CIN: L67120PB1993PLC013169

Regency Fincorp Limited

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TERM SHEET FOR INVESTMENT IN NON-CONVERTIBLE DEBENTURES

DESCRIPTION	PARTICULARS
Security Name	"13.00% Regency Fincorp Limited 2029"
Issuer Company	Regency Fincorp Limited ("Issuer" or "Company")
Promoter & Promoter Group	Mr. Gaurav Kumar and Mrs. Neha Abrol (hereinafter referred to as the "Promoter") promoter of Regency Fincorp Limited (hereinafter referred to as the "Issuer" or "RFL") & entities wherein Mr. Gaurav and Neha are Ultimate Beneficiaries (hereinafter referred to as person under "Promoter Group")
Details of Eligible Investors	The following class of Investors are eligible to participate in the offer (being "Eligible Investors"): (A) Qualified Institutional Buyers (QIBs) as defined under Regulation 2 (ss) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 dated September 11, 2018, "Qualified Institutional Buyers" means i. A mutual fund, venture capital fund, Alternative Investment Fund and Foreign Venture Capital Investor registered with SEBI. ii. Foreign portfolio investor other than individuals, corporate bodies and family offices; iii. a Public Financial Institution; iv. a Scheduled Commercial Bank; v. a multilateral and bi-lateral development financial institution; vi. a State Industrial Development Corporation; vii. An insurance Bank registered with Insurance Regulatory and Development viii. Authority of India; ix. A Provident Fund with minimum corpus of Rs.25 Crore Rupees x. A Pension Fund with minimum corpus of Rs.25 Crores xi. National Investment Fund set up by resolution No: F.No.2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; xii. An insurance fund set up and managed by Army, Navy / Air force of the Union of India; xii. Insurance funds set up and managed by the Department of Posts, India; and xiii. Systemically, important Non- Banking Financial Companies (B) Any Non-QIB person/ entity that is eligible to invest in NCDs / debentures as per the concerned guidelines and regulations and permitted under Applicable Laws

	The advisor(s)/ arranger(s)/ placement agent(s), broker(s) associated with the Issue and/or their affiliates/ subsidiaries/ associates/ group companies and/or their promoters/ directors/ key managerial personnel/ officers/ employees may subscribe to the Issue as the applicable laws including but not limited to (i) SEBI (Merchant Bankers) Regulations, 1992 and Code of Conduct specified therein; (ii) Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and Code of Conduct specified therein, as applicable, do not restrict them from subscribing to the Issue
Type of Instrument	Rated, Listed, Senior, Secured, Redeemable, Taxable, Transferable, Non- Convertible Debentures (**"NCDs" or "Debentures"**)
Nature of Instrument	Secured
Seniority	Senior
Personal Guarantee	Unconditional and Irrevocable Personal Guarantee of Mr. Gaurav Kumar (Promoter) & Mr. Sarfaraz Mallick (Whole-time director). The Company, the Promoter Group, and Mr. Sarfaraz Mallick shall, on and from the date hereof, not provide any additional guarantee without the consent of Debenture Trustee.
Price Per Debenture	INR 10,000 (Indian Rupees Ten Thousand) Per Debenture
Mode of Issue	Private Placement in Demat form only
Listing	The debentures are proposed to be listed on BSE within 3 trading days of the issue closing date. In case of delay in listing of securities issued on privately placement basis beyond the timelines specified above, the issuer shall: • Pay penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from the date of allotment to the date of listing) • Be permitted to utilize the issue proceeds of its privately placed issuance of securities only after receiving the final approval from the Stock Exchanges
Listing Requirements	• **Time for Listing**: The NCDs are proposed to be listed on BSE within the time period prescribed by (SEBI) Securities and Exchange Board of India under the (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("SEBI ILNCS Regulations") read with SEBI ILNCS Operational Circular • **Conditions**

	The Issuer shall ensure that the NCDs are in compliance with the SEBI ILNCS Regulations and the SEBI ILNCS Operational Circular
Debenture Trustee	Catalyst Trusteeship Limited
Depository	NSDL/CSDL
Registrar and Transfer Agent	Mas Services Limited
Stock Exchange(s)	Bombay Stock Exchange "BSE"
Rating Agency(s)	India Ratings & Research / Infomerics Ratings
Legal Counsel	Wadia Gandhy & Co.
Merchant Banker	Horizon Management Pvt Ltd
THIRD PARTY OBLIGORS	
Other obligator(s), if any	None
Security Requirements	Until redemption of the Debentures, all outstanding amounts thereunder, including principal and interest and other expenses, shall be secured to the satisfaction of the Debenture Holders by a first ranking and exclusive charge over the Hypothecated Assets, free from any encumbrance, maintaining at all times a minimum security cover of 1.35x of the outstanding amounts under the Debentures ("Security Cover Ratio"), of which at least 100% shall comprise principal Loan Receivables.

	Issuer to maintain, at all times, a total security cover of not less than 1.35x of the aggregate amount disbursed and outstanding under the Issue
Number of Debentures & Amount	Base Issue of 25,000 (Twenty Five Thousand) Secured, Listed, Rated, Taxable, Transferable Redeemable, Non-Convertible Debentures of Face Value of INR 10,000 (Indian Rupees Ten Thousand Only) each, aggregating to INR 25,00,00,000 (Indian Rupees Twenty Five Crore Only) Green Shoe Option – 25,000 (Twenty Five Thousand) Secured, Listed, Rated, Taxable, Transferable Redeemable, Non-Convertible Debentures of Face Value of INR 10,000 (Indian Rupees Ten Thousand Only) each, aggregating to INR 25,00,00,000 (Indian Rupees Twenty Five Crore Only) Total Issue Size of INR 50,00,00,000 (Indian Rupees Fifty Crore Only)
Details about Underwriting	Not Applicable
Specific declaration requested by BSE: non-equity regulatory capital	No Debentures shall form part of non-equity Tier-II / regulatory capital mentioned under Chapter V of the NCS Listing Regulations and the Issuer hereby confirms that Chapter V of the NCS Listing Regulations is not applicable to the present Issue.
Credit Rating(s)	IVR BBB/Stable "The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings"
Cooling Period	Cooling period of 60 days from the date of closure of this issue
Minimum Subscription and in multiples of thereafter	INR 1,00,00,000/- (Rupees One Crore Only) and in multiples of INR 10,000/- (Rupees Ten Thousand Only) thereafter
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;

<table>
<tr><td>Business Day Convention</td><td>i. If the date of payment of any interest and redemption in respect of the Debentures falls on a day that is not a Business Day, such payment of interest shall be made on immediately succeeding Business Day;
ii. If the date of payment of any redemption amount falls on a day that is not a Business Day, such payment of instalment shall be made on the immediately preceding Business Day; and
iii. If the Final Redemption Date or the Early Redemption Date (the date on which the Debentures are redeemed prior to the Final Redemption Date in terms of the Transaction Documents), as the case may be, falls on a day that is not a Business Day, such payment of interest and redemption amount shall be made on the immediately preceding Business Day.</td></tr>
<tr><td>Day Count Basis</td><td>Actual / Actual</td></tr>
<tr><td colspan="2">ISSUE DETAILS</td></tr>
<tr><td>Mode of Issue</td><td>Private Placement</td></tr>
<tr><td>Form of Issue</td><td>Debenture will be issued in dematerialized form</td></tr>
<tr><td>Issue size, Coupon & Tenor</td><td><table>
<tr><td>Principal</td><td>BaseIssue –25,00,00,000 (Indian Rupees Twenty Five Crores Only)
Green Shoe – 25,00,00,000 (Indian Rupees Twenty Five Crores Only)</td></tr>
<tr><td>Coupon</td><td>13.00% p.a.p.m</td></tr>
<tr><td>Frequency</td><td>Monthly</td></tr>
<tr><td>Tenor</td><td>36 Months</td></tr>
<tr><td>Repayment</td><td>20% Repayment at the end of 32nd Month.
20% Repayment at the end of 33rdMonth.
20% Repayment at the end of 34th Month.
20% repayment at the end of 35th Month.
20% repayment at the end of 36th Month.</td></tr>
</table></td></tr>
<tr><td>Re- Issuance</td><td>“13.00% Regency Fincorp Limited January 2029” is subject to further re-issuance</td></tr>
<tr><td>Face value</td><td>INR 10,000 (Indian Rupees Ten Thousand)</td></tr>
<tr><td>Issue price</td><td>Debentures will be issued at par</td></tr>
<tr><td>Issue Schedule:</td><td></td></tr>
<tr><td>Issue Timings</td><td>2:00 p.m. – 3:00 p.m.</td></tr>
<tr><td>Issue Opening Date</td><td>26/08/2026</td></tr>
</table>

Issue Closing Date	26/08/2026
Date of earliest closing of the issue, if any	26/08/2026
Deemed Date of Allotment	27/08/2026
Settlement Mode of the Instrument	All interest, principal repayments, penal interest and other amounts, if any, payable by the Issuer to the Debenture Holders shall be paid to the debenture Holders by electronic mode of transfer like RTGS/NEFT/Direct Credit to such bank account within India as the Debenture Holders inform the Issuer in writing and which details are available with the Registrar.
Issuance mode of Instrument	On a Private Placement basis on a dematerialized form
Trading Mode of the Instrument	Dematerialized form
Depository	NSDL / CSDL
EBP	Applicable
Settlement mode	Banking channels
Objects of the issue	**To finance and support the onward lending business operations** of the Issuer in the ordinary course of its business, including for expansion and growth of the Issuer's loan portfolio, as permitted under Applicable Law and the guidelines issued by the Reserve Bank of India from time to time, and to augment the long-term business growth of the Issuer (the "Purpose").

Utilization of issue proceeds	The issuer shall utilize 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: i. Equity and equity linked instruments; ii. any speculative purposes; iii. investment in the real estate sector; iv. The Borrower shall utilize the Facility solely for the purpose(s) disclosed to and approved by the Lender and shall not use or permit the use of the Facility for any unlawful purpose, prohibited activity, speculative transaction, or any purpose that would result in a violation of applicable law or applicable RBI regulations. v. The Issuer shall not utilise, and shall ensure that the proceeds of the Issue are not utilised, directly or indirectly, (i) for any payments, transfers or advances to its parent company or any of its subsidiaries or affiliates, or (ii) for the repayment, prepayment, redemption or servicing of any existing Non-Convertible Debentures (NCDs) or other similar indebtedness.
Interest on Application Money	At the Coupon rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque(s)/ demand draft(s)/ RTGS up to one day prior to the Deemed Date of Allotment. Where pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid.
COUPON & XIRR	
Coupon Type	Fixed
Coupon Rate	13.00% p.a.p.m
Coupon Payment Dates	As set out in the Annexure 1 below
Coupon Payment Frequency	Monthly
Coupon Reset Process	Not applicable, given it’s a fixed rate instrument
Default Interest Rate	3% per annum over and above the Coupon Rate on the default amount
REDEMPTION	
Redemption Amount	The Debentures will be redeemed at par

Principal Repayment and Redemption Date	**Principal Repayment** / **Date** 20% — At the end of 32nd month from the deemed date of allotment. 20% — At the end of 33rd month from the deemed date of allotment. 20% — At the end of 34th month from the deemed date of allotment.
	20% — At the end of 35th month from the deemed date of allotment.
	20% — At the end of 36th month from the deemed date of allotment.
Scheduled Redemption	Debentures shall be redeemed in accordance with Schedule 1 (Redemption Schedule) hereto and shall be fully redeemed by the Final Redemption Date.
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.
Put Option Date	Not Applicable
Put Option Price	Not Applicable
Call Option Date	Not Applicable
Call Option Price	Not Applicable
SECURITY DETAILS	
Hypothecation	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 with the prescribed Security Cover (as defined below) on or prior to the Deemed Date of Allotment. Company shall file CHG-9 within 30 days from execution of the DOH.

Security Cover	1.35x (one decimal point three five times) of the amounts outstanding under the Debentures (including but not limited to Principle and interest, from the Company) (**"Security Cover Ratio"**) where at least 1.35 (one decimal point three five) time or 135% (one hundred and thirty percent) of the security cover is from secured receivables including MSME Secured loan Receivables and Digital Lending Loans Receivables having 0 DPD Until the redemption of the Debentures, the amounts outstanding under the Debentures (including but not limited to Principle and interest, from the Company) shall be secured (to the satisfaction of the Debenture Holders) by a **first ranking and exclusive charge** equal to Security Cover Ratio over the Hypothecated Assets which are free from any encumbrances/charge/lien. The Company shall, on a monthly basis (No later than 7 business days from start of month), forthwith replace any Hypothecated Asset(s) which fails to meet the Eligibility Criteria and provide on a monthly basis, book debts i.e. secured receivables including MSME Secured loan Receivables and Digital Lending Loans Receivables to the Debenture Trustee over which the charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) ("Hypothecated Receivables Report")
	Upon such replacement of the Hypothecated Assets, the Company shall hypothecate additional loans i.e. secured receivables including MSME Secured loan Receivables and Digital Lending Loans Receivables that comply with the prescribed Eligibility Criteria, including that such loans are 0 DPD and are not extended to any Related Party of the Issuer, its Promoters, Directors, Group Companies, or Affiliates, such that the principal amounts outstanding under the loans constituting the Hypothecated Assets shall not be less than the Security Cover Ratio. Cure Period: In event of failure to replace, the issuer shall have not later than 7 (seven) Business Days to cure the breach. Clause Breach: 3% additional coupon on all outstanding debentures.

COVENANTS AND UNDERTAKINGS	
Conditions Precedent to Disbursement	1. Certified true copy of the constitutional documents and authorizations of the Issuer- Resolution of the shareholders of the Company under 180(1)(c) of the Act, Resolution of the shareholders of the Company under Section 42 of the Act if applicable 2. Certified true copy Board/ Committee resolution approving the issue 3. Execution of Term Sheet/KID 4. Credit Rating Letter(s) along with Rating Rationale 5. Debenture Trustee Consent Letter 6. RTA Consent letter 7. Execution of Deed of Hypothecation 8. Execution of PAS 4 9. Execution of Debenture Trustee Agreement (DTA) and Debenture Trust Deed (DTD) 10. Circulation of Private Placement Offer Letter in PAS 3 and Placement Memorandum along with the necessary annexure 11. Due Diligence Certificate in 'Annexure A' as issued by the Debenture Trustee 12. In principle listing approval from the exchange 13. Security Creation in accordance with the Operational guidelines for 'Security and Covenant Monitoring' using Distributed Ledger Technology (DLT) dated March 29, 2022, and ancillary Circulars issued by SEBI thereof 14. Satisfactory Due Diligence report
Conditions Subsequent to Disbursement	1. The Issuer shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 5 along with the list of allottees and Form PAS 3 along with requisite fee within prescribed timelines 2. The Issuer shall ensure credit of demat account(s) of the allottee(s) with the number of NCDs allotted within T+1 as may be the settlement mechanism. 3. Due Diligence Certificate in 'Annexure B' as issued by the Debenture Trustee. 4. Listing of Debentures in accordance with applicable listing timeline. 5. The Issuer shall ensure compliance with SEBI / Companies Act 2013 (as applicable) for issuance and listing of NCDs.

Related Party Transactions	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. 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 1 - 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 INR 10 Crores 2 - (ii) whereby the overall expense incurred through such transaction other than as mentioned in above clause) during any financial year exceeds 10% (Ten percent) of its net profit, or 3 - provide any guarantee for any indebtedness of a related party over and above INR 10 Crores. 4 – The company shall not extend or grant any loans or advances to the Promoters or Related Party during the tenure of the Debentures. 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). 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 else the application for consent will be deemed as approved.

Shareholding & Directorship Covenants	Each of the persons mentioned below (Collectively Promoter & Promoter Group) Shall not transfer or encumber the shares of the issuers held by them below the level as set out in the following table. Any further encumbrance below the level set out the Covenant shall require prior written consent of the Debenture Trustee In the event of the issuer merging with any listed entity, promoter and promoter group to maintain controlling stake in the merged entity. Mr. Gaurav Kumar, and Mr. Sarfaraz Mallick shall remain on Board of Directors of the Company during the entire tenure of the Debentures until the Final Redemption Date. Further, Mr. Gaurav Kumar and Mr. Sarfaraz Mallick shall continue to hold an executive position on the Board of the Company and shall retain Management Control of the Company during the entire tenure of the Debentures until the Final Redemption Date. Cure Period: In event of Promoter and Promoter Group Shareholding falling below 18%, the issuer shall have not later than 7 (seven) Business Days to cure the breach. Clause Breach: 3% additional coupon on all outstanding debentures.

Category	**Existing Shareholding as on 31st March 2026**	**Shareholding to be maintained throughout the tenor of the NCD**
Promoter & Promoter Group	23.74%	21%

Financial & Additional Covenants	a) The Capital to Risk Weighted Assets Ratio (CRAR) shall be equal to or above 25% (Twenty Five Percent) or the CRAR prescribed by RBI, whichever is higher; b) The Reported GNPA shall not exceed 3% (Three Percent); c) The Net NPA shall not exceed 2% (Two Percent); d) Ratio of (PAR 90 + Trailing 12 (Twelve) Months write-off) portfolio of Loans shall not exceed 5% (Five Percent) of assets under management of the Company; e) A minimum Tangible Net Worth of Rs 130,00,00,000/- (Rupees One Hundred Thirty Crores Only) shall be maintained by the Company on and from March 31, 2026, till the Financial Settlement Date; f) PAR 90 to Tangible Net Worth shall be less than or equal to 5% (Five Percent); g) Total Debt to Tangible Net Worth shall not exceed 2.5 (Two Decimal Point Five) times; h) The Company shall maintain the Liquidity (unencumbered cash and bank balances) equivalent to next 1 (One) calendar month's liabilities (after including put options interest reset on liabilities). Unutilized cash credit facilities from banks shall be taken into account while testing this; i) The Company shall not prepay any loans or redeem any non-convertible debentures, voluntarily or mandatorily before its stated maturity such that it leads to a negative mismatch on cumulative basis in any of the buckets of asset-liability statement up to 1 (one) year of the Debentures after incorporating all the liabilities of the Company including put options/interest reset on liabilities. Unutilized bank lines or sanctions, undisbursed committed sanctions of the Company and cash credit limits shall not be taken into account while testing the same. j) The Company shall maintain the Liquidity (unencumbered cash and bank balances) of at least Rs. 10,00,00,000/- (Rupees Ten Crores only) during the tenure of the Debentures; k) The Company shall ensure that the Debentures maintain a minimum credit rating of BBB (or its equivalent) from a SEBI registered credit rating agency at all times during the tenure of the Debentures;	

	l) The cumulative mismatches in ALM should be positive for all buckets; provided that undrawn sanctions shall be excluded for the purpose of calculation of cumulative mismatches in ALM; m) The Company shall maintain a loan to value ("LTV") of 75% (Seventy Five Percent) Net Profit (PAT) (as determined in accordance with applicable accounting standards) is not negative for last 4 (four) consecutive quarters put together, throughout the tenure of the Debentures. n) The Guarantors shall continue to hold the managing position in the Company until the Final Settlement Date. o) MFI book (JLG book as described by the Company) shall be less than 20% (Twenty Percent) of the assets under management on book at all times; p) Exposure to single party / single group to Tangible Net Worth shall be below 13% (Thirteen Percent) as on March 31, 2026, and below 10% (Ten Percent) thereafter as per the guidelines issued by RBI. q) The company shall infuse additional INR 50 crores equity in the issuer company in FY26-27. Cure Period: In the event of any breach of the Financial Covenants set out above, the Company shall cure such breach within 15 (fifteen) calendar days from the date of occurrence or determination of such breach, provided that the breach is capable of remedy and the Company is taking bona fide corrective steps to cure the same. Clause Breach: 3% additional coupon on all outstanding debentures.	

Additional Covenants	**Additional Covenants** 1. Issuer shall file Form CHG 9 (for security creation) within 30 days of execution of Transaction Documents 2. Issuer shall furnish certificate from a CA within 60 days of disbursement, confirming that amount disbursed has been utilised by the issuer solely for the purpose as mentioned herein 3. Issuer shall submit financial covenant compliance certificate signed by the authorised signatory/CFO and Chartered Accountant within 45 days from end of each quarter 4. Issuer shall submit statement of loan receivables hypothecated to the Debenture Trustee signed by the Authorised Signatory every month and an independent CA at the end of every quarter, within 30 days of the succeeding month, with the confirmation that all of the loan receivables hypothecated to the Debenture Trustee are meeting security cover criteria. 5. Debenture Trustee shall have the right to conduct stock audit, sales audit and any other monitoring and audit visits at any time till Final Settlement Date with an advance notice of 7 days to the issuer The above-mentioned reports / documents shall be submitted to Debenture Trustee and Eshiruss Financial Consultants Private Limited within the stipulated timelines. In the event of a breach of any covenant, undertaking, or reporting requirement set out herein, the Issuer shall have a cure period of 7 (seven) days from the date of notice by the Debenture Trustee and/or Eshiruss Financial Consultants Private Limited to rectify such breach. Failure to cure the breach within the aforesaid period shall result in an additional coupon of 3.00% p.a. being applicable on all outstanding Debentures until such breach is remedied.

Step Up	The Issuer shall maintain the below mentioned covenants during the entire tenor and until the NCDs are being duly redeemed ("Rating Covenants"): 1. The Issuer shall ensure that there is no suspension of the credit rating of the Instrument / Issuer by any credit rating agency. However, withdrawal of the rating by the Instrument/Issuer shall not to be construed as suspension of the rating. 2. The Issuer shall ensure that it shall maintain at least the current credit rating and outlook of the NCD as on the Deemed Date of Allotment till the maturity of the NCD, from any credit rating agency. 3. Issuer shall ensure that there is no assignment of new long- term credit rating either below **rating of IVR BBB** or equivalent NCD Rating by any other SEBI registered rating agency. The occurrence of events above will be determined by the Debenture Trustee (acting on the instructions of the majority debenture holders) solely and at its discretion
	If at any time during the tenor of the debentures, the rating of the Issuer's NCDs is downgraded **from its current rating of IVR BBB as on the deemed date of allotment, the coupon rate shall be increased by 200 basis points for downgrade of each notch**. Such coupon is applicable from the date of such downgrade until such event is cured on the outstanding principal and accrued interest.
Accelerated Redemption	Subject to Applicable Law, on the occurrence of the following events, and if required by the Debenture Holders, the Issuer shall redeem the outstanding Debentures in full or in part together with accrued interest, and all other amounts accrued thereto without any premature redemption penalty whereupon such demand being made, all such outstanding amounts will become due and payable within 30 days: - In the event of rating of the NCDs is downgraded to **BB+/Stable/Positive or more, i.e.** two notches or below its current rating of **IVR BBB, Outlook Stable** - In the event of Accelerated Redemption Clause triggering as a result of event of default of current or any other NCDs/ Debentures outstanding under any other ISIN and or in any other borrowing outstanding of the entity or the promoter of the organisation in any other company. - In the event the Issuer, its Promoters, Directors, or subsidiaries engage in any illegal, unlawful, fraudulent, or prohibited business activity or transaction, or become subject to any regulatory, judicial, or governmental action in relation thereto.

Creation of Recovery Expense Fund	As per the applicable SEBI norms
Affirmative Undertakings	1. To comply with corporate governance, fair practices code prescribed by the RBI 2. Notification of any Event of Default; 3. Obtain, comply with and maintain all licenses / authorizations 4. Provide details of any material litigation, arbitration or administrative proceedings (materiality threshold to be finalized during documentation) against the issuer which may impact the ordinary course of business of the Company. 5. Maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes. 6. Permit with reasonable notice to the Company, visits and inspection of books of records, documents and accounts to Debenture Trustee on an annual basis. 7. Comply with monitoring requests/calls from Debenture Trustee on a quarterly basis
Negative Undertakings	The Company shall not without the prior written permission of the Debenture Trustee, do or undertake to do any of the actions as mentioned below. 1. M&A, acquisition, restructuring, amalgamation over and above 10% of the Net worth of the Company in a financial year 2. Other than as set out in 1 above, the Company shall not, enter into any transaction of merger, de-merger, consolidation, re- organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction assets 3. The Company will not purchase or redeem any of its issued shares except equity shares allotted under ESOP scheme of the Company or reduce its share capital. 4. The Company will not permit a Change of Control (as defined below) from that subsisting as of the Deemed Date of Allotment.

	5. The Company shall not undertake to guarantee the liabilities of any individual or entity save and except in case of ordinary course of business 6. Company shall not amend or modify clauses in its Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect. The above does not apply to any changes to effect an increase in authorised share capital and any changes to the articles of association to reflect the terms of any equity infusion or strategic sale. 7. Any sale of /business/division that has the effect of exiting the business or re-structuring of the existing business 8. No declaration or payment of dividend, if an Event of Default has occurred and is subsisting 9. Not undertake any new major new business outside current business or any diversification of its business outside current business. 10. The Issuer shall ensure and procure that the Promoter and Promoter Group will not create any further pledge on the shares of the Issuer held by them from the Deemed Date of Allotment till the maturity of the NCD, without prior written consent of the Debenture Trustee (acting on behalf of the Majority Debenture Holders). Cure Period: In event of failure or Breach of Negative Undertaking, the issuer shall have not later than 10 (Ten) Business Days to cure the breach. Clause Breach: 3% additional coupon on all outstanding debentures.
Control	Means, in respect of any entity: (a) the right to appoint a majority of the directors of the board of directors of such entity; and (b) the right to control the management or policy decisions acting individually or in concert, directly or indirectly, including by virtue of shareholding or management rights or shareholders agreements or voting agreements. 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.

Events of Default	Customary for financings of this nature, including but not limited to: 1. Any default on part of the Issuer to make payment of any amount that has become due and payable under the Transaction Documents. 2. Debentures are not redeemed in full, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with the Transaction Documents by the Maturity Date. 3. Failure to comply with the "Security Cover" requirement as defined in Transaction Structure 4. Material Adverse Effect 5. Cross default of the Issuer (including where the Company has made a payment default in relation to any of its financial indebtedness). 6. In the event of issuer failing to pay the investor the agreed investor/arranger fees on the allotment date 7. Misrepresentation by the Issuer 8. Unlawfulness 9. Repudiation of the Transaction Documentation

	10. Any of the Transaction Documentation ceases to be in full force and effect or is terminated prior to maturity 11. Failure by the Issuer to meet standards with respect to management, governance, and data integrity, as may be required by the Debenture Trustee/Investor as per RBI regulations 12. 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 13. Any information or representation made or given by the issuer in terms of the Transaction Documents is misleading or incorrect in any material respect and which has a Material Adverse Effect on the ability of the Company to make any payments in relation to the Debentures 14. The issuer, without the consent of the Debenture Holders or the Debenture Trustee, ceases to carry on all or substantial part of its business or gives written notice of its intention to do so 15. the Company creates or attempts to create any charge over the Hypothecated Assets (hypothecated to Debenture Trustee) in favour of any person other than the Debenture Trustee/ Debenture Holders, without the prior approval of the Debenture Trustee / Debenture Holder 16. If it is certified by the Statutory Auditors that the liabilities of the Company exceed its assets indicating the inability of the Company to discharge its obligations under this Deed. 17. If any Governmental Authority shall have condemned, nationalized, seized, or otherwise expropriated all or any substantial part of the assets of the Company or of the shares of the Company held by any director or the promoters, or shall have assumed custody or control of such shares or the business or operations of the Company or shall have taken any action for the dissolution of the Company or any action that would prevent the Company or its officers from carrying on its business or operations or a substantial part thereof. 18. any breach of the negative undertakings prescribed under section titled "Negative Undertakings" subject to a cure period of 10 calendar days; 19. any breach of the financial covenants prescribed under section titled "Financial Covenants" subject to a cure period of 15 calendar days 20. any breach of the reporting covenants prescribed under section titled "Reporting Undertakings" subject to a cure period of 15 calendar days; and/or

	21. any breach of the other covenants prescribed under section titled "Other Covenants" if any 22. 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 23. Insolvency or any insolvency related process 24. Revocation of operating licenses or other authorizations of the Company 25. Failure to certify/confirm the non-occurrence of any Event of Default in the manner prescribed in the Transaction Documents 26. Failure by the Issuer to disburse new loans or from appointing third party or in house collection teams, in case of any adverse regulatory action. The certification for financial covenants will be as per the frequency defined under the section "Financial Covenants". Failure to do any of the above will be an Event of Default. 28. The Issuer shall not make any payment in respect of any subordinated debt owed to its promoters, directors or affiliates (including towards redemption, prepayment and principal) unless and until all amounts due and payable 27. under the NCDs have been fully discharged.

Consequence of Events of Default	Upon occurrence of any Event of Default, the Debenture Trustee shall, acting upon the request of the Majority Debenture Holders, be entitled to initiate one or more of the following courses of actions: 1. Require the Company to mandatorily redeem the Debentures and repay the outstanding principal amount on the Debentures, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with the Transaction Documents; 2. Declare all or any part of the Debentures to be immediately (or on such dates as the Debenture Trustee may specify) due and payable, whereupon it shall become so due and payable; 3. Enforce the security created by the Company. 4. The Debenture Trustee's approval shall be required for the Company to declare any dividends, or make any other distributions to the holders of common equity or other shares compulsorily convertible into equity shares. 5. The Debenture Trustee shall be entitled to appoint a nominee director on the board of the Company as per the applicable regulations. 6. The Debenture Trustee shall be entitled to appoint any independent agency to inspect and examine the working of the Company and give a report to Debenture Holders/ the Debenture Trustee. The Company shall give full co-operation and provide necessary assistance to such agency and bear all costs and expenses of the examination including the professional fees and travelling and other expenses; The Debenture Trustee may exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under applicable law;
Exclusivity Breach	The Issuer shall not, during the subsistence of the exclusive mandate, directly or indirectly engage, appoint, or negotiate with any other person / arranger / agent or intermediary in relation to the Issue without the prior written consent of Eshiruss Financial Consultants Private Limited. Any breach of this obligation shall entitle to receive, forthwith upon demand, liquidated damages equal to 3% (three per cent.) of the mandate issued, which the Issuer agrees represents a genuine pre-estimate of loss.

Reporting Undertakings	1. Quarterly Reports – within 45 (Forty-Five) calendar days from the end of each financial quarter a) Financials and other operational metrics as per the requirement and format agreed with the Trustee from time to time b) Financial covenant compliance certificate signed by a Director or the Chief Financial Officer or authorized signatory 2. Half Yearly Reports – At the end of each Half Year along with the half yearly financial results, certificate from the independent chartered
	accountant/authorised signatory of the Issuer giving the value of receivables/security provided including compliance with the covenants of the Disclosure Document. 3. Annual Reports – within 90 (Ninety) days from the end of each financial year a) Audited financial statements of Issuer along with Promoter/Holding Company, if any. 4. Event Based Reports – within 10 (Ten) Business Days of the event occurring a. Any Change more than 5% in Shareholding structure b. Change in the constitutional documents of the Company c. Material Adverse Effect d. Any dispute, litigation, investigation or other proceeding against the issuer which could result in a Material Adverse Effect e. Winding up proceedings f. Any Event of Default, and any steps taken/ proposed to remedy the same. g. Any prepayment or notice of any prepayment of any Indebtedness of the Issuer except in normal course of business. 5. The Issuer and the Registrar and Transfer Agent (RTA) shall provide the beneficiary position statement of the NCD holders on a monthly basis to Eshiruss Financial Consultants Private Limited, or such other frequency as may be required by the Debenture Trustee / Investor. Cure Period: In the event of any breach of the Reporting Undertakings set out above, the Company shall cure such breach within 15 (fifteen) calendar days from the date of occurrence or determination of such breach, provided that the breach is capable of remedy

	and the Company is taking bona fide corrective steps to cure the same. Clause Breach: 3% additional coupon on all outstanding debentures.
Material Adverse Effect	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: (a) the financial condition, business or operation of the Company which is prejudicial to the ability of the Company to perform its obligations under the Transaction Documents; (b) the rights or remedies of the Debenture Holders hereunder or under any other Transaction Documents; (c) the ability of the Company or any guarantor(s) to perform its respective obligations under the Transaction Documents;
Transaction Documents	1. Term Sheet 2. Placement / Information Memorandum 3. Private Placement Offer Letter in form PAS 4 4. Debenture Trustee Agreement 5. Debenture Trust Deed

	6. Deed of Hypothecation 7. Personal Guarantee Agreement, if any 8. Company Undertaking, if any 9. Resolutions Resolutions means collectively, a. Special resolution of the shareholders of the Company under Section 180(1)(a) of the Companies Act, 2013; if applicable b. Special resolution of the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013; if applicable c. Board resolution of the board of directors of the Company under Section 42 and other applicable provisions of the Companies Act, 2013 and Rules thereunder; d. Special resolution of the shareholders of the Company under the applicable provisions of the Companies Act, 2013 and Rule 14(2) and other applicable provisions of Companies (Prospectus and Allotment of Securities) Rules, 2014. e. Board/ Committee resolution approving the issuance.
Majority Debenture Holders	Means such number of Debenture Holders collectively holding more than 50% (fifty percent) of the value of the outstanding principal amounts of the Debentures.
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	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: (a) occurrence of any Event of Default; (b) any demand for any stamp duty, registration fee or any other duty, fee, costs, or imports received from any Governmental Authority in relation to the transactions contemplated under the Transaction Documents (including without limitation, any demand from stamp duty arising because any Transaction Document has been taken or has been received (whether by way of facsimile, photocopy or electronic record) in any state other than the state in which it has been executed; and a failure by the Company to pay any amount due under any Transaction Document on its due date.
Other Costs & Conditions	The Issuer shall bear the costs and expenses incurred in connection with the transactions contemplated hereby including stamp duty and registration fee, taxes, duties (if applicable) on the Transaction Documents (and the Debentures), appointment of the Debenture trustee, legal advisors and expenses incurred in the preparation of the transaction documents
Governing Law and Jurisdiction	Indian Law with jurisdiction of the courts and tribunals of Delhi or any neutral venue to be mutually decided by the parties.
Risk Factors	As shall be set out in the offer document
MFN Clause	**If the Company, at any time during the tenor of these Debentures, takes any borrowings which have covenants or terms in respect of accelerated redemption, financial covenants, Security Eligibility that have more favourable Covenants or terms in relation to the Debentures, then, such more favourable terms or covenants shall be deemed to be applicable to the Debentures for the period such borrowings are outstanding and shall be deemed to be incorporated in this Deed. If the Debenture Trustee (acting upon the instruction of Majority Debenture Holders) so requests, the Company shall sign all such deeds of amendment and modification or other documents and do or execute all such acts, agreements, and things as shall be necessary to be done by the Company, in each case, to incorporate each such favorable provision in the Transaction Documents, in each case, within such timeline as requested by, and in a form, manner and substance satisfactory to, the Debenture Trustee.**

Force Majeure	"Force majeure" refers to unforeseeable and unavoidable events beyond the control of the parties involved, such as natural disasters (fire flood, earthquake, etc), war (strike, lock out, civil unrest, etc), government actions, or epidemic, pandemic, terror attacks, etc that prevent one or both parties from fulfilling contractual obligations In the event of a force majeure occurrence, all financial and other covenants stipulated in this Term Sheet shall be rendered temporarily ineffective from the date the force majeure event commences until such time as the event subsides and normal conditions resume. During this period, the Borrower shall not be deemed in breach of any obligations, nor liable for any failure or delay in performing any terms of the Term Sheet caused by the force majeure event. The Borrower shall promptly notify the other party of the occurrence and cessation of the force majeure event and shall use reasonable efforts to mitigate the impact of the event on the performance of their obligations. Upon the subsidence of the force majeure event, the parties shall resume performance of their respective obligations under this Term Sheet.
Due Diligence	The Issuer agrees to conduct Due Diligence exercise by agency appointed by Eshiruss Financial Consultants Private Limited. The cost of such Due Diligence, which is pre-agreed in advance will be borne by the issuer.

For & on Behalf of Sunrise Gilts & Securities Private Limited	**For & On Behalf of Regency Fincorp Limited**
FOR, SUNRISE GILTS & SECURITIES PVT. LTD. AHMEDABAD (Authorized Signatory) **Date:**	Regency Fincorp Limited Gaurav Kumar (Managing Director) Date 20-08-2026

Annexure 1

Cashflow Per Debenture