CIN: L67120PB1993PLC013169

Regency Fincorp Limited

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INDICATIVE TERM SHEET / SANCTION LETTER

The terms and conditions given below are indicative only and are not exhaustive and subject to further change(s).

PARTIES INVOLVED IN THE ISSUE	
Issuer / Company	Regency Fincorp Limited ("RFL")
Debenture Trustee	Catalyst Trusteeship Ltd
Depository	NSDL and CDSL
Registrar and Transfer Agent	Mas Services Ltd
Merchant Banker	Credora Partners Private Limited
Rating Agency(s)	Infomerics Valuation and Rating Private Ltd (Infomerics)
Legal Counsel	Wadia Ghandy & Co.,
Promoter Group/ Promoter(s), if any	Mr Gaurav Kumar and Neha Abrol or any other entity in which Mr Gaurav Kumar and Neha Abrol ultimate beneficial ownership
Key Managerial Person	Mr. Sarfaraz Mallick
Personal Guarantor(s), if any	Mr. Gaurav Kumar and Mr. Sarfaraz Mallick

DETAILS OF THE INSTRUMENT	
Security Name	12% Regency April 2028
Series and Tranche	Series 1 Tranche XIV
Type of Instrument/ Facility	Non-convertible debentures with Monthly interest and Bullet principal payment (as per the Schedule 1 (Redemption Schedule) below).
Nature of Instrument	Listed, Rated, Senior, Secured, Transferable, Redeemable, Transferable Non-Convertible Debentures ("Debentures").
Seniority/ Ranking (Senior / Subordinated)	Senior Each Debenture issued by the Company will constitute direct, senior, and secured obligations of the Company. Further, the Debenture Holders shall have a first ranking exclusive and continuing charge over the Hypothecated Assets (defined hereinafter). It is clarified that the claims of the Debenture Holders in this regard shall be akin to all other senior secured indebtedness of the Company. Each of the Debenture Holders shall inter-se rank pari passu in relation to their rights and benefits in relation to the Debentures, without any preference or privilege.
Listing	Listed The Debentures are proposed to be listed on the Bombay Stock Exchange ("BSE") within 3 trading days of the Closure Date. Provided always that the application for listing is required to be completed within 3 trading days of the Issue Closure 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 date of allotment to the date of listing)

GAURAV KUMAR

Digitally signed by GAURAV KUMAR
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	● be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from Stock Exchanges.
Settlement Mode	RTGS / NEFT
Rating	BBB/Stable Outlook

ISSUE DETAILS	
Mode of Issue	Private Placement
Form of Issue	Debentures will be issued in dematerialized form.
Base Issue	INR 25,00,00,000 (Indian Rupees Twenty-Five Crores only)
Greenshoe Option	INR 40,00,00,000 (Indian Rupees Forty Crores only)
Tenor	18 months from the Deemed Date of Allotment. The Tenor cannot be extended beyond the above-mentioned period without the consent of the holders of the Debentures ("Debenture Holder").
Face Value	INR 10,000 (Indian Rupees Ten Thousand only) per Debenture.
Minimum Application in Primary Subscription	INR 1,00,00,000 (Indian Rupees One Crore only) or as per applicable law.
Issue Price	The Debentures will be issued at par.
Issue Schedule	Issue Opening Date: 08-Oct-2026 Issue Closing Date: 08-Oct-2026 Issue Pay-in Date: 09-Oct-2026 Deemed Date of Allotment: 09-Oct-2026 "Deemed Date of Allotment" shall mean the date on which the Debentures have been allotted by the Company to the Investor as per the Transaction Documents.
Multiple issuances under the same ISIN	The Issuer reserves the right to make multiple issuances under the same ISIN with reference to Chapter VIII (Specifications related to ISIN for debt securities) of the Listed NCDs Operational Circular. Any such issue can be made either by way of creation of a fresh ISIN or by way of issuance under an existing ISIN at premium/par/discount as the case may be in line with Chapter VIII (Specifications related to ISIN for debt securities) of the Listed NCDs Operational Circular.
EBP	Applicable
End Use	The proceeds of the issue will be utilized for on-lending only ("Purpose"). The Company shall submit an end use management undertaking, certified by a practicing CA within 30 days from Deemed Date of Allotment confirming the utilisation of funds raised from the issuance of the Debentures for the Purpose. The Company 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: (i) investment in capital markets; (ii) refinancing of existing loans; (iii) investment in real estate or land acquisition; (iv) indulging in any activities which are prohibited under any applicable law; (v) any speculative business or activity; (vi) 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

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	breach of the RBI's master circular no. DOR.CRE.REC.No.07/21.04.172/2022-23 dated April 1, 2022 on "Bank Finance to Non-Banking Financial Companies (NBFCs)").
Trigger Event and Accelerated Principal Payment	Trigger events are to be tested quarterly from the date of issuance till the end of tenure of the issue. i) Capital adequacy ratio calculated as per RBI norms shall not fall below 25%. ii) NNPA calculated as per RBI norms shall not exceed 2% iii) Minimum cash and cash equivalent of INR 10 Cr to be maintained at Consolidated level. Liquidity (unencumbered cash and bank balances) refers to the sum of unencumbered cash and cash equivalents unencumbered bank balance and unencumbered FD and money in liquid funds. If the issuer fails to maintain any of the above-mentioned trigger events at any point in time during the tenure of the issuance, majority debenture holders shall have the right but not the obligation to request for accelerated principal payment for their NCD holding.

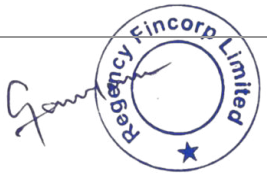
COUPON PAYMENT	
Coupon Type	Fixed
Coupon Rate	12.00% (Twelve percent) per annum payable monthly.
Coupon Payment Frequency	Monthly (as per the repayment schedule shared by the Investor, from time to time).
Coupon Calculation	Outstanding Principal* Coupon Rate *[((t2-t1)/[365,366])]. "t1" being the last coupon payment date/deemed date of allotment. "t2" being the date of payment of coupon. Day count convention to be actual by actual
Step Up/Step Down Coupon	In the event, Rating of the Debentures is downgraded from the current Rating of Infomerics BBB and/or the credit rating of the Company is downgraded from the current Rating of Infomerics BBB at any point in time during the tenor of the Debentures, the applicable Coupon Rate shall increase by 0.5% (zero point five per cent) per annum for each notch downgrade over and above the then existing Coupon Rate ("Step Up Rate") in the event of downgrading of the Rating of the Debentures or credit rating of the Company (by any credit rating agency, including without limitation, by Infomerics.It is clarified that, the Step Up Rate shall be applicable from the date of such rating downgrade. Following the Step Up until the rating of the Debentures and/or Company is restored to the Rating and/or the Company Rating (as the case may be), if the rating of the Debentures and/or the Company is upgraded, the prevailing Step Up Rate shall be decreased by 0.5% (zero point five per cent) for each upgrade of 1 (one) notch from the rating of the Debentures and/or the Company (until the rating of the Debentures and/or the Company is restored to the Rating and/or the Company Rating (as the case may be) and such decreased rate of interest shall be applicable immediately from the date of such upgrade. PROVIDED THAT the decreased rate of interest in accordance with this provision cannot, in any case, be lower than the Original Coupon Rate. It is clarified that, if following the Step Up, the rating of the Debentures and/or the Company is restored to the Rating and/or the Company Rating (as the case may be), then the interest shall be payable at the Coupon Rate, from the date that the relevant rating is restored. In case the Company has obtained rating in relation to the Debentures from more than one rating agency, the lowest rating issued by the rating agency in relation to the Debentures and/or the Company shall be considered for the purpose of Step Up Rate.

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Rating Downgrade- Cash Margin	In the event, credit rating of the Debentures is downgraded from the current rating of Infomerics BBB and/or the credit rating of the Company is downgraded from the current rating of Infomerics BBB ("**Company Rating**") at any point of time during the tenor of the Debentures, the Company will provide a Cash Collateral of 10% of the Outstanding Principal within 15 calendar days from the date of such rating downgrade. for each downgrade of 1 (one) notch from the rating of the Debentures and/or Company. Until the rating of the Debentures and/or Company is restored to the Rating and/or the Company Rating (as the case may be), if the rating of the Debentures and/or the Company is upgraded (post any downgrades as mentioned above), the prevailing cash collateral to the extent of 15% shall be allowed to be released for each upgrade of 1 (one) notch from the rating of the Debentures and/or the Company (until the rating of the Debentures and/or the Company is restored to the Rating and/or the Company Rating (as the case may be)). In case the Company has obtained rating in relation to the Debentures and/or the Company from more than one rating agency, the lowest rating issued by the rating agency in relation to the Debentures and/or the Company shall be considered for the purpose of this provision.
Penal Rate of Interest/Default/Additional Interest	Charged at: (A) 5% (Five per cent) per month from the date of default (over the applicable Coupon Rate) on the outstanding principal amount, for the period of default, in case of default in payment of interest and / or principal redemption on the due dates by the Company; For avoidance of doubt, no cure period will be applicable for such a payment default. However, if there is a payment delay on account of a technical reason such as incorrect beneficiary details or similar administrative issues and such delay is corrected within 3 business days with all scheduled payouts to Debenture Holders made in full, such a payment delay shall not be construed as a payment default and shall not attract 5% penalty. (B) 2% (two per cent) per month (over the applicable Coupon Rate) on the outstanding principal amount, for the period of default in case of breach in the performance of any of the covenants, including but not limited to the financial covenants, Trigger event conditions and Trigger event conditions applicable to the Company or any other Event of Default. (C) The Issuer's failure to create and perfect security over the Hypothecated Assets within the timeline stipulated under the Transaction Documents shall attract a 2% p.a. additional interest over the Coupon Unless specifically provided otherwise, any additional/Default Interest payable by the Company in accordance with the Transaction Documents shall be in addition to and independent of any additional/Default Interest payable by the Company in accordance with any other provision of the Transaction Documents.

REDEMPTION	
Redemption Amount	The Debentures will be redeemed at par as per Schedule 1 (Redemption Schedule).
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	Debentures may be redeemed by the Issuer prior to the Final Redemption Date without any additional coupon or penal interest for: (i) any force majeure event;



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	(ii) if such early redemption becomes necessary due to a change in applicable law resulting in any of the Transaction Documents or the transaction structure contemplated hereunder becoming unlawful, void, or unenforceable; and (iii) any rating downgrade where the rating falls to 'BBB-' and below The Issuer may redeem the debentures by giving the Holder(s) not less than thirty (30) days' prior written notice, specifying the redemption date and amount, whereupon the Issuer shall pay the outstanding principal together with accrued and unpaid interest. It is clarified that no part prepayment will be allowed (and the entire outstanding amount of the Debentures will have to be prepaid in such case). It is clarified that no Put/ Call options are available with the Company for early redemption. It is clarified "Force Majeure Event" means any event due to any cause beyond the reasonable control of a party, including but not limited to sabotage, fire, flood, explosion, acts of God, civil commotion, strikes or industrial action of any kind, riots, insurrection, war, acts of government, which impacts the Company's ability to pay the outstanding amounts under the Debentures.
Early Redemption Date	Date on which the debentures are redeemed prior to the Final Redemption Date.
Final Redemption Date	9-Apr-2028 (i.e. Eighteen months from Deemed Date of Allotment).
Redemption Premium, if any	Not Applicable
Record Date	The date which is 15 (fifteen) 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 including any/ 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 or CDSL records) shall be made.
Buy-Back	Not Applicable
Put Option Date	Not Applicable
Call Option Date	Not Applicable
Put Notification Time	Not Applicable
Call Notification Time	Not Applicable

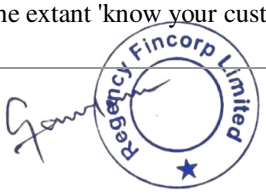
CONVENTIONS	
Day Count Basis	Actual/Actual
Business Day	Means any day on which money markets are functioning in Mumbai, other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 or a Sunday
Business Day Convention	i) If the date of payment of any interest in respect of the Debentures falls on a day that is not a Business Day, such payment of interest shall be made on the 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

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	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.

SECURITY DETAILS	
Hypothecation	The amounts outstanding under the Debentures (including but not limited to interest, default interest, remuneration of the Trustee, charges, fees, expenses and any other charges due from the Company), shall be secured (on or prior to the Deemed Date of Allotment), 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 identified MSME Secured Loan receivables of the Company (comprising 75% (Seventy Five percent)) and CashMySalary digital receivables (comprising 25% (Twenty Five percent)) that fulfil the eligibility criteria set out here below under the heading 'Eligibility Criteria' ("Hypothecated Assets"), maintained at a minimum Security Cover Ratio of 125% (One Hundred and Twenty-Five per cent) or 1.25x of the amounts outstanding under the Debentures at all times ("Security Cover Ratio"). For the avoidance of doubt, the Hypothecated Assets shall, under no circumstances, include, and the following and shall be expressly excluded from the hypothecated pool: (a) Joint Liability Group ("JLG") loans; and (b) MSME unsecured loans, whether presently owned or hereafter originated or acquired by the Company. The security will be created on or before the Deemed Date of Allotment (with NIL portfolio origination period), and will be perfected within 30 (thirty) days from the Deemed Date of Allotment. The Company's failure to perfect the security shall attract 2% (two per cent) additional interest over the Coupon Rate on the outstanding amounts in relation to the Debentures up to the date security is perfected and an option will be given to the Debenture Holders for early redemption after 30 (thirty) days, if the security not perfected till the 30th (thirtieth) day. The charge for the security with ROC shall be modified within 15 (Fifteen) days from end of calendar quarter wherein charge over the replaced security shall be created and security which does not meet the eligibility criteria shall be removed The Issuer undertakes to provide a list and details on a monthly basis, of Hypothecated Receivables client loan (“Hypothecated Receivables Report”) to the Debenture Trustee, which report shall specifically confirm that no JLG loans or MSME unsecured loans form part of the Hypothecated Assets and that CashMySalary digital receivables do not exceed 25% (Twenty-Five per cent) of the Hypothecated Assets. **Eligibility Criteria for the Hypothecated Assets** **General Criteria:** i. Each loan must be directly originated by the Company and no loans should have been purchased from a third party; ii. Loans must be unencumbered (other than under the Transaction Documents) and not sold or assigned or subject to any security interest created by the Company; iii. Loans must have been originated while complying with all the extant 'know your customer' norms specified by the RBI;



iv. The Loans must have been originated at the branches owned, controlled and operated by the Company directly and not through branches operated by the Company's origination partners;

v. Loans are current and not in overdue at the time of hypothecation and have not been terminated or prepaid;

vi. No loans should be purchased from a third party;

vii. No loans must have DPD >0;

viii. No loans should be restructured or rescheduled;

ix. No loans should be given to related parties;

x. Each loan constituting the portfolio should have been fully disbursed;

xi. None of the Obligors are delinquent on (or have defaulted on) any other financial obligations with the Seller or to the knowledge of the Seller, to any other financial creditor (as defined under IBC) or operational creditor (as defined under IBC) of such Obligor;

xii. There are no outstanding obligations, on the part of Company, to be performed under the Loan Agreements;

xiii. Each loan must be existing at the time of hypothecation;

xiv. All loans constituting the Hypothecated Assets must be "standard" and comply with the applicable RBI Guidelines; and

xv. The Company has not initiated legal or repossession against any of the Obligors of the loans (if applicable).

xvi. All customer protection regulations prescribed by the RBI must be complied with.

xvii. Each client loan must satisfy the Issuer's credit and underwriting policies, including credit referencing agency checks where commonly used.

xviii. Each Hypothecated Asset is a loan provided by the Issuer in its ordinary course of business

Specific Criteria:

xix .Each Loan underlying the Hypothecated Assets must be should be in nature of MSME Secured Loan , being a secured loan extended to a Micro, Small or Medium Enterprise as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (as amended), backed by charge on self-occupied residential property, or self occupied commercial property or a vacant plot (to the extent of 75% of the total hypothecated assets) ; or CashmySalary Digital receivables (to the extent of 25% of the total hypothecated assets). for the avoidance of doubt, JLG loans and MSME unsecured loans shall not qualify as eligible assets and shall be ineligible for inclusion in the Hypothecated Assets;

xx. Loans originated from the branches which have PAR 90 (90+ DPDs) of more than 5% in their own portfolio as of August 2026 and each subsequent quarter end and thereafter, must not form a part of the total Hypothecated Assets; and

xxi. Loan under the Hypothecated Assets should pertain to the borrower with a bureau score of at least 650 or NTC.

The Security Cover (as defined hereinafter) shall be confirmed by the Company on a monthly basis, and such confirmation shall include a certification that the Security Cover Ratio of 125% has been maintained and that the pool excludes JLG loans and MSME unsecured loans and that the Hypothecated Assets comprise 75% (Seventy-Five per cent) Secured MSME Receivables and 25% (Twenty-Five per cent) CashmySalary Digital Lending Receivables.

The Company shall not, under any circumstance, transfer, sell, assign or create any encumbrances over or assign the Hypothecated Assets in favour of any third party.

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Security Cover	1.25x (one point two five times) of the amounts outstanding under the Debentures (including but not limited to interest, default interest, remuneration of the Trustee, charges, fees, expenses and any other charges due from the Company) ("Security Cover Ratio") where at least 1.25x (one point two five times) time or 125% (one hundred and twenty five percent) of the security cover is from principal receivables, under the MSME Secured Loan receivables (in the proportion of 75% (Seventy-Five per cent) and 25% (Twenty-Five per cent) Cashmysalary Digital Lending Receivables) (excluding, for the avoidance of doubt, JLG loans and MSME unsecured loans) constituting the Hypothecated Assets. Until the redemption of the Debentures, the amounts outstanding under the Debentures (including but not limited to interest, default interest, remuneration of the Trustee, charges, fees, expenses and any other charges due from the Company) shall be secured by (to the satisfaction of the Debenture Holders) by a first ranking and exclusive charge equal to Security Cover Ratio over the Hypothecated Assets , comprising the MSME Secured Loan receivables (in the proportion of 75% (Seventy-Five per cent and Cashmy Salary Digital Lending Receivables) and 25% (Twenty-Five per cent) and excluding JLG loans, and MSME unsecured loans, which are free from any encumbrances/charge/lien. The Company shall, on a monthly basis, forthwith (and not later than 3 (three) Business Days of the Hypothecated Assets failing to meet the criteria) replace any Hypothecated Asset(s) which fails to meet the Eligibility Criteria and provide on a monthly basis, book debts to the Debenture Trustee over which the charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) ("Hypothecated Receivables Report"), , which report shall specifically confirm that the Hypothecated Assets continue to comprise the MSME Secured Loan receivables (in the proportion of 75% (Seventy-Five per cent) and CashmySalary Digital Lending Receivables 25% (Twenty-Five per cent) and do not include any JLG loans, or MSME unsecured loans. Upon such replacement of the Hypothecated Assets, the Company shall hypothecate additional loans that comply with the prescribed Eligibility Criteria (set out under heading "Hypothecation" above) to the Debenture Trustee such that the principal amounts outstanding under the loans constituting the Hypothecated Assets shall not be less than the Security Cover Ratio. Any such additional loans shall themselves qualify as comprise the MSME Secured Loan receivables (in the proportion of 75% (Seventy-Five per cent) and CashmySalary Digital Lending Receivables (in the proportion of 25% (Twenty-Five per cent) in accordance with the Eligibility Criteria, and shall in no event include, JLG loans, or MSME unsecured loans. Any additional loans added pursuant to the above to secure the Debentures shall be considered as part of the Hypothecated Assets. In the event of the Security Cover Ratio falling below the stipulated cover on account of unavailability of loans that comply with the prescribed Eligibility Criteria, the Company shall, not later than 3 (three) Business Days after the occurrence of such event, furnish in favor of the Debenture Trustee, a cash collateral (in the form of a fixed deposit). The fixed deposit shall be created in the name of, and for the benefit of, the Debenture Trustee.) placed with a scheduled commercial bank mutually decided by the Debenture Trustee and the Company ("Cash Collateral"). The Cash Collateral shall be to the extent of the difference in value of the loans provided by the Company as per the Eligibility Criteria and the Security Cover stipulated hereunder, such that the Security Cover with respect to the issuance is maintained at all times. The aforementioned Cash Collateral shall also be the subject matter of the charge by way of hypothecation. The Company shall also file any modification of charges in Form CHG-9 with the Registrar of Companies ("ROC") for any top-up/updation and replacement of the Hypothecated Assets.

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Additional Security package	i) Personal Guarantee from the Promoter Group and KMPs for which they will be jointly and severally liable in terms of obligations; ii) A demand promissory note and letter of continuity; and iii) Undated cheques covering the entire Facility Amount including interest

COVENANTS	
Conditions Precedent to Disbursement	The Issuer must fulfil all Conditions Precedent and share all the requisite documents prior to the EBP bidding date. Any delay in submission may result in the EBP bidding being deferred, or in extreme cases, cancelled. i) Certified true copy of the constitutional documents and authorizations/resolution of the shareholders of the Company under section 42, 180(1)(c) and 180(1)(a) of the Act (wherever applicable); ii) Certified true copy Board/ Committee resolution: a) approving the borrowings by way of issue of Debentures contemplated by the Debenture Trust Deed; b) approving the creation of security interest in accordance with the provisions of the Transaction Documents; c) appointment of Debenture Trustee; approving the terms and execution of, and the transactions contemplated by the Transaction Documents; d) authorizing a director or directors or other authorized executives to execute the Transaction Documents; e) to appoint the other intermediaries in relation to the issue of Debentures; and f) authorizing 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. g) The details, in form and substance satisfactory to the Trustee, of the key managerial personnel, including the Chief Executive Officer/Managing Director, Company Secretary, Whole-time Director, Chief Financial Officer and such other officers as may be prescribed or designated by the board of directors of the Company. Such annexure shall include, without limitation, the name, residential address, telephone numbers, email addresses, Aadhaar number, permanent account number and passport number of each such person, together with true copies of the Aadhaar card, PAN card and passport of each such key managerial personnel. iii) The Debentures achieve a rating of at least BBB from the Rating Agency (evidenced by credit rating letter(s) along with rating rationale); iv) Debenture Trustee consent letter; v) RTA consent letter; vi) A copy of the tripartite agreement(s) executed between the Company, the RTA and the depository; vii) Execution of PAS-4; viii) Execution of Debenture Trustee Agreement ("DTA") and Debenture Trust Deed ("DTD"), Deed of Hypothecation and Power of Attorney in relation to the Hypothecated Assets and other Transaction Documents; ix) Execution of Personal Guarantee deed; x) Net worth certificate from the Promoter as of latest Quarter end prior to Effective Date, duly certified by an Independent Chartered Accountant; xi) Enabling clause in the Articles of Association of the Company to allow appointment of a Nominee Director by the Debenture Trustee;

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	xii) Circulation of Private Placement Offer Letter in PAS-4 along with the necessary annexure; xiii) The Company shall deliver such number of duly filled/signed undated cheques (in favour of Debenture Trustee) for principal repayment (totalling to the entire Issue Size) and the Coupon Payment amount to the Debenture Trustee; xiv) Certificate from Management confirming that (A) the Company is solvent and no bankruptcy or Insolvency Related Event have been initiated or pending against it; (B) there are no tax dues or any other sums pending and payable by the Company under the Income Tax Act, 1961 and no claims, demands or notices have been received by the Company and/or the Promoter with respect to any tax or any other sum payable by the Company under the Income Tax Act, 1961; and (C) there are no encumbrances on the Hypothecated Assets; xv) Certificate from management confirming that: (A) borrowing, securing or otherwise collateralising, as appropriate, the Debentures would not cause any borrowing, securing, collateralising or similar limit binding on it to be exceeded (including any limits imposed under any resolution passed by the shareholders of the Company); (B) each copy document relating to it specified in Transaction Documents is correct, complete and in full force and effect as at a date; (C) no Event of Default is continuing to the best knowledge of the Company or would result from the allotment of Debentures under the proposed Issue; (D) the Representations and Warranties set out in the Transaction Documents are true and correct; (E) no Material Adverse Effect has occurred and no circumstances exist which could give rise, with the passage of time or otherwise, to a Material Adverse Effect and; (F) the value of the Hypothecated Assets is being at least equal to the Security Cover and (G) the Company, and the Promoters are solvent; xvi) A specimen of the signature of each person authorised by the resolutions; xvii) Satisfactory CIBIL check in respect of the Company and the Promoters, and directors of the Company; xix) Copy of 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; xx) Payment of all fees and expenses with respect to the facility including but not limited all fees and stamp duty under the Transaction Documents executed is done to the satisfaction of the Investor/Debenture Trustee; xxi) A copy of the Company's constitutional documents certified as correct, complete and in full force and effect by the appropriate officer; xxii) The Company shall have submitted to the Debenture Trustee and Debenture Holders its audited account statements for the most recent financial year or; xxiii) In-principle listing approval from the Stock Exchange (if applicable); xxiv) 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; xxv) Merchant Banker consent letter; xxvi) Due Diligence Certificate in the format designated by the Merchant Banker and Debenture Trustee, and as required under applicable law xxvii) Such other information/documents, certification by Company's authorized representative.
Conditions Subsequent to Disbursement	i) The Company shall provide certified true cop(ies) of the board resolution for the allotment of the Debentures on the day of the Deemed Date of Allotment for Debentures; ii) The Company 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 and shall share the copy of Form PAS-5 being maintained by the Company in accordance with the Act, where the Company has recorded the names of the subscribers

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	to the Debentures within 7 (seven) Business Days of Deemed Date of Allotment for Debentures. Further, the Company shall circulate the filed PAS 3 and PAS 5 documents along with the Placement Memorandum; iii) The Company shall ensure credit of demat account(s) of the allottee(s) with the number of NCDs allotted within T+3 and shall provide evidence that the Depository accounts of the Debenture Holders with the Depository have been credited with the Debentures within 3 (three) days from the Deemed Date of Allotment for Debentures; iv) The Company will get this transaction covered in the issue specific rating letter within 3 (three) months from the 1st disbursement date (this is only w.r.t. intimation to the credit rating agency if the utilization of the issuance and should not be construed as getting the issuance ratted post issuance. It is hereby clarified getting the issuance rated is a CP to the issuance v) Filing of statutory forms for perfection of charge within 30 days of Deemed Date of Allotment and share copy of filed form (as may be prescribed with the relevant Registrar of Companies) to be filed by the Company in relation to the Security created over the Hypothecated Assets; vi) Payment of stamp duty on the Debentures; vii) As applicable to the Company in accordance with the applicable law(s), relevant filings in the prescribed form to be made with information utility registered with the Insolvency and Bankruptcy Board of India in accordance with Section 215 of the Insolvency Code and other regulations including the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017; viii) If applicable, the Company shall provide all the necessary assistance to the Debenture Trustee for filing of and registering with the Central Registry under the Securitization 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 for Debentures and for enforcement of such security within the timeline stipulated under applicable law; ix) The Company shall provide any other document as required by the Debenture Trustee or as required elsewhere under the Transaction Documents; or x) The Company shall submit an end use certificate from its independent auditor within 30 days from the Deemed Date of Allotment. xi) As applicable to the Company, in accordance with the applicable law(s), relevant filings in the prescribed form to be made with information utility registered with the Insolvency and Bankruptcy Board of India in accordance with Section 215 of the Insolvency Code and other regulations including the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017; xii) Listing of Debentures in accordance with applicable listing timeline; xiii) The Company shall ensure compliance with SEBI ILNCS Regulations / Companies Act 2013 ("Act") (as applicable) and any other applicable law for issuance and listing of NCDs;
Affirmative Covenants	i) To comply with Companies Act, 2013 , corporate governance, fair practices code prescribed by the RBI; ii) Notification of any Event of Default or potential Event of Default; iii) Company agrees on subordination of all promoter and other related party borrowings during the tenor of the NCD iv) Obtain, comply with, and maintain all applicable licenses / authorizations; v) Provide details of any material litigation, arbitration, or administrative proceedings against the Company exceeding the material threshold of 5% of the Net Worth ; vi) 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;

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	vii) Permit visits and inspection of books of records, documents, and accounts to the Debenture Trustee, with a prior written notice of at least 7 business days' and comply with monitoring requests of the Debenture Trustee at its sole discretion; viii) Mr Gaurav Kumar, and Mr. Sarfaraz Mallick continues to hold directorship in the Issuer until the Final Redemption Date. ix) Gaurav Kumar and Sarfaraz Mallick continues to hold executive position in the Issuer until the Final Redemption Date; x) To comply with latest regulatory guidelines, including on Liquidity Coverage Ratio (LCR), if applicable; xi) Comply with monitoring and/or servicing requests/calls from Debenture Trustee on a quarterly basis; xii) The Company shall submit progress performance reports to the Investor on a quarterly basis in the format to be specified from time to time; xiii) To utilise the proceeds of this issue in accordance with the agreed purpose and applicable laws and regulations and as mentioned in Transaction Documents; xiv) The Company agrees that the Investor / Debenture Trustee may conduct discretionary audit/visit/monitoring visit on the Company (or its branch) on a quarterly basis or such other frequency as the Investor / Debenture Trustee may decide. Discretionary audit/ monitoring visit shall be conducted after providing an intimation to the Company, 7 business days in advance; xv) The Investor / Debenture Trustee shall have the right to carry out legal, financial, business, tax and commercial due diligence on the Company and its business and operations prior to entering into any of the transactions contemplated herein; and xvi) Comply with and perform such other conditions as mentioned in detail the Transaction Documents.
Negative Covenants	The Company shall not, without the prior written permission of the Debenture Holders/Debenture Trustee, do or undertake to do any of the actions as mentioned below: i) redeem, purchase, buyback, decease, retire, return or repay any of its equity share capital or resolve to do so; ii) merger, acquisition, restructuring, amalgamation; iii) enter into any transaction of de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; iv) purchase or redeem any of its issued shares except equity shares allotted under ESOP scheme of the Company/ Holding Company (if any) or reduce its share capital; v) Without the prior written consent of the Debenture Trustee, the Issuer shall not make any change in its management control, cause or permit change in control (as defined under the under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011) of the Issuer, cause or permit acquisition of the ownership of or entitlement to more than twenty-five percent of shares or capital or profits of the Issuer by any natural person(s), whether acting alone or together, or through one or more juridical person; enter into any compromise arrangement with its shareholders or creditors, pass a resolution of voluntary winding up or implement any scheme for restructuring or reconstruction, consolidation, amalgamation, merger or other similar purposes; extend a loan to any single individual or entity amounting to greater than 1% (One percent) of its Tangible Net Worth; vi) undertake to guarantee the liabilities of any individual or entity exceeding 10% of the Net worth of the RFL; vii) 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) other than

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	any business correspondence, securitisation/portfolio sale of assets undertaken by the Company in its ordinary course of business; viii) Unsecured Borrowings from Promoters/ related parties/ Inter Corporate Deposits held by the Issuer shall not be repaid (except by way of equity conversion) in-case wherein breach of covenant/s is subsisting. ix) Pledge of shares by Promoters which may potentially change management control (if pledge is enforced) shall be undertaken with prior approval of the Debenture Trustee (acting on behalf of Majority Debenture Holders). x) amend or modify clauses in its Memorandum of Association and Article of Association . The above does not apply to any changes to effect an increase in authorized share capital ; xi) undertake any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business; xii) sell, assign, mortgage or otherwise dispose off any of the assets charged to Debenture Holder so as the Security Cover does not fall below the Security Cover Ratio; Issuer shall not without the prior written consent of the Debenture Trustee enter into or perform any transaction other than in its ordinary course of business. xiii) Promoter Group and KMPs shall not transfer or encumber any shares/ other Securities of the Company held by them respectively; xiv) Shareholding (in terms of number of shares) of Mr. Gaurav Kumar,Mr. Sarfaraz Mallick shall not decrease beneath shareholding at the time of issuance of this NCD; xv) No loans can be given to the promoter or related parties or any of the group companies during the NCD's tenor. xvi) no declaration or payment of dividend or withdrawal of funds from the business out of the profits relating to the year if any of the financial commitments to Debenture Holder have not been duly met or an Event of Default has occurred and is subsisting. Company agrees to declare dividends only out of the profits relating to that year; xvii) undertake any new major new business outside financial services or any diversification of its business outside financial services or change of business from that subsisting as of the date of the first drawdown; xviii) dispose of its assets or compromise with any of its creditors without the prior written consent of the Debenture Holders, except in the ordinary course of and pursuant to the reasonable requirements of the Company/ Holding Company's (if any) business and upon fair and reasonable terms; xix) All transactions irrespective of any quantum with the Related Parties should only be carried out for day to day business at arm's length xx) enter into following transactions with the Related Parties: (a) enter into any transaction(s) (other than as mentioned in below clause) whereby the overall outstanding amount owed to the Company under the said transaction(s) exceeds 15% of its net worth (b) whereby the overall expense incurred through such transaction(s) (other than as mentioned in above clause) during any financial year exceeds 15% of its revenue, or (c) provide any guarantee for any indebtedness of a related party. xxi) claim for itself or its assets immunity from any suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process in any jurisdiction. xxii) Other Negative covenants: (i) Mr. Gaurav Kumar & Mr. Sarfaraz Mallick shall continue to hold the executive positions on the Board of the Issuer and to have Management Control of the Issuer; (ii) Promoters / Promoter Group not to dilute their shareholding in the company till the tenure of the debentures by way of sale of shares, without the prior written consent of the Investor. However, in case there is equity infusion by non-promoter parties, dilution to be acceptable; (iii) Issuer shall obtain prior consent from Debenture Trustee for any change in management control, voting rights and board seats of Promoters; (iv) Promoter shall not create any pledge/negative lien of their shareholding in the Issuer without the prior consent of the Debenture Holders; (v) The Promoters of the Issuer shall

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	not transfer or encumber the shares of the Issuer held by them respectively without the prior written consent of the Lender or debenture trustee; For the purpose of this clause "Management Control" means: the right to appoint majority of the directors; and to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, by virtue of their shareholding or management rights or shareholders agreements or voting agreements. The Debenture Trustee shall be granted access to any additional information that it deems necessary to monitor and evaluate the above covenants. 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). For the above purpose, "Change of Control" shall have the meaning ascribed to it under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and shall include any of the following events: (a) any compromise or arrangement with the Company's shareholders or creditors; (b) the passing of a resolution for voluntary winding up; (c) implementation of any scheme for restructuring, reconstruction, consolidation, amalgamation, or merger; or (d) any change in the shareholding structure of the company that results in a change in the control of the company, whether directly or indirectly..
Events of Default	Customary for financings of this nature, including but not limited to: **Company Related Events** i) Any default on part of the Company to make payment of any amount that has become due and payable under the Transaction Documents; ii) NCD is not repaid in full, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with the Transaction Documents by the maturity date; iii) Failure to comply with the Security Cover requirement and failure to replenish with additional receivables if applicable; iv) Material Adverse Effect; Material Adverse Effect shall mean any event, circumstance, occurrence or condition has caused, as of any date of determination or could reasonably expect to cause, a material and adverse effect in; v) Cross default of the Company (including where the Company has made a payment default in relation to any of its financial indebtedness or there has been acceleration of payment due to any covenant breach for any of its financial indebtedness) or any securitisation exposures being downgraded; vi) Fraud, misrepresentation or misleading information, gross negligence and default by the Company; vii) Unlawfulness; viii) Creditors' processes initiated against the Issuer; ix) Repudiation of the Transaction Documents by the Company, directly or indirectly; x) Any of the Transaction Document ceases to be in full force and effect or is terminated prior to maturity; xi) If one or more legal or governmental proceedings have been initiated and admitted by the competent court of law against the Company or any claims are made against the Company, which in the opinion of the Debenture Trustee acting on behalf of the debenture holders, may impair the

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	Company's ability to perform its obligations undertaken in terms of the Transaction Documents or which has a Material Adverse Effect; xii) Any breach of the following covenants: Negative Covenants, Financial Covenants, Reporting Covenants, or Other Covenants, security cover requirement and terms and conditions of Transaction Documents; xiii) 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; xiv) Occurrence of any 'Insolvency Related Event' (as defined below); xv) Promoters of the Company being declared wilful defaulter; xvi) Restructuring of any borrowing arrangement in accordance with RBI's guidelines and norms pertaining to restructuring of debt/advances; xvii) Revocation of operating licenses of the Company issued by the Reserve Bank of India and/ or the Securities and Exchange Board of India; xviii) Failure to certify/confirm the non-occurrence of any Event of Default within 15 (fifteen) business days, in the manner prescribed in the Transaction Document; xix) Failure by the Company to disburse new loans or from appointing third party or in house collection teams, in case of any adverse regulatory action; xx) Cessation of business of Company; xxi) The Promoter(s) and/or the directors of the Company are convicted of criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter/s and/or director, including any accusations, charges and/or convictions of any offence relating to bribery and such order of a competent court or government authority remains unvacated for 60 Business Days xxii) All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalized, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or Government authority xxiii) Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Company / Promoter Group funds or revenues or any other act having a similar effect being committed by the KMPs or an officer of the Company or by the Company as a whole, directly or indirectly; xxiv) One or more judgments or decrees entered against the Company 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 Company 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; xxv) Erosion of 50% (fifty percent) or more of the Company's net worth; xxvi) Change in management control, voting rights and board seats by Promoters; xxvii) A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed on the Company (voluntary or otherwise) or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding is not contested by the company for staying, quashing or dismissed within 15 (fifteen) days; xxviii) Failure by the Company with applicable law (including initiation of any proceedings or revocation of licenses issued by any government authority) which has a Material Adverse Effect; xxix) Failure to perform any obligations in relation to this transaction;

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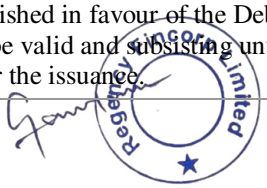
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	xxx) Company is unable or admits in writing its inability to pay its debts as they mature or suspends making payment of any of its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into insolvency or liquidation have been admitted by any competent court or a moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Company; xxxi) Failure to meet standards in two successive discretionary audits conducted by the Debenture Trustee; xxxii) Failure to pay a final judgment or court order; xxxiii) Any corporate action, legal proceedings or other procedure is taken in relation to enforcement of any security over any assets of the Company. However, in case of any similar action taken against any affiliate of the Company, the Debenture Trustee shall have the right to issue Facility re-call notice; xxxiv) Enforcement proceedings initiated upon the order of any court or statutory authority that impinges the continued ongoing operations; xxxv) Downgrade in the rating of the Debentures one notch or more below BBB or delisting of the Debentures; xxxvi) if there is an occurrence of any event which in the opinion of the Debenture Trustee acting on behalf of the debenture holders, jeopardizes the Company's ability to make collections on the Hypothecated Assets or payment of principal or interest on the Debentures; or xxxvii) Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Company or any affiliate. xxxviii) Failure by the Company to meet standards with respect to management, governance, and data integrity, as may be required by the Debenture Holders and as per SEBI ILNCS Regulations and RBI regulations; xxxix) Failure to list the debentures; xl) Any new equity raising which results in the Promoter Group holding less than 30% of the shareholding in the Issuer and related change in management control would be communicated to Debenture Holders and consent would be sought Such other conditions as mentioned in the Transaction Documents. For the purpose of this transaction, 'Insolvency Related Event' means any of the following: 1. filing of an insolvency application by the appropriate regulator under the IBC or any analogous proceedings under any similar insolvency, winding up or liquidation laws; 2. any resolution is passed either by the creditors or the shareholders of the Company or any other action is taken which may result in a voluntary or other insolvency process, winding up or liquidation of the Company; 3. an order for insolvency process, liquidation or winding up of the Company is made by any competent court; 4. the Company has taken or suffered to be taken any action for its reorganisation, liquidation or dissolution; 5. an insolvency resolution professional, a receiver, liquidator or any other equivalent professional has been appointed or allowed to be appointed of all or any part of the undertaking of the Company; 6. any insolvency professional, any receiver / assignee or trustee or similar other officer is appointed by any court or any other competent authority in any insolvency, winding up, execution or distress proceedings against the Company.

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	"IBC" means the Insolvency and Bankruptcy Code, 2016 (as amended)
Consequence of Events of Default	Upon occurrence of any Event of Default, the Debenture Trustee shall, acting upon the request of the Debenture Holders, be entitled to initiate one or more of the following course of actions: i) Require the Company to mandatorily redeem the Debentures and immediately 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; it is further clarified that if the Company is repaying the outstanding principal in full owing to any Event of Default, it shall not attract any prepayment penalty ii) Declare all or any part of the Debentures to be immediately (or on such dates as the Debenture Trustee/ Debenture Holders may specify) due and payable, whereupon it shall become so due and payable; iii) Enforce the security created by the Company; Take all other action permitted under Transaction Documents/Applicable Law, including initiating insolvency proceedings under IBC, 2016 iv) 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; v) The Debenture Trustee/ Debenture Holders shall be entitled to appoint a nominee director on the board of the Company as per the applicable regulations; vi) The Debenture Trustee/ Debenture Holders 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; vii) Take any actions in respect of the defaults as prescribed under Transaction Documents or SEBI Defaults (Procedure) Circular (Circular dated October 13, 2020; bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/203) or under applicable law or as prescribed by SEBI; viii) 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 on "Prudential Framework for Resolution of Stressed Assets", as amended, modified or restated from time to time) or any resolution plan shall be subject to the terms of the relevant circular issued by SEBI related to defaults (including without limitation, the resolution plan being finalised within the time period prescribed in any such circular/law; ix) The Debenture Trustee (acting on the instructions of the Debenture Holders) has the option (but not the obligation) to require the obligors underlying the loans hypothecated to secure the Debentures to directly deposit all interest and principal instalments and other amounts in respect of the relevant loans in the account specified by the Debenture Trustee (acting on the instructions of the Debenture Holders). All such payments will be used to discharge the amounts outstanding and due from the Company in respect of the Debentures; x) Investor's Right to Purchase Loan Portfolio - At any time during the tenor of the issuance, in case of Event of Default, the Investor shall have the right to purchase the portfolio comprising the Security Cover in whole or in part towards set-off against the outstanding due amounts due from the Company ("Asset Purchase") in full or in part by issuing a notice in this regard to the Company ("Asset Purchase Notice") at the commercial terms that are mutually agreeable. The Company shall undertake all actions as necessary to assign the secured assets comprising the Security Cover in relation to which the Asset Purchase has been exercised (along with all underlying security and contractual comfort) within 7 (seven) Business Days from the date of receipt of the Asset Purchase Notice. Notwithstanding such asset purchase and all other Security furnished in favour of the Debenture Trustee/Investor pursuant to the terms hereof shall continue to be valid and subsisting until the final settlement date in relation to the outstanding due amounts under the issuance.



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	All costs with respect to the above shall be borne by the Company. 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.
Representations and Warranties	The Company represents and warrants that: (i) The Company is duly incorporated and is registered with the RBI as an NBFC; (ii) The Debentures under this Issuance shall rank pari-passu amongst themselves and with all other secured, senior creditors/ investors/ lenders; (iii) Issuance of this Debenture shall not be in conflict with any other obligations on or the constitutional documents of the Company; (iv) No Material Adverse Change in business, condition or operations of the Company; No Event of Default has occurred and is continuing on the date of this transaction (v) Company has the power and authority to issue Debentures and can enter into Transactions Documents; (vi) As of the date of execution, there is no pending or threatened litigation, investigation or proceeding that may have a material adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the Company or that purports to affect the Debentures; (vii) Issuance of the Debenture are not illegal or in violation of applicable law; (viii) Entering into the Transaction Documents will not result in a breach of any other existing documents entered by the Company with any other lenders/ third parties; (ix) No payment defaults or any other 'events of default' have occurred by the Company under terms of any facilities obtained by the Company from any lender; (x) The Company is the full and absolute legal and beneficial owner of the Hypothecated Assets and has a clear and marketable title thereto free and clear from any and all encumbrances; (xi) All loan receivables forming part of the Hypothecated Assets have been originated in the normal course of business, in conformity to the normal credit criteria adopted by the Company at the time of their grant and are in compliance with the Eligibility Criteria specified herein, and none of the Hypothecated Assets constitute JLG loans, or MSME unsecured loans. (xii) The Company is aware and acknowledges that the Investor has entered into this transaction based on and relying upon the representations, warranties, statements, covenants, agreements and undertakings (whether express or implied) on the part of the Company, and that the Trustee would not have done so in the absence of such representations, warranties, statements, covenants, agreements and undertakings; (xiii) No 'events of default' have occurred in terms of the underlying loan documents; and (xiv) None of the underlying borrowers have disputed any amounts due under the loan agreements. Such other conditions as set out in greater detail in the Transaction Documents.
Reporting Covenants	(A) Monthly Reports – within 30 (thirty) calendar days from the end of each financial month: i) Details of Hypothecated Assets including book debts/ receivables statement, Monthly disbursements, Portfolio cuts, Operational information, Monthly DPD statement, Structural liquidity data, debtor summary, in a format acceptable to the Investor, showcasing that the Security Cover Ratio is maintained and confirming that the Hypothecated Assets comprise 75% (Seventy-Five per cent) Secured MSME Receivables and 25% (Twenty-Five per cent) Cashmysalary Digital Lending Receivables and exclude JLG loans, and MSME unsecured loans, consistent with the Hypothecated Receivables Report furnished under the Hypothecation clause

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ii) Shall share information about facilities sanctioned to it by other lenders (i.e. Key Terms) every month in a format as deemed fit by the Debenture Trustee.

(B) Quarterly Reports – within 45 (Forty Five) calendar days from the end of each financial quarter:

i) Financials and other operational metrics as per the requirement and format agreed with the Investor, from time to time including but not limited to capital structure, shareholding pattern, capital adequacy ratio (CRAR) along with backup calculations, detailed business projections, portfolio cuts (for overall, and own portfolio), quarterly portfolio delinquencies (with DPD bucketization), vintage data (by product static pool analysis), monthly collections efficiency (including impact of prepayments and overdue collections), write-off, related party transactions & o/s balances, RBI Returns, Top 20 borrower, and operations data. The above data, whatever applicable, shall also be shared for the parent or Holding Company, if applicable;

ii) List of Board of Directors along with information around change in control, voting rights and board seats held by Promoters

iii) Asset liability mismatch (ALM) report of the Company prepared in line with the extant RBI guidelines, if any;

iv) Details of any prepayment or notice of any prepayment of any Financial Indebtedness of the Company;

v) Certificate signed by Independent Chartered Accountant and Chief Financial Officer and/or Authorised Signatory the Company, confirming the compliance with the Financial Covenants on the basis of last declared quarterly financial statements of the Company, in the format acceptable to the Debenture Trustee;

vi) Book debt certificate and hypothecated pool certified by an independent chartered accountant;

vii) Latest borrowing profile comprising information around lenders, nature of loans, tenure, security cover, interest rates (ROI), processing fees, prepayment or pre-closure of any lending facility during the quarter, etc.;

viii) Certificate signed by the Independent Chartered Accountant shall be furnished on a quarterly basis by the Company, certifying that the assets securing the Issuance are hypothecated solely to the Investor and Investor has exclusive first charge on the assets securing the Issuance and the Security Cover Ratio. The certificate shall further certify that the Hypothecated Assets comprise 75% (Seventy-Five per cent) Secured MSME Receivables and 25% (Twenty-Five per cent) Cashmysalary Digital Lending Receivables in compliance with the Eligibility Criteria, and that no JLG loans, MSME unsecured loans form part of the Hypothecated Assets. Certificate to contain details of receivables (Loan ID, location, amount sanctioned, amount outstanding, overdue status) hypothecated to Investor.

(C) Annual Reports – within 120 (One hundred twenty) calendar days from the end of each financial year:

i) Audited financial statements of Company along with Holding Company, if any to be furnished in 90 days; however the Annual Report can be provided with 120 (one hundred and twenty) calendar days from the end of each financial year;

ii) Certificate from an independent chartered accountant conforming compliance with the Financial Covenants based on audited financial statement;

iii) Certificate signed by an independent chartered accountant shall be furnished on an annual basis by the Company, certifying that the receivables created out of the issuance are hypothecated to the Debenture Holders and Debenture Holders has exclusive first charge on the receivables created out of the issuance and the Security Cover equal to or greater than the Security Cover Ratio. The certificate shall further certify that the Hypothecated Assets comprise solely of comprise 75% (Seventy-Five per cent) Secured MSME Receivables and 25% (Twenty-Five per cent) Cashmysalary Digital Lending

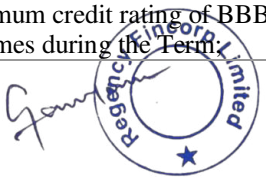
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	Receivables in compliance with the Eligibility Criteria, and that no JLG loans or MSME unsecured loans form part of the Hypothecated Assets. Such certificate should contain, amongst other details, details of receivables (i.e. loan ID, location, amount sanctioned, amount outstanding, overdue status) hypothecated to Debenture Holders; iv) Board approved, annual business plan. However it is clarified that the provisional reports should be shared by 60 days for investor mentoring purposes. (D) Event Based Reports – within 1(one) Business Day, of the occurrence of following events: i) Change in Shareholding structure and board composition; ii) Change in the constitutional documents of the Company; iii) Change in Board of Directors or Key Management Personnel (KMP) (as defined in the Companies Act, 2013) or any CXO or equivalent; iv) Change in accounting policy, which have a material impact, and excluding changes required due to compliance with statutory requirements; v) Material Adverse Effect; vi) Any dispute, litigation, investigation, or other proceeding against the Company which could have a Material Adverse Effect; vii) Any fraud; viii) Winding up proceedings; ix) Any Potential Event of Default, and any steps taken/ proposed to remedy the same; x) Any prepayment or notice of any prepayment of any indebtedness of the Company; xi) New segment of business other than the business carried out by the Company presently; xii) Any existing lender/NCD Holder pulls back money from the Company or any acceleration in its payment schedule is done. xiii) Winding up proceedings; and xiv) Application of insolvency petition under bankruptcy code /NCLT by the issuer needs to be notified within 1 Calendar day. The Company shall be required to pay a penalty of 2% (two) per cent of the outstanding principal and interest amount to the Debenture Holders for each day of delay in the event of non-adherence to the above Reporting Covenant on a timely basis.
Material Adverse Effect	"Material Adverse Effect" means any event, circumstance, occurrence, change or condition that, in the reasonable opinion of the Majority Debenture Holders, has or is reasonably likely to have a material adverse effect on: i) the business, operations, assets, liabilities (actual or contingent), financial condition, or prospects of the Company ii) the ability of the Company to perform any of its obligations under the Transaction Documents; iii) the rights or remedies of the Debenture Holders under any of the Transaction Documents; iv) the legality, validity, or enforceability of any of the Transaction Documents; or v) the ability of the Company to disburse new loans, appoint third-party or internal collection agents, or otherwise carry out any material business activities, as restricted, suspended, or modified by direction from the Reserve Bank of India (RBI) or any regulatory authority.

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	For avoidance of doubt, a Material Adverse Effect shall be deemed to have occurred if any of the above results from a change occurring after the date hereof, as determined by the Majority Debenture Holders acting reasonably and in good faith.
Other Covenants	i) Mr Gaurav Kumar and Sarfaraz Mallick continues to hold executive position in the Issuer until the Final Redemption Date. ii) The Company shall submit progress performance reports to the Investor on a monthly basis in the format to be specified from time to time. iii) The Company shall ensure that compliance with the fair practice code of RBI. iv) The Company agrees that the Investor may conduct discretionary audit/visit/monitoring visit on the Company (or its branch) on a quarterly basis or such other frequency as the Investor may decide, after providing an intimation of 7 business days to the Company. The Investor shall have the right to carry out legal, financial, business, tax and commercial due diligence on the Company and its business and operations prior to entering into any of the transactions contemplated herein. v) Company to obtain No-Objection Certificate from the Investor in case of any material change in business model except mandated by regulator. vi) Company Secretary certificate confirming that the Company is not in breach of covenants with other lenders by issuing this NCD. vii) Company acknowledges and agrees that the Investor has a right at any time to sell, transfer or assign the Debentures to any party it may deem fit. viii) The Company shall ensure that it maintains a rating as at the time of Deemed Date of Allotment. ix) The covenants and security accorded by the Company to any lender investing/ lending as part of any subsequent/ parallel/ prior debt transaction shall not be more stringent than covenants and security accorded to the Investor. If the Company provides any covenants or security which are more stringent or any additional financial covenants to other lenders, then such covenants shall automatically apply to NCDs subscribed to by the Investor, without further action required by the Company and/or the Investor.
Financial Covenants	i) The Capital to Risk-Weighted Assets Ratio ("CRAR") (as defined in the extant NBFC Regulations as set by the RBI) shall be at least 25% (twenty five percent) or the CRAR prescribed by RBI, whichever is higher. ii) Reported Gross NPA (GNPA) shall not exceed 3.0% (three percent) iii) Net NPA (Gross NPA, net of provisioning) shall not exceed 2.00% (two percent); iv) Ratio of (PAR 90 + Trailing 12 Months write-off) Portfolio shall not exceed 5%. v) Issuer to maintain a minimum Tangible Net-worth of Rs 130 Crores as on 30 th September 2026 till the maturity of the loan vi) PAR 90 to Tangible Net Worth less than or equal to 5%. vii) Total Debt to Tangible Net Worth shall not exceed 3.75x ; viii) the Issuer at all times, to maintain minimum liquidity amount equivalent to next 1- month liabilities after including Put Options/interest reset on liabilities in the form of unencumbered Cash and Cash equivalents. Unutilised CC from Banks shall be taken in account while testing. ix) Issuer shall not prepay any loans or redeem NCDs; voluntarily or mandatorily before its stated maturity such that it leads to a negative mismatch on cumulative basis in any of the buckets of ALM statement (up to the 12 (twelve) month bucket) of the Debentures after incorporating all the liabilities of the Issuer including Put Options/interest reset on liabilities. Unutilized bank lines, undisbursed committed sanctions of the company and cash credit limits shall not be taken into account while testing the same. x) The Issuer shall maintain the Liquidity (unencumbered cash and bank balance and unencumbered FD and money in liquid funds) of at least INR 10 Crores during the tenure of the debenture; xi) Minimum credit rating of "BBB" (Tripel B) to be maintained during the course of the bonds, Also 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 Term.



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	xii) Cumulative mismatches in Asset and Liability Mismatch (ALM) should be positive for all buckets on a cumulative basis up to the 12 (twelve) month bucket. Undrawn sanction will be excluded for the purpose of the calculation; xiii) Maintains a loan to value ("LTV") of 75% (seventy five percent), whereby LTV = total Indebtedness/(Free Cash + loan Receivables); xiv) Ensure that (a) the net profit (PAT) (as determined in accordance with Applicable Accounting Standards) is not negative for last four consecutive quarters put together throughout the tenure of the debenture (b) the Issuer does not report a net loss (negative PAT) in any 2 (two) consecutive quarters. xv) Mr Gaurav Kumar and Mr. Sarfaraz Mallick shall continue to hold Managing position. xvi) MFI book (JLG book as described by the issuer) to be less than 20% of the on book AUM at all times and the Issuer shall not undertake any new loan origination under the JLG/MFI book during the tenure of the Debentures. xvii) Exposure to single party / single group to Tangible Net Worth must not exceed 5.0% (five percent) at all times during the tenure of the Debentures. "Tangible Net Worth" shall mean, with respect to any person, the amount paid up on such person's issued equity share capital, compulsorily convertible instruments and any amount standing to the credit of its reserves, less equity or equity-like investments. goodwill, deferred tax assets and other intangible assets. "Reported GNPA or GNPA", shall mean, the outstanding principal amounts of the Client Loans that have one or more instalments of principal, interest, penalty, fee or any other payments overdue for 90 (Ninety) days or more and includes restructured loans. "Net non performing assets or GNPA net of provisioning (Net NPA) shall mean the difference between (i) reported Gross NPA and (ii) all provisions created against standard assets, sub-standard assets, doubtful assets and loss assets. Capital to Risk-Weighted Assets Ratio (CRAR) is a measure of the Issuer's capital as a percentage of its risk-weighted assets, calculated as prescribed by the RBI in their master circulars and guidelines Liquidity (unencumbered cash and bank balances) refers to the sum of unencumbered cash and cash equivalents unencumbered bank balance and unencumbered FD and money in liquid funds. "Total Debt" includes: All long-term and short-term outstanding, whether secured or unsecured, plus; Contingent liabilities pertaining to corporate / financial guarantees given on behalf of any company / SPV / subsidiary / affiliate to the extent of outstanding of such guaranteed debt, plus; Any amount raised by acceptance under any acceptance credit facility; Receivables sold or discounted (other than receivables to the extent they are sold on a non-recourse basis); Any put option, shortfall / liquidity support undertaking, debt service reserve account undertaking, keep fit letter(s), Letter of Comfort issued in favour of any person(s), which give or may give rise to any financial obligation(s); and Any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing. All covenants would be tested at the end of each quarter by the Company i.e., as on 31st March, 30th June, 30th September and 31st December every year starting from the Deemed Date of Allotment on a standalone balance sheet till the final repayment. The covenants shall be certified by the Company within 60 (sixty) calendar days from the end of each financial year and within 60 days from the end of each quarter
Transaction Documents	i) Term Sheet; ii) Placement/ Information Memorandum; iii) Private Placement Offer Letter in form PAS-4; iv) Debenture Trustee Agreement; v) Debenture Trust Deed; vi) Deed of Hypothecation;

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	vii) Guarantee agreement executed by the Personal Guarantor(s); viii) Demand Promissory Note and Letter of Continuity; ix) Company Undertaking (if any); x) Resolutions (as defined hereunder); xi) Shareholders' undertaking; and xii) Any other document as identified by the Investor. "Resolutions" means collectively, Special resolution of the shareholders of the Company under Section 180(1)(a) of the Companies Act, 2013; Special resolution of the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013; and other applicable provisions of the Companies Act, 2013 (including Section 42, if applicable) and Rules thereunder; 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; Board/ Committee resolution approving the issuance.
Roles and Responsibilities of Debenture Trustee	As more particularly set out in the Transaction Documents, and to oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s), including: a) the Debenture Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Company or by the Debenture Trustee or otherwise and shall not be responsible for any loss occasioned by so acting. PROVIDED THAT, the Debenture Trustee shall at all times act with due care and diligence before relying upon any advice, opinion, information and communication received by it from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert its attorney, representative or receiver; b) subject to the approval of the Debenture Holders by way of Special Majority Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have the discretion as to the exercise thereof and to the mode and time of exercise thereof. In the absence of any fraud, gross negligence, wilful misconduct or breach of trust the Debenture Trustee shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the aforementioned exercise or non-exercise thereof; c) with a view to facilitating any dealing under any provisions of these presents, subject to the Debenture Trustee obtaining the prior written consent of the Special Majority Debenture Holders, the Debenture Trustee shall have the power (i) to consent (where such consent is required) to a specified transaction or class of transactions (with or without specifying additional conditions), (ii) to determine all questions and doubts arising in relation to the interpretation or construction any of the provisions of the DTD, and (iii) to take any action on behalf of the Debenture Holders; d) the Debenture Trustee shall not be responsible for the amounts paid by the applicants for the Debentures; e) the Debenture Trustee and every receiver, attorney, manager, agent or other person appointed by them shall, subject to the provisions of the Act, be entitled to be indemnified by the Company in respect of all liabilities and expenses incurred by them in the execution or purported execution of the powers and trusts thereof; f) the Debenture Trustee shall forward to the Debenture Holders copies of any information, documents from the Company pursuant to the DTD within 2 (two) Business Days of receiving any of the foregoing from the Company; g) Debenture trustee shall obtain from the Company, at the end of each quarter, a Chartered Accountant's Certificate stating, inter-alia, that the criteria on (i) qualifying assets, (ii) the aggregate amount of loan extended for the purpose, and (iii) pricing guidelines (if any) are followed; and

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	h) Debenture Trustee shall make sure the company comply with guidelines on issued by RBI and any other statutory body (issued in time). PROVIDED THAT nothing contained in this Clause shall exempt the Debenture Trustee, its representatives or any receiver appointed by the Debenture Trustee from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule or applicable law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder as determined by a court of competent jurisdiction.
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.
Special Majority Debenture Holders	means such number of Debenture Holders collectively holding more than 75% (seventy five percent) of the value of the outstanding principal amounts of the Debentures.
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: i) occurrence of any Event of Default; ii) 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; iii) a failure by the Company to pay any amount due under any Transaction Document on its due date; or iv) breach of terms and conditions of the Transaction Documents. Further, The Promoters shall indemnify, defend, and hold harmless the Debenture Holders, Debenture Trustee, and/or the Designated Agent from and against any and all losses, claims, liabilities, damages, costs, expenses, charges, and disbursements (including legal and professional fees and expenses) suffered or incurred by the Debenture Holders, Debenture Trustee, and/or the Designated Agent arising out of or in connection with any breach by the Company of its obligations, covenants, duties, representations, warranties, undertakings, or any Event of Default under the Transaction Documents.
Taxes, Duties, Costs, and Expenses	i) Relevant taxes, duties, expenses and levies in lieu of this issuance (including stamp duty and registration fee (if applicable) on the Transaction Documents (and the Debentures), appointment of the Debenture Trustee, Legal Counsel or advisors, rating fees, listing and depository fees and expenses incurred in the preparation for the Transaction Documents) are to be borne by the Company. ii) All taxes which are to be borne by the Debenture Holders as per the regulatory requirements will be paid by the respective Debenture Holders. iii) The charges / fees and any amounts payable under the Debentures by the Company as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Company additionally.

Regency Fincorp Limited

CIN: L67120PB1993PLC013169

Regency Fincorp Limited

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Contact No: +91 7717593645, Web: www. regencyfincorp.co.in
E-mail: regencyinvestmentsltd@gmail.com

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Governing Law and Jurisdiction	Laws of India with jurisdiction of the courts and tribunals of Delhi. The submission to the exclusive jurisdiction of the courts at New Delhi is for the benefit of the Debenture Holders only and will not (and will not be construed so as to) limit the right of the Debenture Holders to take proceedings in any other court of competent jurisdiction, nor shall the taking of proceedings by the Debenture Holders in any one or more jurisdictions preclude the taking of proceedings by the Debenture Holders in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

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