



AUXILO FINSERVE PRIVATE LIMITED

A private limited Issuer incorporated under the Companies Act, 2013

Date of Incorporation: October 04, 2016; **CIN:** U65990MH2016PTC286516

Registered Office: Office No. 63, 6th floor, Kalpataru Square, Kondivita Road, Andheri East, Mumbai - 400059

Website: <https://www.auxilo.com/>

This Term Sheet is dated July 3, 2024.

Security Name (Name of the non-convertible securities which includes (Coupon/ dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015	9.90% Auxilo Finserve Private Limited 2026 II Reissuance II
Issuer / Company	Auxilo Finserve Private Limited ("Company/AFPL/Issuer")
ISIN	INE605Y07148
Type of Instrument	Secured Rated, Listed, Redeemable, Taxable, Non-Convertible Debentures ("NCDs" / "Debentures")
Nature of Instrument (Secured or Unsecured)	Secured
Seniority (Senior or Subordinated)	Senior
Mode of Issue	Private placement
Series	NCD202324002
Eligible Investors	<p>The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of the Bonds 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 ("Eligible Investors"):</p> <p>Qualified Institutional Buyers ("QIBs") means the following entities:</p> <ol style="list-style-type: none"> A mutual fund, venture capital fund, Alternative Investment Fund and Foreign Venture Capital Investor registered with SEBI; Foreign portfolio investor other than individuals, corporate bodies and family offices; a Public Financial Institution; a Scheduled Commercial Bank; a multilateral and bi-lateral development financial institution; a State Industrial Development Corporation; An insurance company registered with Insurance Regulatory and Development Authority of India; A Provident Fund with minimum corpus of Rs.25 Crores A Pension Fund with minimum corpus of Rs.25 Crores National Investment Fund set up by resolution No: F.No.2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; An insurance fund set up and managed by Army, Navy / Air force of the Union of India; Insurance funds set up and managed by the Department of Posts, India; and Systemically important Non- Banking Financial Companies. <p>Any non-QIB including <i>inter-alia</i> resident individual investors, Hindu Undivided Families (excluding minors and NRIs), Partnership Firms and Limited Liability partnership firms, Trusts (including public charitable trusts), association of persons, societies registered under the Applicable Laws in India, companies, bodies corporate etc., who/ which has been authorized by the Issuer, to participate in a particular issue on the EBP platform.</p> <p>The advisor(s)/ arranger(s)/ placement agent(s), broker(s) associated with the Issue and/or their affiliates/ subsidiaries/ associates/ group companies and/or their promoters/ directors/ key managerial personnel/ officers/ employees may subscribe to the Issue as the applicable laws including but not limited to (i) SEBI (Merchant Bankers) Regulations, 1992 and Code of Conduct specified therein; (ii) Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and Code of Conduct specified therein, as applicable, do not restrict them</p>

	<p>from subscribing to the Issue.</p> <p>Note: Participation by potential investors in the issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.</p>
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	<p>a. The NCDs are proposed to be listed on the WDM of the BSE Limited (BSE). The NCDs shall be listed within 3 (Three) working days from the Issue Closure Date ("Listing Period").</p> <p>b. The Issuer shall ensure that the Debentures continue to be listed on the wholesale debt market segment of the BSE.</p> <p>c. In the event there is any delay in listing of the Debentures beyond the Listing Period, the Issuer will:</p> <ul style="list-style-type: none"> (i) pay to the Debenture Holders, a penal interest of 1% (One Percent) p.a. over the applicable Coupon Rate from the Date of Allotment of this NCD issuance until the listing of the Debentures is completed; and (ii) be permitted to utilize the issue proceeds of its 2 (two) subsequent privately placed issuances of securities only after receiving final listing approval from the stock exchange(s).
Rating of the Instrument (Rating)	<p>"CARE A+/Stable" (Pronounced as "CARE Single A Plus" Outlook: Stable) by CARE Ratings Limited</p> <p>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.</p>
Credit Rating Agency	CARE Ratings Limited
Objects of the Issue / Purpose for which there is requirement of funds	<p>The amount equivalent up to 60% (Sixty Percent) of the monies received shall be utilized towards repayment or refinancing of existing debt of the Company, up to 100% (One Hundred Percent) of the monies received to finance the growth of the portfolio of the Company as is permitted for bank finance by the Reserve Bank of India and up to 40% (Forty Percent) of the monies received for business activities to augment the long term growth of the Company (the "Purpose").</p> <p>The Issuer shall not use the proceeds of the Issue towards:</p> <ul style="list-style-type: none"> (a) Any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities; (b) Any speculative purposes; (c) Investment in the real estate sector, including the acquisition of land, and/or any other real estate business. The expression "real estate business" has the meaning given to it in the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019; (d) Providing/extending loans or making any inter-corporate deposits to/in any subsidiary and/or associate Issuer; (e) Providing any bill discounting facilities; (f) making any repayment of any loans availed from its directors and/or Promoters; and/or (g) in contravention of any Applicable Law (including but not limited to the NBFC Directions and the guidelines, rules or regulations of the RBI applicable to non-banking financial companies).
In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group Issuer' then disclosures shall be made in the following format	Not Applicable
Details of the utilization of the Proceeds	<p>The amount equivalent up to 60% (Sixty Percent) of the monies received shall be utilized towards repayment or refinancing of existing debt of the Company, up to 100% (One Hundred Percent) of the monies received to finance the growth of the portfolio of the Company as is permitted for bank finance by the Reserve Bank of India and up to 40% (Forty Percent) of the monies received</p>

	<p>for business activities to augment the long term growth of the Company (the "Purpose").</p> <p>The Issuer shall not use the proceeds of the Issue towards:</p> <ol style="list-style-type: none"> Any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities; Any speculative purposes; Investment in the real estate sector, including the acquisition of land, and/or any other real estate business. The expression "real estate business" has the meaning given to it in the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019; Providing/extending loans or making any inter-corporate deposits to/in any subsidiary and/or associate Issuer; Providing any bill discounting facilities; <p>making any repayment of any loans availed from its directors and/or Promoters; and/or in contravention of any Applicable Law (including but not limited to the NBFC Directions and the guidelines, rules or regulations of the RBI applicable to non-banking financial companies).</p>
Issue Size	Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only)
Option to retain oversubscription	Not Applicable
Coupon Rate	9.90% p.a. payable yearly
Coupon Payment Frequency	Yearly from deemed date of allotment and on final redemption date
Coupon Payment Date(s)	<p>The Coupon shall be payable on a yearly basis from the Deemed Date of Allotment and on the Redemption Date(s) (subject to the Business Day convention set out in the row titled 'Business Day Convention').</p> <p>The Coupon Payment Dates are specifically set out in Annexure I hereto.</p>
Step Up Coupon Rate	<p>In case of downgrade or assignment of any new rating, which is lower than the existing credit rating of the NCDs/Issuer as on Deemed Date of Allotment, the Coupon for the balance period would increase by 0.25% ("Step-up Rate") for each notch downgrade in rating and the same will be with effect from the rating downgrade date.</p> <p>Step Up, in accordance with this clause shall not require any notice, intimation or action on behalf of the Debenture Trustee or the Debenture Holders.</p> <p>In case, rating from multiple rating agencies is available, the lowest rating available for long term borrowing shall be considered for calculation for the purpose of this clause</p>
Cumulative / Non- Cumulative, in case of dividend	NA
Coupon Type (Fixed, floating or other structure)	Fixed
Coupon Reset Process/ Spread Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	Not Applicable
Day Count Basis (Actual/Actual)	Interest and all other charges shall accrue based on an actual/actual basis.
Interest on Application Money	At the 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 Date of Allotment for this NCD issuance. Where pay-in Date and Date of Allotment for this NCD issuance are the same, no interest on Application money is to be paid.
Default Interest Rate/ Additional Interest Rate	<p>Without prejudice to the other rights of the Debenture Trustee (including the right to call an Event of Default):</p> <ol style="list-style-type: none"> If, at any time, a Payment Default and /or any other Event of Default occurs, the Issuer agrees to pay additional coupon at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding NCDs (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such a Payment Default or any other Event of Default until such default is cured or the Debentures are fully redeemed. In case delay in execution of Debenture Trust Deed (DTD) and/ or Deed Of Hypothecation (DOH) 1 (One) day prior to filing of the listing application with BSE Limited for listing of the Debentures, and/or perfect the same by filing CHG-9 Form with ROC within requisite timelines, then the Issuer shall, at the option of the Debenture Holders, either (i) return the subscription amount with the agreed rate of interest or (ii) to pay additional coupon at

	<p>the rate of 2% (Two Percent)per annum over and above the applicable Coupon Rate on all amounts outstanding NCDs (including the Outstanding Principal Amounts and any accrued interest) from the Issue Closure Date until such time DTD and/or DOH is executed and /or perfected.</p> <p>c) If, at any time, a breach of any terms of Financial Covenant or Holding & Management Covenant or Rating Covenant, the Issuer agrees to pay additional coupon at the rate of 2% (Two Percent)per annum over and above the applicable Coupon Rate on all amounts outstanding NCDs (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such a breach, until the Debentures are fully redeemed or till the covenants criteria has been replenished.</p>
Tenor (Original Issuance)	36 (Thirty-Six) months from the Deemed Date of Allotment.
Tenor (Further Issuance)	2 (Two) Years 5 (Five) months 7 (Seven) days from the Date of Allotment for this NCD Issuance
Deemed Date of Allotment	December 19, 2023
Principal Redemption	Bullet, At Par
Principal Redemption Date	December 18, 2026
Principal Redemption Amount	Rs 1,00,000/- per Debenture
Redemption Premium/ Discount	Not Applicable
Issue price (Original Issuance)	Rs. 1,00,000/- (Rupees One Lakh Only) per Debenture
Issue Price (Further Issuance)	Rs. 1,05,545/- per Debenture (Clean Price : Rs 1,00,000/- per Debenture + Accrued Interest: Rs. 5,545/- per Debenture)
Discount at which security is issued and the effective yield as a result of such discount.	NA
Call Option	<p>The issuer shall have the right but not an obligation to redeem the NCDs held by debenture holders in part or full, by issuing a notice in writing to the Debenture Trustee on or before Call Notification Time. In the event the Call Option is exercised, the Issuer will redeem the NCDs of such Debenture Holder(s) on such Call Option Date.</p> <p>After the completion of the exercise of Call Option, the Issuer shall: (a) submit a report to BSE for public dissemination regarding the redemption; (b) inform the Debenture Trustee regarding the Debentures redeemed during the exercise period and details of redemption thereof; and (c) inform the Depositories for extinguishing the Debentures that have been redeemed. The Issuer shall further carry out such other activities as per the applicable law as may be amended from time to time.</p>
Call Option Date(s)	At the end of 24 (Twenty-Four) & 30 (Thirty) months from the Deemed Date of Allotment
Call Option Price	The Call Option if exercised shall be at par on the Outstanding Principal Amount and interest payable if any (Refer Annexure VI for cashflow)
Call Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	At least 30 (Thirty) calendar days before the call Option Date.
Put Option	NA
Put Option Date	NA
Put Option Price	NA
Face Value	Rs. 1,00,000/- (Rupees One Lakh Only) per Debenture
Minimum application and multiples of Debt securities thereafter	The minimum application size for the Issue shall be 100 (One Hundred) Debentures and in multiples of 1 (One) Debenture thereafter.
Issue Timing	
1. Issue Opening Date	July 10, 2024
2. Issue Closing Date	July 10, 2024
3. Date of earliest closing of the issue, if any.	N.A
Pay-in Date	July 11, 2024
Date of Allotment for this NCD issuance	July 11, 2024
Settlement Mode of the Instrument	All interest, principal repayments, penal interest and other amounts, if any, payable by the Issuer to the Debenture Holders shall be paid to the Debenture Holders by electronic mode of transfer like RTGS/NEFT/direct credit to such bank account within India as the Debenture Holders' inform the Issuer in writing and which details are available with the Registrar.
Depositories	NSDL and CDSL
Disclosure of Interest/Dividend/ redemption dates	Please refer Annexure I below for the indicative cash flows.
Issuance mode of the Instrument	On a Private Placement basis on a dematerialized form

Trading mode of the Instrument	Dematerialized form
All covenants of the issue (including side letters, accelerated payment clause, etc.)	There are no other covenants other than as prescribed in the Placement Memorandum.
Business Day	Any day of the week (excluding, Sundays and any day which is a public holiday) on which banks are normally open for business in Mumbai, India
Business Day Convention	<p>If any Coupon Payment Date(s) or any other Due Date(s) for the performance of any event falls on a day that is not a Business Day, then the succeeding Business Day will be considered as the effective date. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact.</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/interest accrued on the Debentures until but excluding the date of such payment.</p>
Record Date	A Register of Debenture Holders shall be maintained in accordance with Section 88 of the Companies Act, 2013 and the Register of Debenture Holders/the Register of Beneficial Owners, shall be closed 15 (Fifteen) calendar days prior to each Due Date or any other payment date by acceleration.
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 Hypothecated Assets shall include, inter alia, identified book debts/receivables of the Issuer of the Issuer, (herein referred as "Hypothecated Assets" / "Company's Receivables").</p> <p>The outstanding NCD amount, together with interest, default interest remuneration of the Trustee, charges, fees, expenses and all other monies due from the Issuer, shall be secured by (to the satisfaction of the NCD holders):</p> <p>a. Exclusive Charge via a deed of hypothecation over specific asset portfolio of receivables of the Issuer ("Hypothecated Assets") with a security cover of 1 time ("Minimum Security Cover") to be maintained on the Outstanding Amounts of the NCDs along with coupon thereon at all times during the tenor of the NCDs ("Security").</p> <p>The Issuer shall execute the Debenture Trust Deed and Deed of Hypothecation on or prior to the Date of Allotment for this NCD issuance and perfect the same by filing CHG-9 with Registrar of Companies (ROC) with 30 (Thirty) calendar days from execution of Deed of Hypothecation.</p> <p><u>Eligibility Criteria for the Hypothecated Assets to be maintained at all times during the tenor of the NCDs:</u></p> <p>a. The Hypothecated Assets should be current at the time of selection. However on an ongoing basis, the Hypothecated Assets shall not past due above 60 (Sixty) days at any point in time during the entire of the NCDs.</p> <p>b. The Hypothecated Assets should not have been restructured and/or rescheduled</p> <p>c. The Hypothecated Assets to be provided to the Debenture Trustee must comprise of Education Loan portfolio.</p> <p>d. The Hypothecated Assets to be provided to the Debenture Trustee must comprise of only loans directly originated by the Issuer and not loans purchased from the third party.</p> <p>e. The Hypothecated Assets are existing at the time of selection, and have not been terminated or prepaid;</p> <p>f. The Hypothecated Assets are free from all Encumbrances and are not subject to any lien or charge;</p> <p>g. All loans hypothecated under the deed of hypothecation should comply with RBI norms and guidelines.</p> <p>h. The Hypothecated Assets being charged must comply with all extant 'know your customer' norms specified by RBI;</p> <p>i. The Hypothecated Assets generated from lending to Issuer's associate/s & subsidiary/s and/or Related Party shall not be considered for asset cover calculation from this issuance. No drawing power for shall be provided for Issuer's receivables generated from the lending to Issuer's associate/s/subsidiary/s/ Related Party.</p> <p>In case of the replacement of Security or in the event of any fall in the Security Cover below the Minimum-Security Cover, the Issuer shall be obliged to</p>

	<p>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 Issuer 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 ROC for the said change on a half-yearly basis.</p> <p>Without prejudice to the obligation of the Issuer in terms of the foregoing, the Issuer shall be liable to pay additional coupon at the rate of 2% (Two Percent) per annum over and above the applicable 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>In case of an Event of Default, the Majority NCD holders shall have the option to buy the Hypothecated Assets or cause the Hypothecated Assets to be securitized (in whole or in part) and sold to a Special Purpose Vehicle ("SPV") at a future date against the amounts outstanding under the NCDs</p>
Undertaking	The Issuer hereby undertakes that the Security to be created on the Hypothecated Assets is free from all Encumbrances and are not subject to any lien or charge.
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"> Debenture Trustee Agreement Placement Memorandum; Term Sheet Private Placement Offer Letter (Form PAS-4); Debenture Trust Deed; Deed of Hypothecation; Such other documents as agreed between the Issuer and the Debenture Trustee
Conditions Precedent to Disbursement	<ol style="list-style-type: none"> Execution of the Transaction Documents; Receipt of Due diligence certificate (Annexure A) issued by the Debenture Trustee in accordance with the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218) Receipt Rating Rationale and press release from the Credit Rating Agency; Rating Letter from the Credit Rating Agency Receipt of the Debenture Trustee Consent Letter; Receipt of the BSE in-principal approval; A certified copy of the resolution of the Issuer's board of directors authorizing the issuance of the Debentures to be provided prior to the Deemed Date of Allotment; A certified copy of the resolution of the shareholders of the Issuer under Sections 180(1)(a) and 180(1)(c) of the Act to be provided prior to the Deemed Date of Allotment; A certified copy of the resolution of the shareholders of the Issuer under Section 42 of the Act; Certificate from an Independent Chartered Accountant certifying that the list of receivables to be hypothecated are as per the Eligibility Criteria mentioned herein A certificate issued by the independent chartered accountant, prior to the Date of Allotment for this NCD issuance confirming that: (A) issuance of the Debentures would not cause any borrowing, or similar limit binding on the Issuer 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 Issuer, the terms of any other contractual arrangements entered into by the Issuer or any limits prescribed by the shareholders or board of directors of the Issuer; A certificate issued by an independent chartered accountant, prior to the Date of Allotment for this NCD issuance, certifying that there are no proceedings or claims for the recovery of any Tax pending against the Issuer 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. Duly completed certified/ self-attested KYC Documents of the Issuer

	<p>including LEI Registration number and the Authorized Signatories of the Issuer</p> <p>n. The Issuer to provide a management undertaking that all the borrowing facilities of the Issuer are standard in nature, the Issuer has not defaulted in making any payments in respect thereto and the Issuer has obtained all regulatory and statutory consents to issue Debentures.</p>
<p>Conditions Subsequent to Disbursement</p>	<p>The Issuer shall fulfill the following conditions subsequent, to the satisfaction of the Debenture Trustee, pursuant to the Date of Allotment for this NCD issuance:</p> <ol style="list-style-type: none"> a. Receipt of Due diligence certificate (Annexure B) issued by the Debenture Trustee in accordance with the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218) b. The Issuer shall ensure that the Debentures are credited into the beneficial owner account(s) of the Debenture within 2 (Two) Business Days from the relevant Date of Allotment for this NCD issuance; c. The Issuer will ensure listing of Debentures on the BSE within 3 (Three) working days from the Issue Closure Date; d. The Issuer 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 date of the Private Placement Offer Letter; e. 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 execution of Deed of Hypothecation. f. The Issuer shall provide the details on utilisation of funds raised through the issue of Debentures duly certified by the Issuer's chartered accountants/ statutory auditors to the Debenture Trustee with in 60 (Sixty) calendar days from the Date of Allotment for this NCD issuance; g. Execution of any other documents as the Debenture Trustee may require.
<p>Representations and Warranties of the Issuer</p>	<p>The Issuer 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> <ol style="list-style-type: none"> a. Status <ol style="list-style-type: none"> i. The Issuer has been duly incorporated, organized and is validly existing, under applicable law. ii. The Issuer is a non-banking financial Issuer registered with the RBI and such registration is valid and subsisting; iii. The Issuer has the corporate power, authority and all material 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. b. Binding Obligations The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations. c. non-conflict with other obligations The entry into and performance by the Issuer of, the transactions contemplated by the Transaction Documents do not and will not conflict with: <ol style="list-style-type: none"> i. any Applicable Law (including, without limitation, any laws and regulations regarding anti-money laundering or 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 Issuer. d. Power and authority It has the power to issue the Debentures and enter into, performs and delivers, and has taken all necessary action to authorize its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents. e. Validity and admissibility in evidence All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:

- 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.

f. No default

- i. 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.
- ii. 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 Issuer or any of its Assets or which might have a Material Adverse Effect

g. Legal / Litigation Matters

- 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 Issuer.
- 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.

h. No misleading information

All information provided by the Issuer to the Debenture Trustee/Debenture Holders is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated and is not misleading due to omission to state a fact or otherwise.

i. Compliance; Corporate Matters

- i. The Issuer has complied with Applicable Law, including without limitation, the SEBI NCS Regulations and all other Applicable Law in respect of the issuance of the Debentures and for the performance of the Issuer of its obligations with respect to the Debentures, and to carry on their business.
- ii. There has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of any Governmental Authority issued or outstanding or to the best of the Issuer's knowledge (after making due and careful enquiry), anticipated against the Issuer which would have a Material Adverse Effect.
- iii. No notice or other communication (official or otherwise) from any Governmental Authority has been issued or is outstanding or to the best of the Issuer's knowledge (after making due and careful enquiry), anticipated with respect to an alleged, actual or potential violation and/or failure to comply with any such Applicable Law or requiring them to take or omit any action.
- iv. The Issuer shall complete all necessary formalities including all filings with and notices to the relevant regulatory authorities as may be required, including but not limited to stock exchange and the ROC and obtain all consents and approvals required for the completion of the Issue.
- v. 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 issue of the Debentures.
- vi. The registers and minute books (including the minutes of board and shareholders meeting) required to be maintained by the Issuer under Applicable Law:
 - 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; ac. no notice or allegation that any of them are incorrect and/or should be rectified has been received.

j. Assets

Except for the security interests and encumbrances created and recorded with the ROC (available using CIN U65990MH2016PTC286516 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 absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material Assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

k. Financial statements; Accounts and Records

- i. Its audited financial statements most recently provided to the Debenture Trustee as of March 31, 2023 were prepared in accordance with Applicable Accounting Standards consistently applied save to the extent expressly disclosed in such financial statements.
- ii. Its audited financial statements as of March 31, 2023 provided to the Debenture Trustee, give a true and fair view and represent its financial condition and operations during the Financial Year save to the extent expressly disclosed in such financial statements.
- iii. The books of accounts of the Issuer have been fairly and properly maintained, the accounts of the Issuer have been prepared in accordance with Applicable Law and the Applicable Accounting Standards, so as to give a true and fair view of the business (including the assets, liabilities and state of affairs) of the Issuer and its subsidiaries. The Issuer 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.

l. Solvency

- i. The Issuer is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it has not been deemed by a court to be unable to pay its debts for the purposes of Applicable Law, nor will it become unable to pay its debts for the purposes of Applicable Law as a consequence of entering into the DTD or any other Transaction Document.
- ii. The Issuer, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its Financial Indebtedness.
- iii. The value of the Assets of the Issuer is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
- iv. The Issuer has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings 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.
- v. No insolvency or bankruptcy process has commenced under Applicable Law in respect of the Issuer (including pursuant to the IBC and the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019).
- vi. No reference has been made, or enquiry or proceedings commenced, in respect of the Issuer, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the Stressed Assets Framework).

m. Hypothecated Assets

- i. The Hypothecated Assets are the sole and absolute property of the Issuer, and the Issuer has a clear and marketable title to the Hypothecated Assets.
- ii. Other than the security interest created/to be created pursuant to the Transaction Documents, the Hypothecated Assets are free from any other mortgage, charge or encumbrance and are not subject to any lis-pendens, attachment, or other order or process issued by any Governmental Authority
- iii. None of the Client Loans comprising the Hypothecated Assets are

encumbered or sold or transferred or assigned to any other bank or financial institution.

- iv. The Transaction Documents executed or to be executed constitute, and shall constitute legal, valid and enforceable security interest in favour of the Debenture Trustee and for the benefit of the Debenture Holders on all the assets thereby secured and all necessary and appropriate consents for the creation, effectiveness, priority and enforcement of such security have been obtained.
- v. The Issuer is not aware of any document, judgment or legal process or defects affecting the title, ownership of the Hypothecated Assets which has remained undisclosed and/or which may have a Material Adverse Effect.

n. Material Adverse Effect

- i. No Material Adverse Effect has occurred, including without limitation, in relation to the business, condition, operations, performance or prospects of the Issuer.
- ii. There are no circumstances existing which could give rise, with the passage of time or otherwise, to a Material Adverse Effect.

o. Illegality

It is not illegal or unlawful for the Issuer to perform any of its obligations under the Transaction Documents.

p. Tax Laws

- i. The Issuer has complied with all the requirements as specified under the Tax laws as applicable to the Issuer 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 Issuer 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 Issuer, which shall have a Material Adverse Effect.

q. Pari-Passu Ranking

- i. 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.
- ii. 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.

r. Confirmations pursuant to the SEBI NCS Regulations

With effect from the date of filing of the draft Placement Memorandum with the BSE, as on the date of filing of the draft Placement Memorandum with the BSE in accordance with the SEBI NCS Regulations:

- i. the Issuer, the Promoter of the Issuer, the Promoter Group of the Issuer or the directors of the Issuer have not been debarred from accessing the securities market or dealing in securities by SEBI;
- ii. no Promoter of the Issuer or director of the Issuer is a promoter or director of any another Issuer which is debarred from accessing the securities market or dealing in securities by SEBI;
- iii. no Promoter of the Issuer or director of the Issuer is a fugitive economic offender; and
- iv. no fines or penalties levied by SEBI or any of the stock exchanges is pending to be paid by the Issuer.

For the purposes of this Term Sheet:

“**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 the statutory auditor of the Company other than required by the applicable law, 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

	<p>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 Issuer 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 Issuer (with a copy marked to the Debenture Trustee).</p>
<p>Financial Covenants Additional Covenants</p>	<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> <ol style="list-style-type: none"> 1. Total Debt/Equity ratio to be within 4.5x 2. Capital Adequacy Ratio (CAR) of atleast 20% (Twenty Percent) or as per applicable RBI regulation, whichever is higher. Of the above CAR, Tier-I to remain at minimum of 18% (Eighteen Percent) 3. Gross NPA not to exceed 4% (Four Percent) & Net NPA not to exceed 2% of Gross Loan Portfolio 4. Earnings: After-tax Net Income (excluding extraordinary income) to remain positive. The said covenant to be tested on an quarterly and on Annual basis. 5. Issuer to maintain minimum liquidity amount equivalent to next 2 month liabilities after including Put Options/interest reset on liabilities (assuming 100% haircut in collections) in the form of unencumbered Cash and Cash equivalents 6. No Loans exceeding 5% (Five Percent) of Net-worth to any single party and/or guarantees on behalf of third parties 7. Any other additional covenant as may be mutually agreed and shall form a part of the transaction documents. <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, 2024 on consolidated and standalone balance sheet till the redemption of the NCDs. The covenants shall be certified by the Statutory Auditor of the Company within 45 (Forty-Five) calendar days from the end of each reporting quarter ("Testing Date").</p> <p>In case of breach of any of the Financial Covenant as stated above for any particular financial quarter:</p> <ol style="list-style-type: none"> a. The Company shall mandatorily seek a consent from the Debenture Trustee (acting on the instructions of the Debenture Holder(s)), by way of a written request, for a one-time waiver of such breach of Financial Covenant by the Company on or before the Testing Date and Debenture Trustee shall promptly not later than 1 (One) Business Day, inform the same to all the Debenture Holders. b. Upon the receipt of such request by the Company, the Debenture Holder(s) shall have the right to grant any waivers for such breach of such Financial Covenant within 15 (Fifteen) calendar days of the Testing Date. c. In the event, the Majority Debenture Holder(s) grants a one-time waiver for such breach of financial covenant then such waiver shall be operative on and from the date on which it is granted until the immediately succeeding Testing Date. For the avoidance of doubt, it is hereby clarified that, if the waiver is granted to the Company, the Company shall not be liable to pay penal interest for any breach of any Financial Covenants. d. In the event, the Majority Debenture Holder(s) does not grant one-time waiver within 15 (Fifteen) calendar days of the Testing Date, the Company shall mandatorily redeem the Debentures and shall be required to make payment of the aggregate amounts outstanding to the Debentures, to all the Debenture Holder(s) including any unpaid principal amount, accrued but unpaid Coupon, Default Interest (if applicable) and liquidated damages (if applicable) within 25 (Twenty-Five) calendar days e. It is also hereby clarified that the right of the Company to request the Debenture Holder(s) to waive any breach of any financial covenant shall

	<p>only be available as a one-time waiver to the Company for that particular quarter and shall not in any manner be construed as a modification or amendment to the terms of the Financial Covenants.</p> <p>Definitions</p> <p>a) "Total Debt" shall include the following:</p> <ul style="list-style-type: none"> - All Long-Term Borrowings, including ineligible portion of subordinated debt in form of Tier II Capital including current maturities - All Short Term Borrowing - Financial Guarantees Provided if any - Letter of Comfort/Shortfall undertaking provided by the Issuer, if any <p>b) Equity Shall Include the following:</p> <ul style="list-style-type: none"> - Equity Share issued by the Issuer - CCPS issued by the Issuer - Reserve and Surplus of the Issuer <p>c) "Capital Adequacy Ratio" means the capital adequacy ratio for non-banking financial institutions as defined by the Reserve Bank of India from time to time; For the purpose of calculation of minimum capital ratio: (i) first loss credit enhancements provided by the Borrower on securitization shall be reduced from Tier I Capital and Tier II Capital without any ceiling. (ii) credit enhancements provided by the Borrower on 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 Capital and 50 per cent from Tier II Capital. (iii) It is also clarified that in computing the amount of subordinated debt eligible for inclusion in Tier II Capital, the aforementioned subordinated debt shall be subject to discounting as prescribed by RBI.</p> <p>d) "Gross NPA" shall be arrived at in accordance with applicable RBI regulations governing asset classification and provisions for NBFCs</p> <p>e) "Gross Loan Portfolio" shall include on balance sheet portfolio including Securitisation.</p> <p>f) "Off Balance Sheet Portfolio" shall include only Direct Assignment (DA)</p> <p>g) "Portfolio at Risk" shall mean the outstanding principal amount of all Client Loans that have one or more instalments of principal, interest, penalty interest, fees or any other expected payments past due more than a specified number of days.</p> <p>h) "Net NPA" shall be arrived at in accordance with applicable RBI regulations governing asset classification and provisions for NBFCs.</p> <p>i) "Tangible Net-worth" shall mean the Equity, as reduced by the, intangible assets, deferred tax assets, revaluation reserve, miscellaneous expenses, and any credit enhancement provided by the Issuer on managed asset book.</p>
<p>Affirmative & Reporting Covenants</p>	<p>The Issuer hereby covenants with the Debenture Trustee that the Issuer shall at all times till the Final Settlement Date:</p> <p>(a) Purpose The Issuer 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 of the Issue / Purpose for which there is requirement of funds'.</p> <p>(b) Validity of Transaction Documents 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 Issuer.</p> <p>(c) Further documents and acts 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</p>

facilitating realisation of the Hypothecated Assets.

(d) Make the Relevant filings with the Registrar of Companies

Pursuant to the Act and the relevant rules thereunder, the Issuer undertakes to make the necessary filings of the documents mandated therein.

(e) Compliance with laws

The Issuer shall comply with 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 relation to the following

- a. the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as may be in force from time to time during the currency of the Debentures;
- b. the provisions of the listing agreement entered into by the Issuer with the stock exchange in relation to the Debentures including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations),
- c. the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the other rules under the Act;
- d. Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993
- e. any other directions/ guidelines, notification, circular, press release issued by the applicable authority, from time to time

(f) Internal Control

- a. maintain internal control for the purpose of preventing fraud on amounts lent by the Issuer; and
- b. ensure that the proceeds of the Debentures are not used for money laundering or illegal purposes;

(g) Audit and Inspection

- a. With prior intimation of minimum 3 (three) calendar days to the Issuer, permit visits and inspection of books of records, documents and accounts to the Debenture Trustee and representatives of Debenture Holders as and when required by them and any inspection in respect of the state and condition of the Hypothecated Assets, together with the relevant records and registers relating thereto, as and when required by the Debenture Trustee; and
- b. the Debentures shall be subject to an annual review by the Debenture Trustee/Debenture Holders to be completed within 15 (fifteen) calendar days of each Annual Review Date, subject to the satisfaction of Debenture Holders;

(h) Books and Records

- i. maintain its accounts and records in accordance with Applicable Law 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 Issuer; and
- ii. 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 together with all records, registers of the Issuer as required by the Debenture Trustee and to take copies and extracts thereof;

(i) Loss or Damage by Uncovered Risks

Promptly inform the Debenture Trustee and the Debenture Holders of any material loss or significant damage which the Issuer may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Issuer may not have insured its properties;

(j) Costs and Expenses

Pay all reasonable costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of the Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Issuer before they are incurred and shall not include any foreign travel costs;

	<p>(k) Preserve Corporate Status</p> <ul style="list-style-type: none"> a. diligently preserve and maintain its corporate existence and status and all rights, privileges, and concessions now held or hereafter acquired by it in the conduct of its business; b. obtain, comply with and maintain all its licenses and/ or authorizations required, including without limitation, the license to conduct business, 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 c. comply with all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any Governmental Authority; and d. not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the Outstanding Amounts might or would be hindered or delayed; <p>(l) Pay Stamp Duty</p> <p>Pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Issuer may be required to pay according to the applicable state laws. In the event the Issuer fails to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee shall be at liberty (but shall not be bound) to pay such amounts and the Issuer shall reimburse the aforementioned amounts to the Debenture Trustee on demand;</p>
<p>Negative Covenants</p>	<p>The Issuer shall maintain 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 and Debenture Trustee. Provided that in the event the Issuer has provided a prior written request to all the Debenture Holder(s) in relation to any action under any of the Negative Covenant that the Issuer proposes to take and the Majority Debenture Holder(s) have not responded within a period of 45 (Forty-Five) calendar days from the date of such written request being provided by the Issuer (upon a written one reminder being provided by the Issuer to all the Debenture Holder(s) after the expiry of 25 (Twenty-Five) calendar days from the date of such written request), the consent of the Majority Debenture Holder(s) shall then be deemed to be provided to the issuer for undertaking such action and the Issuer shall then be permitted to undertake such action without obtaining any further consent from the Majority Debenture Holder(s).</p> <ul style="list-style-type: none"> a) Change the general nature of its business from that which is permitted as 'Non-Banking Financial Issuer' by the RBI. b) Any amendment/modification in the Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect. c) Any change in the capital structure leading to reduction of capital at any point of time. d) Change in the financial year end from 31st March unless such change is mandatorily required to be made for compliance with Applicable Law e) Declare or pay any dividend or make any distributions on its share capital (other than dividends or distributions payable on shares of the Issuer), unless: <ul style="list-style-type: none"> i. 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 Issuer's assets); ii. 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; and iii. the Issuer is in compliance with the financial covenants iv. pay or declare any dividend to its shareholders in any year, during the tenor of the Debentures, until the Issuer has paid or has made satisfactory provision for payment of the installments of the principal due and interests due on the Debentures;

	<p>f) Undertake or permit any merger, consolidation, re- organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction.</p> <p>g) Acquire any Issuer, 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>h) 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>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 Issuer(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 Issuer'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 Issuer, 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) Appoint or continue to the appointment of any person classified as or who is director of a Issuer classified as a wilful defaulter as a director and/ or a key managerial person of the Issuer</p> <p>j) Enter into any contractual obligation which may adversely affect the financials standing.</p> <p>k) Apply to the court for the winding up of the Issuer or agree to the winding up of the Issuer.</p> <p>m) Sell, transfer, or otherwise dispose of in any manner whatsoever any Assets of the Issuer, other than any securitisation/ direct assignment transaction undertaken by the Issuer in the ordinary course of its business in terms of the RBI master direction dated September 1, 2016 titled 'Master Direction - Non-Banking Financial Issuer - Systemically Important Non-Deposit taking Issuer and Deposit taking Issuer (Reserve Bank) Directions 2016' or any amendment, supplement or restatement thereto. It is clarified that, a securitisation/ direct assignment representing an exit of line of business will not be construed as being in the ordinary course of business of the Issuer and the Issuer shall not be permitted to effect the same except after obtaining the prior written consent of the Debenture Trustee.</p> <p>q) 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>r) Undertake/permit any voluntary/ involuntary process under the Insolvency and Bankruptcy Code 2016 (IBC).</p> <p>s) Repay any unsecured loans and inter-corporate deposits availed of by the Issuer from Promoters/ related parties (except by way of equity conversion) in case any breach of the transaction documents, default or event of default is subsisting.</p>
<p>Holding & Management Covenant</p>	<p>The Issuer undertakes that the following covenants ("Holding and Management Covenant") 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> <ul style="list-style-type: none"> a) M/s Elme Advisors LLP and M/s Balrampur Chini Mills Ltd shall together continue to hold minimum 51% (Fifty One Percent) unencumbered equity share capital in the Issuer, on fully diluted basis and Management Control of the Issuer. b) Any change in the combined shareholding of M/s Elme Advisors LLP and

	<p>M/s Balrampur Chini Mills Ltd below 65% (Sixty-FivePercent) in one or more tranches cumulatively due to secondary stake sale, will require prior written consent of Debenture Holders. However if there is any change in equity shareholding upto 65% (Sixty-Six Percent) in one or more tranches cumulatively, the same shall be intimated to the Debenture Trustee via prior written intimation notice.</p> <p>c) Mr. Akash Bhanshali shall continue to be designated as the Promoter and Director on the Board of the Issuer.</p> <p>d) There should not be a change in Management Control of the Issuer. For the purpose of this clause "Management Control" means -</p> <ul style="list-style-type: none"> • the right to appoint majority of the directors and • to control the management or policy decisions 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.
<p>Rating Covenant</p>	<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:</p> <ol style="list-style-type: none"> 1. The Company shall ensure that there is no downgrade in the existing credit rating of the Company/Instrument from any credit rating agency; 2. Assignment of new long-term credit rating below "A" from any credit rating agency; 3. 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>If Issuer agrees for more favorable rating clause with any other borrowings, the same shall also be applicable to these NCDs.</p> <p>The occurrence of events above will be determined by the Debenture Holders solely and at its discretion. 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.</p>
<p>Optional Accelerated Redemption</p>	<p>Any Debenture Holders shall have the right but not an obligation to require the Issuer 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. 4. Occurrence of Material Adverse Effect 5. Any legal or regulatory decision resulting in suspension/ revocation of the NBFC license <p>In the event 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 Issuer 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 Issuer 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 Issuer 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 7 (Seven) calendar days of the Optional Accelerated Redemption Date. Provided that if the Issuer fails to redeem the Debentures and pay all</p>

	<p>outstanding amount to such Debenture Holder(s) within the specified time period, the Issuer shall pay interest at the rate of 15 % (Fifteen Percent) per annum for the period of delay</p>
<p>Event of Defaults (including manner of voting /conditions of joining Inter Creditor Agreement)</p>	<p>An Event of Default ("Event of Default") shall have occurred upon the happening of any event or circumstances mentioned hereunder:</p> <p>1. Payment based Defaults:</p> <p>(a) The Issuer 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) business day of the relevant Due Date;</p> <p>(b) An event of default shall arise if the Issuer/any of the Promoters/ guarantors (if any)/ the subsidiaries or holding company of the Issuer:</p> <p>(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</p> <p>(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</p> <p>(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; 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>(c) Failure of the Issuer to redeem the Debentures in terms of the Transaction Documents upon exercise of the Optional Accelerated Redemption Option and failure to make payment of the aggregate amounts outstanding in relation to the Debentures hereof within Stipulated timelines</p> <p>(d) 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>2. Security based Defaults:</p> <p>(a) If the fails to create and / or perfect the Security (i.e., filing CHG-9 Form with ROC) within the stipulated timelines as mentioned in this Term Sheet.</p> <p>(b) If the Issuer fails to submit the Asset Cover Statement 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> <p>(c) In the event that the Security Cover falls below the Minimum-Security Cover and the Issuer fails to reinstate the same within 30 (Thirty) calendar days from the date of such fall in the Security Cover;</p> <p>3. Covenants based Defaults:</p> <p>The breach of any financial covenants or obligation under the Transaction Documents.</p> <p>4. Defaults relating to the validity of the Transaction Documents</p> <p>(a) The Disclosure Document or any other Transaction Document in whole or</p>

in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Issuer;

- (b) It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Issuer under any Transaction Document are not or cease to be valid, binding or enforceable;
- (c) Any representation or warranty made by the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/ Debenture Holders by the Issuer shall have been incorrect, false or misleading in any respect when made or deemed made;
- (d) The Issuer repudiates any of the Transaction Documents or evidences an intention to repudiate any of the Transaction Documents;
- (e) 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;

5. Other Defaults

- (a) 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;
- (b) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - i. 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 Issuer;
 - ii. the composition, compromise, assignment or arrangement with any creditor of the Issuer;
 - iii. the appointment of a liquidator, receiver or similar other officer in respect of the Issuer, a composition, compromise, assignment or arrangement with any creditor of the Issuer;
 - iv. enforcement of any security over any assets of the Issuer or any analogous procedure or step is taken in any jurisdiction;
 - v. 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;
- (c) 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 Issuer or of its share capital, or takes any action for the dissolution of the Issuer or any action that would prevent the Issuer or its officers from carrying on all or a substantial part of its business or operations;
- (d) The Issuer's organizational status or any licenses or franchise is revoked or suspended by any government agency or authority after the Issuer has exhausted all remedies and appeals relating thereof;
- (e) Surrender, revocation or suspension of the Issuer's certificate of registration as a non-banking financial Issuer 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;
- (f) The listing of the Debentures ceases or is suspended at any point of time prior to the Maturity Date
- (g) The Issuer ceases to carry on its business or any substantial part thereof or gives notice of its intention to do so.

	<p>(h) The Issuer 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>(i) 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>(j) The Promoters and/or the directors/ or the key managerial personnel of the Issuer are 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 Issuer, including any accusations, charges and/or convictions of any offence relating to bribery or being declared a willful defaulter;</p> <p>(k) In the event that an application for corporate insolvency resolution process of the Issuer is filed or any form of communication indicating an intention to file such application is issued or any creditor of the Issuer 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>(l) If the Issuer 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 Issuer) 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> <p>(m) If a petition is filed for the winding up of the Issuer under the Companies Act, 2013 and the same is not stayed or dismissed within a period of 15 days of its filing;</p> <p>(n) Any order/ judgement passed by any of the regulatory authorities against any of the Promoter / Promoter Group/ Issuer resulting in debarment of the Promoter / Promoter Group/ Issuer for raising funds from the financial markets.</p> <p>(o) The Issuer 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 Issuer to pay its debts as they mature.</p> <p>In case of breach of any of the above-mentioned covenants, the Issuer shall have a cure period of 15 calendar days for rectify the breach. However, there shall be no cure period for Payment based Defaults, Security based defaults, Rating Covenants and Holding & Management Covenants.</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.</p>
Consequences Of Events Of Default	<p>On and at any time after the occurrence of an Event of Default, the Debenture Trustee shall if so directed by any of the Debenture Holder(s): declare that all or part of the obligations be immediately due and payable, whereupon they shall become immediately due and payable;</p> <ol style="list-style-type: none"> i. accelerate the redemption of the Debentures; ii. Declare that all or part of the obligations be immediately due and payable, whereupon they shall become immediately due and payable iii. enforce such security in such a manner as the Debenture Holders may deem fit;

	<p>iv. Disclosure of information to relevant authorities or regulatory such as Credit Information Bureau (India) Limited and/or any other agency so authorized by the Reserve Bank of India in any such manner that deem fit to the Debenture Trustee</p> <p>v. Exercise all the rights and remedies available to it in such manner as Debenture Holder may deem fit without intervention of the Court and without having to obtain any consent of the Issuer;</p> <p>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.</p> <p>vii. Appoint a Nominee Director</p>
Bidding Details	Open Bidding
Mode of Allotment	Uniform Yield
Manner of Settlement	ICCL
Settlement Cycle	T+1
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).
Reissuance	<p>Issuer reserves the right to make multiple issuance under the same ISIN with reference to SEBI circular CIR/IMD/DF-1/67/2017 dated 30th June 2017 and as amended from time to time.</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>
Right to Re-purchase and Re-issue the Debenture	<p>The Issuer, 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 Issuer 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 Issuer, 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>

Note:

While the debt securities are secured to the extent of hundred per cent. of the amount of principal and interest or as per the terms of issue document, in favour of debenture trustee, it is the duty of the debenture trustee to monitor that the security is maintained.

For Auxilo Finserve Private Limited

Authorised Signatory

ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

Issuer	Auxilo Finserve Private Limited
Face Value (per security)	Rs.1,00,000 (Rupees One Lakh only)
Deemed Date of Allotment	December 19, 2023
Date of Allotment for the NCD issuance	July 11, 2024
Redemption	Bullet, at Par
Coupon Rate	9.90% p.a. payable yearly
Frequency of the Coupon	Yearly from deemed date of allotment and on Redemption
Day Count Convention	Actual/Actual

Cash Flow Per Debenture

• **If Call Option is not exercised**

Month	Payment Dates	Net Cash Flow	Principal	Interest	Principal O/s	
7	11-Jul-24	-1,05,545.00			1,00,000.00	
12	19-Dec-24	9,900.00	-	9,900.00	1,00,000.00	Leap Year
24	19-Dec-25	9,900.00	-	9,900.00	1,00,000.00	
36	18-Dec-26	1,09,872.88	1,00,000.00	9,872.88	-	

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

• **If Call Option is exercised at 24th month**

Month	Payment Dates	Net Cash Flow	Principal	Interest	Principal O/s	
7	11-Jul-24	-1,05,545.00			1,00,000.00	
12	19-Dec-24	9,900.00	-	9,900.00	1,00,000.00	Leap Year
24	19-Dec-25	1,09,900.00	1,00,000.00	9,900.00	-	

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

• **If Call Option is exercised at 30th month**

Month	Payment Dates	Net Cash Flow	Principal	Interest	Principal O/s	
7	11-Jul-24	-1,05,545.00			1,00,000.00	
12	19-Dec-24	9,900.00	-	9,900.00	1,00,000.00	Leap Year
24	19-Dec-25	1,09,900.00		9,900.00	1,00,000.00	
30	19-Jun-26	1,04,936.44	1,00,000.00	4,936.44	-	

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

Note: Financial Year is considered while calculating leap year.