

SECTION IV: TERM SHEET OF THE ISSUE | SUMMARY OF TERMS

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)	CRISIL
Legal Counsel	To be confirmed
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
Other obligator(s), if any	Not Applicable
DETAILS OF THE INSTRUMENT	
Security Name	10.75% Navi Dec 2027
Type of instrument	Non-Convertible Debentures
Nature of instrument	Listed, Rated, Senior, Secured, Transferable, Redeemable, Non-Convertible Debentures ("Debentures")
Seniority/ Ranking	Senior

(Senior/ Subordinated)									
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 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 The Issuer shall ensure that the NCDs are in compliance with the SEBI ILNCS Regulations and the SEBI ILNCS Operational Circular</p>								
Rating(s)	CRISIL A (Stable)								
Minimum Subscription and in multiples of thereafter	1,000 NCDs and 1 NCD thereafter								
ISSUE DETAILS									
Mode of Issue	Private Placement								
Form of issue	Debentures will be issued in dematerialized form.								
Issue size (Base)	INR 100,00,00,000/- (Rupees Hundred Crores Only)								
Greenshoe / Option to retain oversubscription	INR 100,00,00,000/- (Rupees Hundred Crores Only)								
Tenor	35 (thirty-five) months and 18 (eighteen) 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>January 10, 2025</td> </tr> <tr> <td>Issue Closing Date</td> <td>January 10, 2025</td> </tr> <tr> <td>Issue Payin Date</td> <td>January 13, 2025</td> </tr> <tr> <td>Deemed Date of Allotment</td> <td>January 13, 2025</td> </tr> </table>	Issue Opening Date	January 10, 2025	Issue Closing Date	January 10, 2025	Issue Payin Date	January 13, 2025	Deemed Date of Allotment	January 13, 2025
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Deemed Date of Allotment	January 13, 2025								
EBP	Applicable								
Settlement mode of the	Banking channels								

Instrument	
Objects of the issue	The proceeds of the issue will be utilized for the following purposes: <ul style="list-style-type: none"> ● Onward lending purpose and general corporate purposes
Utilization of issue proceeds	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: <ol style="list-style-type: none"> i. any capital market instrument such as equity and equity linked instruments or any other capital market related activities; ii. investment in any speculative sector; iii. 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.17/21.04.172/2024-25 dated April 24, 2024 on "Bank Finance to Non-Banking Financial Companies (NBFCs)";or iv. 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	10.75% 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 (Redemption Schedule) 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	35 (thirty-five) months and 18 (eighteen) days from Deemed Date of Allotment
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	<p>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;</p> <p>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</p> <p>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.</p>
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

	<p>DPD 30 loans are being replaced, they need to be replaced with current loans.</p> <ul style="list-style-type: none"> 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	<p>1.10x (One point one zero times)</p> <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"> A certified true copy of the latest Charter Documents of the Issuer, certified as correct, complete and in full force and effect by the appropriate officer, which has the enabling clause in the articles of association to allow appointment of Nominee Director by the Debenture Trustee. A certified true copy of the resolution of the Board for issue of Debentures and for delegating the powers to the Finance Committee to do all acts in relation to the issuance of the Debentures. A certified true copy of the resolution of the Finance Committee for issue of Debentures and <i>inter alia</i> with respect to: <ol style="list-style-type: none"> approving the borrowings by way of issue of Debentures contemplated by the Debenture Trust Deed; approving the creation of security interest in accordance with the provisions of the Transaction Documents; appointment of Catalyst Trusteeship Limited as Debenture Trustee; approving the terms and execution of, and the transactions contemplated by the Transaction Documents;

	<ul style="list-style-type: none">(e) authorising a director or directors or other authorised executives to execute the Transaction Documents;(f) to appoint the other intermediaries in relation to the issue of Debentures; and(g) authorising a Person or Persons, on its behalf, to sign and/or dispatch all documents and notices to be signed and/or dispatched by it under or in connection with the Transaction Documents. <p>4) A certified copy of a special resolution of the shareholders of the Company approving the private placement of the Debentures under Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, prescribed under Section 42 of the Companies Act;</p> <p>5) A certified copy of a special resolution of the shareholders of the Company under Section 180(1) (a) and Section 180(1) (c) of the Companies Act.</p> <p>6) A certificate from the authorised signatory of the Issuer / company secretary stating the following:</p> <ul style="list-style-type: none">(a) the persons authorised to sign the Transaction Documents and any document to be delivered under or in connection therewith, on behalf of the Company, together with the names, titles and specimen signatures of such authorised signatories;(b) that the Issuer has necessary powers under the Charter Documents of the Issuer to borrow monies by way of issue of the Debentures;(c) that no consents and approvals are required from the Issuer from its creditors or any Governmental Authority or any other person for the issuance of Debentures;(d) that the representations and warranties contained in the Debenture Trust Deed and the Transaction Documents are true and correct in all respects;(e) no Event of Defaults or potential Event of Default has occurred or is subsisting;(f) no Material Adverse Effect has occurred;(g) no investor or shareholder consent and /or approval, pursuant to the articles of association of the Issuer or any shareholders' agreements or other documents and /or instruments entered into by the Issuer and its shareholders or investors, is required by the Issuer to enter into or perform its obligations under the Transaction Documents;(h) the present issue of Debentures is within the limits authorised by the Board and the shareholders in the board resolution and the shareholders resolution respectively and that the same is still valid, binding and subsisting and have not been rescinded; and
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	<p>(i) the issuance of the Debentures and the transactions contemplated herein will not have an adverse impact on the rights of any of the shareholders or investors of the Issuer.</p> <p>7) A copy of the e-Form MGT-14 filed with the Registrar of Companies with respect to the board resolution or shareholders' resolution (as applicable and if required under the Act) passed for the issue of Debentures.</p> <p>8) The Issuer shall have executed the following in the manner and form as required by the Debenture Trustee:</p> <p>(a) DTAA;</p> <p>(b) Debenture Trust Deed;</p> <p>(c) Deed of Hypothecation;</p> <p>(d) Power of Attorney;</p> <p>(e) Term Sheet; and</p> <p>(f) Any other document as required by the Debenture Trustee or the Debenture Holders.</p> <p>9) The Issuer shall have obtained the Debenture Trustee Consent Letter from the Debenture Trustee.</p> <p>10) The Issuer shall have obtained the consent letter from the Merchant Banker.</p> <p>11) A copy of the press release issued by the Rating Agency along with the credit rating letter providing a credit rating to the Debentures along with the rating rationale / credit opinion.</p> <p>12) A copy of the letter from the registrar providing its consent to act as the RTA for the issue of Debentures.</p> <p>13) A copy of the tri-partite agreement executed by the Issuer with the Registrar and the Depository.</p> <p>14) The Issuer shall have uploaded the General Information Document.</p> <p>15) The Issuer shall have uploaded the relevant Key Information Document with Form PAS-4 for the issue of the Debentures on the electronic book provider platform within the timelines set out under Applicable Law.</p> <p>16) The Issuer has made available to the Debenture Trustee and the Debenture Holders the latest Financial Statements for the previous Financial Year.</p> <p>17) The Issuer shall have obtained in-principle approval from the Stock Exchange for listing of the Debentures.</p> <p>18) The Issuer shall have obtained due-diligence certificate from the Debenture Trustee.</p>
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	<ol style="list-style-type: none"> 19) The Issuer shall have obtained the International Securities Identification Number (ISIN) in respect of the Debentures. 20) The Issuer shall have complied with all the provisions of the SEBI Debenture Trustees Master Circular in relation to compliance with distributed ledger technology requirements. 21) Payment of all fees and stamp duty under the Transaction Documents executed is done to the satisfaction of the Debenture Trustee. 22) Such other information / documents, certification by Issuer's authorized representatives, opinion and instruments as may be required by the Debenture Trustee
<p>Conditions Subsequent To Disbursement</p>	<ol style="list-style-type: none"> 1) Certified true copy of the board resolution for the allotment of the Debentures, within 1 (one) Business Days of the Deemed Date of Allotment. 2) Filing of Form PAS-3 (as per the Act) being the return of allotment of Debentures with the Registrar of Companies along with payment of the requisite amount of fees as provided in the Companies (Registration Offices and Fees) Rules, 2014 and the list of the Debenture Holders within 15 (Fifteen) days from the Deemed Date of Allotment. 3) Provide evidence that the Depository accounts of the Debenture Holders with the Depository have been credited with the Debentures within 2 (two) days from the Deemed Date of Allotment. 4) Payment of stamp duty at 0.005% (zero point zero zero five percent) on the Debentures as per the Indian Stamp Act, 1899. 5) Copy of Form PAS-5 being maintained by the Issuer in accordance with the Act, where the Issuer has recorded the names of the subscribers to the Debentures within 07 (seven) days of Deemed Date of Allotment. 6) An end-use certificate from an independent Chartered Accountant, certifying the heads under which funds have been utilized in accordance with Transaction Documents, within 60 (sixty) days of the Deemed Date of Allotment. 7) The Issuer shall have submitted a copy of filed Form CHG-9 (as per the Act) or such other form as may be prescribed with the relevant Registrar of Companies to be filed by the Issuer in relation to the Security created over the Hypothecated Assets, within timelines as mentioned in the Transaction Documents and in any case the form CHG-9 shall have been filed with the relevant Registrar of Companies by the Issuer within 30 (thirty) days of execution of Deed of Hypothecation, together with the certificate of registration of charge obtained in relation to the same. 8) As applicable to the Issuer in accordance with the Applicable Law(s), relevant filings in the prescribed form to be made with an information utility registered with the Insolvency and Bankruptcy Board of India in accordance with Section

	<p>215 of the Insolvency Code and other regulations including the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017.</p> <p>9) Providing all the necessary assistance to the Debenture Trustee for filing of and registering with the Central Registry under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 for the exercise of the rights, powers and authority hereby conferred on the Debenture Trustee for effecting and perfecting the Security created or purported to be created under the Deed of Hypothecation and for enforcement of such Security within the timeline stipulated under Applicable Law.</p> <p>10) Obtaining the final listing approval from the Stock Exchange in respect of the Debentures (including but not limited to payment of all fees) and list the Debentures on the wholesale debt market segment of the Stock Exchange within 3 (three) working days from the issue closing date of Debentures.</p> <p>11) Any other document as required by the Debenture Trustee.</p> <p>12) Any other document as required elsewhere under the Transaction Documents.</p>						
<p>Related Party Transactions</p>	<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>						
<p>Restriction on dilution of stake by Key Shareholders</p>	<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 border="1" data-bbox="501 1856 1385 1973"> <thead> <tr> <th data-bbox="501 1856 778 1928">Name</th> <th data-bbox="778 1856 1056 1928">Shareholding Type</th> <th data-bbox="1056 1856 1385 1928">Minimum Shareholding</th> </tr> </thead> <tbody> <tr> <td data-bbox="501 1928 778 1973">Navi Technologies</td> <td data-bbox="778 1928 1056 1973">Fully Diluted</td> <td data-bbox="1056 1928 1385 1973">76%</td> </tr> </tbody> </table>	Name	Shareholding Type	Minimum Shareholding	Navi Technologies	Fully Diluted	76%
Name	Shareholding Type	Minimum Shareholding					
Navi Technologies	Fully Diluted	76%					

	<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 border="1" data-bbox="501 566 1353 685"> <thead> <tr> <th data-bbox="501 566 839 645">Name</th> <th data-bbox="839 566 1066 645">Shareholding Type</th> <th data-bbox="1066 566 1353 645">Minimum Shareholding</th> </tr> </thead> <tbody> <tr> <td data-bbox="501 645 839 685">Sachin Bansal</td> <td data-bbox="839 645 1066 685">Fully Diluted</td> <td data-bbox="1066 645 1353 685">51%</td> </tr> </tbody> </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	Sachin Bansal	Fully Diluted	51%
Name	Shareholding Type	Minimum Shareholding					
Sachin Bansal	Fully Diluted	51%					
Creation of Recovery Expense Fund	As per the applicable SEBI norms						
Affirmative Undertakings	<p>The Issuer covenants the following to the Debenture Trustee, until the full and final repayment of the Outstanding Amounts and Redemption Amounts, unless otherwise agreed to by the Debenture Trustee:</p> <p>(a) Utilisation of the issue proceeds The Issuer shall utilise the monies received towards subscription of the Debentures for the Purpose, in accordance with Applicable Law.</p> <p>(b) Licenses and Approvals The Issuer and the Issuer shall promptly obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all regulatory and statutory permissions / licenses / authorisations / consents / approvals, as specified by relevant regulatory authorities from time to time, and take all other necessary actions to enable it to lawfully enter into and perform its obligations under the Transaction Documents and to take necessary steps to ensure the legality, validity, enforceability or admissibility in evidence in India of the Transaction Documents and those required to enable it to carry on its business as it is being conducted from time to time.</p> <p>(c) Security (i) The Issuer shall execute and/or do and maintain in full force, at its own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by law require or consider necessary for creation, perfection and enforceability of the Security intended to be created under the Security Documents or facilitating the realisation thereof, or otherwise in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee, to ensure the legality, validity and enforceability of the Security and to comply with all the conditions therein.</p>						

	<p>(ii) The Issuer shall ensure that each Security Document created (or, once entered into, shall create) in favour of the Debenture Trustee, the Security which it is expressed to create with first-ranking exclusive priority and is not subject to any prior ranking or pari passu ranking Security, and that such Security is valid and effective.</p> <p>(iii) Without limiting sub-paragraph (ii) above, the Issuer shall ensure that its payment obligations in relation to the Debentures under the Transaction Documents shall rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors and shall have priority over the claims of all its subordinated creditors except for obligations mandatorily preferred by law applying to companies generally.</p> <p>(iv) The Issuer shall ensure, that the Security is and shall continue to have the ranking and priority it is required to have under the Security Documents.</p> <p>(v) The Issuer shall maintain the Security Cover in respect of the Debentures, at all times, in accordance with Applicable Law and the Transaction Documents.</p> <p>(d) Regulatory compliance The Issuer and the Issuer shall promptly comply with all Applicable Laws, rules, regulations, directions and guidelines, as may be in force from time to time and as may be prescribed by the Governmental Authority including but not limited to the Act, the guidelines and regulations framed by SEBI (to the extent applicable) and the corporate governance and the fair practices code as prescribed by the RBI during the tenor of the Debentures, with regard to the issue of Debentures and performance of its obligations under the Transaction Documents.</p> <p>(e) Costs and expenses The Issuer shall pay all costs and expenses in any way incurred by the Debenture Trustee in connection with the execution and enforcement of any of its rights under the Transaction Documents.</p> <p>(f) Stamp Duty The Issuer and the Issuer shall pay all such stamp duty, and penalties, if and when the Issuer be required to pay according to the laws for the time being on the execution of the Transaction Documents and issue of the Debentures, and in the event of the Issuer fails to pay such stamp duty and penalties as above, the Debenture Trustee will be at liberty (but shall not be bound) to pay the same and the Issuer shall reimburse the same to the Debenture Trustee within 7 (seven) Business Days of demand being made.</p> <p>(g) Preserve corporate status The Issuer and the Issuer shall 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.</p> <p>(h) DRR</p>
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	<p>The Issuer hereby agrees and undertakes that, if required to do so, it would create a DRR as per the provisions of the Act and if during the currency of the Debenture Trust Deed, any guidelines are formulated (or modified or revised) by the Central Government or any government agency or corporation having authority under law in respect of creation of DRR, the Company shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Debenture Trustee. Where applicable, the Company shall submit to the Debenture Trustee a certificate duly certified by the auditors of the Company certifying that the Company has transferred a suitable sum to DRR at the end of each financial year.</p> <p>(i) Recovery Expense Fund</p> <p>The Company hereby agrees and undertakes that it shall create a recovery expense fund in the manner as set out in NCS Regulations and the SEBI Debenture Trustees Master Circular or such other circulars as may be specified by the SEBI from time to time and shall inform the Debenture Trustee of the same in writing.</p> <p>Without prejudice to the generality of the foregoing, the Company shall ensure compliance with the SEBI NCS Regulations, as amended/ supplemented from time to time in relation to the creation and maintenance of the recovery expense fund, the key provisions of which are as follows:</p> <p>(A) Creation of Recovery expense fund: The Company shall deposit cash or cash equivalents including bank guarantees towards the contribution to recovery expense fund with the designated stock exchange and submit relevant documents evidencing the same to the Debenture Trustee from time to time. The Company shall ensure that the bank guarantees remains valid for a period of six months post the maturity date of the Debentures. The Company shall keep the bank guarantees in force and renew the bank guarantees at least seven working days before its expiry, failing which the designated stock exchange shall invoke such bank guarantee.</p> <p>(B) Utilisation of recovery expense fund: In the event of default, the Debenture Trustee shall obtain the consent of Debenture Holders for enforcement of security and shall inform the same to the designated stock exchange. The amount lying in the recovery expense fund shall be released by the designated stock exchange to the Debenture Trustee within five working days of receipt of such intimation. The Debenture Trustee shall keep a proper account of all expenses incurred out of the funds received from recovery expense fund towards enforcement of Security.</p> <p>(C) Refund of recovery expense fund to the Company: The balance in the recovery expense fund shall be refunded to the Company on repayment to the Debenture holders for which a 'No Objection Certificate (NOC)' shall be issued by the Debenture Trustee(s) to the designated stock exchange. The Debenture Trustee shall satisfy that there is no 'default' on any other listed debt securities of the Company before issuing the NOC.</p> <p>(j) The Issuer will:</p>
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	<ul style="list-style-type: none">(i) carry on and conduct its business with due diligence and efficiency and in accordance with sound technical, managerial and financial standards and business practices with qualified and experienced management and personnel;(ii) keep proper books of account as required by the Act and therein make true and proper entries of all dealings and transactions of and in relation to the business of the Issuer and keep the said books of account and all other books, registers and other documents relating to the affairs of the Issuer at its registered office or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept and the Issuer will ensure that all entries in the same relating to the business of the Issuer shall at all reasonable times be open for inspection of the Debenture Trustee and such Person or Persons as the Debenture Trustee shall, from time to time, in writing for the purpose, appoint and the Issuer shall permit the Debenture Trustee, upon the receipt of a prior reasonable notice to the Issuer to visit the premises of the Issuer to inspect the same as and when required by the Debenture Trustee (at usual business hours of the Issuer) with a prior notice given 7 (seven) days in advance. Provided that inspection should be done during normal business hours of the Issuer and without causing any disturbance to the day to day functioning of the Issuer;(iii) provide all information/ documents required to be submitted to the Debenture Trustee, to enable it to carry out the due diligence in terms of the SEBI Debenture Trustees Circular;(iv) provide to the Debenture Trustee or its nominee(s)/agent(s) such information/copies of relevant extracts as they may require on any matters relating to the business of the Issuer or to investigate the affairs of the Issuer;(v) allow the Debenture Trustee to make such examination and investigation as and when deemed necessary and shall furnish the Debenture Trustee with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation;(vi) provide periodical status / performance report within 7 (seven) days of the relevant board meeting of the Issuer, or within 45 (forty-five) days of the end of the financial quarter, whichever is earlier;(vii) ensure and procure that at the time of making any payment of Coupon or Redemption Amount of the Debentures in full or in part, the Issuer shall do so in the manner that is most tax efficient for the Debenture Holder(s) but without, in any way requiring the Issuer to incur any additional costs, expenses or taxes and the Issuer shall avail of all the benefits available under any treaty applicable to the Issuer and/or the Debenture Holder(s);(viii) give to the Debenture Trustee such information as it may reasonably require and as mentioned in the Transaction Documents;
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	<ul style="list-style-type: none">(ix) allow the Debenture Trustee or Debenture Holder to run a scrub on the Hypothecated Assets with any credit bureau in which the Company is registered as a member including but not limited to CIBIL, Equifax, CRIF Highmark and Experian until the redemption of Debentures;(x) furnish all such information as may be required under Applicable Law by the Debenture Trustee for the effective discharge of its duties and obligations, such as two copies of reports, balance sheets, profit & loss account, etc and as to all matters relating to the business, property and affairs of the Issuer in two copies. As would be provided to any of the shareholders of the Issuer;(xi) pay all such stamp duty (including any additional stamp duty), other duties, taxes, cesses, charges and penalties, if and when the Issuer may be required to pay according to the laws for the time being in force in the State in which its properties are situated or otherwise in relation to the Transaction Documents;(xii) punctually pay all taxes imposed upon or due and payable by the Issuer as and when the same shall become due and payable and when required by the Debenture Trustee produce the receipts of such payment and also punctually pay and discharge all debts and obligations and liabilities which may have priority over the Security created hereunder and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Issuer in respect of or any part of the Security;(xiii) maintain internal controls for the purpose of (i) preventing fraud in respect of any monies lent by the Issuer; and (ii) preventing the money so lent by the Issuer from being used for money laundering or illegal purposes;(xiv) comply with any monitoring requests / calls received by it from the Debenture Trustee on a quarterly basis; and(xv) Provide such information as requested by the Debenture Trustee until the redemption of Debentures for seeking such information regarding the Issuer, its portfolio, company performance and quality of data shared by it or any other information from the Company or various counterparties and third parties including but not limited to any credit bureau, bankers, its lenders or statutory or governmental authorities. <p>(k) Grievance Redressal The Issuer shall promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Issuer further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance.</p> <p>(l) Right to Appoint Nominee Director/ observer The Debenture Trustee in consultation with the Majority Debenture Holders shall have the right to appoint 1 (one) nominee director/ observer on the Board, at any time, upon the occurrence of an Event of Default and</p>
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	<p>in accordance with the terms set out in Schedule VII (Nominee Director) below (“Nominee Director”). Upon the occurrence of such event as mentioned in Schedule VII (Nominee Director), the Issuer shall appoint the Nominee Director not later than 01 (one) month from the date of receiving of nomination notice from the Debenture Trustee. The Issuer shall amend its Charter Documents if required by the Debenture Trustee/Debenture Holders to provide for the appointment of the Nominee Director by the Debenture Trustee and obtain all consents, as may be required, for this purpose within such time as may be mutually agreed between the Parties.</p> <p>(m) Audit and Inspection The Issuer shall arrange for field visit to be conducted by the Majority Debenture Holders or the Debenture Trustee or a third party appointed by the Majority Debenture Holders/Debenture Trustee of at least 5 (five) branches of the Issuer till the redemption of the Debentures. The branches to be visited shall be selected at the discretion of Majority Debenture Holders /Debenture Trustee. The expense for the same shall be borne by Debenture Holders. The Majority Debenture Holders and/or Debenture Trustee shall provide prior written intimation to the Issuer of 7 (seven) days before conducting such inspection. Provided such inspection should be done during normal business hours of the Issuer and should not cause disturbance to day to day functioning of the Issuer.</p> <p>(n) Compliance with Transaction Documents The Issuer shall ensure that it shall comply with and perform all and such other conditions all and such other conditions as mentioned in detail in and under the Transaction Documents.</p> <p>(o) any additional affirmative undertaking as set out in Part B of the Debenture Trust Deed</p>
<p>Negative Undertakings</p>	<p>The Issuer shall not do or undertake any of the below mentioned acts, without the prior written permission of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders):</p> <p>(a) Amendment to Charter Documents. Change, amend or modify its Charter Documents, where such amendment would have a Material Adverse Effect, save and except the changes, amendments and modifications in relation to:</p> <p>(i) increase of authorised share capital of the Issuer;</p> <p>(ii) Any change in the articles of association of the Issuer to reflect the terms of any equity infusion or strategic sale.</p> <p>(b) Cessation or Change of Business.</p> <p>(i) Cease to carry on its business or any substantial part thereof as it is being carried out on the date of the Debenture Trust Deed;</p> <p>(ii) Any sale of assets / business / division that has the effect of exiting the business or re-structuring of the existing business;</p> <p>(iii) Undertake any new major new business outside financial services or any diversification of its business outside financial services; and</p>

	<p>(iv) Change of business carried on by the Issuer as at the date of execution of the Debenture Trust Deed.</p> <p>(c) Change in structure</p> <p>(i) Change in promoter of the Issuer;</p> <p>(ii) Change in Management Control; or</p> <p>(iii) Change of control.</p> <p>(d) Save and except the provisions of the Debenture Trust Deed, grant in favour of any person, any interest in or any option in relation to any of the shares held by the promoter, or any right to exercise any call or put option in relation to the shares held by the promoter.</p> <p>(e) Acquisition of shares Acquisition of shares (equity or preference) or any other instruments which shall provide the Issuer with an option to purchase such shares in any other entity.</p> <p>(f) Shareholding and change of capital structure Save and except the provisions of the Debenture Trust Deed, any action by the Issuer resulting in dilution in the shareholding of any equity shareholders or including any action by the Issuer to purchase, redeem, buyback, defease, retire, return or pay any of its issued shares or reduce its share capital. Any request for waiver by the Company for the above provision maybe approved by the Debenture Trustee (upon the consent of the Majority Debenture Holder) and in case no response is received from the Debenture Holder by the Debenture Trustee, the same shall be deemed approved. Notwithstanding the above, the Issuer may enter into any transaction(s) resulting in the acquisition of shares (equity or preference) where the aggregate value of such shares does not exceed 10% (ten percent) of the Issuer's Net Worth without the prior written permission of the Debenture Trustee.</p> <p>(g) Rematerialisation Cause rematerialisation of the Debentures except as provided in the Debenture Trust Deed.</p> <p>(h) Disposal of Assets Sell, assign, transfer, or otherwise dispose of in any manner whatsoever any material assets, business or division of the Company (whether in a single transaction or in a series of transactions (whether related or not) or any other transactions which cumulatively have the same effect) which materially affects the capability of the Issuer to carry out its obligations under the Transaction Documents other than any securitisation/ portfolio sale of assets undertaken by the Issuer in its ordinary course of business</p> <p>(i) Declaration of dividend declare or pay any dividend to its shareholders or make any other distributions to the shareholder (including the holders of the common equity of the Issuer or the holders of the shares of the Issuer that are compulsorily convertible into equity shares) during any Financial Year if an Event of Default has occurred and is subsisting.</p>
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	<p>(j) Merger, demerger, etc.</p> <p>(i) enter into merger and acquisition, acquisition, restructuring, amalgamation for an amount exceeding 10% (Ten percent) of the Net Worth of the Company in a relevant financial year; and</p> <p>(ii) save and except as set out above, 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.</p> <p>(k) Lending to group companies / promoters Directly or indirectly lend to any of its group companies, or to its promoters (as defined in the Act), or any Related Parties, or directly or indirectly lend to any of its group companies save and except in ordinary course of business and as per Applicable Law.</p> <p>(l) Related party transaction enter into or perform any transaction(s) with a related party other than in the ordinary course of business and on an arms' length price).</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 other than in the ordinary course of business. 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 (Seven) Business Days from the date of receipt of such request/notification from the Debenture Trustee which would be otherwise deemed as approved.</p> <p>(m) Further security on Hypothecated Assets Create any further charge or Encumbrance on the Hypothecated Assets.</p> <p>(n) Accounting Standards The Company shall not make any change in the accounting method or policies currently followed, without prior consent of the Debenture Trustee, unless required under the Applicable Law or Accounting Standards to do so.</p> <p>(o) Miscellaneous</p> <p>(i) Enter into any profit-sharing arrangements with any Persons save and except in ordinary course of business;</p>
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	<ul style="list-style-type: none">(ii) Any purchase or redemption of any of its issued shares except equity shares allotted under employee stock ownership plan scheme of the Issuer or any reduction in the share capital of the Issuer;(iii) Change the financial year-end from 31st March (or such other date) unless approved by Debenture Holders;(iv) Save and except in case of ordinary course of business undertake to guarantee for the liabilities of any individual or entity; and(v) Do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its businesses might or could be terminated or whereby payment of Outstanding Amounts and Redemption Amounts the might or would be hindered or delayed. <p>(p) The Issuer agrees and undertakes that it shall, until the Final Settlement Date, keep the Debenture Trustee / Debenture Holder(s) informed about the terms and conditions of the other financing documents executed by the Issuer for availing the Financial Indebtedness, and the Issuer further agrees and undertakes that in the event such terms and conditions are offered to any other lender/ creditor for availing the Financial Indebtedness that are more favourable in the opinion of the Debenture Trustee than the terms and conditions offered herein, the Issuer shall offer such terms and conditions to the Debenture Trustee/ Debenture Holder(s) for these Debentures within 10 (Ten) days of execution of such documents. The terms of the Debentures and the Transaction Documents will be modified suitably to reflect such favourable terms and conditions as provided to other lenders/ creditors and the Issuer agrees to execute all necessary documents including any supplemental/amendatory documents as may be required by the Debenture Trustee and / or Debenture Holder(s) in this respect from time to time.</p> <p>(q) The Company hereby agree and give consent for the disclosure by the Debenture Trustee or any Debenture Holder of all or any:</p> <ul style="list-style-type: none">(i) information and data relating to the Company and any obligation assumed by it under any Transaction Document; and(ii) default, if any, committed by the Company in discharge of any obligation hereunder or any other Transaction Document. <p>As the Debenture Trustee/ Debenture Holder may deem appropriate and necessary to TransUnion CIBIL Limited (“CIBIL”) and/or any other agency authorized in this behalf by the Reserve Bank of India.</p> <p>(r) The Company further agrees that-</p> <ul style="list-style-type: none">(i) CIBIL and any other agency so authorized may use, process the said information and data disclosed by the Debenture Trustee/ Debenture Holder in the manner as deemed fit by it;(ii) CIBIL, and any other agency so authorized may furnish for consideration, the processed information and data or products thereof prepared by them, to banks/financial institutions and other credit grantors or registered users, as may be specified by the RBI in this behalf; and
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	<p>(iii) the Debenture Holder/ Debenture Trustee may, if required by law, statutory regulation, court order, subpoena or other similar legal process, disclose to banks/government and statutory authorities information in connection with the issue, Company etc.</p> <p>(s) The Company hereby consents to the Debenture Trustee and the Debenture Holders, their officers and agents disclosing information relating to the Company and its account(s) and/or dealing relationship(s) with the Debenture Trustee and/ or the Debenture Holders, including but not limited to details of its facilities, any security taken, transactions undertaken and balances and positions with the Debenture Trustee and/ or the Debenture Holders, to:</p> <p>(i) the Debenture Holder Member / Debenture Trustee and their representatives in any jurisdiction, (together with the respective Debenture Holder, the “Permitted Parties”);</p> <p>(ii) professional advisers, insurers or insurance brokers and service providers of the Permitted Parties who are under a duty of confidentiality to the Permitted Parties;</p> <p>(iii) any actual or potential assignee, novate, transferee, participant or sub-participant in relation to any of the Debenture Holders’ rights and/or obligations under any agreement (or any agent or adviser of any of the foregoing), provided that such third party shall agree in writing to preserve the confidentiality of any confidential information relating to the Company received by it from the concerned Debenture Holder;</p> <p>(iv) any rating agency, or direct or indirect provider of credit protection to any Permitted Party; and</p> <p>(v) as required by any law or Authority with jurisdiction over any of the Permitted Parties.</p> <p>(t) The Company gives specific consent to the Debenture Trustee and Debenture Holders for disclosing / submitting the ‘financial information’ as defined in Section 3 (13) of the Insolvency and Bankruptcy Code, 2016 (“Insolvency Code”) read with the relevant Regulations/ Rules framed thereunder, as amended and in force from time to time and as specified there under from time to time, in respect of the Debentures issued by the Company in terms of the Debenture Trust Deed and in respect the security, mortgage and charge created/given to secure the repayment of Outstanding Amounts and Redemption Amounts under the Debenture Trust Deed, to any ‘Information Utility’ (“IU”) as defined in Section 3 (21) of the Insolvency Code, in accordance with the relevant regulations framed under the Insolvency Code, and directions issued by the RBI from time to time and hereby specifically agrees to promptly authenticate the ‘financial information’ submitted by the Debenture Trustee or the Debenture Trustee, as and when requested by the concerned IU.</p> <p>(u) Key Shareholders</p> <p>(A) Each of the persons mentioned below (collectively hereinafter referred to as the "Key Shareholders") shall not transfer or encumber the shares of the Issuer held by them respectively</p>
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	<p>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 as set out in the following table shall require the prior written consent of the Debenture Trustee:</p> <table border="1" data-bbox="518 454 1385 595"> <thead> <tr> <th>Name</th> <th>Shareholding Type</th> <th>Minimum Shareholding</th> </tr> </thead> <tbody> <tr> <td>Navi Technologies Limited</td> <td>Fully Diluted</td> <td>76%</td> </tr> </tbody> </table> <p>(B) The Key Shareholders shall not transfer or encumber the shares of the Promoter beyond the minimum shareholding as set out below (“Minimum Shareholding”) 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 minimum level as set out in the following table shall require the prior written consent of the Debenture Trustee:</p> <table border="1" data-bbox="501 943 1385 1093"> <thead> <tr> <th>Name</th> <th>Shareholding Type</th> <th>Minimum Shareholding</th> </tr> </thead> <tbody> <tr> <td>Mr. Sachin Bansal</td> <td>Fully Diluted</td> <td>51%</td> </tr> </tbody> </table> <p>It is hereby clarified that where in case of restructuring or any other purpose or reason, if the Promoter ceases to exist, then the Key Shareholder shall maintain their Minimum Shareholding in the Issuer entity as per the restrictions set out hereinabove.</p> <p>(C) The Debenture Trustee may approve any application for waiver of, or deviation from the abovementioned Clause (u)(B), 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 (Fifteen) Business Days from the date of receipt of such request / notification from the Debenture Trustee.</p> <p>The Debenture Trustee may approve any application for waiver of or deviation from, the above mentioned requirements, 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 (Fifteen) Business Days from the date of receipt of such request/notification from the Debenture Trustee.</p>	Name	Shareholding Type	Minimum Shareholding	Navi Technologies Limited	Fully Diluted	76%	Name	Shareholding Type	Minimum Shareholding	Mr. Sachin Bansal	Fully Diluted	51%
Name	Shareholding Type	Minimum Shareholding											
Navi Technologies Limited	Fully Diluted	76%											
Name	Shareholding Type	Minimum Shareholding											
Mr. Sachin Bansal	Fully Diluted	51%											
Management Control	<p>Means, in respect of any entity:</p> <p>(a) the right to appoint a majority of the directors of the board of directors of such entity; and</p> <p>(b) the right to control the management or policy decisions acting individually or in concert, directly or indirectly, including by virtue of shareholding or management rights or shareholders agreements or voting</p>												

	<p>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>
<p>Events of Default</p>	<p>Without prejudice to the other rights of the Debenture Trustee (acting for the benefit of the Debenture Holders) under the Debenture Trust Deed, the Debenture Trustee shall be <i>inter alios</i> entitled to exercise its rights under Clause 10 (<i>Consequences of an Event of Default</i>) in the event of occurrence of any of the following events (subject to the expiry of cure period, wherever applicable) (“Event of Default”) at the place at and in the currency in which it is expressed to be payable;</p> <p>(a) Payment Default</p> <p>(i) Non-payment of the Redemption Amount and/or Coupon due and payable, by the Issuer on the relevant Redemption Date (including the Early Redemption Date) or Coupon Payment Date (“Payment Default”), as may be applicable;</p> <p>(ii) Non-payment of any other Outstanding Amounts (other than Coupon or Redemption Amounts) due and payable by the Issuer under this issue, on the relevant due date; and</p> <p>(iii) The 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 Document until the Final Redemption Date.</p> <p>(b) Misrepresentation Any representation, warranty, statement, information or covenants made or given by the Issuer in any of the Transaction Documents or in any notice or other document, certificate or statement delivered or to be delivered by it / them pursuant to the Transaction Documents or in connection herewith is or proves to have been misrepresented, incorrect or misleading in any respect when made.</p> <p>(c) Cross default</p> <p>(i) Any Financial Indebtedness of the Issuer is not paid when due nor within any originally applicable grace period;</p> <p>(ii) Any Financial Indebtedness of the Issuer is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of any actual/potential event of default;</p> <p>(iii) Any commitment for any Financial Indebtedness of the Issuer is cancelled or suspended by a creditor of the Issuer as a result of an event of default;</p> <p>(iv) Any creditor of the Issuer becomes entitled to declare any indebtedness of the Issuer is due and payable prior to its specified maturity as a result of an event of default (however described; and</p> <p>(v) A moratorium/suspension is declared in respect of any Financial Indebtedness of the Issuer as a result of an event of default.</p> <p>(d) Insolvency</p>

	<ul style="list-style-type: none">(i) The Issuer is unable to, presumed or deemed by law to be unable to or admits (in writing) their inability, to pay their debts as they mature or stops or suspends payment of any of its debts by reason of actual or anticipated financial difficulties or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;(ii) If any petition of or application or process of / for bankruptcy or insolvency (including corporate insolvency resolution) or liquidation or winding up is filed / initiated by or against or in respect of the Issuer and such application or petition is admitted in a court of law or by the competent forum;(iii) If a moratorium or standstill or any other form of protection from its creditors is agreed or declared or imposed in respect of or affecting all or any part of (or of a particular type of) the Financial Indebtedness of the Issuer by any Governmental Authority; and(iv) The Issuer is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors. <p>(e) Insolvency Proceedings: Any corporate action, legal proceedings or other procedure or step is taken, in relation to:</p> <ul style="list-style-type: none">(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, insolvency resolution process, liquidation provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer;(ii) any insolvency, liquidation, winding up, dissolution, bankruptcy, or any analogous procedure of any obligor, including corporate insolvency resolution proceedings and the same has not been vacated or dismissed within 90 (ninety) days;(iii) the appointment or allowing the appointment of an administrative or other receiver, liquidator, provisional liquidator, supervisor, compulsory manager, trustee, an administrator or other similar officer in respect of the whole or part of the property, assets, undertaking or revenues of the Issuer;(iv) An order is made by the tribunal or a special resolution is passed by the members of the Issuer for the winding-up or dissolution or insolvency, judicial management or administration of the Issuer;(v) If the Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consents to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for all or a material part
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	<p>of its property resulting in adverse effect or take any action towards its liquidation or dissolution;</p> <p>(vi) A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Issuer is filed on the Issuer (voluntary or otherwise) and have been admitted or the Issuer to make a composition, assignment or arrangement with any creditor or an assignment for the benefit of its creditors generally and such proceeding is not contested by the Issuer for staying, quashing or dismissed within 30 (thirty) days from the admission and / or filing of such petition in the relevant court; and</p> <p>(vii) any reference, enquiry or proceedings in respect of preparation of a resolution plan for the Issuer pursuant to the “RBI’s (Prudential Framework for Resolution of Stressed Assets) Directions 2019” dated June 07, 2019, or any analogous procedure or step is taken in any jurisdiction.</p> <p>(f) Creditors’ Process A distress, attachment, execution or other legal process is initiated, levied, enforced or sued on or against any material part of the property, assets or revenues of the Issuer.</p> <p>(i) The Company fails to comply with or pay any sum due from it under any final judgment or any final order made or given by a court or tribunal of competent jurisdiction;</p> <p>(ii) Any attachment, sequestration, distress, governmental order, invalidity or unlawfulness of structure;</p> <p>(iii) 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 Transaction Documents; and</p> <p>(iv) Any execution that may have a Material Adverse Effect.</p> <p>(g) Unlawfulness, repudiation</p> <p>(i) It is unlawful for the Issuer to perform or comply with its obligations under the Transaction Documents;</p> <p>(ii) The Debenture Trust Deed or any other Transaction Document (in whole or in part), is terminated or ceases to be effective or ceases to be in full force and effect or terminated prior to the Final Redemption Date or no longer constitutes a valid, binding and enforceable obligations of the Issuer;</p> <p>(iii) The Transaction Documents or any provision thereof are required by any law to be amended, waived, or repudiated and the same is done without the consent of the Debenture Trustee (acting on the instructions of the Debenture Holder) and/or such amendments/ waivers are prejudicial to the interests of the Debenture Holders;</p> <p>(iv) Any obligation under the Transaction Documents is not or ceases to be a valid and binding obligation of any person / party to it or</p>
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	<p>becomes void, illegal, unenforceable or is repudiated by such Person (other than the Debenture Trustee); or</p> <p>(v) If the Issuer repudiates any Transaction Document or evidence an intention to repudiate any Transaction Document.</p> <p>(h) Cessation of business If the Issuer ceases, repudiates or threatens in writing to cease or repudiate, to carry on all or any of its business or operations it carries on as at the date of the Debenture Trust Deed, or gives notice of its intention to do so.</p> <p>(i) Merger, amalgamation, re-organisation The Issuer has taken or suffered to be taken any action for re-organisation of its capital or any rearrangement, merger or amalgamation without obtaining the prior written intimation to Majority Debenture Holders.</p> <p>(j) Material Adverse Effect</p> <p>(i) Any event that, in the opinion of the Debenture Trustee (acting solely on the instructions of the Majority Debenture Holders), results in or is reasonably likely to result in a Material Adverse Effect.</p> <p>(ii) Any sale, lease, transfer, or disposal of all the assets of the Issuer which may cause material adverse effect under the Transaction Documents.</p> <p>(k) Expropriation/Compulsory Acquisition All or any part of the undertaking, assets, rights or revenues of the Issuer are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Issuer, or shall have taken any action for the dissolution of the Issuer, or any action that would prevent the Issuer, their members, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or Governmental Authority or which has a Material Adverse Effect on the ability of Issuer to comply with the payment obligations under the Transaction Documents.</p> <p>(l) Security</p> <p>(i) The Issuer does not have / ceases to have clear and marketable title to the Hypothecated Assets subject to the Security or any such other reason which the Debenture Trustee believes would jeopardise the Security;</p> <p>(ii) Any asset subject to, or purported to be subject to, the Security (or any part thereof) is sold, disposed of, charged or encumbered in breach of the terms of the Transaction Documents and the Issuer fails to replace such parts of the Security with additional Security in terms of the Transaction Documents or the Issuer creates or attempts to create any charge in favour of any other Person on the assets which are subject to or are purported to be subject to, the Security without prior approval of the Debenture Trustee and the Issuer fails to replace such parts of the Security with additional Security in terms of the Transaction Documents; and</p>
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	<p>(iii) If the Security Documents / Security ceases to be in full force and effect or does not (once entered into) create in favour of the Debenture Trustee, the Security which it is expressed to create, with the ranking and priority it is expressed to have.</p> <p>(m) Minimum Security Cover The Company fails to maintain the minimum Security Cover at all times until the Final Settlement Date and thereafter fails to provide Top Up (as defined in the Deed of Hypothecation) in the manner and within the timelines specified in the Transaction Documents.</p> <p>(n) Change in management control If there is any change in management control of the Issuer, without prior written intimation to the Debenture Trustee.</p> <p>(o) Fraud and embezzlement by officer Any proven act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer's funds or revenues or any other act having a similar effect being committed by the Issuer.</p> <p>(p) Decree involving liability against the Issuer One or more judgments or decrees entered against the Issuer involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 10% (ten percent) of the total assets of the Issuer, as the case may be provided such judgments or decrees are either final and non-appealable or have not been vacated, discharged or stayed pending appeal within a period of 30 (thirty) days.</p> <p>(q) Erosion of net-worth Erosion of 50% (fifty per cent) or more of the Issuer's net worth from what it is on the date of execution of the Debenture Trust Deed.</p> <p>(r) Provision of guarantee If any corporate guarantee is provided by the Issuer on behalf of any third party, any group companies of the Issuer or any other Related Party of the Issuer for any Financial Indebtedness availed by such third party or group companies of the Issuer or Related Party to banks, non-financial banking company or any such other debenture holder, without the prior consent of the Debenture Trustee (acting on behalf of and on the consent of the Debenture Holders) save and except in case of ordinary course of business.</p> <p>(s) Criminal Offence (i) Any of the promoters and / or the directors of the Issuer are accused of, charged with, arrested or convicted in a criminal offence involving moral turpitude, dishonesty, bribery or which otherwise impinges on the integrity of such promoter and / or director, including any accusations, charges and / or convictions of any offence relating to bribery which adversely effects the serviceability of the Issuer's obligations under the Transaction Documents and the same has not been vacated/dismissed within 30 (thirty) days; and</p>
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	<p>(ii) Nothing stated in sub-clause (i) above shall be an Event of Default in case such accusation, charge, arrest or conviction relates to an independent director of the Issuer and (by no later than 30 (thirty) days from the date of occurrence of such event) the relevant independent director has resigned from his/her directorship in respect of the Issuer (and the Debenture Trustee has been provided with satisfactory evidence of such resignation).</p> <p>(t) Force Majeure Occurrence of a Force Majeure Event.</p> <p>(u) Promoters Any of the promoter / director of the Issuer is declared as wilful defaulter by the RBI or any other authority.</p> <p>(v) Litigation</p> <p>(i) Any litigation, arbitration, investigative, administrative proceeding or governmental proceedings, dispute or action, is pending pursuant to which the Issuer is restrained from entering into the Transaction Documents to which they are a party or from exercising any of its rights under or compliance with its obligations under the Transaction Documents to which they are a party and the same has not been vacated or dismissed within 30 (thirty) days;</p> <p>(ii) Any litigation, arbitration or administrative or governmental proceedings or investigations of, or before, any competent court, arbitral body or agency are started / initiated, or any judgment or order of a court, arbitral body or agency is made / admitted, in relation to any Transaction Security or the Transaction Documents or any transactions contemplated in the Transaction Documents or against the Company or its assets, which have, or has, or are, or is, likely to have a Material Adverse Effect and the same has not been vacated or dismissed within 30 (thirty) days; and</p> <p>(iii) 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 and the same has not been vacated or dismissed within 30 (thirty) days.</p> <p>(w) Any event of failure by the Issuer to meet the standards with respect to management, governance, and data integrity, as may be required by the Debenture Trustee and / or as per the regulations prescribed by the RBI which leads to a Material Adverse Effect.</p> <p>(x) Any breach of by the Company of the negative undertakings i.e. "Key Shareholders" as set out under Schedule III (<i>Negative Undertakings</i>).</p>
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	<p>(y) Breach of Negative Undertakings Any breach by the Company of the negative undertakings set out under Schedule III (Negative Undertakings) which breach, if capable of remedy (as determined by the Debenture Trustee (acting on the instructions of the Debenture Holders), is not remedied or cured to the satisfaction of the Debenture Trustee within a period of 15 (fifteen) calendar days from the date of occurrence.</p> <p>(z) Breach of Financial Covenants Any breach by the Company of the financial covenants set out under Part B of the Debenture Trust Deed (<i>Financial Covenants</i>) which breach, if capable of remedy (as determined by the Debenture Trustee (acting on the instructions of the Debenture Holders), is not remedied or cured to the satisfaction of the Debenture Trustee within a period of 30 (Thirty) calendar days from the date of occurrence.</p> <p>(aa) Breach of Reporting Undertakings Any breach by the Company of the reporting undertakings set out under Schedule III (Reporting Undertakings) which breach, if capable of remedy (as determined by the Debenture Trustee (acting on the instructions of the Debenture Holders), is not remedied or cured to the satisfaction of the Debenture Trustee within a period of 30 (Thirty) calendar days from the date of occurrence.</p> <p>(bb) Breach of other Undertakings Any breach of any covenant or undertaking (including but not limited to affirmative undertakings and additional affirmative undertakings) of the Company as set out in the Debenture Trust Deed and in the other Transaction Documents including the failure to certify/confirm the non-occurrence of any Event of Default in the manner prescribed in the Transaction Documents or failure to certify the financial covenants.</p> <p>(cc) Any revocation of operating licenses or other authorisations of the Company which leads to a Material Adverse Effect.</p> <p>Any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in sub-clauses (a) to (cc) above. The Debenture Holder will have the right for waiver of any breach in any of the conditions at its sole discretion</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>1.1 Upon the occurrence of any of the Events of Default, the Issuer shall forthwith give notice thereof to the Debenture Trustee (in writing), specifying the nature of such Event of Default or of such event. Upon the occurrence of an Event of Default, the Debenture Trustee, in addition to all other powers conferred upon it in terms of the Debenture Trust Deed, shall have following rights namely:</p> <p>(a) to require the Issuer to mandatorily redeem the Debentures and to declare that all Outstanding Amounts and Redemption Amounts under or in connection with the Transaction Documents which are due and payable to the Debenture Holders whereupon they shall become immediately (or on such dates as the Debenture Trustee may specify) due and payable or shall become</p>

	<p>due and payable on a specified date set out in a written notice served to the Issuer (“Acceleration Notice”). The Outstanding Amounts and the Redemption Amounts shall be due and payable immediately, or any other extended time agreed by the Debenture Holders;</p> <p>(b) For the purposes of the acceleration in terms of Clause 10.1(a) or issuance of Acceleration Notice (as the case maybe), the Debenture Trustee shall obtain consent in writing of the Majority Debenture Holders or at the Meeting of the Debenture Holders representing by a Special Resolution. The Meeting of the Debenture Holders may be called by Debenture Holders represented by not less than 1/10th in value of the nominal amount of the Debentures and convened in accordance with the provisions set out in Schedule VI (<i>Provisions for the meetings of the Debenture Holders</i>) of the Debenture Trust Deed;</p> <p>(c) the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) shall have the option/right (but not the obligation) to require the obligors of underlying loans comprising the Hypothecated Assets which are the Security for the Debentures, to directly deposit all interest and principal instalments and other amounts in respect of the relevant loans in an account specified by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders). All such payments will be used to discharge the Outstanding Amounts and Redemption Amounts due from the Issuer in respect of the Debentures;</p> <p>(d) to transfer the Hypothecated Assets by way of assignment, sale or otherwise. Any surplus realized from the transfer of Hypothecated Assets after fulfilment of all the Outstanding Amounts and Redemption Amounts under the Transaction Documents shall be paid to the Company.</p> <p>(e) Entering into, and the performance of any obligations under any inter-creditor agreement (pursuant to the RBI’s circular no. DBR. No. BP.BC. 45/21.04.048/2018-19 dated June 7, 2019 “<i>Prudential Framework for Resolution of Stressed Assets</i>”, as amended, modified or restated from time to time) and as consolidated under the Master Circular – Prudential Norms on Income, Recognition, Asset Classification and Provisioning Pertaining to Advances dated October 1, 2021 or any resolution plan shall be subject to the terms of the SEBI Debenture Trustees Master Circular (including without limitation, the resolution plan being finalised within the time period prescribed in the SEBI Debenture Trustees Master Circular;</p> <p>(f) Upon the occurrence of Event of Default, the Debenture Trustee (acting on the instruction of the Majority Debenture Holders) shall be entitled to appoint an independent agency to inspect and examine the working of the Issuer. Such an independent agency so appointed, shall provide a report to Debenture Holders / the Debenture Trustee. The Issuer shall give full co-operation and</p>
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	<p>provide necessary assistance to such independent agency and bear all costs and expenses of the examination including the professional fees, travelling expenses and other expenses.</p> <p>(g) to take any actions in respect of the SEBI Debenture Trustees Master Circular;</p> <p>(h) to exercise any other right or take any other action that the Debenture Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under the Applicable Laws including enforcement of Security;</p> <p>(i) to appoint a nominee director/observer on the Board of the Issuer upon the occurrence of such events as specified in point 1 of Schedule VII (Nominee Director) as per the applicable regulations;</p> <p>(j) to exercise rights available under/before a debt recovery tribunal and the Securitisation and Reconstruction of Financial Interest and Enforcement of Security Interests Act, 2002;</p> <p>(k) to exercise rights available or take any other action under the Insolvency and Bankruptcy Code, 2016 (“IBC”) or any other statute as permitted under Applicable Law including but not limited to initiation of any insolvency proceedings under the IBC to exercise all rights available under the respective Transaction Documents;</p> <p>(l) to exercise all rights available under the respective Transaction Documents; and</p> <p>(m) To take appropriate actions as prescribed under Applicable Law including initiation of recovery proceedings.</p> <p>1.2 Enforcement of Security:</p> <p>(a) In case of an occurrence of Event of Default (and expiry of cure periods provided in respect thereof, if any), in respect of enforcement of Security over the Secured Assets, the Debenture Trustee shall follow the procedure as laid down under the SEBI Debenture Trustees Master Circular.</p> <p>(b) The Debenture Trustee shall send a notice to the Debenture Holders within 3 (three) days of the occurrence of an Event of Default containing the following:</p> <p>(i) negative consent for proceeding with the enforcement of Security;</p> <p>(ii) positive consent for signing the inter-creditor agreement (“ICA”) as provided under the framework specified by the RBI;</p> <p>(iii) the time period within which the consent of the Debenture Holders needs to be provided, viz. consent to be given within 15 (fifteen) days from the date of notice; and</p> <p>(iv) the date of meeting to be convened.</p>
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	<p>(c) The notice may be sent by registered post/acknowledgement due or speed post / acknowledgement due or courier or hand delivery with proof of delivery as also through email, as a text or as an attachment to email with a notification including a read receipt. The Debenture Trustee shall maintain proof of dispatch of such notice or email.</p> <p>(d) The Debenture Trustee shall convene a meeting of all Debenture Holders within 7 (seven) days post cure period of the occurrence of the Event of Default. However, in case the default is cured between the date of the notice and the date of meeting, then the convening of such a meeting may be dispensed with.</p> <p>(e) The Debenture Trustee shall take necessary action upon receipt of consent from Debenture Holders holding an aggregate amount representing more than 75% (Seventy-five Percent) of the value of the nominal amount of the Debentures outstanding for the time being and 60% (Sixty per cent) of the Debenture Holders by number, for any of the following:</p> <ul style="list-style-type: none">(i) enforcing the Security; or(ii) entering into an ICA as provided under the framework specified by the RBI; or(iii) as decided in the meeting of Debenture Holders. <p>(f) The Debenture Trustee may also form a representative committee of the Debenture Holders to participate in the ICA or to enforce the Security or as may be decided in the meeting.</p> <p>(g) If the requisite number of Debenture Holders consent to enter into an ICA, the Debenture Trustee shall abide by the conditions for signing ICA, as prescribed in Schedule VIII (<i>Conditions for signing of ICA by the Debenture Trustee on behalf of Debenture Holders</i>) hereto.</p> <p>1.3 In case of an occurrence of an Event of Default and the Debenture Trustee having obtained the consent of requisite number of Debenture Holders (as set out in Clause 10.1 (b) above) for enforcement of security, the Debenture Trustee shall inform the same to the Designated Stock Exchange. The Designated Stock Exchange shall release the amount lying in the recovery expense fund to the Debenture Trustee within 5 (five) working days of receipt of such intimation.</p> <p>1.4 Any surplus amount left with the Debenture Trustee pursuant to disposal of the Security after the satisfaction of all of the Outstanding Amounts and the Redemption Amounts to the Debenture Holders shall be deposited with the Issuer.</p> <p>1.5 It is agreed between the Parties that, on occurrence of a Payment Default on a Redemption Date or on a Coupon Payment Date, Default Interest over and above the Coupon, shall be payable by the Issuer from the date of such default till the date on which it is rectified. In case there is a default by the Issuer in the performance of its covenants under the Transaction</p>
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	<p>Documents, including the Financial Covenants as set out in Schedule III (Covenants and Undertakings), paragraph 4 of the Debenture Trust Deed, Default Interest over and above the Coupon, shall be payable by the Issuer for the defaulting period.</p> <p>1.6 Any costs and expenses arising in relation to the enforcement of Security and such other acts as mentioned above shall be borne and be payable by the Issuer.</p> <p>1.7 The consequences mentioned aforesaid are not in any order of priority and can be exercised independent of each other, individually and/or cumulatively at the sole discretion of the Debenture Trustee (acting on the instructions of Majority Debenture Holders).</p>
Reporting Undertakings	<p>(a) <u>Yearly Reporting:</u> The Issuer shall supply to the Debenture Trustee (including sufficient copies for all Debenture Holder(s), if the Debenture Trustee so requests) the following information on an annual basis, within 180 (One Hundred and eighty) calendar days of the Financial Year End Date, unless a different time period is specified in the conditions below, in which case, the time specified in the condition below:</p> <ul style="list-style-type: none"> (i) annual management information system data pack covering (i) product-wise portfolio cuts, (ii) latest operational information, (iii) collection efficiency, (iv) annual financials, (v) borrowing profile, (vi) annual DPD statements, (vii) statement of asset liability management report and such other information as requested by the Debenture Trustee. (ii) Certificate from management of the Issuer conforming compliance of the Issuer with the Financial Covenants set out hereunder, based on the audited Financial Statements of the Issuer. (iii) Audited Financial Statements of the Issuer along with the Promoter / holding company of the Issuer including the schedules as soon as they become available. (iv) Annual reports of the Issuer. <p>(b) <u>Half-Yearly Reporting:</u> The Issuer to provide half yearly financial results at the end of each relevant financial half-year along with a certificate signed from an independent Chartered Accountant or any authorised signatory of the Issuer, giving the value of receivables / book debts including compliance with the covenants as set out in the Debenture Trust Deed and the Key Information Document.</p> <p>(c) <u>Quarterly Reporting:</u> The Issuer shall supply to the Debenture Trustee (including sufficient copies for all Debenture Holder(s), if the Debenture Trustee so requests), on a quarterly basis, within 45 (forty-five) calendar days from the end of each relevant financial quarter:</p> <ul style="list-style-type: none"> (i) quarterly management information system data pack, in a format to the satisfaction of the Debenture Trustee, covering (i)

	<p>quarterly financials with schedules and other operational metrics as per the requirement and format agreed with the Trustee from time to time, (ii) product-wise portfolio cuts, (iii) latest operational information, (iv) collection efficiency, (v) quarterly DPD and vintage curve, (vi) quarterly write-off, (vii) borrowing profile, (viii) statement of asset liability management, (ix) and such other information as requested by the Debenture Trustee;</p> <p>(ii) Unaudited quarterly financial statements of the Issuer along with schedules as soon as they become available;</p> <p>(iii) a certificate signed by a director or the chief financial officer or any authorized signatory of the Issuer, confirming compliance with the Financial Covenants set out in the Debenture Trust Deed on the basis of last declared quarterly unaudited financial statements of the Issuer;</p> <p>(iv) shareholding pattern of the Issuer and the change in the shareholding structure of the Issuer from the previous quarter; and</p> <p>(v) a certificate from an authorised officer of the Company acceptable to the Debenture Holders confirming that there is no existing potential Event of Default or Event of Default, in such form as may be mutually agreed between the Parties;</p> <p>(vi) Furnishing of quarterly reports to the Debenture Trustee containing the following particulars:</p> <p>(A) Updated list of the names and addresses of the Debenture Holders,</p> <p>(B) Details of any Outstanding Amounts and Redemption Amounts due, but unpaid and reasons thereof,</p> <p>(C) The number and nature of grievances received from the Debenture Holders and (A) resolved by the Issuer, and (B) unresolved by the Issuer and the reasons for the same,</p> <p>(D) A statement that those assets of the Issuer which are available by way of Security are sufficient to discharge the claims of the Debenture Holders as and when they become due,</p> <p>(E) Details of any Coupon due but unpaid and reasons thereof, and</p> <p>(F) Such other form or information as may be agreed between the parties from time to time.</p> <p>(d) <u>Event Based Reporting:</u> Without prejudice to the quarterly reporting or any other such reporting as required under and submitted pursuant to the Debenture Trust Deed, the Issuer shall report to the Debenture Trustee within 10 (ten) Business Days of the occurrence of the event. The Issuer, as the case shall report these details of the occurrence of such events in the format acceptable to the Debenture Trustee:</p>
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	<ul style="list-style-type: none">(i) Details of any material litigation, arbitration or administrative proceedings initiated against the Issuer which may impact the ordinary course of business of the Issuer, other than those set out in (ix). Provided that for the purpose of this sub-clause, 'material' shall mean litigation, arbitration or administrative proceedings where the claim amount against the Issuer exceeds 5% (five per cent) of the net worth of Issuer as on the date of occurrence of the event;(ii) All orders directions, notices, of court / tribunal received by the Issuer affecting or likely to affect the Security;(iii) Details of any proposal by any Governmental Authority to acquire the assets or business of the Issuer;(iv) Occurrence of any of the following events:<ul style="list-style-type: none">(A) upon there being any change in the credit rating assigned to the Debentures,(B) any default in timely payment of Coupon (if any) or Redemption or both of the Debentures,(C) if there is a failure to create a charge on Hypothecated Assets, or(D) all covenants of the issue (including side letters, accelerated payment clause, etc);(v) Any change in shareholding structure of the Issuer;(vi) Any change to the Issuer's Charter Documents;(vii) Any event having a Material Adverse Effect and any steps taken / proposed by the Issuer to remedy the same;(viii) Any dispute, litigation, investigation or other proceeding against the Issuer which results in a Material Adverse Effect;(ix) Winding up proceedings being initiated against the Issuer;(x) Any Event of Default, and any steps taken / proposed by the Issuer to remedy the same;(xi) Any prepayment or notice of any prepayment of any Financial Indebtedness of the Issuer;(xii) Change in the composition of its Board of the Issuer;(xiii) Change in senior management officials of the Issuer (any chief experience officer or equivalent);(xiv) Promptly on any amalgamation, merger or reconstruction scheme proposed by the Issuer;(xv) promptly, notice of any change in the auditors of the Company, signed by one of its directors or its company secretary;(xvi) Any changes in its accounting policy having a material impact excluding the changes required to be made for compliance with statutory requirements;
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	<ul style="list-style-type: none">(xvii) Approval of the Board of the Issuer approving the annual business plan;(xviii) Any fraud amounting to more than 5% (Five percent) of the Assets under Management (including the managed portfolio) of the Issuer;(xix) Any commencement of any new segment of business other than the business carried out by the Issuer and other than the financial services and which is not as per the Charter Documents of the Issuer, as at the date of the Debenture Trust Deed;(xx) Application for filing of an insolvency petition under IBC before the relevant National Company Law Tribunal by or against the Issuer which needs to be notified within 1 (one) day;(xxi) Application to RBI for initiating insolvency and liquidation proceedings as per the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019;(xxii) Promptly furnish all information and document required under Applicable Law and for the protection of interest of the Debenture Holder(s), to the Debenture Trustee;(xxiii) promptly, notice of any change in the authorised signatories of the Issuer, signed by one of its directors or its company secretary, whose specimen signature has previously been provided to the Debenture Trustee, accompanied (where relevant) by a specimen signature of each new signatory;(xxiv) on or prior to any Deemed Date of Allotment, provide a copy of the Key Information Document and notify the Debenture Trustee of any material change in information set out in the Key Information Document;(xxv) upon introduction or a change in Applicable Law, the Company shall inform the Debenture Trustee of the change in the status of the Company, or the proposed assignment or transfer by a creditor and shall supply such documentation and other evidence to carry out all necessary “know your customer” or other check;(xxvi) promptly when any corrupt or fraudulent or money laundering activity has been undertaken by the Company and promptly upon the Company or the Debenture Holders becoming aware or having the reasonable suspicion that such activity has occurred or may occur, accurate and complete information with respect to such activity and any additional information in relation thereto in whichever form as the Debenture Holders may request at its sole discretion which may have a material adverse effect;(xxvii) promptly, if it has notice of any suit, or proceeding of material nature that has been initiated against it;(xxviii) promptly upon its occurrence, information of any Debenture Delisting Event which may have material adverse effect;
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	<p>(xxix) upon such failure, if it fails to list the Debentures on the Stock Exchange in accordance with this Agreement, the information regarding such failure and reasons for such failure.</p> <p>(e) <u>Miscellaneous:</u></p> <p>(i) The Issuer while submitting quarterly / annual financial results, shall disclose the following line items along with the financial results:</p> <ul style="list-style-type: none">(A) debt-equity ratio;(B) outstanding redeemable preference shares (quantity and value);(C) capital redemption reserve / debenture redemption reserve;(D) net worth;(E) net profit after tax;(F) earnings per share;(G) current ratio;(H) bad debts to Account receivable ratio;(I) current liability ratio;(J) total debts to total assets;(K) debtors turnover;(L) inventory turnover;(M) operating margin (%); and(N) net profit margin (%). <p>(ii) Statutory, regulatory and other reporting: In accordance with the relevant provisions of Applicable Law, the Issuer shall provide the Debenture Trustee / inform the Debenture Trustee (as applicable), in accordance with the timelines (if any) more particularly set out thereunder:</p> <ul style="list-style-type: none">(A) The Issuer shall submit to the Stock Exchange and the Debenture Trustee:<ul style="list-style-type: none">(I) a copy of the annual report sent to the shareholders along with the notice of the annual general meeting, not later than the date of commencement of dispatch to its shareholders; and(II) in the event of any changes to the annual report, the revised copy along with the details and explanation for the changes, not later than 48 (forty-eight) hours after the annual general meeting.(B) The Issuer shall, on Half Yearly basis, submit to the Debenture Trustee:
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	<p>(I) A certificate from the statutory auditor of the Issuer giving the value of the Secured Assets including compliance with the covenants in the Key Information Document in the manner as specified by SEBI; and</p> <p>(II) A certificate from the statutory auditor of the Issuer regarding (a) maintenance of security cover; and (b) compliance with all covenants in respect of the Debentures; along with a copy of Financial Statements of the Issuer.</p> <p>(iii) Promptly inform the Debenture Trustee of any change in its name and conduct of business (before such change), any change in the composition of its board of directors on periodical basis.</p> <p>(iv) any information required to be provided to the Debenture Holders under the Listing Agreement.</p> <p>(v) The Issuer will provide such information as required pertaining to a credit assessment of the Issuer by the arranger/potential investors in a timely fashion. This information will include, but not be limited to, latest financial information, rating letter and rating rationale, copies of the resolutions authorizing the borrowing and the latest company profile.</p> <p>(vi) The Issuer is aware that in terms of Regulation 14 of the SEBI (Debenture Trustees) Regulations, 1993 as amended from time to time, the Debenture Trust Deed has to contain the matters specified in Section 71 of the Companies Act, 2013 and Form No. SH.12 specified under the Companies (Share Capital and Debentures) Rules, 2014. The Issuer hereby agrees to comply with all the clauses of Form No. SH.12 (or in a format as close as possible to Form SH. 12) as specified under the Companies (Share Capital and Debentures) Rules, 2014 as if they are actually and physically incorporated herein in the Debenture Trust Deed</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> <p>(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;</p> <p>(b) the rights or remedies of the Debenture Holders hereunder or under any other Transaction Documents;</p> <p>(c) the ability of the Company or any guarantor(s) to perform its respective obligations under the Transaction Documents;</p> <p>(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</p> <p>(e) the legality, validity or enforceability of any of the Transaction Documents.</p>
Other Undertakings	<p>1. The Company shall maintain a minimum rating of “A-” from the Rating Agency.</p>

	<ol style="list-style-type: none"> 2. Mr. Sachin Bansal shall remain key management personnel and hold 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.
<p>Financial Covenants</p>	<ol style="list-style-type: none"> (a) During the tenor of the Debentures, the Company shall maintain a minimum Capital Adequacy Ratio of 3% (Three percent) over and above the regulatory minimum threshold as prescribed by the RBI. (b) Gross Stage 3 Assets of the Company shall not exceed 5% (five percent) of the Gross Loan Portfolio of the Company, provided that if the Company has provided loss guarantee in any form for the default of loans originated under any co-origination or co-lending arrangement, then the Gross Stage 3 Assets of the Company (including Gross Stage 3 Assets of the arrangement where the Company has provided loss default guarantee) shall not exceed 5% (five percent) of the sum of the Gross Loan Portfolio of the Company and the outstanding balance of the co-lending arrangements with loss default guarantees given by the Company. (c) Net Stage 3 Assets of the Company shall not exceed 3% (three percent) of Gross Loan Portfolio of the Company, provided that if the Company has provided loss guarantees in any form for the default of loans originated under any co-origination or co-lending arrangement, then the Net Stage 3 Assets of the Company (including Net Stage 3 Assets of the arrangement where Company has provided loss default guarantee) shall not exceed 3% (three percent) of the sum of the Gross Loan Portfolio of the Company and the outstanding balance of the co-lending arrangements with loss default guarantees given by the Company. (d) During the tenor of the Debentures, the Company shall ensure that the ratio of A:B does not exceed 4.00x (four point zero zero times), where A is the Total Debt of the Company, and B is the Tangible Net Worth of the Company. (e) The Company shall, commencing from the Deemed Date of Allotment until the Final Settlement Date, ensure that the cumulative mismatch in the assets and liabilities management shall be positive for all the buckets up to 1 (one) year. (f) During the Tenor of the Debentures, the Company shall ensure to have a minimum standalone Net Worth of INR 25,00,00,00,000/- (Indian Rupees Two Thousand Five Hundred Crores Only). <p>It is hereby clarified that all of the above Financial Covenants shall be tested on a quarterly basis i.e. on December 31, March 31, June 30, September 30 of each Financial Year during the tenor of the Debentures, starting from December 31, 2024 on a standalone balance sheet until the Final Redemption Date of the Debentures.</p>
<p>Transaction Documents</p>	<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

	<p>5. Debenture Trust Deed</p> <p>6. Deed of Hypothecation</p> <p>7. Guarantee Agreement, if any</p> <p>8. Company Undertaking, if any</p> <p>9. Resolutions</p> <p>Resolutions means collectively,</p> <p>a. Special resolution of the shareholders of the Company under Section 180(1)(a) of the Companies Act, 2013; if applicable</p> <p>b. Special resolution of the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013; if applicable</p> <p>c. Board resolution of the board of directors of the Company under Section 42 and other applicable provisions of the Companies Act, 2013 and Rules thereunder;</p> <p>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.</p> <p>e. Board/ Committee resolution approving the issuance.</p>
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> <p>(a) occurrence of any Event of Default;</p> <p>(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</p> <p>(c) a failure by the Company to pay any amount due under any Transaction Document on its due date.</p>

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

(* Navi Finserv Limited reserves the right to change the issue schedule including the Deemed date of Allotment at its sole and absolute discretion without giving any reasons or prior notice.

Notes:

- a. If there is any change in Coupon Rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new coupon rate and events which lead to such change should be disclosed.
- b. The list of documents which have been executed in connection with the issue and subscription of debt securities shall be annexed.
- c. While the debt securities are secured as per the terms of this Key Information Document (i.e. 1.10x requisite Security Cover), in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.
- d. The proposed bond issue does not form part of non-equity regulatory capital mentioned under Chapter V of SEBI NCS Regulations, 2021.