

INDICATIVE TERM SHEET

The terms and conditions given below are indicative only and are not exhaustive and subject to change.

PARTIES INVOLVED IN THE ISSUE	
Issuer / Company	AYE FINANCE PRIVATE LIMITED
Debenture Trustee	Catalyst Trusteeship Limited
Subscriber(s)/investor	• TRIPLE JUMP • NORTHERN ARC CAPITAL LIMITED
Depository	NSDL
Registrar and transfer agent	Karvy Computershare Pvt. Limited
Rating Agency	India Ratings
Structurer and Arranger	Northern Arc Capital Limited
Legal Counsel	Phoenix Legal
THIRD PARTY OBLIGORS	
Guarantor(s)	Not Applicable
Credit Enhancer(s)	None
Other obligator(s)	None
DETAILS OF THE INSTRUMENT	
Type of instrument	Non-convertible debentures
Nature of instrument	Rated Unsubordinated Unsecured Transferable Redeemable Non-convertible debentures
Ranking	Unsubordinated
Security requirements	The Debentures shall be unsecured.
Listing requirements	Unlisted.
Rating	A-
ISSUE DETAILS	
Mode of Issue	Private Placement
Form of issue	Debentures will be issued in digital form.
Issue size	INR. 75,00,00,000 /- (Indian Rupees Seventy Five Crores only)

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Tenor	36 (Thirty Six months) and 15 (Fifteen) days								
Face value	INR. 10,000 /- (Indian Rupees Ten Thousand only)								
Issue price	Debentures will be issued at par.								
Issue Schedule	<table> <tr> <td>Issue Opening Date</td><td>18-Feb-2022</td></tr> <tr> <td>Issue Payin Date</td><td>28-Feb-2022</td></tr> <tr> <td>Issue Closing Date</td><td>28-Feb-2022</td></tr> <tr> <td>Deemed Date of Allotment</td><td>28-Feb-2022</td></tr> </table>	Issue Opening Date	18-Feb-2022	Issue Payin Date	28-Feb-2022	Issue Closing Date	28-Feb-2022	Deemed Date of Allotment	28-Feb-2022
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Issue Payin Date	28-Feb-2022								
Issue Closing Date	28-Feb-2022								
Deemed Date of Allotment	28-Feb-2022								
Objects of the issue	With a view to raising debt for the ongoing business purposes of the Company (including expansion of the Company's loan portfolio). To augment the long-term resources of the Company, & to meet working capital requirement.								
Utilization of issue proceeds	The Company shall utilise the amounts received from the subscription of the Debentures for the Purpose. No part of the proceeds from the Issue will be used towards: i. any capital market instrument such as equity and equity linked instruments or any other capital market related activities; ii. any speculative purposes; iii. investment in the real estate sector; or iv. in contravention of any applicable law.								
REDEMPTION									
Redemption Amount	Each Debenture shall be redeemed at par.								
Scheduled Redemption	Debentures shall be redeemed on a pro rata basis as set out in Schedule 1 (Redemption Schedule) hereto and shall be fully redeemed by the Final Redemption Date.								
Final Redemption Date	March 15, 2025								
Early Redemption	Not applicable.								
Put Option	Not applicable.								
Call Option	Not applicable.								
Early Redemption Premium	Not applicable.								
COUPON PAYMENT									
Coupon Type	Fixed								

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Coupon Rate	11.35 % (Eleven point Three Five per cent) per annum gross of applicable tax payable at such frequency as set out below against the heading 'Coupon Payment Frequency' and on such dates as set out below against the heading 'Coupon Payment Payment Dates'.
Coupon Payment Frequency	Half-yearly
Coupon Payment Dates	As set out in Schedule 1
Step-up Coupon	Not Applicable.
Step-down Coupon	Not Applicable.
Default interest	Coupon Rate plus 2.0% (Two Percent)
Investor processing fee	0.50% of Triple Jump Subscription's amount plus Applicable taxes
Additional Interest charges	0%
CONVENTIONS	
Day Count Basis	Actual/Actual
Business Day	Means any day, other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 or a Sunday, on which banks are open for general business in New Delhi;
Date 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 next occurring Business Day; ii. If the date of payment of any redemption amount falls on a day that is not a Business Day, such payment of 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.
SECURITY CREATION	
Hypothecation	None
Security Cover	None.
Pledge	None.
Mortgage	None
OTHER COVENANTS	

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Debenture Redemption Reserve	If so applicable for the Issue, the Issuer shall create debenture redemption reserve in accordance with the Companies Act, 2013 (and Rules thereunder) and in terms thereof earmark an amount not less than 15% of the amount maturing during the year ending on the 31st day of March of the next year by way of investment and deposits in specified securities on or before the 30th day of April in each year.
Related Party Transactions	Issuer shall not enter into any transaction(s) with a related party with the prior written consent of the Debenture Trustee.
Affirmative Covenants	The Company shall: (a) Use of Proceeds use the proceeds of the Issue only for the Purpose and in accordance with Clause 5 (Purpose); (b) Notice of winding up or other legal process promptly inform the Debenture Trustee if it has notice of any application for winding up or insolvency process having been made or any statutory notice of winding up or insolvency process under the provisions of the Act or any other Applicable Law (including the (Indian) Insolvency and Bankruptcy Code, 2016, the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time) or any other notice under any other statute relating to winding up or insolvency process or otherwise of any suit or other legal process intended to be filed or initiated against the Company; (c) Loss or damage by uncovered risks promptly inform the Debenture Trustee of any material loss or significant damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties; (d) Costs and expenses pay all costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of the Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Company before they are incurred and shall not include any foreign travel costs; (e) Payment of Rents, etc. (i) punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company; (ii) when required by the Debenture Trustee produce the receipts of the payment referred in sub-Clause (i) above; and (iii) punctually pay and discharge all debts and obligations and liabilities which may have priority over the Debentures and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Company under this Deed; (f) Preserve corporate status

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- (i) diligently preserve and maintain its corporate existence and status and all rights, contracts, privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business;
- (ii) comply with each and every term of the said franchises and concessions and all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to its Assets or any part thereof;

and

- (iii) not do or suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the Outstanding Amounts might or would be hindered or delayed;

- (g) Pay stamp duty

pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the applicable state laws.

In the event the Company fails to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee shall be at liberty (but shall not be bound) to pay such amounts and the Company shall reimburse the same to the Debenture Trustee on demand;

- (h) Furnish information to the Debenture Trustee

- (i) provide to the Debenture Trustee or its nominee(s)/ agent(s) such information/copies of relevant extracts as they may require on any matters relating to the business of the Company or to investigate the affairs of the Company.

The Company shall allow the Debenture Trustee to make such examination and investigation as and when deemed necessary and shall furnish to the Debenture Trustee all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation;

- (ii) permit the Debenture Trustee to examine the books and records of the Company and to discuss the affairs, finances and accounts of the Company with, and be advised as to the same by, officers and independent accountants of the Company, all upon reasonable prior notice and at such reasonable times and intervals as the Debenture Trustee may reasonably request; and

- (iii) furnish quarterly report to the Debenture Trustee containing the following particulars:

- (A) updated list of the names and addresses of the Debenture Holders;

- (B) details of the interest due, but unpaid and reasons thereof;

- (C) the number and nature of grievances received from the Debenture Holders and resolved and unresolved by the Company along with the reasons for the same;

- (D) notice of any Event of Default or potential Event of Default; and

- (E) any and all information required to be provided to the Debenture Holders under Applicable Law;

- (i) Redressal of Grievances

promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Company further undertakes that

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it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance;

(j) Comply with Investor Education and Protection Fund requirements

comply with the provisions of the Act relating to transfer of unclaimed/ unpaid amounts of interest on Debentures and redemption of Debentures to the Investor Education and Protection Fund ("IEPF"), if applicable to it;

(k) Further assurances

(i) until the Final Settlement Date:

(A) observe any Applicable Law relating to a minimum age for employment of children, acceptable conditions of work with respect to minimum wages, hours of work, and occupational health and safety;

(B) not use forced or compulsory labour, including, but not limited to any form of slavery, debt bondage or serfdom;

(C) not employ persons, formally or informally, under the age of 15 (fifteen) for general work and 18 (eighteen) for work involving hazardous activity, which is work that, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety, or morals of those persons;

(D) require any project contractor, with respect to itself and any of its project subcontractors, to comply with the foregoing requirements;

(E) comply with, and cause its project contractor(s) and project subcontractor(s) to comply with, any Applicable Law or collective bargaining agreement that imposes a requirement that is more protective of child labour rights than any of the foregoing requirements;

(F) not finance any activity involving production or activities involving forced labour or child labour. Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by the International Labour Organisation (ILO) conventions. Employees may only be hired if they are at least 14 (fourteen) years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply (the requirements set forth above, collectively, the "Child Labour Requirements");

(G) without prejudice to sub-Clause (F) above, cause the Obligors to comply with the Child Labour Requirements within 12 (twelve) months from the date of first disbursement of such loans, and in this regard, procure such confirmations or evidence as may be required by the Debenture Holders;

(H) in the event that information concerning non-compliance or potential material non-compliance with the Child Labour Requirements comes to the attention of a responsible officer of the Company, the Company shall give prompt notice thereof to the Debenture Holders. The Company shall use all reasonable efforts, including remediation, to cure or prevent the recurrence of any non-compliance of the Child Labour Requirements; and

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- (I) notwithstanding the foregoing sub-Clauses (A) through (H), the Company shall not be responsible for any non-compliance of the Child Labour Requirements resulting from the actions of a Governmental Authority; and
- (ii) in addition to the above, the Company shall also:
- (A) execute and/or do, at its own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by Applicable Law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;
- (B) furnish to the Debenture Trustee details of all grievances received from the Debenture Holders and the steps taken by the Company to redress the same. At the request of any Debenture Holder, the Debenture Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance and the Company shall comply with the instructions of the Debenture Trustee issued in this regard;
- (C) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary to enable it to lawfully enter into and perform its obligations under this Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of this Deed;
- (D) comply with:
- (I) all Applicable Law (including but not limited to environmental, social and taxation related laws), as applicable in respect of the Debentures;
- (II) obtain such regulatory approvals as may be required from time to time;
- (III) the Debenture Trustees Regulations as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 of the Debenture Trustees Regulations thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures; and
- (IV) the provisions of the Act in relation to the Issue;
- (E) complete all necessary formalities including all filings with the relevant regulatory authorities, including but not limited to the SEBI (if required under Applicable Law), ROC and obtain all consents and approvals required for the completion of the Issue;
- (F) ensure that, at time of making any payment of interest or repayment of the principal amount of the Debentures in full or in part, the Company shall do so in the manner that is most tax efficient for the Debenture Holders (including withholding tax benefit) but without, in any way, except as provided in Clause 7(c) (Tax Deducted at Source) hereof, requiring the Company to incur any additional costs, expenses or Taxes and the Company shall avail of all the benefits available under any treaty applicable to the Company and/or the Debenture Holders;
- (G) conduct (and ensure that all of the Group Entities will conduct) their respective businesses in all material respects in compliance with all

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Applicable Laws including but not limited to Environmental and Social Requirements and Client Protection Laws and take all reasonable steps in anticipation of known or expected future changes to or obligations under the above;

(H) promptly inform the Debenture Trustee of any material breach of any Environmental and Social Requirements and provide accurate and complete information with respect to such breach and any additional information in relation thereto, in whichever form as the Debenture Trustee may request at its sole discretion. The Company shall promptly inform the Debenture Trustee, on (A) any Environmental and Social Claim and/or any Client Protection Claim being commenced against it or against any Group Entity, and (B) any facts or circumstances which will or are reasonably likely to result in any Environmental and Social Claim and/or any Client Protection Claim being commenced or threatened against it or any Group Entity, and provide accurate and complete information with respect to such Environmental and Social Claim and/or any Client Protection Claim and any additional information in relation thereto, in whichever form as the Debenture Trustee may request at its sole discretion; and

(I) abide by (and ensure that the Group Entities will abide by) the Workers' Rights Requirements;

(I) Tax deduction

in the event a Debenture Holder is a foreign portfolio investor, foreign institutional investor or sub-account of foreign institutional investors, or qualified foreign investor, the Company shall, in relation to each Interest Payment Date and in relation to each date when any other payment is due by the Company under the Debentures (each a "Relevant Payment Date"), courier to the Debenture Holders (or their designated agent, as confirmed by the Debenture Holders) within 5 (Five) Business Days after a Relevant Payment Date, the duly completed and signed Form 15 CA/CB. A scanned copy of such duly completed and signed Form 15 CA/CB shall be sent to the Debenture Holders on the Relevant Payment Date by e-mail;

(m) Execution of Transaction Documents

in the event of any delay in the execution of any Transaction Document, the Company will, at the option of the Debenture Holders, either:

(i) refund the Application Money as set out in this Deed to the Debenture Holders; or

(ii) pay to the Debenture Holders additional interest (over and above the applicable Interest Rate) at the rate of 2% (two percent) per annum charged on the Outstanding Principal Amounts in addition to the Interest Rate till such Transaction Document is duly executed;

(n) Assistance to Debenture Holders

the Company hereby unconditionally undertakes, agrees and confirms that if at any time, the subscription of the Debentures by any Debenture Holder(s) no longer complies with Applicable Law (including the regulatory framework applicable for investments in corporate debt by foreign portfolio investors, or where the continued subscription of the Debentures by any Debenture Holder(s) would result in a breach of

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	Applicable Law (including the regulatory framework applicable for investments in corporate debt by foreign portfolio investors, the Company will provide all such assistance as may be required by any Debenture Holder(s) and/or the Debenture Trustee in seeking and procuring the approval from the RBI or SEBI, if so required, to take such action as may be required by the relevant Debenture Holder(s) (including to sell or transfer the Debentures to any domestic investor) within the time period and in such form and manner as may be agreed between such Debenture Holder(s) and the Company; and (o) Client Protection Pathway the Company shall endorse and implement the core principles of the new Client Protection Pathway within a reasonable timeframe by joining the Client Protection Pathway.
Negative Covenants	(a) Change of business/Constitutional Documents (i) Change the general nature of its business from that which is permitted as a non-banking financial company registered with the RBI. (ii) Any changes to its Constitutional Documents (including a reduction of its authorized capital) that may have a Material Adverse Effect. (b) Dividend Declare or pay any dividend to its shareholders during any Financial Year unless it has paid or made arrangements to pay (to the satisfaction of the Debenture Trustee) all the dues to the Debenture Holders/ Debenture Trustee up to the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions thereof. (c) Merger, consolidation, etc. Undertake or permit any merger, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction. (d) Change of control

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	(i) Issue any additional shares or equity interests; or (ii) have its existing shares or equity interests transferred, sold, pledged or otherwise encumbered, if such action results in the owners or holders of such existing shares and equity interests (as of the Deemed Date of Allotment) having less than 51% (fifty one percent) of the total voting power and economic interests in the Company.
	(e) Key Shareholders Permit the existing shares or equity interests of the Key Shareholder in the Company as on the Effective Date to be transferred, sold, pledged or otherwise encumbered if such action would result in any change in the shareholding of Mr. Sanjay Sharma (being, as on the Effective Date of 3.08% (three decimal zero eight percent) of the shareholding of the Company).
	(f) Disposal of Assets Sell, transfer, or otherwise dispose of in any manner whatsoever any material Assets 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 any securitization/portfolio sale of assets undertaken by the Company in its ordinary course of business.
	(g) Maximum Principal Outstanding Provide any Obligor any financial assistance from the proceeds of the Issue where the principal amount exceeds the INR equivalent of EUR 100,000 (Euros One Hundred Thousand) determined on the basis of the currency conversion rates prevailing at the time of the providing of the aforementioned financial

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	assistance. (h) <i>Anti-money laundering and exclusion list</i> Permit any of the Debenture proceeds to be used to fund: (i) any form of violent political activity, terrorists or terrorist organizations, nor any money laundering process or scheme to disguise illegally obtained funds, nor any other criminal activity including arms sales, drug trafficking, robbery, fraud or racketeering; or (ii) any activity on the Exclusion List. (i) <i>Exclusion List and Objectionable Practices</i> Without prejudice to sub-Clause (g) above, the Company shall not perform or involve in any of the excluded activities as listed in the Exclusion List or finance any person or obligor performing any of the excluded activities as listed in the Exclusion List. Further, the Company shall not engage in any Objectionable Practice, nor authorize or permit any other person acting on its behalf or on behalf of such person to do so. (j) <i>OFAC List and Sanctions</i> Neither the Company nor any other person benefiting in any capacity, either directly or indirectly, in connection with or from this Deed and/or any instruments and/or payments thereunder is included in any OFAC List or otherwise the subject or target of any Sanctions, to the extent applicable. The Company shall not, and shall require that none of its borrowers engage in any transaction, activity or conduct that would violate any Sanctions. The Company shall not use all or any part of the proceeds of the Issue for any purpose that would be in breach of any Sanctions. The Company shall require that none of its borrowers to whom any debt was made
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	available by the borrower utilising the proceeds of the Issue use all or any part of such debt for any purpose that would be in breach of any Sanctions. (k) Related Party Transactions Enter into any transaction in the nature of loans or advances to a Related Party or provide any guarantee for any indebtedness of a Related Party. Without prejudice to the foregoing, the Debenture Trustee shall be granted access to any additional information that it deems necessary to monitor and evaluate any transactions entered into by the Company with any Related Party.
Events of Default	(a) Payment Defaults The Company does not pay on any Due Date any amount payable pursuant to this Deed and the Debentures at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 3 (three) Business Days of the relevant Due Date. (b) Insolvency / Inability to Pay Debts The Company is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Indebtedness. (c) Business The Company without obtaining the prior consent of the Special Majority Debenture Holders ceases to carry on its business or gives notice of its intention to do so. (d) Financial Covenants The Company breaches one (or more) of the financial covenants prescribed in Clause 9.3

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(Financial Covenants) and such breach continues un-remedied for a period of 30 (thirty) days from the date of occurrence, unless waived by the Debenture Trustee (with the prior consent of the Majority Debenture Holders) by way of a written intimation.

(e) **Misrepresentation**

Any representation or warranty made by the Company in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Company proves to have been incorrect, false or misleading in any material respect when made or deemed to be made.

(f) **Material Adverse Effect**

There shall have occurred a change in the business, operations, property, Assets, liabilities, condition (financial or otherwise) or prospects of the Company since the Effective Date that has resulted in a Material Adverse Effect.

(g) **Cross Default**

The Company:

- (i) defaults in any payment of any Indebtedness beyond the grace period (not to exceed 30 (thirty) days), if any, provided in the instrument or agreement under which such Indebtedness was created;
- (ii) defaults in the observance or performance of any agreement or condition relating to any Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition

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	is to cause or to permit the holder or holders of such Indebtedness to cause (determined without regard to whether any notice is required) any such Indebtedness to become due prior to its stated maturity; or (iii) any Indebtedness shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof. (h) <i>Liquidation/Insolvency or Dissolution of the Company / Appointment of Receiver or Liquidator or Resolution Professional</i> Any corporate action, legal proceedings or other procedure or step is taken in relation to: (i) the suspension of payments, a moratorium of any Indebtedness, winding-up, dissolution, bankruptcy administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company; (ii) a composition, compromise, assignment or arrangement with any creditor of the Company; (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, resolution professional, compulsory manager or other similar officer in respect of the Company; (iv) any reference or enquiry or proceedings commenced against the Company, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation,
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	under 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");
	(v) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 read together with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time, or under any other Applicable Law, in respect of the Company;
	(vi) enforcement of any security over any Assets of the Company or any analogous procedure or step is taken in any jurisdiction; or
	(vii) any other event occurs or proceedings are commenced under any Applicable Law that would have an effect analogous to any of the events listed in sub-Clauses (i) to (vi) above.
	(i) Creditors' Process Any expropriation, attachment, garnishee, sequestration, distress or execution affects any Asset or Assets of the Company having an aggregate value of 10% (ten percent) of the Total Assets of the Company and is not discharged within 30 (thirty) calendar days or as otherwise provided in any order of any competent court or tribunal relating to the aforementioned actions.
	(j) Judgment Defaults One or more judgments or decrees entered against the Company involving a liability (not paid

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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 for any period of 30 (thirty) consecutive calendar days.

(k) **Transaction Documents**

This Deed or any other Transaction Document (in whole or in part), is terminated or ceases to be effective or ceases to be a legally valid, binding and enforceable obligation of the Company.

(l) **Unlawfulness**

It is or becomes unlawful for the Company to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Company under any Transaction Document are not or cease to be valid, binding or enforceable.

(m) **Repudiation**

The Company repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.

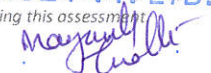
(n) **Failure to Comply; Breach of Terms**

- (i) The Company fails to comply with, or breaches any term of, any Transaction Document (other than (a) to (m) above); and

such failure to comply or breach, if capable of being cured in the opinion of the Debenture Trustee (acting on the instructions of the Debenture Holders), is not cured within 5 (five) Business Days of occurrence or such other time period that may be prescribed by the Debenture Trustee (acting on the instructions of the Debenture Holders).

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Reporting Covenants	The Company shall provide or cause to be provided to the Debenture Trustee and to the Debenture Holders (including on any online reporting platform notified by the Debenture Trustee or any Debenture Holder), in form and substance reasonably satisfactory to the Debenture Trustee, each of the following items: (o) As soon as available, and in any event within 180 (one hundred and eighty) calendar days after the end of each Financial Year of the Company: (i) certified copies of its audited consolidated and non-consolidated (if any) financial statements for its most recently completed fiscal year, prepared in accordance with Applicable Accounting Standards including its balance sheet, income statement and statement of cash flow. All such information shall be complete and correct in all material respects and shall fairly represent the financial condition, results of operation and position on cash and cash equivalents and a list comprising all material financial liabilities of the Company whether absolute or contingent as of the date thereof; and (ii) such additional information or documents as the Debenture Trustee may reasonably request. (p) As soon as available and in any event within 30 (thirty) Business Days of the Commencement Date, if not otherwise provided in accordance with this Clause 9.4, audited, consolidated and non-consolidated (if any) financial statements of the Company, for its most recently completed Financial Year, prepared in accordance with Applicable Accounting Standards including its balance sheet, income statement and statement of cash flows. (q) As soon as available, and in any event within 30 (thirty) calendar days after the end of each fiscal
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quarter of the Company certified copies of its unaudited consolidated and non-consolidated (if any) financial statements for its most recently completed Financial Year, prepared in accordance with Applicable Accounting Standards including its balance sheet, profit and loss account, income statement and statement of cash flow. All such information shall be complete and correct in all material respects and fairly represent the financial condition, results of operation and position on cash and cash equivalents and a list comprising all material financial liabilities of the Company whether absolute or contingent as of the date thereof.

- (r) As soon as practicable, and in any event within 5 (five) Business Days after the Company obtains or reasonably should have obtained actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect.
- (s) As soon as practicable, and in any event within 5 (five) Business Days after the Company obtains or reasonably should have obtained actual knowledge thereof, notice of any dispute, litigation, investigation or other proceeding affecting the Company or its property or operations, which, if adversely determined, could result in a Material Adverse Effect.
- (t) As soon as practicable, and in any event within 5 (five) Business Days after the Company obtains or reasonably should have obtained actual knowledge thereof obtains or reasonably, notice of the occurrence of any Event of Default or potential Event of Default.
- (u) As soon as practicable, and in any event within 5 (five) Business Days after the Company receives a notice of any intention of voluntary prepayment of any Indebtedness of an amount aggregating to or exceeding 5% (five percent) of the Total Liabilities by the Company.

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	(v) As soon as practicable, and in any event within 5 (five) Business Days after such prepayment, notice of any Indebtedness declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof. (w) As soon as practicable, and in any event within 5 (five) Business Days after such default, notice of any default in the observance or performance of any agreement or condition relating to any Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Indebtedness to cause (determined without regard to whether any notice is required) any such Indebtedness to become due prior to its stated maturity. (x) As soon as practicable, and in any event within 15 (fifteen) calendar days, inform the Debenture Trustee if it has received (i) any notice of any application for winding up or insolvency process or any statutory notice of winding up or insolvency process under the provisions of the Act or any other Applicable Law (including the (Indian) Insolvency and Bankruptcy Code, 2016, the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time), or (ii) any other notice under any other statute relating to the commencement/initiation of winding up or insolvency process or otherwise of any suit or other legal process against the Company. (y) As soon as available and in any event within 30 (thirty) calendar days after the end of each calendar month, a list comprising all material financial liabilities of the Company whether absolute or contingent as of the date thereof
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For **AYE FINANCE PVT. LTD.**

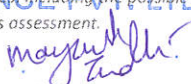
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	required and in form and substance satisfactory to the Debenture Trustee. (z) As soon as practicable and in any event within 30 (thirty) calendar days from the end of each fiscal quarter, deliver to the Debenture Trustee such figures and results necessary for the Debenture Trustee or the Debenture Holders to determine the fulfillment of the financial covenants specified in Clause 9.3 (<i>Financial Covenants</i>) above. (aa) As soon as practicable and in any event within 30 (thirty) calendar days of receipt of a request, such additional documents or information as the Debenture Trustee or the Debenture Holders, may reasonably request from time to time. (bb) As soon as practicable and in any event within 30 (thirty) calendar days from the end of every calendar month, a monthly financial statement including a short balance sheet, a profit and loss account, key operational information and key portfolio data in the format prescribed by the Debenture Trustee (acting on the instructions of the Debenture Holders) from time to time (the "Reports"). (cc) As soon as practicable and in any event within 30 (thirty) calendar days from the end of every calendar month, a report certifying the calculation of financial covenant ratios set forth in Clause 9.3 (<i>Financial Covenants</i>) in the format prescribed by the Debenture Trustee (acting on the instructions of the Debenture Holders) from time to time (the "Covenant Reports"). (dd) As soon as practicable and in any event within 6 (six) months from the Deemed Date of Allotment, the "Alinus" social performance questionnaire in the format prescribed by the Debenture Holders, and subsequently not earlier than 6 (six) months and no later than 12 (twelve) months from the date on which the previous questionnaire has been completed and provided, an updated
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	"Alinus" social performance questionnaire in the format prescribed by the Debenture Holders at least once each Financial Year. (ee) The Company hereby authorizes the Debenture Holder to institute an audit on the Company at the Debenture Holder's cost, provided such audit and request for information does not interfere with the operations of the Company. The Company agrees to render reasonable assistance at its own cost to any enquiry, evaluation and/or audit performed by persons or institutes indicated by the Debenture Holder on behalf of any Governmental Authority having jurisdiction over the Debenture Holder. The Debenture Holder shall notify the Company in writing if and when such an audit will take place. The findings of the audit will be discussed with the Company before finally being recorded in a report.
Financial Covenants	• The capital adequacy ratio as per applicable regulations and as prescribed by RBI from time to time • Adjusted Solvency Ratio (including 100% Risk Coverage Adjustment on PAR90): >20%; • PAR90 +: <12% until Sep-22, <10% until Dec-22 and < 8% thereafter • Write Off Ratio TTM: < 8% until Sep-22 , <6% until Dec-22 and 4% thereafter • Short FX position <20% • Open Asset Ratio < 20% For the purpose of aforementioned Financial Covenants, following terms shall have the following meanings: Capital Adequacy Ratio means the capital adequacy ratio prescribed by the RBI from time to time. Adjusted Solvency Ratio means the ratio obtained by dividing (a) the aggregate of the Equity, the Subordinated Debt minus Loan Loss Allowance to a minimum of 100% (one hundred percent) of the Portfolio at Risk Over 90 Days of the Company, by (b) Total Assets minus adjustment for Loan Loss Allowance to a minimum of 100% (one hundred percent) of the Portfolio at Risk Over 90 Days of the Company, multiplied by 100 and followed by the "%" symbol. PROVIDED THAT if the Loan Loss Allowance is more that 100% (one hundred percent) of the Portfolio at Risk Over 90 Days of the Company, no adjustment as set out in (b) above will be made.

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Risk Coverage Adjustment means the additional provisioning expense amount that would be required to bring the Risk Coverage to hundred percent (100%). If the Risk Coverage Ratio is at hundred percent (100%) or above, the adjustment is Zero.

Risk Coverage Ratio means Loan Loss Reserve divided by aggregate of Portfolio at Risk and Restructure Loans

Loans Loss Reserves means the provisions created by the Borrower on its balance sheet as an allowance for losses on outstanding loan balances

Net Income means, for any particular period and with respect to the Company, all revenue (including donations and grants) less all expenses (including taxes, if any for such period) calculated in accordance with Applicable Accounting Standards.

Net Worth has the meaning given to it in the Act.

Off Balance Sheet Portfolio means the outstanding principal balance of all Client Loans securitized, assigned, originated on behalf of other institutions otherwise sold off in respect of which the Company has provided credit enhancements in any form or manner whatsoever, excluding interest receivables and accrued interest.

Open Asset Ratio (From April 2022) means the ratio of (a) the (i) aggregate of the Portfolio at Risk Over 90 Days and Restructured Loans, less the (ii) Loan Loss Allowance of the Company, to (b) the aggregate of the Subordinated Debt and Equity, multiplied by 100, and followed by the "%" symbol.

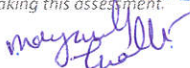
Open Asset Ratio (Until March 2022) means the ratio of (a) the (i) aggregate of the Portfolio at Risk Over 90 Days and Restructured Loans (other than any loans granted by the Company that have been restructured/rescheduled pursuant to the Restructuring Directions (COVID-19) or the Moratorium Directions (COVID-19)), less the (ii) Loan Loss Allowance of the Company, to (b) the aggregate of the Subordinated Debt and Equity, multiplied by 100, and followed by the "%" symbol.

PAR Ratio Over 90 Days means the result obtained by dividing Portfolio at Risk Over 90 Days and all Restructured Loans by Total Loans, multiplied by 100 and followed by the "%" symbol.

Portfolio at Risk Over 90 Days means the outstanding principal amounts of all Client Loans that have one or more installments of principal, interest, penalty interest, fees or any other expected payments past due more than 90 (ninety) days including all restructured loans (whether or not in arrears).

Restructured loans means means the sum of the gross book value of every loan granted by the Borrower that (i) under local regulations should

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be classified as restructured and/or (ii) has been rescheduled or restructured, and/or (iii) has a repayment schedule which has been altered due to a deterioration in the repayment capacity of its borrower.

Excluded from Restructured Loans are (i) Restructured Loans that are classified as Portfolio at Risk (to avoid double counting) and (ii) any Restructured Loan that has made on-time repayments for at least three (3) consecutive months (or longer as stipulated in local regulations) – these loans can be classified as current/performing;

Return on Assets means, as on any day of any month (a) the ratio of the Net Income of the Company to Average Assets, for the time period between the 1st (first) day of the Financial Year and the last day of such month of that Financial Year (as on the date of determination), both inclusive, multiplied by (b) the Annualization Factor.

Short Foreign Currency Ratio means the ratio of (a) the Total Foreign Currency Denominated Liabilities less the Total Foreign Currency Denominated Assets, to (b) Equity, multiplied by 100, and followed by the "%" symbol. It is clarified that where the calculation under (a) above results in a negative amount, such amount will be considered as "0" for the purposes of calculating the Short Foreign Currency Ratio.

Total Assets means, for any date of determination, the total Assets of the Company on such date.

Total Foreign Currency Denominated Assets means the aggregate amount of all assets of the Company denominated in Foreign Currency.

Total Liabilities means, for any date of determination, the total Liabilities of the Company on such date.

Total Loans means the outstanding aggregate principal amount of all Client Loans and other credit facilities provided by the Company, including the Off Balance Sheet Portfolio.

Written Off Loans means the total amount of Client Loans written off during a period by removing the outstanding balance of the loan from Total Loans and from the Loan Loss Allowance when these loans are recognized as uncollectable.

Write Off Ratio means the sum of Written Off Loans in a TTM as a percentage of the average Outstanding Portfolio for the corresponding period, multiplied by 100 and followed by the "%" symbol.

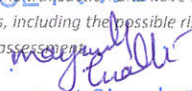
Total Foreign Currency Denominated Liabilities means the aggregate amount of all liabilities of the Company denominated in Foreign Currency.

All covenants would be tested on a quarterly basis for the Company i.e. as on 31st March, 30th June, 30th September and 31st December every year starting from [31st March 2022] on a consolidated and standalone balance

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	sheet till the redemption of the Debentures.The covenants shall be certified by the Company within 45 (forty-Five) calendar days from the end of each quarter.						
Additional Covenants	The Company shall deliver to the Debenture Trustee duly filled post-dated cheques or undated cheques in favour of the Debenture Trustee for all Instalments.						
Restrictions on Dilution of Stake by Key Shareholders							
Each of the persons mentioned below (collectively "Key Shareholders") shall not transfer or encumber the shares of the Borrower held by them respectively without the prior written consent of the Lender.							
Any change in the stake of the Key Shareholders in the Borrower below the existing level set out in the following table shall require prior written consent of the Lender.							
<table><tr><td>Name</td><td>Type Of Shareholding</td><td>Existing % Stake (Fully Diluted)</td></tr><tr><td>Sanjay Sharma</td><td>Ordinary Equity</td><td>3.08%</td></tr></table>		Name	Type Of Shareholding	Existing % Stake (Fully Diluted)	Sanjay Sharma	Ordinary Equity	3.08%
Name	Type Of Shareholding	Existing % Stake (Fully Diluted)					
Sanjay Sharma	Ordinary Equity	3.08%					
Transaction documents	Debenture Trust Deed, Resolutions, the letters issued by the Rating Agency and the Registrar and all other documents in relation to the issuance of the Debentures. Disclosure Documents means collectively, a. the debt disclosure document to be issued by the Issuer in terms of regulations of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (if applicable); and b. private placement offer letter to be issued by the Issuer in terms of section 42 (<i>Offer or invitation for subscription of securities on private placement</i>) of the Companies Act, 2013. Resolutions means collectively, a. special resolution of the shareholders of the Company under Section 180(1)(a) of the Companies Act, 2013; b. special resolution of the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013; 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.						
Other Costs & Conditions	The Issuer shall bear the costs and expenses incurred in connection with the transactions contemplated hereby including stamp duty and registration fee (if applicable) on the Transaction Documents (and the Debentures), appointment of the Debenture trustee, legal advisors						

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	expenses and expenses incurred in the preparation for the Transaction Documents.
Governing Law and Jurisdiction	Indian Law with jurisdiction of the courts and tribunals of New Delhi.

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Schedule 1

Redemption Schedule

Northern Arc Capital Limited

Redemption Instalments	Redemption Date	Interest per Debenture (in INR)	Amount to be redeemed per Debenture (in INR)
1	15 September 2022	619	-
2	15 March 2023	563	-
3	15 September 2023	572	-
4	15 March 2024	565	-
5	15 September 2024	571	-
6	15 March 2025	562	10,000.00

Triple Jump

Redemption Instalments	Redemption Date	Interest per Debenture (in INR)	Amount to be redeemed per Debenture (in INR)
1	15 September 2022	619	-
2	15 March 2023	563	-
3	15 September 2023	572	-
4	15 March 2024	565	-
5	15 September 2024	571	-
6	15 March 2025	562	10,000.00

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