

TERM SHEET

PARTIES INVOLVED IN THE ISSUE	
Issuer/ Company/Borrower	Navi Finserv Limited ("Navi")
Investor(s)/ Eligible Investor(s)	(a) QIBs (b) Banks; (c) Financial Institutions; (d) Mutual Funds (e) Insurance Companies (f) FIIs and FPIs (g) Companies and bodies corporate including public sector undertakings (h) Provident, pension, gratuity or superannuation funds (i) Individuals (j) Hindu Undivided Families (k) Partnerships/LLPs; and (l) any other investor eligible to invest in the Debentures.
Debenture Trustee	Catalyst Trusteeship Limited
Depository	NSDL & CDSL
Registrar and transfer agent	NSDL Data Management Limited
Stock Exchange(s)	Bombay Stock Exchange (BSE)
Merchant Banker	SKI Capital Services Limited
Rating Agency(s)	India Ratings
Legal Counsel	Juris Corp
Promoter Group/ Promoter, if any	Navi Technologies Limited
THIRD PARTY OBLIGORS	
Personal Guarantor(s), if any	Not Applicable
Corporate Guarantor (s), if any	Not Applicable
Credit Enhancer(s), if any	Not Applicable

Navi Finserv Limited

E: corporate_finserv@navi.com | T: 08045113400 | www.navi.com/finserv | CIN: U65923KA2012PLC062537 Registered Office- 2nd Floor,
Vaishnavi Tech Square, Iballur Village, Taluk, Bagalur, Begur, Bengaluru, Karnataka 560102

Other obligator(s), if any	Not Applicable
DETAILS OF THE INSTRUMENT	
Security Name	10.48% Navi June 2026
Type of instrument	Non-Convertible Debentures
Nature of instrument	Listed, Rated, Senior, Secured, Transferable, Redeemable, Non-Convertible Debentures ("Debentures")
Seniority/ Ranking (Senior/ Subordinated)	Senior
Security requirements	Debentures shall be secured by a first and exclusive charge basis on the Hypothecated Assets (<i>as defined below</i>), by way of hypothecation in favour of the Debenture Trustee for the benefit of the Debenture Holders over the Hypothecated Assets as per the terms and conditions stipulated under the heading 'Security Creation' hereunder.
Listing	The Debentures are proposed to be listed on the Whole Sale Debt segment of BSE.
Listing requirements	<p>■ Timing for listing</p> <p>The NCDs are proposed to be listed on the WDM and Capital Markets segment of BSE within the time period prescribed by SEBI under the SEBI Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("SEBI ILNCS Regulations") read with SEBI ILNCS Operational Circular</p> <p>In case of delay in listing of the debt securities beyond 3 (Three) working days from the Issue Closure Date, the Company will pay penal interest of 1% p.a. (One percent per annum) over the Coupon rate from the Deemed Date of Allotment till the listing of such Debentures.</p> <p>■ Conditions</p> <p>The Issuer shall ensure that the NCDs are in compliance with the SEBI ILNCS Regulations and the SEBI ILNCS Operational Circular</p>
Rating(s)	IND Ra A (Stable)
Minimum Subscription and in multiples of thereafter	100 NCDs and 1 NCD thereafter
ISSUE DETAILS	
Mode of Issue	Private Placement
Form of issue	Debentures will be issued in dematerialized form.
Issue size	INR 40,00,00,000/- (Rupees Forty Crores Only)
Greenshoe / Option to	INR 60,00,00,000/- (Rupees Sixty Crores Only)

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retain oversubscription									
Tenor	13 months and 15 days from Deemed Date of Allotment								
Face value	INR 10,000 /- (Indian Rupees Ten Thousand only)								
Issue price	Debentures will be issued at par								
Issue Schedule	<table border="1"> <tr> <td>Issue Opening Date</td><td>16-April -2025</td></tr> <tr> <td>Issue Closing Date</td><td>16-April -2025</td></tr> <tr> <td>Issue Payin Date</td><td>17-April -2025</td></tr> <tr> <td>Deemed Date of Allotment</td><td>17-April -2025</td></tr> </table>	Issue Opening Date	16-April -2025	Issue Closing Date	16-April -2025	Issue Payin Date	17-April -2025	Deemed Date of Allotment	17-April -2025
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Issue Closing Date	16-April -2025								
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Deemed Date of Allotment	17-April -2025								
EBP	Applicable								
Settlement mode of the Instrument	Banking channels								
Objects of the issue	<p>The proceeds of the issue will be utilized for the following purposes:</p> <ul style="list-style-type: none"> Onward lending purpose and general corporate purposes 								
Utilization of issue proceeds	<p>The Issuer shall utilise the amounts received from the subscription of the Debentures for the agreed purpose. No part of the proceeds from the Issue will be used towards:</p> <ol style="list-style-type: none"> any capital market instrument such as equity and equity linked instruments or any other capital market related activities; investment in any speculative sector; any purpose, that is not eligible for the providing of financing by banks to non-banking financial companies for bank finance to non-banking financial companies, or, which results in a breach of the RBI's master circular no. DOR.CRE.REC.No.07/21.04.172/2022-23 dated April 1, 2022 on "Bank Finance to Non-Banking Financial Companies (NBFCs)";or in contravention of any applicable law. 								
Interest on Application Money	Not applicable given the issuance shall be through EBP mechanism								
COUPON PAYMENT									
Coupon Type	Fixed								
Coupon Rate	10.48% per annum payable monthly								
Coupon Payment Dates	As set out in the Annexure below								

Coupon Payment Frequency	Monthly
Coupon Reset Process	Not applicable, given it's a fixed rate instrument
Default Interest Rate	2% per annum over and above the Coupon Rate
REDEMPTION	
Redemption Amount	The Debentures will be redeemed at par
Scheduled Redemption	Debentures shall be redeemed in accordance with Schedule 1 (<i>Redemption Schedule</i>) hereto and shall be fully redeemed by the Final Redemption Date.
Early Redemption	The Issuer will have the option to prepay the debentures, as per prescribed SEBI regulations, by providing 30 days prior notice to the Debenture Trustee and paying an early redemption premium of 2% over and above the outstanding principal amount and accrued interest, if any.
Early Redemption Date	Date on which the debentures are redeemed prior to the Final Redemption Date.
Final Redemption Date	13 months and 15 days from Deemed Date of Allotment, i.e., 1 June 2026
Redemption Premium / Discount, if any	Not Applicable
Record Date	The date 15 Calendar Days prior to the Final Redemption date or Early Redemption date or Interest Payment date, as the case may be, on which the determination of the persons entitled to receive Redemption Amount/ Interest Amount, as the case may be, in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture Holders or NSDL/CDSL records) shall be made.
CONVENTIONS	
Day Count Basis	Actual/Actual
Business Day	Means any day, other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 or a Sunday, on which money markets are functioning in Mumbai;
Business Day Convention	<ul style="list-style-type: none"> i. If the date of payment of any interest in respect of the Debentures falls on a day that is not a Business Day, such payment of interest shall be made on the next occurring Business Day; ii. If the date of payment of any redemption amount falls on a day that is not a Business Day, such payment of installment shall be made on the immediately preceding Business Day; and iii. If the Final Redemption Date or the Early Redemption Date (the date on which the Debentures are redeemed prior to the Final Redemption Date in terms of the Transaction Documents), as the case may be, falls on a day that is not a Business Day, such payment of interest and redemption

	amount shall be made on the immediately preceding Business Day.
Put Option Date	Not applicable
Put Option Price	Not applicable
Call Option Date	Not applicable
Call Option Price	Not applicable
Put Notification Time	Not applicable
Call Notification Time	Not applicable
SECURITY DETAILS	
Hypothecation	<p>The amounts outstanding under the Debentures shall be secured on a first ranking exclusive and continuing charge basis by way of hypothecation in favour of the Debenture Trustee for the benefit of the Debenture Holders over loan receivables identified from time to time, present and future, of the Issuer that fulfil the eligibility criteria set out here below under the heading 'Eligibility Criteria' ("Hypothecated Assets") with the prescribed Security Cover (as defined below) on or prior to the Deemed Date of Allotment.</p> <p>Company shall file CHG-9 within 30 days from execution of the DOH.</p> <p>Eligibility Criteria</p> <ul style="list-style-type: none"> • Each loan must be originated by the Company and must existing at the time of Hypothecation • Loans must be unencumbered (other than under the Transaction Documents) and not sold or assigned by the Company • Loans must have been originated while complying with all the extant 'know your customer' norms specified by the RBI. • Loans are current and not in overdue at the time of hypothecation and have not been terminated or prepaid. Post creation of pool of current loans, the DPD 30 loans are being replaced, they need to be replaced with current loans. • Loans must have been given to individual borrowers as personal loans. • No loans should be restructured or rescheduled in accordance with the relevant RBI prudential norms on restructuring of advances by non – banking financial companies. <p>The security cover shall be confirmed by the Issuer on a monthly basis.</p>
Security Cover	1.10x (One point one zero times)

	<p>The outstanding principal amount, together with accrued interest, if any including for the ensuing month end, default interest, remuneration of the Trustee, charges, fees, expenses and all other monies due from the Company, shall be secured by (to the satisfaction of the Debenture Holders) by a first ranking and exclusive charge of 1.1x over (including but not limited to) receivables, including present and future receivables ("Company's Receivables") which are free from any encumbrances/charge/lien;.</p> <p>The Issuer shall on a monthly basis hypothecate additional loans and/or replace such loans constituting the Hypothecated Assets that do not comply with the prescribed eligibility criteria, with loans that meet the eligibility criteria set out under heading "Hypothecation" to the Debenture Trustee such that the principal amounts outstanding under the loans constituting the Hypothecated Assets shall not be less than 1.10x (One decimal point two zero times) of the aggregate amount of principal outstanding and the accrued interest amounts, if any, under the NCDs. Any additional loans added pursuant to the above to secure the Debentures shall be considered as part of the Hypothecated Assets</p>
Pledge	Not Applicable
Mortgage	Not Applicable
COVENANTS AND UNDERTAKINGS	
Conditions Precedent To Disbursement	<ol style="list-style-type: none"> 1. Certified true copy of the constitutional documents and authorizations of the Issuer- Resolution of the shareholders of the Company under 180(1)(c) of the Act, Resolution of the shareholders of the Company under Section 42 of the Act as applicable 2. Certified true copy Board/ Committee resolution approving the issue 3. Execution of Term Sheet 4. Credit Rating Letter(s) along with Rating Rationale 5. Debenture Trustee Consent Letter 6. RTA Consent letter 7. Execution of PAS 4 8. Execution of Debenture Trustee Agreement (DTA) and Debenture Trust Deed (DTD) 9. Enabling clause in the AOA of the Issuer to allow appointment of a Nominee Director by the Debenture Trustee 10. Circulation of Private Placement Offer Letter in PAS 3 and Placement Memorandum along with the necessary annexure 11. Due Diligence Certificate in 'Annexure A' as issued by the Debenture Trustee 12. In-principle listing approval from the exchange 13. Security Creation in accordance with the Operational guidelines for 'Security and Covenant Monitoring' using Distributed Ledger Technology (DLT) dated March 29, 2022, and ancillary Circulars issued by SEBI thereof
Conditions Subsequent To Disbursement	<ol style="list-style-type: none"> 1. The Issuer shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 5 along with the list

	<p>of allottees and Form PAS 3 along with requisite fee within prescribed timelines</p> <ol style="list-style-type: none"> 2. The Issuer shall ensure credit of demat account(s) of the allottee(s) with the number of NCDs allotted within T+2 as may be the settlement mechanism. 3. Execution of Deed of Hypothecation 4. Due Diligence Certificate in 'Annexure B' as issued by the Debenture Trustee. 5. Listing of Debentures in accordance with applicable listing timeline. 6. The Issuer shall ensure compliance with SEBI / Companies Act 2013 (as applicable) for issuance and listing of NCDs.
Related Party Transactions	<p>Without prior written intimation to the debenture trustee, the Issuer shall not enter into or perform any transaction(s) with a related party other than in the ordinary course of business.</p> <p>Without affecting the above clause, the Issuer shall not, save and except in case of ordinary course of business, without the prior written consent of the Debenture Trustee (i) enter into any transaction(s) (other than as mentioned in above clause) whereby the overall outstanding amount owed to the Issuer under the said transaction(s) exceeds 10% (Ten percent) of its net worth, (ii) whereby the overall expense incurred through such transaction(s) (other than as mentioned in above clause) during any financial year exceeds 10% (Ten percent) of its net profit, or (iii) provide any guarantee for any indebtedness of a related party. The Debenture Trustee shall be granted access to any additional information that it deems necessary to monitor and evaluate this covenant. For the purposes of this clause, the terms 'net worth' and 'related party' shall respectively have the meaning ascribed to them in sections 2 (57) and 2 (76) of the Companies Act, 2013 (and the Rules framed thereunder).</p> <p>The Debenture Trustee may approve any application for consent in respect of the above matters, if Debenture Holders' representing more than 50% (fifty percent) of the outstanding principal amounts of the Debentures provide their consent, within a period of 7 business days from the date of receipt of such request/notification from the Debenture Trustee which would be otherwise deemed as approved.</p>

Restriction on dilution of stake by Key Shareholders	<p>1. Each of the persons mentioned below (collectively "Key Shareholders") shall not transfer or encumber the shares of the issuer held by them respectively without the prior written intimation to the Debenture trustee. Without prejudice to the above, any change in the stake of the Key Shareholders which has the effect of the effective shareholding dropping below the level set out in the following table shall require prior written consent of the debenture trustee.</p> <table><tr><th>Name</th><th>Shareholding Type</th><th>Minimum Shareholding</th></tr><tr><td>Navi Technologies</td><td>Fully Diluted</td><td>76%</td></tr></table> <p>2. Each of the persons mentioned below (collectively "Key Shareholders") shall not transfer or encumber the shares of Parent Company (Navi Technologies Limited), without the prior written intimation of the Debenture trustee. Without prejudice to the above, any change in the stake of the Key Shareholders which has the effect of the effective shareholding dropping below the minimum level set out in the following table shall require prior written consent of the debenture trustee.</p> <p>For the purposes of this clause, it is hereby clarified that where in case of restructuring or any other purpose or reason, if the Parent Company ceases to exist, the Key Stakeholders shall maintain their minimum shareholding in the Issuer entity as per the restrictions set out hereunder.</p> <table><tr><th>Name</th><th>Shareholding Type</th><th>Minimum Shareholding</th></tr><tr><td>Sachin Bansal</td><td>Fully Diluted</td><td>51%</td></tr></table> <p>3. The Debenture Trustee may approve any application for waiver of, or deviation from, the abovementioned requirement, if Debenture Holders' representing more than 50% (fifty percent) of the outstanding principal amounts of the Debentures provide their consent, within a period of 15 business days from the date of receipt of such request/notification from the Debenture Trustee</p>	Name	Shareholding Type	Minimum Shareholding	Navi Technologies	Fully Diluted	76%	Name	Shareholding Type	Minimum Shareholding	Sachin Bansal	Fully Diluted	51%
Name	Shareholding Type	Minimum Shareholding											
Navi Technologies	Fully Diluted	76%											
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Creation of Recovery Expense Fund	As per the applicable SEBI norms												
Affirmative Undertakings	<ol style="list-style-type: none">1. To comply with corporate governance, fair practices code prescribed by the RBI2. Notification of any Material Adverse Effect or Event of Default;3. Obtain, comply with and maintain all licenses / authorizations4. Provide details of any material litigation, arbitration or administrative proceedings (materiality threshold to be finalized during documentation) against the issuer which may impact the ordinary course of business of the Company.												

	<ol style="list-style-type: none"> 5. 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. 6. Permit with reasonable notice to the Company, visits and inspection of books of records, documents and accounts to Debenture Trustee on an annual basis. 7. Comply with monitoring requests/calls from Debenture Trustee on a quarterly basis.
Negative Undertakings	<p>The Company shall not without the prior written permission of the Debenture Trustee, do or undertake to do any of the actions as mentioned below.</p> <ol style="list-style-type: none"> 1. M&A, acquisition, restructuring, amalgamation over and above 10% of the Net worth of the Company in a financial year 2. Other than as set out in 1 above, the Company shall not, enter into any transaction of merger, de-merger, consolidation, re- organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction. 3. The Company will not purchase or redeem any of its issued shares except equity shares allotted under ESOP scheme of the Company or reduce its share capital. 4. The Company will not permit a change of Control (as defined below) from that subsisting as of the Deemed Date of Allotment. 5. The Company shall not undertake to guarantee the liabilities of any individual or entity save and except in case of ordinary course of business 6. Company shall not amend or modify clauses in its Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect. The above does not apply to any changes to effect an increase in authorised share capital and any changes to the articles of association to reflect the terms of any equity infusion or strategic sale. 7. Any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business 8. No declaration or payment of dividend, if an Event of Default has occurred and is subsisting 9. Not undertake any new major new business outside financial services or any diversification of its business outside financial services. <p>The Debenture Trustee may approve any application for consent in respect of the above matters, if Debenture Holders' representing more than 50% (fifty percent) of the outstanding principal amounts of the Debentures provide their consent, within a period of 15 business days from the date of receipt of such request/notification from the Debenture Trustee</p>
Management Control	<p>Means, in respect of any entity:</p> <ol style="list-style-type: none"> (a) the right to appoint a majority of the directors of the board of directors of such entity; and (b) the right to control the management or policy decisions acting

	<p>individually or in concert, directly or indirectly, including by virtue of shareholding or management rights or shareholders agreements or voting agreements.</p> <p>Notwithstanding aforesaid, 'Control' shall be construed in accordance with the act, rules, regulations, accounting standards or guidelines, as may be applicable on the Issuer, from time to time.</p>
Events of Default	<p>Customary for financings of this nature, including but not limited to:</p> <ul style="list-style-type: none"> i) Any default on part of the Issuer to make payment of any amount that has become due and payable under the Transaction Documents. ii) Debentures are not redeemed in full, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with the Transaction Documents by the Maturity Date. iii) Failure to comply with the "Security Cover" requirement as defined in Transaction Structure iv) Material Adverse Effect v) Cross default of the Issuer where the Company has made a payment default in relation to any of its financial indebtedness vi) Misrepresentation by the Issuer vii) Unlawfulness viii) Repudiation of the Transaction Documentation ix) Any of the Transaction Documentation ceases to be in full force and effect or is terminated prior to maturity x) Failure by the Issuer to meet standards with respect to management, governance, and data integrity, as may be required by the Debenture Trustee and/or as per RBI regulations which leads to Material Adverse Effect. xi) If one or more legal or governmental proceedings have been initiated and admitted by the competent court of law against the Company or any claims are made against the Company, which in the opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders), may impair the Company's ability to perform its obligations undertaken in terms of the Transaction Documents or which has a Material Adverse Effect xii) Any breach in the "Restriction on dilution of stake by Key Stakeholders" xiii) any breach of the negative undertakings prescribed under section titled "Negative Undertakings"; xiv) any breach of the financial covenants prescribed under section titled "Financial Covenants"; xv) any breach of the reporting covenants prescribed under section titled "Reporting Undertakings"; xvi) any breach of the other covenants prescribed under section titled "Other Undertakings", xvii) Any expropriation, attachment, sequestration, distress or execution affects any assets of the Company which has a Material Adverse Effect on their ability to comply with its payment obligations under the

	<p>Transaction Documents</p> <p>xviii) Insolvency process admitted in court of law</p> <p>xix) Revocation of operating licenses or other authorisations of the Company leading to Material Adverse Effect</p> <p>xx) Failure to certify/confirm the non-occurrence of any Event of Default in the manner prescribed in the Transaction Documents</p> <p>xxi) Failure to perform any obligations in relation to this transaction (other than those set out under (i) to (xviii) above) subject to a cure period of 30 days.</p> <p>xxii) Any sale, lease, transfer or disposal of all of the assets of the Issuer causing a material adverse effect under the transaction document;</p> <p>xxiii) Action being taken in relation to insolvency, liquidation, windingup, dissolution, bankruptcy or any analogous procedure of any Obligor, including corporate insolvency resolution proceedings and not stayed or dismissed within 21 days;</p> <p>xxiv) Any litigation, arbitration, investigative, administrative or governmental proceeding, or dispute in relation to the Issuer or the Transaction Documents which is not stayed or dismissed within 30 days;</p> <p>The above clauses are subject to the cure periods (wherever applicable) as mentioned under the Debenture Trust Deed.</p> <p>The certification for financial covenants will be as per the frequency defined under the section "Financial Covenants". Failure to do any of the above will be an Event of Default.</p>
Provisions in relation to Cross Default	As set out in this Term Sheet above in the row titled Events of Default.
Consequence of Events of Default	<p>Upon occurrence of any Event of Default, the Debenture Trustee shall acting upon the request of the Majority Debenture Holders, be entitled to initiate one or more of the following course of actions:</p> <ol style="list-style-type: none"> 1. Require the Company to mandatorily redeem the Debentures and repay the outstanding principal amount on the Debentures, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with the Transaction Documents; 2. Declare all or any part of the Debentures to be immediately (or on such dates as the Debenture Trustee may specify) due and payable, whereupon it shall become so due and payable; 3. Enforce the security created by the Company. 4. The Debenture Trustee's approval shall be required for the Company to declare any dividends, or make any other distributions to the holders of common equity or other shares compulsorily convertible into equity shares. 5. The Debenture Trustee shall be entitled to appoint a nominee director on the board of the Company as per the applicable regulations. 6. The Debenture Trustee shall be entitled to appoint any independent agency to inspect and examine the working of the Company and give a report to Debenture Holders/ the Debenture Trustee. The Company shall give full co-operation and provide necessary assistance to such agency and bear all

	<p>costs and expenses of the examination including the professional fees and travelling and other expenses;</p> <p>The Debenture Trustee may exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under applicable law;</p>
Representations and Warranties of the Issuer	As detailed in the Debenture Trust Deed
Reporting Undertakings	<p>1. Quarterly Reports – within 45 (Forty Five) calendar days from the end of each financial quarter</p> <ul style="list-style-type: none"> a. Financials and other operational metrics as per the requirement and format agreed with the Trustee from time to time b. Financial covenant compliance certificate signed by a Director or the Chief Financial Officer or authorized signatory <p>2. Half Yearly Reports –</p> <p>At the end of each Half Year along with the half yearly financial results, certificate from the independent chartered accountant/authorised signatory of the Issuer giving the value of receivables/book debts including compliance with the covenants of the Disclosure Document.</p> <p>3. Annual Reports – within 180 (One Hundred and Eighty) calendar days from the end of each financial year</p> <ul style="list-style-type: none"> a. Audited financial statements of Issuer along with Promoter/Holding Company, if any. <p>4. Event Based Reports – within 10 (Ten) Business Days of the event occurring</p> <ul style="list-style-type: none"> a) Change in Shareholding structure b) Change in the constitutional documents of the Company c) Change in the composition of its Board of the Issuer d) Change in the Directors of the Company e) Any fraud amounting to more than 5% (five percent) of the Asset under Management (including the managed portfolio) of the Issuer f) Material Adverse Effect g) Any dispute, litigation, investigation or other proceeding against the issuer which could result in a Material Adverse Effect h) Winding up proceedings i) Any Event of Default or Potential Default, and any steps taken/ proposed to remedy the same. j) Any prepayment or notice of any prepayment of any Indebtedness of the Issuer.

	<p>k) Commencement of any new segment of business other than the financial services and which is not as per the Constitutional Documents of the Issuer</p>
Material Adverse Effect	<p>Means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as on the date of determination, or could reasonably be expected to cause a material and adverse effect on:</p> <ul style="list-style-type: none"> (a) the financial condition, business or operation of the Company which is prejudicial to the ability of the Company to perform its obligations under the Transaction Documents; (b) the rights or remedies of the Debenture Holders hereunder or under any other Transaction Documents; (c) the ability of the Company or any guarantor(s) to perform its respective obligations under the Transaction Documents; (d) the ability of the Company or any guarantor(s) to disburse new loans or from appointing third party or in house collection teams; or (e) the legality, validity or enforceability of any of the Transaction Documents.
Other Undertakings	<ol style="list-style-type: none"> 1. The Company shall maintain a minimum rating of “A-” from the Rating Agency. 2. Mr. Sachin Bansal shall remain in directorship in Navi Finserv Limited, till the maturity of the NCD. 3. The Issuer should follow pricing and practices approved by Board of Directors and adhere to digital lending guidelines & Fair Practice code of RBI.
Financial Covenants	<ol style="list-style-type: none"> 1. The capital adequacy ratio (as defined in NBFC Regulations) shall be above 3% over and above the RBI threshold as prescribed under the RBI regulations. 2. Gross NPA shall not exceed 5% (Five Percent). 3. Net NPA net shall not exceed 3% (Three Percent). 4. Total Debt to Tangible Net worth shall not exceed 4 times. 5. Cumulative mismatches in ALM should be positive for all buckets upto 1 year 6. Minimum standalone net worth of INR 2500 Crs <p>Tangible Networkth means, with respect to any person, the amount paid up on such person's issued equity share capital, compulsorily convertible instruments and any amount standing to the credit of its reserves, less equity or equity-like investments. goodwill, deferred tax assets, FLDG on managed portfolio and other intangible assets.</p> <p>All covenants would be tested on a quarterly basis for the Company i.e. as on 31st March, 30th June, 30th September and 31st December every year starting from [31st December 2023] on a standalone balance sheet till the redemption of the Debentures.</p> <p>The Debenture Trustee may approve any application for consent in respect of the</p>

	below matters, if Debenture Holders' representing more than 50% (fifty percent) of the outstanding principal amounts of the Debentures provide their consent, within a period of 3 business days from the date of receipt of such request/notification from the Debenture Trustee.
Transaction Documents	<ol style="list-style-type: none"> 1. Term Sheet 2. Placement / Information Memorandum 3. Private Placement Offer Letter in form PAS 4 4. Debenture Trustee Agreement 5. Debenture Trust Deed 6. Deed of Hypothecation 7. Guarantee Agreement, if any 8. Company Undertaking, if any 9. Resolutions <p>Resolutions means collectively,</p> <ol style="list-style-type: none"> a. Special resolution of the shareholders of the Company under Section 180(1)(a) of the Companies Act, 2013; if applicable b. Special resolution of the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013; if applicable c. Board resolution of the board of directors of the Company under Section 42 and other applicable provisions of the Companies Act, 2013 and Rules thereunder; d. Special resolution of the shareholders of the Company under the applicable provisions of the Companies Act, 2013 and Rule 14(2) and other applicable provisions of Companies (Prospectus and Allotment of Securities) Rules, 2014. e. Board/ Committee resolution approving the issuance.
Majority Debenture Holders	means such number of Debenture Holders collectively holding more than 50% (fifty percent) of the value of the outstanding principal amounts of the Debentures.
Step Up Coupon	For each notch rating downgrade of the instrument there will be a step up of 25 bps.
Role and Responsibilities of Debenture Trustee	As shall be set out in the transaction documents
Confidentiality	The terms and conditions described in this Term Sheet, including its existence, shall be confidential information and shall not be disclosed to any third party except to each Party's advisors and counsel. Provided however that if any of the Parties is required by law to disclose information regarding this Term Sheet or to file this Term Sheet with any regulatory body, it shall, at a reasonable time after

	making any such disclosure or filing, informing the other Parties.
Indemnity	<p>The Company shall indemnify the Debenture Holders and the Debenture Trustee from time to time, against any and all losses, liabilities, obligations, damages, judgments, costs, expenses (including, without limitation, advisors' fees), claims, fines, penalties, proceedings, actions or demands, of any kind or nature incurred by the Debenture Trustee/Debenture Holders as a result of one or more of the following:</p> <ul style="list-style-type: none"> (a) occurrence of any Event of Default; (b) any demand for any stamp duty, registration fee or any other duty, fee, costs, or imports received from any Governmental Authority in relation to the transactions contemplated under the Transaction Documents (including without limitation, any demand from stamp duty arising because any Transaction Document has been taken or has been received (whether by way of facsimile, photocopy or electronic record) in any state other than the state in which it has been executed; and (c) a failure by the Company to pay any amount due under any Transaction Document on its due date.
Other Costs & Conditions	The Issuer shall bear the costs and expenses incurred in connection with the transactions contemplated hereby including stamp duty and registration fee (if applicable) on the Transaction Documents (and the Debentures), appointment of the Debenture trustee, legal advisors expenses and expenses incurred in the preparation for the Transaction Documents.
Governing Law and Jurisdiction	Indian Law with jurisdiction of the courts and tribunals of New Delhi.
Risk Factors	As shall be set out in the offer document

Annexure – Illustrative Cashflows per debenture

Date	Total Cashflow	Principal	Interest	Principal o/s
17-May-25	86.14	-	86.14	10,000.00
17-Jun-25	89.01	-	89.01	10,000.00
17-Jul-25	86.14	-	86.14	10,000.00
17-Aug-25	89.01	-	89.01	10,000.00
17-Sep-25	89.01	-	89.01	10,000.00
17-Oct-25	86.14	-	86.14	10,000.00
17-Nov-25	89.01	-	89.01	10,000.00
17-Dec-25	86.14	-	86.14	10,000.00
17-Jan-26	89.01	-	89.01	10,000.00
17-Feb-26	89.01	-	89.01	10,000.00
17-Mar-26	80.39	-	80.39	10,000.00
17-Apr-26	89.01	-	89.01	10,000.00
01-Jun-26	10,129.21	10,000.00	129.21	0