

ORANGE RETAIL FINANCE INDIA PRIVATE LIMITED
INDICATIVE TERM SHEET FOR ISSUANCE OF NON-CONVERTIBLE
DEBENTURES

PART A

INFORMATION MEMORANDUM

Purpose: The purpose of this document is to state the indicative terms and conditions of the Non- Convertible Debenture issuance by the Company proposed to be subscribed to by the Investor/s.

Issuer	Orange Retail Finance India Private Limited
Debenture Trustee	IDBI Trusteeship Services Limited, Mumbai
Issuance	Secured, Redeemable, Unrated, Taxable, Senior, Unlisted INR denominated Non-Convertible Debentures
Ranking	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 paripassu to all senior, secured indebtedness of the Issuer. Each of the Debenture Holders shall inter-se rank pari passu in relation to their rights and benefits in relation to the Debentures, without any preference or privilege.
Mode of Issue	Private Placement
Issuance form	Physical / Demat mode
Issue Size	Rs. 1,00,00,000/- (Rupees One Crore only)
Utilization of the proceeds	The Issue proceeds will be utilized for the normal business operations of the Company.
Coupon Rate	14.00% p.a.
Coupon Type	Fixed Rate
Principal and Coupon Payment Frequency	(1) Interest payment at Monthly rests. (2) Principal repayment – (a) at the end of 12 months Rs. 33 Lakhs (b) at the end of 24 months Rs. 33 Lakhs (c) at the end of 42 months the balance amount of Rs. 34 Lakhs
Total Tenor	42 months from the deemed date of allotment
Business Days	A day (other than a Saturday, a Sunday or a Bank Holiday) on which banks are open for general business in Chennai
Business Day Convention	If any Interest payment / redemption date falls on a day that is not a business day, the payment shall be made on the immediately preceding business day



Record Date	3 (Three) Calendar Days prior to each coupon payment date and redemption date
Security	<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 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"> • to maintain the value of security at all times equal to 1.1x or 110.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs ("Security Cover"); • to create, register and perfect the security over the Hypothecated Assets 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 within the time period applicable; • to pay a penal interest of 2.0% (Two Percent) p.a. over the coupon rate in case there is any delay in the creation, registration and perfection of the security over the Hypothecated Assets till the period of delay; • 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) ("Monthly Hypothecated Asset Report") • to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Assets is equal to 1.1x or 110.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs.

	<ul style="list-style-type: none"> to replace any Hypothecated Receivables that become NPA with current receivables. Such replacement shall be effected within 15 (Fifteen) Business Days of the receivables becoming NPA. <p><u>Eligibility Criteria for the Hypothecated Receivables:</u></p> <ul style="list-style-type: none"> the receivables should be standard assets the receivables should not have been restructured or rescheduled except as recommended by RBI all "Know Your Customer" norms should have been complied with as prescribed by the Reserve Bank of India.
Default Interest Rate	If, at any time, there shall be a payment default or any other Event of Default, the Company agrees to pay an additional interest rate of 2% per annum above the applicable Interest Rate on the defaulted amount from the date of the occurrence of the Payment Default or Event of Default until such Payment Default or Event of Default is cured.
Issue Price	Rs. 1,00,000 per Debenture (At PAR)
Number of Debentures proposed to be issued	Upto 100 NCDs
Face Value	Rs. 1,00,000 per Debenture
Issue Schedule	<ol style="list-style-type: none"> Tentative Issue Opening Date: 17th June, 2021 Tentative Issue Closing Date: 30th June, 2021 Tentative Deemed Date of Allotment: 17th June 2021- 30th June, 2021
Issuance mode of the Instrument	Demat / Physical
Trading mode of the Instrument	Demat / Physical
Settlement mode of the Instrument	RTGS / ECS / NEFT
Depository	CDSL / NSDL
Transaction Documents	The Issuer shall execute the documents including but not limited to the following, as required, in connection with the Issue as per RBI regulations and Companies Act 2013 (as applicable) for issuance of NCDs through Private Placement:

	<ol style="list-style-type: none"> 1. Letter appointing Trustees to the Debenture Holders; 2. Debenture Trusteeship Agreement; 3. Debenture Trust Deed; 4. Deed of Hypothecation; 5. Private Placement Offer Letter (Form PAS4); 6. Board Resolution authorizing this Issuance; 7. Applicable Shareholder Resolutions under the Companies Act 2013; 8. Tripartite Agreements with the Depository(ies) and Registrar & Transfer Agent
Conditions Precedent	<p>The Company shall fulfil the following Conditions Precedent to the satisfaction of the Debenture Trustee and submit Conditions Precedent documentation where applicable to the Debenture Trustee, prior to the Pay in Date:</p> <ol style="list-style-type: none"> 1. All corporate approvals from the Board of Directors and shareholders of the Issuer, if applicable, shall have been received for the issuance of the NCDs, and the execution, delivery and performance by the Issuer of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other Rules prescribed; 2. Execution of the Debenture Trustee Agreement and Debenture Trust Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place; 3. The Issuer shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements; 4. The Issuer shall have submitted to the Debenture Trustee a certified true copy of the Constitutional Documents of the Company (the Memorandum and Articles of Association and the Certificate of Incorporation)

	<p>5. The Issuer shall have submitted to the Debenture Trustee its audited account statements for the most recent financial year and audited/unaudited half yearly financials or quarterly financials as applicable.</p>
Conditions Subsequent	<p>The Issuer shall ensure that the following documents are executed/activities are completed as per the time frame stipulated in the Debenture Trust Deed:</p> <ol style="list-style-type: none"> 1. The Issuer shall immediately on receipt of funds, take all necessary steps, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including Form PAS 3 along with requisite fee within prescribed timelines; 2. To create, register and perfect the security over the Hypothecated Assets no later than 60 (Sixty) calendar days from the Deemed Date of Allotment or as applicable under relevant regulation and Law, whichever is earlier, 3. The Issuer shall ensure issuing physical Debenture Certificate or credit of Demat Account(s) of the allottee(s) with the number of NCDs allotted within 3 weeks of the Deemed Date of Allotment. 4. The Issuer shall ensure compliance with RBI regulation/ Companies Act 2013 (as applicable) for issuance of NCDs
Roles and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders.
Debenture Redemption Reserve	Not applicable
Other Expenses	Any expenses that may be incurred towards executing of this transaction including NCD issuance, custodial services, payment of stamp duty, fees for legal, accounting, due diligence and others shall be borne by the Issuer.
Governing Law and Jurisdiction	The Debentures shall be subject to the exclusive jurisdiction of the competent courts in Chennai

Events of Default	<p>Customary for financings of this nature and others appropriate in the judgment of the Debenture Holders, including but not limited to:</p> <ol style="list-style-type: none"> 1. Non-payment of any of the dues under this issuance, with a grace period of 5 (Five) working days in case of delays; 2. Breach of a covenant, undertaking, condition or any other obligation by any party to the Transaction Documents other than a breach of payment obligations under the transaction documents; 3. Misrepresentation or misleading information in any of the Transaction Documents; 4. Issuer is unable or admits in writing its inability to pay its debts as they mature or suspends making payment of any of its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or a moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Company; 5. Event of Insolvency, winding up, liquidation; 6. A receiver or liquidator, provisional liquidator, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of the Company or any of its assets is appointed or allowed to be appointed of all or any part of the undertaking of the Company; 7. Creditors' processes initiated against the company; 8. Repudiation of Transaction Documents; 9. Cessation of business; 10. Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of funds or revenues or any other act having a similar effect being committed by the promoter or key management personnel of the Issuer; 11. The company undertakes restructuring in the form of capital reduction, merger or amalgamation without approval from the Debenture Holders.
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	<p>If the Debenture Holders do not respond to the company's email & letter communication in this regard within 15 working days, it will be construed as if the debenture holders do not have any objection on the proposed corporate action;</p> <p>12. Promoters of the Company being declared willful defaulter or insolvent;</p> <p>13. The Promoter/s and/or the Directors of the Company are convicted of criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the Promoter/s and/or Director, including any accusations, charges and/or convictions of any offence relating to bribery;</p> <p>14. Erosion of 50% or more of the Company's net worth starting April 01, 2021;</p> <p>15. All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or Government authority;</p> <p>16. Change in management control without informing seeking approval of the Debenture Holders. If the Debenture Holders do not respond to the company's email & letter communication in this regard within 10 working days, it will be construed as if the debenture holders do not have any objection on the proposed changes.</p> <p>17. Any Transaction Document once executed and delivered, ceases to be in full force or becomes unlawful, invalid and unenforceable;</p> <p>18. A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed on the Company (voluntary or otherwise) or have been</p>
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	<p>admitted or makes an assignment for the benefit of its creditors generally and such proceeding is not contested by the company for staying, quashing or dismissed within 15 (Fifteen) days;</p> <p>19. Commencement of any proceeding (whether voluntary or involuntary) in relation to, or receipt of any notice by, the Company under the Insolvency and Bankruptcy Code, 2016;</p> <p>20. Breach of the following covenants:</p> <p>a) Affirmative Covenants – (i) Preserve corporate status; authorizations, (ii) Payment of Stamp Duty, (iii) Handling Investor grievances, (iv) Regulatory Filings, (v) Regulatory requirements in case of a Foreign Investor, (vi) Maintenance of Books of Account, (vii) Corporate Governance. Any breach of above covenants will be considered as an event of default if not cured within 30 (thirty) calendar days (if such default is capable of being cured).</p> <p>b) Negative Covenants - (i) Change of business; (ii) Dividend distribution in case of default;</p> <p>c) Financial Covenants where such breach is not cured within 10 (ten) calendar days. (if such default is capable of being cured)</p> <p>Upon occurrence of any of the aforesaid event of default, the Debenture Trustee post a curing period of 10 days (if such default is capable of being cured) will by a notice in writing to the Company initiate actions as may be contemplated in the Transaction Documents including the following:</p>
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	<p>(a) require the Company to mandatorily redeem the Debentures and repay the principal amount on the Debentures, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with this Deed and other Transaction Documents,</p> <p>(b) Declare all or any part of the Debentures to be immediately (or on such dates as the Debenture Trustee may specify) due and payable, where upon it shall become so due and payable immediately.</p>
Reporting Covenants	<p>Quarterly Reports – within 30 (Thirty) calendar days from the end of each financial quarter:</p> <ul style="list-style-type: none"> a) Unaudited Financial Statements b) Financial covenant compliance certificate signed by a Director or the Chief Financial Officer or Company Secretary or any Authorised Signatory c) Portfolio cuts d) Change in Shareholding structure e) Change in Board composition f) Changes in accounting policy g) Change in senior management officials (any CXO or equivalent) <p>Half yearly Reports – within 60 (Sixty) calendar days from the end of each half year</p> <ul style="list-style-type: none"> a) Unaudited or Audited Financial Statements b) Annual Reports – within 120 (One Hundred and Twenty) calendar days from the end of each financial year c) Event Based Reports – within 5 (five) Business Days of the event occurring:

	<ul style="list-style-type: none"> a) Any fraud amounting to more than 2% of Gross Loan Portfolio b) Change in the constitutional documents of the Company c) Material Adverse Effect d) Any dispute, litigation, investigation or other proceeding which could result in a Material Adverse Effect e) Winding up proceedings f) Any Event of Default or Potential Default, and any steps taken / proposed to remedy the same.
Financial Covenants	<p>1. The capital adequacy ratio (as defined in RBI NBFC Regulations) shall be equal to 15% or above at all points in time.</p> <p>2. Asset Quality: Ratio of PAR-90 to Gross Loan Portfolio shall be lower than 8% as of Mar 31, 2022 and at 8% for future periods.</p> <p>"Gross Loan Portfolio" shall include on balance sheet and off balance sheet portfolio.</p> <p>"Off Balance Sheet Portfolio" shall mean principal balance of loans securitized, assigned, originated on behalf of other institutions in respect of which the Issuer has provided credit enhancements in any form or manner whatsoever.</p> <p>"PAR-90" shall mean the outstanding principal amount of all client loans that have one or more instalments of principal past due for ninety days or more.</p> <p>"Client Loan" means each loan made by the Company as a lender.</p> <p>"Gross NPA" shall have the meaning in accordance with the guidelines issued by the Reserve Bank of India.</p>

	<p>All covenants would be tested on quarterly basis for the Company, i.e. as on 31st March, 30th June, 30th September and 31st December every year, <u>starting from 30th June 2021</u> on Company balance sheet till the redemption of the Debentures.</p> <p>The covenants shall be certified by the Company within 60 (Sixty) calendar days from the end of each financial quarter.</p>
Affirmative Covenants	<ol style="list-style-type: none"> 1. To utilise the proceeds of this issue in accordance with applicable laws and regulations 2. To comply with corporate governance, fair practices code prescribed by the RBI 3. Notification of any potential Event of Default or Event of Default 4. Obtain, comply with and maintain all licenses / authorizations 5. Provide details of any material litigation, arbitration or administrative proceedings (materiality threshold to be finalized during documentation) 6. Maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes 7. Permit visits and inspection of books of records, documents, board meeting minutes, shareholder meeting minutes and accounts to debenture holders as and when required by them 8. Comply with any monitoring and/or servicing requests from Debenture Holders
Negative Covenants	<p>The Issuer shall intimate and seek consent of the Debenture holders before undertaking any of the below actions:</p> <ol style="list-style-type: none"> 1. Change in Promoters and Key Controlling Shareholders - Ashvin Chadha and IAS Balamurugan. 2. Any stake dilution by Promoters and Key Controlling Shareholders – Ashvin Chadha and IAS Balamurugan. 3. The Issuer shall not, without the prior approval of Debenture Holders, enter into any transaction of merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or

	<p>shareholders or effect any scheme of amalgamation or reconstruction; provided however that this restriction shall not apply in the event that the compliance with this restriction would result in the Issuer defaulting in relation to any of its payment obligations in relation to the Debentures.</p> <ol style="list-style-type: none"> 4. The Issuer will not purchase or redeem any of its issued shares or reduce its share capital without the Debenture Holders' prior written consent. 5. Issuer shall not amend or modify clauses in its Memorandum of Association and Article of Association, without prior consent of the Debenture Trustee. 6. Issuer shall not change its financial year-end from 31st March (or such other date as may be approved by Debenture Holders) without prior consent of the Debenture Trustee. 7. Any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business, to be with the prior consent of the Debenture Holder. 8. The issuer shall not declare dividend or do buy back of equity shares, if an Event of Default has occurred and is subsisting. 9. The issuer shall not undertake any new major new business outside financial services or any diversification of its business outside financial services, without approval of majority NCD holders. 10. Create any encumbrance on the hypothecated properties.
Representations & Warranties	<ol style="list-style-type: none"> 1. The Company is registered with the RBI as an NBFC 2. No Event of Default has occurred and is continuing on the date of this transaction 3. The Debentures under this Issuance shall rank pari passu amongst themselves, and with all other senior secured creditors 4. Binding obligation of Transaction Documents 5. No conflict with other obligations / constitutional documents

	<p>6. No Material Adverse Change in business, condition or operations of the Issuer</p> <p>7. Company has the power and authority to issue Debentures and such Transactions Documents are valid and admissible in evidence</p> <p>8. Absence of any pending or threatened litigation, investigation or proceedings that may have a material adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the Issuer or that purports to affect the Facility.</p> <p>And as set out in greater detail in the Debenture Trust Deed.</p>
Transaction Costs	<p>The Issuer shall bear all transaction related costs incurred by the Debenture Holders with respect to legal counsel, valuers and auditors/consultants. Such costs include:</p> <ol style="list-style-type: none"> 1. Trustee fees 2. Any other reasonable transaction related expense incurred by the Debenture Holders 3. Stamping and registration in relation to all Transaction Documents.
Taxes, Duties, Costs and Expenses	<ol style="list-style-type: none"> 1. Relevant taxes, duties and levies are to be borne by the Issuer. 2. The charges / fees and any amounts payable under this 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.
Indemnification	<p>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 Promoter/s.</p>
Confidentiality	<p>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,</p>

	It shall, at a reasonable time after making any such disclosure or filing, informing the other Parties.
Material Adverse Effect	'Material Adverse Effect' shall mean the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, a material and adverse effect on (i) the financial condition, business or operation of the Issuer; (ii) the ability of the Issuer to perform their obligations under the Transaction Documents; or (iii) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
Validity	This term sheet shall be valid till 30 th June 2021.



PART B
APPLICATION FORM

I _____, son / daughter of Mr./Ms. _____,
hereby express my/our interest in subscribing _____ 13.50% Secured,
Redeemable, Unrated, Taxable, Senior, Unlisted INR denominated Non-convertible Debentures
each at the face value of Rs. 1,00,000/-.

Accepted by

Name:

Place:

Date:



Repayment Schedule - Mr. Sidharth Shankar Rs. 1 Crore						
S. No.	EMI Date	Op.Prin O/S	Principal	Interest	Total Outflow	Cl.Prin O/S
	22-06-2021					1,00,00,000
1	22-07-2021	1,00,00,000	-	1,16,667	1,16,667	1,00,00,000
2	22-08-2021	1,00,00,000	-	1,16,667	1,16,667	1,00,00,000
3	22-09-2021	1,00,00,000	-	1,16,667	1,16,667	1,00,00,000
4	22-10-2021	1,00,00,000	-	1,16,667	1,16,667	1,00,00,000
5	22-11-2021	1,00,00,000	-	1,16,667	1,16,667	1,00,00,000
6	22-12-2021	1,00,00,000	-	1,16,667	1,16,667	1,00,00,000
7	22-01-2022	1,00,00,000	-	1,16,667	1,16,667	1,00,00,000
8	22-02-2022	1,00,00,000	-	1,16,667	1,16,667	1,00,00,000
9	22-03-2022	1,00,00,000	-	1,16,667	1,16,667	1,00,00,000
10	22-04-2022	1,00,00,000	-	1,16,667	1,16,667	1,00,00,000
11	22-05-2022	1,00,00,000	-	1,16,667	1,16,667	1,00,00,000
12	22-06-2022	1,00,00,000	33,00,000	1,16,667	34,16,667	67,00,000
13	22-07-2022	67,00,000	-	78,167	78,167	67,00,000
14	22-08-2022	67,00,000	-	78,167	78,167	67,00,000
15	22-09-2022	67,00,000	-	78,167	78,167	67,00,000
16	22-10-2022	67,00,000	-	78,167	78,167	67,00,000
17	22-11-2022	67,00,000	-	78,167	78,167	67,00,000
18	22-12-2022	67,00,000	-	78,167	78,167	67,00,000
19	22-01-2023	67,00,000	-	78,167	78,167	67,00,000
20	22-02-2023	67,00,000	-	78,167	78,167	67,00,000
21	22-03-2023	67,00,000	-	78,167	78,167	67,00,000
22	22-04-2023	67,00,000	-	78,167	78,167	67,00,000
23	22-05-2023	67,00,000	-	78,167	78,167	67,00,000
24	22-06-2023	67,00,000	33,00,000	78,167	33,78,167	34,00,000
25	22-07-2023	34,00,000	-	39,667	39,667	34,00,000
26	22-08-2023	34,00,000	-	39,667	39,667	34,00,000
27	22-09-2023	34,00,000	-	39,667	39,667	34,00,000
28	22-10-2023	34,00,000	-	39,667	39,667	34,00,000
29	22-11-2023	34,00,000	-	39,667	39,667	34,00,000
30	22-12-2023	34,00,000	-	39,667	39,667	34,00,000
31	22-01-2024	34,00,000	-	39,667	39,667	34,00,000
32	22-02-2024	34,00,000	-	39,667	39,667	34,00,000
33	22-03-2024	34,00,000	-	39,667	39,667	34,00,000
34	22-04-2024	34,00,000	-	39,667	39,667	34,00,000
35	22-05-2024	34,00,000	-	39,667	39,667	34,00,000
36	22-06-2024	34,00,000	-	39,667	39,667	34,00,000
37	22-07-2024	34,00,000	-	39,667	39,667	34,00,000
38	22-08-2024	34,00,000	-	39,667	39,667	34,00,000
39	22-09-2024	34,00,000	-	39,667	39,667	34,00,000
40	22-10-2024	34,00,000	-	39,667	39,667	34,00,000
41	22-11-2024	34,00,000	-	39,667	39,667	34,00,000
42	22-12-2024	34,00,000	34,00,000	39,667	34,39,667	-
	TOTAL		1,00,00,000	30,52,000		

