Effective Coupon Amount to be determined as per method of calculation set out in Schedule II.			
Scheduled Redemption	Debentures shall be redeemed on a pro rata basis as set out in <b>Schedule 1 (Redemption Schedule)</b> hereto and shall be fully redeemed by the Final Redemption Date.			
Final Redemption Date	30 September 2024			
Early Redemption	<p>Early redemption at the instance of the Issuer shall not be allowed within 24 months from Deemed Date of Allotment ("Lock-in Period"). In case of early redemption of the Debentures at the instance of the Issuer after the Lock-in Period, on any date other than the Final Redemption Date and not arising due to an Event of Default, the Issuer shall pay an Early Redemption Premium. Early Redemption Premium. will have to be paid over and above the applicable 'Effective Coupon Amount'</p> <p>Early Redemption shall be subject to the consent of the Majority Debenture Holders. The Issuer shall give the Debenture Trustee and the Debenture Holders a written notice at least 45 (Fifteen) days prior to the date of early redemption where consent of Debenture Holders shall be sought.</p>			
Early Redemption Premium	3 % (Three percent) on the principal amount prepaid.			
Put Option	Any of the Debenture Holders shall have the right but not the obligation to call upon the Issuer to redeem the Debentures held by them prior to the Put Option Exercise Dates by issuing a notice to the Issuer. The notice shall be issued to the Issuer at least 60 (Sixty) calendar days prior to the Put Option Date mentioning the number of Debentures which requires to be redeemed. Upon receipt of such notice, the Issuer shall on the Put Option Date redeem such number of Debentures as is mentioned in the notice by making payment of all outstanding principal, coupon/interest and other monies outstanding to the relevant Debentures Holders			
Put Option Exercise Date	30 June 2022 30 June 2023			
<b>COUPON PAYMENT</b>				
Coupon Type	Linked to BSE ("Reference Index")]			

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Coupon Rate	Effective Coupon Amount per Debenture shall be paid by the Company to the Debenture Holders as interest on the Final Redemption Date or the Early Redemption Date or in case of exercising the put option i.e. (the date on which the Debentures are redeemed prior to the Final Redemption Date in terms of the Transaction Documents), as the case may be. The said 'Effective Coupon Amount' being the interest amount to be paid per Debenture by the Issuer to the Debenture Holders shall be determined in accordance with the method of calculation set out in <b>Schedule II (Method of calculation of Effective Coupon Amount)</b> hereto.
One time interest	0.00% of the investment amount
Coupon Payment Frequency	Bullet
Coupon Payment Dates	Coupon payment at the time of redemption
Step-up Coupon	In the event the Credit Rating of the Debenture issued by the Issuer is downgraded from the current rating of BBB, the Effective Annualised Coupon Rate shall be increased by 0.5% for every notch of rating downgrade, applicable from the date of such downgrade until such event is cured, on the outstanding principal amount and accrued interest, if any, of the Debentures.
Step-down Coupon	Not applicable.
Default interest	2.00 % (Two point Zero Zero percent)
<b>CONVENTIONS</b>	
Day Count Basis	Actual/Actual
Business Day	Means any day, other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 or a Sunday, on which banks are open for general business in Mumbai & Chennai;
Date Convention	<ul style="list-style-type: none"> <li>(a) If the date of payment of any interest in respect of the Debentures falls on a day that is not a Business Day, such payment of interest shall be made on the next occurring Business Day;</li> <li>(b) If the date of payment of any redemption amount falls on a day that is not a Business Day, such payment of instalment shall be made on the immediately preceding Business Day; and</li> <li>(c) If the Final Redemption Date or the Early Redemption Date (the date on which the Debentures are redeemed prior to the Final Redemption Date in terms of the Transaction Documents), as the case may be, falls on a day that is not a Business Day, such payment of interest and redemption amount shall be made on the immediately preceding Business Day.</li> </ul>
<b>THIRD PARTY OBLIGATIONS</b>	
Guarantor(s)	Not applicable.

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Credit Enhancer(s)	Not applicable.
Other Obligor(s)	Not applicable.
<b>SECURITY CREATION</b>	
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 Deed of Hypothecation and disclosed in the Offer Document/ Information Memorandum	<p>The Debentures shall be secured by way of a first ranking, exclusive and continuing charge on identified receivables ("Hypothecated Receivables") created pursuant to the deed of hypothecation to be executed between the Company and the Debenture Trustee as described herein. The Hypothecated Receivables originated by the Company using the proceeds of the Debentures shall be originated within 60 days from the Deemed Date of Allotment ("First Security Cover Determination Date") The Hypothecated Receivables shall at all times be equal to the value of the outstanding principal amount of the Debentures. The Issuer undertakes:</p> <ul style="list-style-type: none"> <li>• To maintain the value of security at all times equal to 1.15 (One decimal point one five) time or 115% (One hundred and fifteen percent) the aggregate amount of principal outstanding of the NCDs where at least 1.15 (One decimal point one five) time or 115% (One hundred and fifteen percent) of the security cover is from principal receivables ("Security Cover") for period upto 30<sup>th</sup> June 2022;</li> <li>• To maintain the value of security at all times equal to 1.30 (One decimal point three zero) time or 130% (One hundred and thirty percent) the aggregate amount of principal outstanding of the NCDs where at least 1.30 (One decimal point three zero) time or 130% (One hundred and thirty percent) of the security cover is from principal receivables ("Security Cover") for period from 1<sup>st</sup> July 2022 upto 30<sup>th</sup> Jun 2023;</li> <li>• To maintain the value of security at all times equal to 1.45 (One decimal point forty five) time or 145% (One hundred and forty five percent) the aggregate amount of principal outstanding of the NCDs where at least 1.45 (One decimal point four five) time or 145% (One hundred and forty five percent) of the security cover is from principal receivables ("Security Cover") for period from 1<sup>st</sup> July 2023 upto 30<sup>th</sup> September 2024 [Date of Redemption];</li> <li>• To create, register and perfect the security over the Hypothecated Receivables as contemplated above no later than 60 (sixty) calendar days after the Deemed Date of Allotment by executing a duly stamped deed of hypothecation ("Deed of Hypothecation") and filing CHG-9</li> </ul>

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	<p>within the time period applicable; The Company shall also provide such information sought by the Debenture Trustee for the purpose of filing the prescribed forms and particulars with the Central Registry and Information Utility in connection with the Debentures and the Security Interest over the Hypothecated Receivables.</p> <ul style="list-style-type: none"> <li>● The Issuer shall authorize the Debenture Trustee (by itself or through its nominee) to conduct credit bureau scrub on the Hypothecated Assets from time to time.</li> <li>● To pay a penal interest of 2.0% (Two Percent) p.a. over the Coupon Rate (if any) in case there is any delay in the creation, registration and perfection of the security over the Hypothecated Receivables;</li> <li>● To provide a list on a monthly 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) (“<b>Monthly Hypothecated Asset Report</b>”)</li> <li>● To add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Receivables is equal to 1.15 (One decimal point one five) times or 115% (One hundred and fifteen percent) the aggregate amount of principal outstanding of the NCDs where at least 1.15 (One decimal point one five) times or 115% (One hundred and fifteen percent) of the security cover is from principal receivables for period upto 30<sup>th</sup> Jun 2022.</li> <li>● To add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Receivables is equal to 1.30 (One decimal point three zero) time or 130% (One hundred and thirty percent) the aggregate amount of principal outstanding of the NCDs where at least 1.30 (One decimal point three zero) time or 130% (One hundred and thirty percent) of the security cover is from principal receivables for period from 1<sup>st</sup> July 2022 upto 30<sup>th</sup> Jun 2023;</li> <li>● To add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Receivables is equal to 1.45 (One decimal point four five) time or 145% (One hundred and forty five percent) the aggregate amount of principal outstanding of the NCDs where at least 1.45 (One decimal point four five) time or 145% (One hundred and forty five percent) of the security cover is from principal receivables for period from 1<sup>st</sup> July 2023 upto 30<sup>th</sup> September 2024 [Date of Redemption].</li> </ul>
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	<ul style="list-style-type: none"> <li>To replace Hypothecated Receivables that have been overdue for more than 60 days. Such replacement shall be affected within 15 (Fifteen) Business Days of the Hypothecated Receivables becoming overdue.</li> </ul> <p><u>Eligibility Criteria for the Hypothecated Receivables:</u></p> <ul style="list-style-type: none"> <li>the receivables are existing at the time of selection and have not been terminated or pre-paid.</li> <li>the receivables have not been restructured or rescheduled.</li> <li>all “Know Your Customer” norms have been complied with as prescribed by the Reserve Bank of India.</li> <li>All loans hypothecated to the investor should be in the form of loans extended for the purpose of its / his / her business.”</li> <li>Every loan originated from the issue proceeds should be originated by the Issuer and not loans purchased from a third party.</li> <li>Loans originated from the portfolio should not be provided to individuals who have had a history of late payments or overdues.</li> <li>Every hypothecated loan shall be below INR 35 lakhs of ticket size. Issuer to share details of hypothecated loans in the format as required by debenture trustee / debenture holders from time to time.</li> </ul> <p>Where the Company is unable to originate the Hypothecated Receivables, or to create and perfect the security over the Hypothecated Receivables within 60 days from the Deemed Date of Allotment, the Company shall, on the 60<sup>th</sup> day, secure the Debentures vide a fixed deposit of an amount such that the Security Cover is met (“<b>Fixed Deposit</b>”). As and when the Hypothecated Receivables are originated and security is perfected over the same, the Fixed Deposit shall be released to the extent that the Security Cover is met at all times. Failure of the Company to neither create security over the Hypothecated Receivables, nor provide a Fixed Deposit on the 60<sup>th</sup> day from the Deemed Date of Allotment shall be considered an Event of Default.</p>
Pledge	Not Applicable
Mortgage	Not Applicable
<b>OTHER COVENANTS</b>	
Debenture Reserve	Redemption If so applicable for the Issue, the Issuer shall create debenture redemption reserve in accordance with the Companies Act, 2013 (and Rules thereunder) and in terms thereof earmark an amount not less than 15% of the amount maturing during the year ending on the

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	31 <sup>st</sup> day of March of the next year by way of investment and deposits in specified securities on or before the 30 <sup>th</sup> day of April in each year.					
Related Party Transactions	Issuer shall report all transactions with related party on a quarterly basis. Without prejudice to the foregoing, the issuer shall not without the prior written consent of the debenture holders / debenture trustee (i) enter into any transaction(s) whereby the overall outstanding amount owed to the issuer under all such transactions exceeds 10.00% (Ten Point Zero Zero percent) of its net worth, (ii) whereby the overall expense incurred through such transactions during any financial year exceeds 10.00% (Ten Point Zero Zero percent) of its net profit, or (iii) provide any guarantee for any indebtedness of a related party. The debenture holders / debenture trustee shall be granted access to any additional information that it deems necessary to monitor and evaluate this covenant. For the purposes of this clause, the terms 'net worth' and 'related party' shall respectively have the meaning ascribed to them in sections 2 (57) and 2 (76) of the Companies Act, 2013 (and the Rules framed thereunder).					
Affirmative Covenants	<ul style="list-style-type: none"> <li>a) To utilise the proceeds of this issue in accordance with applicable laws and regulations</li> <li>b) To ensure 1 independent director on the board during the tenor of this issuance</li> <li>c) To promptly inform notice of winding up / other legal proceedings</li> <li>d) To promptly inform Material Adverse Effect</li> <li>e) To provide the Debenture Holders with access to data / information / meetings with the management team for periodical portfolio monitoring</li> <li>f) To comply with corporate governance, fair practices code prescribed by RBI</li> </ul> <p>And as set out in greater detail in the Debenture Trust Deed</p>					
Negative Covenants	<p>The issuer shall take the prior written permission from the Investor / Debenture Trustee for the following:</p> <ul style="list-style-type: none"> <li>(a) Any change in Promoter and/or control.</li> <li>(b) Key shareholders as mentioned below shall not transfer or encumber the shares of the issuer by them respectively without the prior written consent of the debenture holders / debenture trustee.</li> </ul> <table border="1" data-bbox="679 1814 1399 1983"> <thead> <tr> <th>Name</th> <th>Fully diluted stake (%)</th> </tr> </thead> <tbody> <tr> <td>Aavishkar Management Private Limited</td> <td>Venture Services</td> <td>33.79%</td> </tr> </tbody> </table>	Name	Fully diluted stake (%)	Aavishkar Management Private Limited	Venture Services	33.79%
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Aavishkar Management Private Limited	Venture Services	33.79%				

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	<table border="1"> <tr> <td style="text-align: center;">Intellectual Capital Advisory Services Pvt Ltd</td><td style="text-align: center;">27.71%</td></tr> </table>	Intellectual Capital Advisory Services Pvt Ltd	27.71%
Intellectual Capital Advisory Services Pvt Ltd	27.71%		
	<ul style="list-style-type: none"> <li>(c) Mr. Nikesh Sinha to maintain an executive role in the company till the tenor of the Debentures.</li> <li>(d) Mergers, acquisitions, investment in associates, JVs and subsidiaries including disposal of any of the above not including Demerger transactions already disclosed to the debenture holder/subscriber as on the date of DTD.</li> <li>(e) Change in nature of business of the Company</li> <li>(f) Any material change in constitutional documents</li> <li>(g) Loans exceeding 10% of net-worth to any single party and/or guarantees on behalf of third parties</li> <li>(h) Declare dividend on equity shares before payment of coupon due on the NCDs</li> <li>(i) Declare dividend on equity/preference shares before payment of coupon due on the NCDs when an Event of Default is subsisting</li> <li>(j) Material compromise or settlement</li> </ul> <p>And as set out in greater detail in the Debenture Trust Deed</p>		
Events of Default	<ul style="list-style-type: none"> <li>(a) Non-payment of any of the dues under this term sheet</li> <li>(b) Default in compliance with financial covenants</li> <li>(c) Default in compliance with non-financial covenants</li> <li>(d) Default or trigger of event of default on any other indebtedness (cross default)</li> <li>(e) Misrepresentation or misleading information in any of the Transaction Documents</li> <li>(f) Insolvency, winding up, liquidation</li> <li>(g) Creditors' processes initiated against the company</li> <li>(h) Repudiation of Transactions Documents</li> <li>(i) Cessation of business</li> <li>(j) The rating of any instrument rated from any of the external rating agency gets downgraded to a rating of B or below</li> <li>(k) Erosion of 50% or more of the Company's net worth as compared to previous financial year</li> </ul> <p>And as set out in greater detail in the Debenture Trust Deed</p>		
Reporting Covenants	<ul style="list-style-type: none"> <li>(a) <b>QUARTERLY REPORTS</b> -within 45 (Forty five) calendar days after the end of each calendar quarter: <ul style="list-style-type: none"> <li>(i) Information on financials, operations, portfolio growth &amp; asset quality (static portfolio cuts, collection efficiency and PAR), funding in formats agreeable to the Investor</li> <li>(ii) List of Board of Directors and management team</li> <li>(iii) Shareholding Pattern</li> </ul> </li> </ul>		

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	<p>(iv) CA certified Financial covenant compliance certificate</p> <p>(v) Information on:</p> <ul style="list-style-type: none"> <li>• New products introduced, or change in existing product features</li> <li>• New business correspondent relationships or discontinuance of existing relationships</li> <li>• Geographical expansion to any new state</li> <li>• Material changes to the IT / MIS systems</li> <li>• Change in credit bureaus used</li> <li>• Revision in the Business Plan</li> <li>• Changes in the Accounting Policy</li> <li>• Any fraud amounting to more than 1% of GLP</li> </ul> <p><b>(b) ANNUAL REPORTS</b> – within 120 days after the end of each fiscal year</p> <ul style="list-style-type: none"> <li>(i) Audited financials</li> <li>(ii) A certificate from the Director/CFO confirming that there is no Event of Default; if required under Sebi Listing obligations and disclosure requirement regulations.</li> <li>(iii) Copy of all annual information submitted to the RBI; and</li> <li>(iv) Corporate social responsibility report (if applicable).</li> </ul> <p><b>(c) EVENT BASED REPORTS</b> – within 5 business days after event occurring</p> <ul style="list-style-type: none"> <li>(i) Change in the shareholding structure</li> <li>(ii) Change in the Senior Management officials (Chief Executive Officer, Chief Financial Officer, Chief Operating Officer or Chief Risk Officer)</li> <li>(iii) Change in statutory auditors</li> <li>(iv) Board approval of annual business plan</li> <li>(v) Material change in the Constitutional Documents of the Company;</li> <li>(vi) Material Adverse Effect.</li> <li>(vii) Any dispute, litigation, investigation or other proceeding for an amount excess of INR 5 Crore and which could result in a Material Adverse Effect.</li> <li>(viii) Winding up proceedings</li> <li>(ix) Any Event of Default or Potential Default, and any steps taken / proposed to remedy the same</li> </ul> <p>Any prepayment or notice of any prepayment of any Indebtedness of the Issuer.</p>
Financial Covenants	<p>(1) Capital Adequacy Ratio (as defined in NBFC Regulations) shall be maintained at or above 17% at all points in time.</p> <p>For the calculations of the Capital Adequacy as mentioned above:</p>

	<ul style="list-style-type: none"> <li>- The first loss credit enhancement provided by the Company on securitization shall be reduced from Tier I Capital and Tier II Capital and the deduction shall be capped at 15% of the outstanding securitized portfolio.</li> <li>- The first loss credit enhancement provided by the Company on Client Loans originated on behalf of other institutions shall be reduced from Tier I Capital and Tier II Capital without any ceiling. The deduction shall be made at 50 per cent from Tier I and 50 per cent from Tier II capital.</li> <li>- In computing the amount of subordinated debt eligible for inclusion in Tier II capital, the subordinated debt shall be subject to discounting as provided in the NBFC Master Circular</li> </ul> <p>(2) Maintain a ratio of A:B not greater than 10% where A is sum of Gross PAR-90 including Write offs and B is the Gross Loan Portfolio including write-offs till Mar'22. From April 01, 2022, this ratio to be maintained below 8% till September 20, 2022. From October 01, 2022, this ratio to be maintained below 7%.</p> <p>(3) Maintain a ratio of A:B not greater than 20% where A is sum of Gross PAR-90 and B is the Tangible Net Worth.</p> <p>(4) Maintain a ratio of A:B greater than 50% where A is loan loss reserves and B is Gross PAR-90.</p> <p>(5) Maintain a ratio of A:B greater than 25% where A is Tangible Net Worth (TNW) and B is Gross Loan Portfolio.</p> <p>(6) Maintain positive cumulative mismatch of at least 5% of the total assets for all months up to 1 year.</p> <p>“PAR- 90” Shall mean on the Company’s Gross Loan Portfolio the outstanding principal value of the relevant portfolio of the Company that has one or more instalment of principal, interest payments overdue for 90 days or more.</p> <p>“Gross Loan Portfolio” shall mean and include the outstanding principal amount of the loans originated by the Issuer on its own books, securitized portfolio as well as loans originated on behalf of other entities by entering into partnership agreements but not included on the Issuer’s own book.</p> <p>“Write-off” shall mean bad debts removed from balance sheet and deemed as non-collectible. Write-offs to be calculated for trailing 12 months.</p>
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	<p>“Loan loss provision” shall mean expense set aside as an allowance for uncollected loans and loan payments on the Company’s entire portfolio including receivables sold or discounted on a non-recourse basis.</p> <p>“Tangible net worth” (TNW) shall mean sum of share capital and surplus reserves of the company net of intangible assets of the company.</p>
Transaction documents	<p>Debenture Trust Deed, Hypothecation Agreement, Hypothecation Confirmation Letter, Undertaking(s), Disclosure Documents, Resolutions, the letters issued by the Rating Agency and the Registrar and all other documents in relation to the issuance of the Debentures.</p> <p>Disclosure Documents means collectively,</p> <p class="list-item-l1">(a) the debt disclosure document to be issued by the Issuer in terms of sub-regulation (1) of Regulation 21 (<i>Disclosures in respect of Private Placements of Debt Securities</i>) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (if applicable); and</p> <p class="list-item-l1">(b) private placement offer letter to be issued by the Issuer in terms of section 42 (<i>Offer or invitation for subscription of securities on private placement</i>) of the Companies Act, 2013.</p> <p>Resolutions means collectively,</p> <p class="list-item-l1">(a) special resolution of the shareholders of the Company under Section 180(1)(a) of the Companies Act, 2013;</p> <p class="list-item-l1">(b) special resolution of the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013;</p> <p class="list-item-l1">(c) board resolution of the board of directors of the Company under Section 42 and other applicable provisions of the Companies Act, 2013 and Rules thereunder;</p> <p class="list-item-l1">(d) special resolution of the shareholders of the Company under the applicable provisions of the Companies Act, 2013 and Rule 14(2) and other applicable provisions of Companies (Prospectus and Allotment of Securities) Rules, 2014, if applicable.</p>
Other Costs & Conditions	<p>The Issuer shall bear the costs and expenses incurred in connection with the transactions contemplated hereby including stamp duty and registration fee (if applicable) on the Transaction Documents (and the Debentures), appointment of the Debenture trustee, legal advisors' expenses and expenses incurred in the preparation for the Transaction Documents.</p>
Governing Law and Jurisdiction	<p>Indian Law with jurisdiction of the courts and tribunals of Chennai and Mumbai.</p>

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Waiver	Delay or omission by investor or debenture trustee in exercising any rights or remedies upon any breach of any covenant, shall not impair any rights, power or remedies available to investor or debenture trustee for any present and continuing or future breaches of any covenants.
Indemnification	The Company will indemnify and hold harmless the Debenture Holder(s) from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of a breach of this Term Sheet by the Company.
Confidentiality	The parties (i.e. Investors, Debenture Trustee and all such parties who gets to view this term sheet, for whatever reason) undertake to keep confidential all information with respect to this agreement/sanction and the same shall not be disclosed to any person other than its officers, directors, employees, accountants, attorneys and other advisors, and the information shall be shared only on a “need to know” and “confidential” basis and such disclosure shall be solely for the permitted purpose or if required under applicable law. The parties shall further ensure that all confidential information including unpublished price sensitive information arising out of this agreement or transactions contemplated herein shall be identified and its confidentiality shall be maintained as per the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended or replaced from time to time.
Risk Factors associated with Market Linked Debentures	The securities are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.  The principal amount is subject to the credit risk of the Issuer whereby the investor may or may not recover all or part of the funds in case of default by the Issuer.
Transaction Costs	The Issuer shall bear all transaction related costs incurred by the Investor with respect to valuers and auditors / consultants. Such costs include: 1. Trustee fees Stamping and registration in relation to creation of Security and all Definitive Agreements.
Taxes duties cost and expenses	Relevant taxes, duties and levies are to be borne by the Company.

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***Schedule I***
**Redemption Schedule**

<b>Redemption Installments</b>	<b>Redemption Date</b>	<b>Amount to be redeemed per Debenture (in INR)</b>
<b>1</b>	<b>September 30, 2024</b>	<b>1,00,000</b>

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**Schedule II**
**Method of calculation of Effective Coupon Amount**

<b>Effective Coupon Amount</b>	$Face Value * [(1 + Effective Annualized Coupon Rate)^{(Tenor in Days/365)} - 1]$								
<b>Effective Annualized Coupon Rate</b>	Based on 'Reference Index Performance', corresponding 'Effective Annualized Coupon Rate' function will be applicable <table border="1" data-bbox="504 579 1335 833"> <tr> <th>Reference Index Performance</th> <th>'Effective Annualized Coupon Rate' function</th> </tr> <tr> <td>&lt;= -75%</td> <td>0%</td> </tr> <tr> <td>&gt; -75% but &lt;= 18.46%</td> <td>Max (15.40% XIRR, Annualized Coupon Rate)</td> </tr> <tr> <td>&gt; 18.46%</td> <td>15.80% XIRR*</td> </tr> </table>	Reference Index Performance	'Effective Annualized Coupon Rate' function	<= -75%	0%	> -75% but <= 18.46%	Max (15.40% XIRR, Annualized Coupon Rate)	> 18.46%	15.80% XIRR*
Reference Index Performance	'Effective Annualized Coupon Rate' function								
<= -75%	0%								
> -75% but <= 18.46%	Max (15.40% XIRR, Annualized Coupon Rate)								
> 18.46%	15.80% XIRR*								
	(*15.80% XIRR is thus a ceiling and translates into a comparable coupon rate of 14.76% per annum when the coupon is paid out on a monthly basis. Please refer 'Scenario Analysis' section of the term sheet for further details)								
<b>Annualized Coupon Rate</b>	$[(\frac{Face Value + Coupon Amount}{Face Value})^{\frac{1}{(Tenor in Days/365)}} - 1]$								
<b>Coupon Amount</b>	$Face Value * \{ [(1.1560)^{\frac{(Tenor in Days)}{365}} + (Participation Ratio * Reference Index Performance)] - 1 \}$								
<b>Face Value</b>	INR 1,00,000 (Rupees One Lakh only) per Debenture								
<b>Tenor In Days</b>	1189 Days from Deemed Date of Allotment** <p>**In the case of an Early Redemption, Tenor in Days will be number of days between the Deemed Date of Allotment and Early Redemption Date</p>								
<b>Participation Ratio</b>	5%								
<b>Reference Index</b>	BSE SENSEX 30								
<b>Reference Index Performance</b>	$(\frac{Final Fixing Level}{Initial Fixing Level}) - 1$								
<b>Initial Fixing Level</b>	Official closing level of the Reference Index as on Initial Fixing Date								
<b>Initial Fixing Date</b>	Deemed Date of Allotment								

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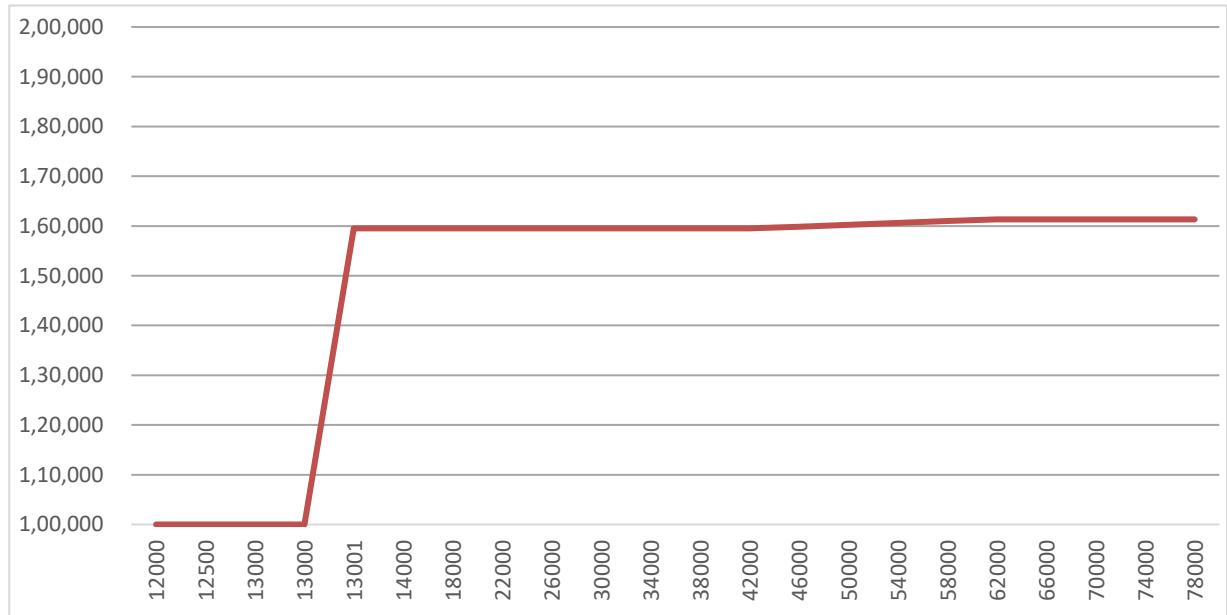
<b>Final Fixing Level</b>	Simple Average of the official closing level of the Reference Index on the Observation Dates.																														
<b>Observation Dates</b>	<p>The Deemed Date of Allotment (DDA) and the subsequent Reference Index futures expiry date in the months of August, November, February &amp; May falling over life of the instrument. The same are expected to be as below***:</p> <table border="1" data-bbox="436 505 1151 1134"> <thead> <tr> <th>Observation Date No.</th> <th>Observation Date</th> </tr> </thead> <tbody> <tr><td>1</td><td>June 29, 2021</td></tr> <tr><td>2</td><td>August 26, 2021</td></tr> <tr><td>3</td><td>November 25, 2021</td></tr> <tr><td>4</td><td>February 24, 2022</td></tr> <tr><td>5</td><td>May 26, 2022</td></tr> <tr><td>6</td><td>August 25, 2022</td></tr> <tr><td>7</td><td>November 24, 2022</td></tr> <tr><td>8</td><td>February 23, 2023</td></tr> <tr><td>9</td><td>May 25, 2023</td></tr> <tr><td>10</td><td>August 31, 2023</td></tr> <tr><td>11</td><td>November 30, 2023</td></tr> <tr><td>12</td><td>February 29, 2024</td></tr> <tr><td>13</td><td>May 30, 2024</td></tr> <tr><td>14</td><td>August 29, 2024</td></tr> </tbody> </table> <p>In the event the Debentures are to be redeemed on a date earlier than the Final Redemption Date, the final Observation Date for calculating the Coupon Amount, if any, will be 15 calendar days from the date on which the Debenture Trustee receives the Early Redemption Notice/Put Option Notice.</p> <p><i>***Provided that, if any such date except the DDA is not a scheduled Reference Index futures expiry date, then the Reference Index futures expiry date as notified by the Bombay Stock Exchange for that month will be considered as the observation date.</i></p>	Observation Date No.	Observation Date	1	June 29, 2021	2	August 26, 2021	3	November 25, 2021	4	February 24, 2022	5	May 26, 2022	6	August 25, 2022	7	November 24, 2022	8	February 23, 2023	9	May 25, 2023	10	August 31, 2023	11	November 30, 2023	12	February 29, 2024	13	May 30, 2024	14	August 29, 2024
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Scenario Analysis									
<b>Scenario Analysis: Tabular Representations</b>									
<b>Falling Scenario</b>									
Initial Level	Final Level	Performance	Ann. Coupon Rate (XIRR)	Comparable Monthly Coupon Rate	Redemption at Face Value plus Coupon Amt.				
52000	7800	-85.0%	0.00%	0.00%	1,00,000				
52000	13000	-75.0%	0.00%	0.00%	1,00,000				
52000	18200	-65.0%	15.40%	14.41%	1,59,455				
<b>Stable Scenario</b>									
Initial Level	Final Level	Performance	Ann. Coupon Rate (XIRR)	Comparable Monthly Coupon Rate	Redemption at Face Value plus Coupon Amt.				
52000	46800	-10.0%	15.49%	14.49%	1,59,857				
52000	52000	0.0%	15.60%	14.58%	1,60,357				
52000	57200	10.0%	15.71%	14.68%	1,60,857				
52000	62400	20.0%	15.80%	14.76%	1,61,262				
<b>Rising Scenario</b>									
Initial Level	Final Level	Performance	Ann. Coupon Rate (XIRR)	Comparable Monthly Coupon Rate	Redemption at Face Value plus Coupon Amt.				
52000	80600	55.0%	15.80%	14.76%	1,61,262				
52000	85800	65.0%	15.80%	14.76%	1,61,262				
52000	91000	75.0%	15.80%	14.76%	1,61,262				

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Note: This scenario analysis is being provided for illustrative purposes only. It does not represent all possible outcomes

### Scenario Analysis: Graphical Representation of Effective Coupon Amount vs Final SENSEX Levels



Note: This scenario analysis assumes initial SENSEX Level as 52,000 and is being provided for illustrative purposes only. It does not represent all possible outcomes

This indicative term sheet is not a commitment or agreement to lend or provide financing to ASHV. Please note that it only summarizes some of the terms and conditions which may be reflected in final documentation and that nothing herein obligates the Subscriber or its affiliates to provide, arrange or syndicate any credit or other financing in favour of the Issuer or its affiliates. Pricing in the term sheet is based on the credit markets as of today, and on the current evaluation we have of your institution. The final offer will be subject to the necessary internal approvals, including credit approvals, and market conditions at the time of disbursement. As a result of these, actual terms at the time of closing may differ from those indicated herein.

This indicative term sheet is for the confidential use of ASHV only and is not to be reproduced, used for any other purpose, nor disseminated to any other parties without the prior written consent of the Fund Manager. Should you wish to proceed, please kindly confirm to allow us to start cooperating with you on related documentation to best meet your funding needs.

We look forward to collaborating with you

Yours sincerely,

Ravi  
CEO, Northern Arc Investments

Vukkadala

## COMMITMENT TO PURSUE ISSUANCE OF MLDs TO Flmport Fund

ASHV FINANCE LIMITED ("ASHV") acknowledges the receipt of the Indicative Term Sheet sent by Northern Arc Investments and agrees to pursue, in good faith, the MLD issuance for subscription in the name of **IFMR Flmport Income Builder Fund**.

For Ashv Finance Limited



Name: Rohan Ramchandani

Designation: VP Treasury



Date: 29<sup>th</sup> June 2021

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**Schedule-III**
**ESG Declaration**

The Company shall not, finance any activity, production, use, distribution, business or trade involving any of the following:

1. Forced labor<sup>[1]</sup> or child labor.<sup>[2]</sup>
2. Activities deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phaseouts or bans, such as:
  - (a) Pharmaceuticals,<sup>1</sup> pesticides, and herbicides,<sup>2</sup> ozone depleting substances,<sup>3</sup> PCBs (Polychlorinated Biphenyls),<sup>4</sup> or
  - (b) Wildlife or products regulated under Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES), or
  - (c) Drift net fishing in the marine environment using nets in excess of 2.5 km. in length or other unsustainable fishing methods like blast fishing.
3. Cross border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations.
4. Destruction<sup>[3]</sup> of High Conservation Value areas.<sup>[4]</sup>
5. Pornography and/or prostitution.
6. Racist and/or anti-democratic media.
7. Weapons and munitions, including paramilitary materials.
8. Alcoholic beverages (excluding beer and wine).<sup>5</sup>
9. Tobacco.<sup>5</sup>
10. Gambling, casinos and equivalent enterprises.<sup>5</sup>
11. Radioactive materials<sup>6</sup> including nuclear reactors and components thereof or unbonded asbestos fibers.<sup>7</sup>
12. Hazardous chemicals,<sup>8</sup> or commercial scale usage of hazardous chemicals (hazardous chemicals include gasoline, kerosene, and other petroleum products).
13. Commercial logging operations or the purchase of logging equipment for use in primary tropical forests or old-growth forests.

<sup>[1]</sup> Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions

<sup>[2]</sup> Persons may only be employed if they are at least 14 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply

<sup>1</sup> A list of pharmaceutical products subject to phaseouts or bans is available at <http://www.who.int>.

<sup>2</sup> A list of pesticides and herbicides subject to phaseouts or bans is available at <http://www.pic.int>.

<sup>3</sup> A list of the chemical compounds that react with and deplete stratospheric ozone resulting in the widely publicized ozone holes is listed in the Montreal Protocol, together with target reduction and phaseout dates. Information is available at <http://www.unep.org/ozone/montreal.shtml>.

<sup>4</sup> A group of highly toxic chemicals, polychlorinated biphenyls are likely to be found in oil-filled electrical transformers, capacitors, and switchgear dating from 1950 to 1985.

<sup>[3]</sup> Destruction means the (1) elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the area's ability to maintain its role is lost

<sup>[4]</sup> High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (See <http://www.hcvnetwork.org>)

<sup>5</sup> This does not apply to project sponsors who are not substantially involved in these activities. Not substantially involved means that the activity concerned is ancillary to a project sponsor's primary operations.

<sup>6</sup> This does not apply to the purchase of medical equipment, quality control (measurement) equipment, and any equipment for which ADB considers the radioactive source to be trivial and adequately shielded.

<sup>7</sup> This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

<sup>8</sup> A list of hazardous chemicals is available at <http://www.pic.int>.

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14. Marine and coastal fishing practices, such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats.
15. Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples.
16. Any activity which may result in funding or supporting any individual or organization designated as: (i) terrorists or terrorist organizations by the United Nations, the European Union and any other applicable country; (ii) persons, groups or entities which are subject to United Nations, European Union and the US Office of Foreign Asset Control (OFAC) sanctions.