

SECTION 8 SUMMARY OF TERMS

The following term sheet summarizes the principal items with respect to the financing facility to be provided to Electronica Finance Limited (“**Borrower**” or “**Company**”) by the Investor for for ongoing business operations of the Company.

For the avoidance of the doubt, except as specifically stated, this term sheet does not attempt to describe all terms and conditions of the transaction contemplated herein. The term sheet is intended to outline certain basic terms around which transaction could be structured. All proposed terms and conditions are subject to execution of mutually satisfactory transaction documents, satisfactory legal, technical & financial diligences, meeting of stipulations as contained herein etc.

Security Name (Name of the non-convertible securities which includes (Coupon/ dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015.	12.90% Electronica Finance Limited 2029
Issuer / Company	Electronica Finance Limited (“Company”/ “Issuer”)
Type of Instrument	Unsecured, Rated, Subordinated Listed, Taxable, Transferable, Redeemable, Non-Convertible Debentures (“Debentures” / “NCDs”)
Nature of Instrument (Secured or Unsecured)	Unsecured
Seniority (Senior or Subordinated)	Subordinated
Mode of Issue	Private placement
Promoter & Promoter Companies	<ul style="list-style-type: none"> • Electronica Industries Limited • Mugdha Investment & Finance Private Limited and • Such other Promoters as defined under Companies Act, 2013 and the SEBI Regulations.
Eligible Investors	<p>The following class of Investors are eligible to participate in the offer (being “Eligible Investors”):</p> <p>a) Qualified Institutional Buyers (QIBs) as defined under Regulation 2 (ss) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 dated September 11, 2018, “Qualified Institutional Buyers” means</p> <ol style="list-style-type: none"> i. A mutual fund, venture capital fund, Alternative Investment Fund and Foreign Venture Capital Investor registered with SEBI. ii. Foreign portfolio investor other than individuals, corporate bodies and family offices; iii. a Public Financial Institution; iv. a Scheduled Commercial Bank; v. a multilateral and bi-lateral development financial institution; vi. a State Industrial Development Corporation; vii. An insurance Bank registered with Insurance Regulatory and Development Authority of India; viii. A Provident Fund with minimum corpus of Rs.25 Crore Rupees ix. A Pension Fund with minimum corpus of Rs.25 Crores x. National Investment Fund set up by resolution No: F.No.2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; xi. An insurance fund set up and managed by Army, Navy / Air force of the Union of India; xii. Insurance funds set up and managed by the Department of Posts, India; and xiii. Systemically, important Non- Banking Financial Companies <p>b) Any Non-QIB person/ entity that is eligible to invest in NCDs/ debentures as per the concerned guidelines and regulations and permitted under Applicable Laws.</p>

	<p>The advisor(s)/ arranger(s)/ placement agent(s), broker(s) associated with the Issue and/or their affiliates/ subsidiaries/ associates/ group companies and/or their promoters/ directors/ key managerial personnel/ officers/ employees may subscribe to the Issue as the applicable laws including but not limited to (i) SEBI (Merchant Bankers) Regulations, 1992 and Code of Conduct specified therein; (ii) Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and Code of Conduct specified therein, as applicable, do not restrict them from subscribing to the Issue.</p> <p>Note: Participation by Eligible Investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.</p>
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	<ol style="list-style-type: none"> 1) The NCDs are proposed to be listed on the WDM of the BSE. The NCDs shall be listed within 3 (Three) working days from the Issue Closure Date ("Listing Period"). 2) The Issuer shall ensure that the NCDs continue to be listed on the wholesale debt market segment of the BSE. 3) In the event there is any delay in listing beyond the Listing Period, the Issuer will: <ul style="list-style-type: none"> • Pay to the NCDs Holders, a penal interest of 1% (One Percent) p.a. over the applicable Coupon Rate from the Deemed Date of Allotment until the listing of the NCDs is completed; and • Be permitted to utilize the issue proceeds of its 2 (two) subsequent privately placed issuances of securities only after receiving final listing approval from the stock exchange(s).
Rating of the Instrument (Rating)	<p>"IND A- /Stable" (Pronounced as Single A minus with Stable Outlook) by India Ratings and Research Private Limited.</p> <p>The Issuer/Investor(s) reserves the right to obtain an additional credit rating from any SEBI registered Credit Rating Agency for full or part of the issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating to the issue.</p>
Credit Rating Agency(ies)	India Ratings and Research Private Limited.
Issue Size	Upto Rs. 20,00,00,000/- (Rupees Twenty Crores only) plus green-shoe option of Rs. 20,00,00,000/- (Rupees Twenty Crores only)
Minimum Subscription	The minimum application size for the Issue shall be 100 (One Hundred) NCDs and in multiples of 1 (One) Debenture thereafter.
Option to retain oversubscription(Amount)	Not Applicable
Objects of the Issue / Purpose for which there is requirement of funds	<p>The Company desires to raise Tier II capital to maintain the Company's Capital Adequacy Ratio at a comfortable level above the minimum required to be maintained as per applicable guidelines. Accordingly the 100% of issue proceeds will enhance capital adequacy of the Company from the present level requirements and finance the asset growth of the Company</p> <p>The Issuer further undertakes that it shall not carry-out any other activities as may be prohibited by RBI and / or such other regulators as may be applicable from time to time</p>
In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group Issuer' then disclosures shall be made in the following format:	Not Applicable

Details of the utilization of the Proceeds	<p>The Company desires to raise Tier II capital to maintain the Company's Capital Adequacy Ratio at a comfortable level above the minimum required to be maintained as per applicable guidelines. Accordingly the 100% of issue proceeds will enhance capital adequacy of the Company from the present level requirements and finance the asset growth of the Company</p> <p>The Issuer further undertakes that it shall not carry-out any other activities as may be prohibited by RBI and / or such other regulators as may be applicable from time to time.</p>
Coupon Rate	12.90% (Twelve decimal Nine Zero Percent) per annum payable monthly on Coupon Payment Date(s).
Coupon Payment Frequency	Monthly and on Final Redemption Date
Coupon Payment Date(s)	<p>The Coupon shall be payable on a monthly basis at the end of each month starting from April 30, 2024 and on the Final Redemption Date (subject to the Business Dayconvention).</p> <p>The Coupon Payment Dates are specifically set out in Annexure X hereto.</p>
Cumulative / non-cumulative, in case of dividend	Not Applicable
Coupon Type / Coupon Rate Paramter(Fixed, floating or other structure)	Fixed
Coupon Rate Reset Date(s)	Not Applicable
Coupon Reset Process/ Spread Reset Process (including rates, spread, effective date, interest rate cap and flooretc.).	Not Applicable
Day Count Basis (Actual/Actual)	Actual/Actual basis.
Interest on Application Money	At the Coupon rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque(s)/ demand draft(s)/ RTGS up to one day prior to the Deemed Date of Allotment. Where pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid.
Default Interest Rate/ Additional InterestRate	<p>Without prejudice to any other rights and remedies available to the DebentureTrustee (including the right to call an Event of Default):</p> <p>a) If, at any time, a Payment Default occurs, the Issuer agrees to pay an additional coupon of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the NCDs (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such a Payment Default until such Payment Default is cured or the Debentures are fully repaid.</p> <p>b) In case delay in execution of Debenture Trust Deed (DTD) within requisite timelines, then the Issuer shall pay additional coupon at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the NCDs (including the Outstanding Principal Amounts and any accrued interest) from the Issue Closure Date until such time DTD is executed.</p> <p>c) If, at any time, any other Event of Default occurs, breach of any terms, covenant (not limited to Financial Covenant/s, Holding & Management Covenant/s & Rating Covenant/s), obligation, representation or warranty of the Issuer and any other obligations of the Issuer under the Transaction Documents, the Issuer agrees to pay an additional coupon of 2% per annum over and above the applicable Coupon Rate on all amounts outstanding under the NCDs (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such a breach/default, until the Debentures are fully redeemed or till the covenants criteria has been replenished.</p>
Tenor	66 (Sixty-Six) months from the Deemed Date of Allotment

Redemption Schedule & Amount	Bullet, at par
Redemption Date	September 26, 2029
Redemption Premium/ Discount	Not Applicable
Issue price	Rs. 1,00,000/- (Rupees One Lakh Only) Per Debenture
Discount at which security is issued and the effective coupon as a result of such discount.	Not Applicable
Put Option	NA
Put Option Date	NA
Put Option Price	NA
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	NA
Call Option	NA
Call Option Date(s)	NA
Call Option Price	NA
Call Notification Time (Timelines by which the investor need to intimate Issuer before exercising the call)	NA
Face Value	Rs. 1,00,000/- (Rupees One Lakh Only) per Debenture
Minimum application and multiples of Debt securities thereafter	The minimum application size for the Issue shall be 100 (One Hundred) NCDs and in multiples of 1 (One) Debenture thereafter.
Issue Timing	
1. Issue Opening Date	March 22, 2024
2. Issue Closing Date	March 22, 2024
3. Date of earliest closing of the issue, if any.	N.A
4. Pay-in Date	March 26, 2024
5. Deemed Date of Allotment	March 26, 2024
Settlement Mode of the Instrument	All interest, principal repayments, penal interest and other amounts, if any, payable by the Issuer to the Debenture Holders shall be paid to the Debenture Holders by electronic mode of transfer like RTGS/NEFT/direct credit to such bank account within India as the Debenture Holders' inform the Issuer in writing and which details are available with the Registrar.
Issuance mode of the Instrument	On a Private Placement basis on a dematerialized form
Trading mode of the Instrument	Dematerialized form
Depository	NSDL and CDSL
Disclosure of Interest/Dividend/redemption dates	Please refer Annexure X for the indicative cash flows.

Record Date	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the 25th calendar date of every month.
All covenants of the Issue (including sideletters, accelerated payment clause etc.)	As mentioned in the Placement Memorandum
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Placement Memorandum.	The NCDs are subordinated and unsecured in nature.
Transaction Documents	The Issuer has executed/shall execute the documents including but not limited to the following, as required, in connection with the Issue as per latest SEBI guidelines/ Companies Act 2013 (as applicable) for issuance of NCDs through private placement: <ul style="list-style-type: none"> a. Debenture Trustee Agreement b. Debenture Trust Deed c. Placement Memorandum / Information Memorandum d. Private Placement Offer Letter (Form PAS-4) e. Such other documents as agreed between the Issuer and the Debenture Trustee
Conditions Precedent to Disbursement	<ul style="list-style-type: none"> a. Execution of the Transaction Documents; b. Due diligence certificate (Annexure A) issued by the Debenture Trustee in accordance with the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218) c. Rating Rationale and press release from the Credit Rating Agency; d. Rating Letter from the Credit Rating Agency e. Debenture Trustee Consent Letter; f. BSE in-principal approval g. A certified copy of the resolution of the Issuer's board of directors authorizing the issuance of the Debentures to be provided prior to the Deemed Date of Allotment h. A certified copy of the resolution of the shareholders of the Issuer under Sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013 to be provided prior to the Deemed Date of Allotment; i. A certified copy of resolution of the shareholders of the Issuer under Section 42 of the Companies Act, 2013 j. Duly completed certified/ self-attested KYC Documents of the Issuer (PAN, Address Proof, LEI Registration Number) and the Authorized Signatories of the Issuer who are executing the Transaction Documents; k. A certificate issued by the statutory auditor of the Issuer/ independent chartered accountant, prior to the Deemed Date of Allotment confirming that issuance of the Debentures would not cause any borrowing, or similar limit binding on the Issuer to be exceeded;; l. Duly certified true copy of Memorandum and Articles of Association of the Issuer along with the Certificate of Incorporation and RBI Registration Certificate. m. The Issuer to provide a management undertaking that all the borrowing facilities of the Issuer are standard in nature, the Issuer has not defaulted in making any payments in respect thereto and the Issuer has obtained all regulatory and statutory consents to issue Debentures and complied with all applicable guidelines.
Conditions Subsequent to Disbursement	The Issuer shall fulfill the following conditions subsequent, to the satisfaction of the Debenture

	<p>Trustee, pursuant to the Deemed Date of Allotment:</p> <ol style="list-style-type: none"> a. Receipt of Due diligence certificate (Annexure B) issued by the Debenture Trustee in accordance with the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218) b. The Issuer shall ensure that the NCDs are credited into the beneficial owner account(s) of the NCDs within 2 (Two) Business Days from the relevant Deemed Date of Allotment; c. The Issuer will ensure listing of NCDs on the BSE within 3 (Three) working days from the Issue Closure Date; d. The Issuer shall file a copy of Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the relevant registrar of companies within 15 days from the Deemed Date of Allotment; e. The Issuer shall provide the details on utilisation of funds raised through the issue of NCDs duly certified by the Issuer's statutory auditor/Independent Chartered Accountant to the Debenture Trustee within stipulated timelines. f. Execution of any other documents as the Debenture Trustee may require
<p>Representation & Warranties</p>	<p>The Issuer declares, represents and warrants to the Debenture Trustee and the Debenture Holders, as follows which representations and warranties shall be made as on the date of the Transaction Document and shall be deemed to be repeated on each date until the Final Settlement Date:</p> <ol style="list-style-type: none"> 1. Status <ol style="list-style-type: none"> a. The Issuer has been duly incorporated, organized and is validly existing, under applicable law. b. The Issuer is a non-banking financial company registered with the RBI or such other regulatory authority (if applicable) and such registration is valid and subsisting; c. The Issuer has the corporate power, authority and all material permits, approvals, authorizations, licenses, registrations, and consents including registrations, to own and operate its assets and to carry on its business in substantially the same manner as it is currently conducted. 2. Binding Obligations <ol style="list-style-type: none"> a. The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations. 3. Non-conflict with other obligations <p>The entry into and performance by the Issuer of, the transactions contemplated by the Transaction Documents do not and will not conflict with:</p> <ol style="list-style-type: none"> a. any Applicable Law (including, without limitation, any laws and regulations regarding anti-money laundering or terrorism financing, and similar financial sanctions); b. its constitutional documents; c. any agreement or instrument binding upon it or any of its assets, including but not limited to any terms and conditions of the Financial Indebtedness availed of by the Issuer. 4. Power and authority <p>It has the power to issue the NCDs and enter into, performs and delivers, and has taken all necessary action to authorize its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.</p>

5. Validity and admissibility in evidence

All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:

- a. to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
- b. to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- c. for it to carry on its business, and which are material, have been obtained or effected and are in full force and effect

6. No default

- i. No Event of Default or potential event of default has currently occurred and is continuing or would be expected as a result from the execution or performance of any Transaction Documents or the issuance of the Debentures.
- ii. No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Issuer or any of its Assets or which might have a Material Adverse Effect.

7. Pari-Passu Ranking

- i. Each Debenture issued by the Issuer will constitute direct, subordinated obligations of the Issuer. The claims of the Debenture Holders shall be akin to the claims of subordinated investors / lenders and shall rank pari-passu to subordinated indebtedness of the Issuer.
- ii. 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.

8. Legal / Litigation Matters

- i. There are no claims, investigations or proceedings before any court, tribunal or governmental authority in progress or pending against or relating to the Issuer, which would have a Material Adverse Effect.
- ii. There are no unfulfilled or unsatisfied judgments or court orders in respect of the Issuer except those disclosed in the Annual Report.
- iii. The Issuer has not taken any action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings or no order has been passed for its winding-up, dissolution or re-organization or for the enforcement of any security over its assets or for the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, trustee or other similar officer for it or in respect of its assets.

9. No misleading information

All information provided by the Issuer to the Debenture Trustee/Debenture Holders is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated and is not misleading due to omission to state a fact or otherwise

10. Compliance; Corporate Matters

- i. The Issuer has complied with Applicable Law, including without limitation, the Securities and Exchange Board of India (Issue and Listing of Non- Convertible

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Securities) Regulation, 2021 and all other Applicable Law in respect of the issuance of the Debentures and for the performance of the Issuer of its obligations with respect to the Debentures, and to carry on its business.

- ii. There has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of any Governmental Authority issued or outstanding or to the best of the Issuer's knowledge (after making due and careful enquiry), anticipated against the Issuer which would have a Material Adverse Effect.
No notice or other communication (official or otherwise) from any Governmental Authority has been issued or is outstanding or to the best of the Issuer's knowledge (after making due and careful enquiry), anticipated with respect to an alleged, actual or potential violation and/or failure to comply with any such Applicable Law or requiring them to take or omit any action.
- iv. The Issuer shall complete all necessary formalities including all filings with and notices to the relevant regulatory authorities as may be required, including but not limited to the designated stock exchange (if applicable) and the ROC and obtain all consents and approvals required for the completion of the Issue.
- v. All legal and procedural requirements specified in the Constitutional Documents or required under the Applicable Law have been duly complied with in all respects in relation to the issue of the Debentures.
- vi. The registers and minute books (including the minutes of the board and general meetings) required to be maintained by the Issuer under Applicable Law:
 - are up-to-date and have been maintained in accordance with the Applicable Law;
 - comprise complete and accurate records of all information required to be recorded in such books and records; and
 - no notice or allegation that any of them are incorrect and/or should be rectified has been received.

11. Assets

Except for the security interests and encumbrances created and recorded with the ROC (available using CIN U74110PN1990PLC057017) on the website <http://www.mca.gov.in/MCA21/index.html> under the heading Index of Charges), the Issuer has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material Assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

12. Financial statements; Accounts and Records

- i. Its audited financial statements most recently provided to the Debenture Trustee as of March 31, 2023 were prepared in accordance with Applicable Accounting Standards consistently applied save to the extent expressly disclosed in such financial statements.
- ii. Its audited financial statements as of March 31, 2023 provided to the Debenture Trustee, give a true and fair view and represent its financial condition and operations during the Financial Year save to the extent expressly disclosed in such financial statements.
- iii. The books of accounts of the Issuer have been fairly and properly maintained, the accounts of the Issuer have been prepared in accordance with Applicable Law and the Applicable Accounting Standards, so as to give a true and fair view of the business (including the assets, liabilities and state of affairs) of the Issuer. The Issuer has a proper, efficient and effective bookkeeping and accounting system in place as well as adequate professional staff, including maintaining of accounts showing the loan drawings, payments, interest etc.

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13. Solvency

- ii. The Issuer is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended from making payments of any of its debts and it has not been deemed by a court to be unable to pay its debts for the purposes of Applicable Law, nor will it become unable to pay its debts for the purposes of Applicable Law as a consequence of entering into the Transaction Documents. The Issuer, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its Financial Indebtedness.
- iii. The value of the Assets of the Issuer is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
- iv. No insolvency or bankruptcy process has commenced under Applicable Law in respect of the Issuer (including pursuant to the IBC and the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019) as amended from time to time.
- v. No reference has been made, or enquiry or proceedings commenced, in respect of the Issuer, 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, under the Stressed Assets Framework).

14. Material Adverse Effect

- i. No Material Adverse Effect has occurred, including without limitation, in relation to the business, condition, operations, performance or prospects of the Issuer
- ii. There are no circumstances existing which could give rise, with the passage of time or otherwise, to a Material Adverse Effect.

15. Illegality

It is not illegal or unlawful for the Issuer to perform any of its obligations under the Transaction Documents.

16. Tax Laws

- i. The Issuer has complied with all the requirements as specified under the Tax laws as applicable to the Issuer in relation to returns, computations, notices and information which are, or are required to be made or given by the Issuer to any Tax authority for taxation, and for any other Tax or duty purposes, have been made and are correct.
- ii. The Issuer has not received any notice of any Tax disputes or other liabilities of Taxes in respect of which a claim has been made or notice has been issued against the Issuer except as disclosed in the Annual report.

17. No Immunity

Neither the Issuer nor any of its assets are entitled to immunity from suit, execution, attachment or other legal process in its jurisdiction of incorporation. The issuance of the Debentures (and the Transaction Documents) constitutes, and the exercise of the Issuer's rights and performance of and compliance with its obligations in relation thereto, will constitute, private and commercial acts done and performed for private and commercial purposes.

18. Confirmations pursuant to the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 2021, as amended from time to time:

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	<p>With effect from the date of filing of the draft information memorandum with the BSE, as on the date of filing of the draft information memorandum with the BSE in accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 2021:</p> <ol style="list-style-type: none"> i. the Issuer or the Promoter/ Promoter Group of the Issuer, or the directors of the Issuer have not been debarred from accessing the securities market or dealing in securities by the Securities and Exchange Board of India; ii. no Promoter of the Issuer or director of the Issuer is a Promoter or director of any another Issuer which is debarred from accessing the securities market or dealing in securities by Securities and Exchange Board of India; iii. No Promoter of the Issuer or director of the Issuer is a fugitive economic offender; and iv. No fines or penalties levied by Securities and Exchange Board of India or designated stock exchange are pending to be paid by the Issuer. <p>For the purposes of this Key Information Document /Term Sheet:</p> <p>“Material Adverse Effect” shall mean, with respect to any entity, the effect or consequence of an event, circumstance, occurrence or condition including change in credit rating/ outlook/ opinion, change in senior management team, change in board of directors’ member which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on: (i) the financial condition, business or operation of the entity which in the opinion of the Debenture Holder is prejudicial to the ability of the entity to perform its obligations under the Transaction Documents; (ii) on the rights or remedies of the Debenture Holders hereunder or under any other Transaction Documents; (iii) the ability of the entity to perform its obligations under the Transaction Documents; or (iv) the legality, validity or enforceability of any of the Transaction Documents</p> <p>“Final Settlement Date” shall mean the date on which all payments have been irrevocably discharged in full and all the Debentures have been redeemed by the Issuer in full in accordance with the terms of the Transaction Documents and the Debenture Holders have provided a written confirmation of the same to the Issuer (with a copy marked to the Debenture Trustee).</p>
<p>Affirmative and Reporting Covenants</p>	<p>The Issuer shall maintain the below mentioned covenants, during the entire tenor and till all amounts due on the NCDs are duly redeemed:</p> <ol style="list-style-type: none"> 1. Purpose Shall utilize the monies received upon subscription of the Debentures solely towards the purpose and in accordance with Applicable Law as set out in the section titled ‘Objects of the Issue / Purpose for which there is requirement of funds’. 2. Validity of Transaction Documents Ensure that the Transaction Documents shall be validly executed and delivered and will continue in full force and effect and will constitute valid, enforceable and binding obligations of the Issuer. 3. Further documents and acts Execute all such deeds, documents, instruments and assurances and do all such acts and things as the Debenture Trustee may require for exercising the rights under the Transaction Documents. 4. Make the Relevant filings with the Registrar of Companies Pursuant to the Act and the relevant rules thereunder, the Issuer undertakes to make the necessary filings of the documents mandated therein.

5. Compliance with laws

The Issuer shall comply with all Applicable Law (including, without limitation, the Act) as applicable in respect to the issuance of the Debentures, and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following

- the Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 as may be amended from time to time during the tenor of the Debentures;
- the provisions of the listing agreement entered into by the Issuer with the stock exchange in relation to the Debentures including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations),
- the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the other rules under the Act;
- Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993
- any other directions/ guidelines, notification, circular, press release issued by the applicable authority, from time to time

6. Internal Control

- maintain internal control for the purpose of preventing fraud on amounts lent by the Issuer; and
- ensure that the proceeds of the Debentures are not used for money laundering or illegal purposes;

7. Audit and Inspection

Permit visits and inspection of books of records, documents and accounts to the Debenture Trustee and representatives of the Debenture Holders as and when required by them and as and when required by the Debenture Trustee;

8. Books and Records

- maintain its accounts and records in accordance with Applicable Law and make true and proper entries therein of all dealings and transactions of and in relation to the Debentures, and the business of the Issuer; and
- provide access to relevant books of accounts, documents and records in relation to this Issue and to enter into or upon and to view and inspect the state and condition of all the together with all records, registers of the Issuer as required by the Debenture Trustee and to take copies and extracts thereof;

9. Loss or Damage by Uncovered Risks

Promptly inform the Debenture Trustee and the Debenture Holders of any loss or significant damage which the Issuer may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Issuer may not have insured its properties;

10. Costs and Expenses

Pay all reasonable 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

Electronica Finance Limited

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Pune 411004, Maharashtra (India)

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charges being approved in writing by the Issuer before they are incurred and shall not include any foreign travel costs;

11. Payments

Punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Issuer as and when such amounts are payable;

12. Preserve Corporate Status

- diligently preserve and maintain its corporate existence and status and all rights, privileges, and concessions now held or hereafter acquired by it in the conduct of its business;
- obtain, comply with and maintain all its licenses and/ or authorizations required, including without limitation, the license to conduct business, and any other rights, licenses and franchises necessary for its obligations under the Debentures and the Transaction Documents and continue to be a validly existing organization in good standing and at all times act and proceed in relation to its affairs and business in compliance with Applicable Law;
- comply with all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any Governmental Authority; and
- not do or voluntarily suffer or permitted 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;

13. Pay Stamp Duty

Pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Issuer may be required to pay according to the applicable state laws. In the event the Issuer 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 Issuer shall reimburse such amounts to the Debenture Trustee on demand;

14. Filings, Information to the Debenture Trustee

a. **Monthly Reports:** within 20 (twenty) calendar days from the end of each month:

- Information on operations, portfolio growth and asset quality and portfolio at risk data), funding data, in a format acceptable to the primary Debenture Holder.

b. **Quarterly Reports:** within 45 (Forty Five) calendar days from the end of the each financial quarter:

- Its quarterly financials along with the relevant schedules thereto of the Issuer.
- MIS on operations, Portfolio at Risk data, Restructured Portfolio, Monthly collection and monthly collection efficiency, Monthly disbursement data, in the format acceptable to the primary Debenture Holder;
- PAR & write-off report quarterly in the format acceptable to the primary Debenture Holder;
- the list of the directors on the board of directors of the Company;
- the shareholding pattern of the Issuer;
- the debt profile of the Company (including, without limitation, the non- convertible debentures issued by the Company) along with repayment terms and other details in format acceptable to primary Debenture Holder

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- Asset liability management (“ALM”) statement of the Company for such quarter and as and when required by the Debenture Holder;
 - Liquidity position of the Company at the end of such quarter, in a format acceptable to the primary Debenture Holder and as and when required by the primary Debenture Holder;
 - Certified copy of the filings/ returns filed by the Company with the RBI;
 - Information on any fraud amounting to more than 1% of Gross Loan Portfolio;
- c. **Half-Yearly Reports:** within 45 (Forty Five) calendar days from the end of the each financial half-year:
- the details of transactions with related parties and balances outstanding on a half yearly basis.
- d. **Annual Reports: within 120 (One Hundred and Twenty) calendar days from the end of each financial year:**
- i. Audited financial statements of the Company.
 - ii. A certificate from a Director/ Chief Financial Officer confirming that no Event of Default or potential Event of Default has occurred or is subsisting;
 - iii. Copy of all annual information submitted to the RBI;
 - iv. Static Pool Data
- e. **Event based Reports**
- The Issuer shall provide to the Debenture Trustee & Debenture Holder(s) information in respect of the following events forthwith and in any event not later than 7 (Seven) calendar days from the occurrence of such event:
 - i. Any change effected in shareholding structure of the company.
 - ii. Any change in the composition of the board of directors of the company;
 - iii. Any change in the Key Managerial officials/ CXO of the Company
 - iv. Any amendment to the constitutional documents of the company;
 - v. Any Material Adverse Effect;
 - vi. Any material dispute, litigation, investigation or other proceeding against the company / and/ or any notice in this regard received by the company which shall adversely affecting the business operation and / or servicing of the payment obligations;
 - vii. Resignation of the statutory auditor of the Company;
 - The Company shall provide to the Debenture Trustee & Debenture Holder(s) information in respect of the following events forthwith and in any event not later than 5 (Five) calendar day from the occurrence of such event:
 - i. Any legal proceeding/ notice instituted against/ received by the Company other than in the ordinary course of business;
 - The Company shall provide to the Debenture Trustee & Debenture Holder(s) information in respect of the following events forthwith and in any event not later than 2 (Two) calendar days from the occurrence of such event:
 - ii. Any events of default, breach of warranties or covenants set out in transaction documents of any Financial Indebtedness of the Company;
 - iii. Default in any Financial Indebtedness/ obligations to any creditors.
 - iv. Any application or petition filed for the dissolution or re-organization of the

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Company;

v. Occurrence of any Event of Default or potential Event of Default.

f. The Issuer shall cooperate with the Debenture Trustee/ Debenture Holders in connection with any assistance the Debenture Trustee/ Debenture Holders may require for the purpose of submitting information in relation to the Debentures and the Transaction Documents to any relevant information utility in accordance with the IBC, and to confirm or authenticate all filings and information sought to be uploaded, and update or modify or rectify any errors in such financial information submitted.

15. Other notification/ intimation to the Debenture Trustee:

The Issuer shall provide information to the Debenture Trustee in respect of the following promptly on the occurrence of such event:

- a. notify the Debenture Trustee in writing, of any notice of an application or petition for insolvency and/ or winding up having been made or receipt of any statutory notice of insolvency and/ or winding up under the provisions of the Act or any other notice under any other Applicable Law or otherwise of any suit or legal process intended to be filed affecting the title to the property of the Issuer;
- b. notify the Debenture Trustee in writing, if it becomes aware of any fact, matter or circumstance which would cause any of the representations and warranties under any of the Transaction Documents to become untrue or inaccurate or misleading in any respect;
- c. provide to the Debenture Trustee such further information regarding the financial condition, business and operations of the Issuer as the Debenture Trustee may request;
- d. notify the Debenture Trustee promptly of any revision in the rating or assignment of a fresh rating provided by any Rating Agency to the Debentures;
- e. The Issuer agrees that it shall forward to the Debenture Trustee promptly:
 1. a copy of the statutory auditors' and directors' annual report, balance sheet and profit and loss account and of all periodical and special reports at the same time as they are issued;
 2. a copy of all notices, resolutions and circulars relating to new issue of debt securities at the same time as they are sent to shareholders/ holders of debt securities; and
 3. a copy of all the notices, call letters, circulars, etc. of the meetings of debt security holders at the same time as they are sent to the holders of debt securities or advertised in the media.
- f. The Issuer shall forthwith provide a written intimation to the Debenture Trustee of any event which constitutes an Event of Default or which may with the expiry of time be classified as an Event of Default, specifying the nature of such event and any steps the Issuer is taking and proposes to take to remedy the same.
- g. The Issuer shall keep the Debenture Trustee and Debenture Holders informed of all the orders, directions or notices of any court or tribunal affecting or likely to affect the assets (or any part thereof) of the Issuer which is likely to

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	<p>have material adverse effect.</p> <p>h. The Issuer shall forthwith provide to the Debenture Trustee the details of any litigation, arbitration or administrative proceedings filed or initiated against which is likely to have material adverse effect.</p> <p>i. Such information as the Debenture Holders may require as to all matters relating to the business, property and affairs of the Issuer that materially impacts the interests of the Debenture Holders and provide access to relevant books of accounts, documents and records in relation to this Issue and to enter into or upon and to view and inspect the state and condition of all the assets, together with all records, registers of the Issuer including the registers relating to the assets as required by the Debenture Trustee and to take copies and extracts thereof.</p> <p>16. The Issuer hereby agrees and undertakes that the Promoter Debt if any shall at all times be contractually subordinated (in ranking and payment) to the Obligations, at any time after the occurrence of an Event of Default/ Early Redemption Event, no payments shall be made in respect of the Promoter Debt except with the express prior written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).</p> <p>For the purposes of this Placement Memorandum:</p> <p>“Financial Year” shall mean the financial year of the Issuer used for the purposes of accounting;</p> <p>“IBC” shall mean the Insolvency and Bankruptcy Code, 2016 and the rules and regulations issued in respect thereof, as the same may be amended, modified and supplemented from time to time</p> <p>“Majority Debenture Holder(s)” shall mean Debenture Holder(s) holding an aggregate amount representing not less than 51% (Fifty-One per cent) of the value of the nominal amount of the Debentures for the time being outstanding;</p> <p>“Promoter Debt” shall mean all existing and future Financial Indebtedness availed of by the Issuer from the Promoter.</p> <p>“Obligations” shall mean all obligations at any time due, owing or incurred by the Issuer to the Debenture Trustee and the Debenture Holder(s) in respect of the Debentures and shall include, without limitation, the obligation to redeem the Debentures in terms thereof together with the coupon/interest accrued thereon, Default Interest, if any, accrued thereon, any outstanding remuneration of the Debenture Trustee and all fees, costs, charges and expenses payable to the Debenture Trustee and other monies payable by the Issuer in respect of the Debentures</p>
<p>Negative Covenants</p>	<p>The Issuer shall maintain below mentioned covenants during the entire tenor of the NCDs and till all the amounts outstanding are been duly repaid. In case of any change, the Issuer to seek a prior-written consent of the Majority Debenture Holders. Provided that in the event the Issuer has provided a prior written request to all the Debenture Holder(s) in relation to any action under any of the Negative Covenant that the Issuer proposes to take and the Majority Debenture Holder(s) have not responded within a period of 45 (Forty-Five) calendar days from the date of such written request being provided by the Issuer (upon a written one reminder being provided by the Issuer to all the Debenture Holder(s) after the expiry of 25 (Twenty-Five) calendar days from the date of such written request), the consent of the Majority Debenture Holder(s) shall then be deemed to be provided to the issuer for</p>

undertaking such action and the Issuer shall then be permitted to undertake such action without obtaining any further consent from the Majority Debenture Holder(s).

- a) Change the general nature of its business from that which is permitted as Non- Banking Finance Company by the Reserve Bank of India (RBI).
- b) Change its Constitutional Documents in any material way or reduce its authorized capital in any way which would prejudicially affect the interests of the Debenture Holder(s).
- c) Declare or pay any dividend or make any distributions on its share capital (other than dividends or distributions payable on shares of the Company), unless:
 - the proposed payment or distribution is out of net income of the current Financial Year;
 - no Event of Default has occurred and is then continuing, or could occur or is reasonably likely to occur, as a result of such payment; and
 - it has paid all the dues to the Debenture Holder(s) up-to the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions therefor.
- d) Enter into any transaction of merger, acquisition, restructuring, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction.
- e) Change in the financial year end from 31st March unless such change is mandatorily required to be made for compliance with Applicable Law.
- f) Acquire any company, business or undertaking if the amount of the acquisition cost, whether paid by cash or otherwise, when aggregated with the aggregate acquisition cost of any other companies, business or undertaking acquired by it during that financial year exceeds 25% (Twenty five Percent) of the Equity.
- g) Acquire (or agree to acquire) any shares, stocks, or other interest in any joint venture; or lend to or guarantee or indemnify or give security for the obligations of a joint venture (or agree to transfer, lend, guarantee, indemnify or give security for the obligations of a joint venture) more than 15% of the net-worth of the Company for each transaction.
- h) The Issuer shall not enter into any transaction with any person or enter into or continue business relations with its shareholders, employees, affiliate(s), holding company(ies), and/or subsidiary(ies) except on proper commercial terms negotiated on an arm's length basis.
- i) Apply to the court for the winding up of the Company or agree to the winding up of the Company.
- j) Undertake any new business outside financial services or any diversification of its business outside financial services.
- k) Appoint or continue to the appointment of any person as the executive/ whole- time director of a Company who is classified as a wilful defaulter.
- l) Enter into any contractual obligation which may adversely affect the financials standing.

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	<p>m) Sell, transfer, or otherwise dispose of in any manner whatsoever any material Assets of the Company, other than any securitization/portfolio sale of assets undertaken by the Company in its ordinary course of business in terms of Applicable Law. It is clarified that, a securitisation/ direct assignment representing an exit of line of business will not be construed as being in the ordinary course of business of the Company and the Company shall not be permitted to effect the same except after obtaining the prior written consent of the Debenture Trustee (acting on the instruction of the Majority Debenture Holder(s).</p> <p>n) Enter into material compromise or arrangement or settlement with any of its creditors (secured and unsecured) that would prejudicially affect the interest of the Debenture Holder(s).</p> <p>o) Participate in any involuntary process under IBC.</p> <p>p) Undertake/permit any voluntary process under the Insolvency and Bankruptcy Code 2016 (IBC).</p> <p>q) Unsecured Loans from Promoters 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.</p>
<p>Financial Covenants And Additional Covenants</p>	<p>The Issuer shall maintain the below mentioned covenants during the entire tenor of the Debentures and till all the amounts outstanding are been duly repaid:</p> <p>a) Total Debt/Tangible Networth ratio to be within 6x.</p> <p>b) Capital Adequacy Ratio (CAR) of atleast 18% (Eighteen Percent) or as per applicable RBI regulation, whichever is higher.</p> <p>c) Gross NPA not to exceed 3.5% of Gross Loan Portfolio</p> <p>d) Net NPA not to exceed 2% of Gross Loan Portfolio</p> <p>e) Net NPA to Tangible Net Worth shall not exceed 9% (Nine Percent)</p> <p>f) Earnings: After-tax Net Income (excluding extraordinary income) to remain positive. The said covenant to be tested on a quarterly and on Annual basis.</p> <p>The share of off balance sheet portfolio shall not exceed 30% (Thirty Percent) of the Gross Loan Portfolio.</p> <p>h) There shall not be any negative mismatches on cumulative basis in any of the buckets till the next one year of ALM statement after incorporating all the liabilities of the Issuer incorporating Put Options/ Reset Options etc. (in any form). The asset will include all the unencumbered Cash and Cash equivalent maturing across all the buckets of the ALM as part of the opening asset balance. Unutilized bank lines, undisbursed committed sanctions of the company and cash credit limits shall not be taken into account while testing the same</p> <p>i) Issuer shall not prepay any loans or redeem NCDs; voluntarily or mandatorily before</p>

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 residual tenor of the Debenture after incorporating all the liabilities of the Issuer including Put Options/interest reset on liabilities. Unutilized bank lines shall not be taken into account while testing the same.

- j) Any other additional covenant as may be mutually agreed and shall form a part of the transaction documents.

All covenants would be tested on quarterly basis i.e. as on 31 March, 30 June, 30 Sept and 31 Dec every year, starting from March 31, 2024 on standalone balance sheet till the redemption of the NCDs. The covenants shall be certified by the statutory auditor of the Company within 45 (Forty Five) calendar days from the end of each reporting quarter.

In case of breach of any of the covenants, the Issuer shall pay additional coupon at the rate of 2 % (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the NCDs (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such a breach, until the NCDs are fully redeemed or till the covenants criteria has been replenished whichever is earlier.

Definitions

- a) "Total Debt" shall include the following:
- All Long-Term Borrowings, including ineligible portion of subordinated debt in form of Tier II Capital including current maturities
 - All Short Term Borrowing
 - Financial Guarantees Provided if any
 - Letter of Comfort/Shortfall undertaking provided by the Issuer, if any
- b) Equity/Net Worth Shall Include the following:
- Equity Share issued by the Issuer
 - CCPS issued by the Issuer
 - Reserve and Surplus of the Issuer
- c) "Capital Adequacy Ratio" means the capital adequacy ratio for non-banking financial institutions as defined by the Reserve Bank of India from time to time; For the purpose of calculation of minimum capital ratio: (i) first loss credit enhancements provided by the Issuer on securitization and co-lending portfolio shall be reduced from Tier I Capital and Tier II Capital without any ceiling. (ii) credit enhancements provided by the Issuer on loans originated on behalf of other institutions shall be reduced from Tier I Capital and Tier II Capital without any ceiling. The deduction shall be made at 50 per cent from Tier I Capital and 50 per cent from Tier II Capital. (iii) It is also clarified that in computing the amount of subordinated debt eligible for inclusion in Tier II Capital, the aforementioned subordinated debt shall be subject to discounting as prescribed by RBI.
- d) "Gross NPA" shall be arrived at in accordance with applicable RBI regulations governing asset classification and provisions for NBFCs.
- e) "Gross Loan Portfolio" shall include on balance sheet portfolio
- f) "Off Balance Sheet Portfolio" shall include Direct Assignment (DA) / Co- lending / any other portfolio under management.
- g) "PAT" shall be profit after tax and shall include one-time time / exceptional items

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	<p>(profit or loss) in its computation;</p> <p>h) “Portfolio at Risk” shall mean the outstanding principal amount of all Client Loans that have one or more instalments of principal, interest, penalty interest, fees or any other expected payments past due more than aspecified number of days;</p> <p>i) “Net NPA” shall be arrived at in accordance with applicable RBI regulations governing asset classification and provisions for NBFCs.</p> <p>j) “Tangible Net-worth” shall mean the equity share capital plus all reserves and surplus, as reduced by the, intangible assets, deferred tax assets, revaluation reserve, miscellaneous expenses, investment in security receipts and any credit enhancement provided by the Issuer on managed asset book.</p>
Rating Covenants	<p>The Issuer shall maintain the below mentioned covenants during the entire tenor and until the NCDs are being duly redeemed (“Rating Covenants”):</p> <ol style="list-style-type: none"> i. The Issuer shall ensure that there is no suspension of the credit rating of the Instrument / Issuer by any credit rating agency. However withdrawal of the rating by the Instrument/Issuer shall not to be construed as suspension of therating. ii. The Issuer shall ensure that it shall maintain atleast the current credit rating /outlook of the Instrument/Company as on the Deemed Date of Allotment, from any credit rating agency. iii. Issuer shall ensure that there is no assignment of new long-term credit rating below ‘A-’ from any credit rating agency <p>The occurrence of events above will be determined by the Debenture Trustee (acting on the instructions of the majority debenture holders) solely and at its discretion.</p>
Holding and Management Covenants	<p>The Issuer undertakes that the following covenants (“Holding & Management Covenants”) shall be maintained during the entire tenor and until the NCDs is duly redeemed, or unless the prior written consent of Debenture Trustee (acting on instruction of Majority Debenture Holder) is obtained:</p> <ol style="list-style-type: none"> a) The existing Promoter / Promoter Group shall continue to hold minimum 51% (Fifty-one Percent) unencumbered equity share capital in the Issuer, on fully diluted basis and shall have Management Control of the Issuer. b) Ms. Shilpa Pophale (DIN: 00182457) shall continue to hold executive position on the Board of Directors as Managing Director of the Issuer and hold an executive position on the Board of Directors of the Promoter Companies.
Early Redemption	<p>Subject to compliance with prevailing applicable RBI Guidelines and receipt of prior approval of the RBI, the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) shall have the right but not an obligation to require the Issuer to redeem the Debentures along with accrued coupon/interest upon the occurrence of any of the below mentioned events (“Early Redemption Events”):</p> <ol style="list-style-type: none"> a. Breach of any of the covenants as mentioned under the Financial Covenants and if the same is not being rectified / cured within 60 (Sixty) calendar days from date of such breach. b. Breach of any of the covenants as mentioned under the Rating Covenants; c. Breach of any of the covenants as mentioned under the Holding and Management Covenants; d. Occurrence of Material Adverse Effect e. Any results of an Annual Review conducted by the Debenture Holder not being to the satisfaction of the Debenture Holder. f. Any legal or regulatory decision resulting in suspension/ revocation of the NBFC license;

	<p>On the occurrence of any Early Redemption Event, The Debenture Trustee (acting on the instructions of the Majority Debenture Holders) shall have the option (but not the obligation) to require the Company, subject to Applicable Law (including any prescriptions of the RBI on minimum original maturity of non-convertible debentures), to redeem the Debentures held by the Debenture Holder(s) in the manner set out below:</p> <p>a. The Company shall promptly and in no event later than 2 (two) Business Days from the date of occurrence, inform the Debenture Trustee about the occurrence of an Early Redemption Event. The Debenture Trustee shall immediately on the same day on receiving the information from the Company, provide a written notice to all the Debenture Holders notifying them of the occurrence of the Early Redemption Event ("Early Redemption Notice") and shall seek written consent from the Majority Debenture Holders within 7 (Seven) calendar days from the date of Early Redemption Notice. For the sake of clarification, in case of non-receipt of any written communication from the majority debenture holders, the same shall constitute to be a deemed negative consent.</p> <p>i. Post receipt of written consent from the Majority Debenture Holders pursuant to Clause (a) above for exercise of Early Redemption Option, the Debenture Trustee shall provide a notice to the Company at least 21 (twenty one) calendar days from the date of consent of Majority Debenture Holders ("Early Redemption Notification"). and</p> <p>ii. following the Early Redemption Notification, the Company shall redeem the Debentures on the Early Redemption Date by making payment of all Outstanding Amounts in respect of the Debentures to the Debenture within 2 (Two) Working Days from the expiry of Early Redemption Notification period as mentioned in sub-Clause (i) above ("Early Redemption Date").</p> <p>Provided that if the Issuer fails to redeem the Debentures and pay outstanding amounts to such Debenture Holder(s) within the specified time period, the Issuer shall pay interest at the rate of 15 % (Fifteen Percent) per annum for the period of delay.</p> <p>Any notice given by Debenture Trustee under this Clause is irrevocable.</p> <p>No prepayment penalty or prepayment premium upon Early Redemption Option.</p>
Issuance mode of the Instrument	On a Private Placement basis on a dematerialized form
Trading mode of the Instrument	Dematerialized form
Event of Defaults (including manner of voting /conditions of joining Inter Creditor Agreement)	<p>An Event of Default ("Event of Default") shall have occurred upon the happening of any event or circumstances mentioned hereunder:</p> <p>1. Payment based Defaults:</p> <p>(a) The Issuer does not pay on the Due Date(s) any amount payable in terms of the Transaction Documents at the place at 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 1 (One) business day of the relevant Due Date;</p> <p>(b) An event of default shall arise if the Issuer/any of the Promoters / Corporate Guarantor (if any)/ the subsidiaries or holding company(ies) of the Issuer:</p>

- i. defaults in any payment of Financial Indebtedness beyond the period of grace if any, provided in the instrument or agreement under which such Financial Indebtedness was created; or
- ii. defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Financial Indebtedness to become due prior to its stated maturity; or
- iii. any Financial Indebtedness of the Issuer is declared to be due and payable, or would permit to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof;

provided that if the above-mentioned Event of Default is capable of being remedied in the sole discretion of the Debenture Trustee, the Debenture Trustee may provide a cure period as deemed appropriate to them;

(c) Failure of the Issuer make payment of the aggregate amounts outstanding along with the accrued interest and other charges in relation to the NCDs within stipulated timelines in terms of the Transaction Documents upon exercise of the Early Redemption Option.

(d) The Issuer admits in writing its inability to pay its debts as they fall due or suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with one or more creditors with a view to rescheduling its indebtedness;

2. Covenants & Information based Defaults:

(a) The breach of any terms, covenants (including, without limitation, negative covenants, affirmative covenants, reporting covenants) or obligation under the Transaction Documents.

(b) The Issuer fails to share the any information within 7 (Seven) calendar days upon the request by the Debenture Trustee.

3. Defaults relating to the validity of the Transaction Documents

(a) The Transaction Documents in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Issuer;

(b) It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Issuer under any Transaction Documents are not or cease to be valid, binding or enforceable;

(c) Any representation or warranty made by the Issuer in any Transaction Documents or in any certificate, financial statement or other document delivered to the Trustee/ Debenture Trustees by the Issuer shall have been incorrect, false or misleading in any respect when made or deemed made;

(d) The Issuer repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents;

(e) Any of the Transaction Documents failing to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests failing to have

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the priority contemplated under the Transaction Documents, or the security interests becoming unlawful, invalid or unenforceable;

4. Other Defaults

- a. There shall have occurred Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified within a period of 7 (Seven) calendar days;
- b. Any corporate action, legal proceedings or other procedure or steps taken in relation to:
 - i. the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer;
 - ii. the composition, compromise, assignment or arrangement with any creditor of the Issuer;
 - iii. the appointment of a liquidator, receiver or similar other officer in respect of the Issuer, a composition, compromise, assignment or arrangement with any creditor of the Issuer;
 - iv. enforcement of any security over any assets of the Issuer or any analogous procedure or step is taken in any jurisdiction;
 - v. any other event occurs or proceeding is instituted that under any applicable law would have an effect analogous to any of the events listed in paragraphs (i), (ii), (iii) and (iv) above;
- c. Any Governmental Authority including CBI, ED and / or SFIO condemns, nationalizes, seizes, expropriates or otherwise assumes custody or control of all or any substantial part of the business, operations, property or other assets of the Issuer or of its share capital, or takes any action for the dissolution of the Issuer or any action that would prevent the Issuer or its officers from carrying on all or a substantial part of its business or operations;
- d. Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Issuer having an aggregate value more than or equal to the outstanding amount of NCDs or 1% of its Net Worth whichever is lesser and is not discharged within 15 calendar days.
- e. The Issuer's organizational status or any licenses or franchise is revoked or suspended by any government agency or authority after the Issuer has exhausted all remedies and appeals relating thereof;
- f. The listing of the Debentures ceases or is suspended at any point of time prior to the Final Redemption Date.
- g. Surrender, revocation or suspension of the Issuer's certificate of registration as a Non-Banking Finance Company by the Reserve Bank of India;
- h. The Invocation of lien / pledge of shares of the Issuer by any Bank/NBFC or any other Financial Institution(s) and /or Issuer cease to carry on its business or any substantial part thereof or gives notice of its intention to do so.
- i. Repudiation of the agreement by the Issuer.
- j. The Issuer has taken or suffered to be taken any action for reorganization of its capital or any rearrangement, merger or amalgamation without prior approval of the Debenture Trustee in terms hereof;

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	<p>k. Any material act of fraud, embezzlement, misstatement, misappropriation, or siphoning off of the Issuer /Promoter funds or revenues or any other act having a similar effect being committed by the management of the Issuer / Promoter.</p> <p>l. The Promoters and/or the directors/ or the key managerial personnel of the Issuer are charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the Promoters and/or the directors and/ or the key managerial personnel of the Issuer, including any accusations, charges and/or convictions of any offence relating to bribery or being declared a willful defaulter;</p> <p>m. In the event that an application for corporate insolvency resolution process of the Issuer is filed or any form of communication indicating an intention to file such application is issued or any creditor of the Issuer takes any steps requesting the filing of such application, in each case, by the appropriate regulator (i.e. the Reserve Bank of India), under the IBC and the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019;</p> <p>n. If the Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect (including by passing any resolution of the Board or the shareholders of the Issuer) or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consents to the appointment of or the taking of possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property;</p> <p>o. If a petition is filed for the winding up of the Issuer under the Companies Act, 2013 and the same is not stayed or dismissed within a period of 15 days of its filing;</p> <p>(i) Any order/ judgment passed by any of the regulatory authorities against any of the Promoter / Promoter Group / Issuer resulting in debarment of the Promoter / Promoter Group/ Issuer for raising funds from the financial markets.</p> <p>(ii) Erosion of 50% or more of the Issuer's net worth.</p> <p>In case of breach of any of the above-mentioned covenants, the Issuer shall have a cure period of 15 (Fifteen) calendar days for rectify the breach. However, there shall be no cure period for Payment based Defaults and Covenants & Information based defaults except as stated above.</p>
Provisions related to Cross Default Clause	As mentioned in paragraph Clause 1 (b) of the section titled 'Events of Default'
Consequences Of Events Of Default	<p>On and at any time after the occurrence of an Event of the Debenture Trustee shall if so directed by any of the Debenture Holder(s), by a notice in writing to the Issuer, or in case of a Payment Default on the instructions of any Debenture Holder, subject to Applicable Law and with the prior approval of the RBI, initiate actions as may be contemplated in the Transaction Documents including the following:</p> <ul style="list-style-type: none"> Accelerate the redemption of the Debentures. Declare that all or part of the obligations be immediately due and payable, whereupon they shall become immediately due and payable. Disclosure of information to the relevant authorities or regulatory such as Credit Information Bureau (India) Limited and/or any other agency so authorized by the Reserve Bank of India in any such manner that deem fit to the Debenture Trustee. Exercise all the rights and remedies available to it in such manner as Debenture Holder may deem fit without intervention of the Court and without having to obtain any consent of the Issuer.

	Appoint a Nominee Director.
Creation of recovery expense fund	The Issuer shall create a recovery expense fund in accordance with the applicable SEBI regulations and inform the Debenture Trustee of the same. The recovery expense fund shall be utilised in such manner and for such purposes as is more particularly provided under the said Regulations and Applicable Law.
Conditions for breach of covenant (as specified in the Debenture Trust Deed)	The Conditions for breach of covenants if any shall be specified in the Debenture Trust Deed.
Right to Re-purchase and Re-issue the Debenture by the Issuer	<p>The Issuer, subject to the prevailing guidelines, rules/regulations of the Reserve Bank of India, the Securities and Exchange Board of India and other Authorities, shall have the option from time to time to repurchase a part or all of the Debentures from the secondary markets or otherwise, on prior mutual consent(s) from the debenture holder(s), at any time prior to the date of maturity.</p> <p>In the event of a part or all of its Debentures being repurchased as aforesaid or redeemed under any circumstances whatsoever, the Issuer shall have, and shall be deemed to have had, the power to reissue the Debentures either by reissuing the same Debentures or by issuing other Debentures in their place.</p> <p>Further the Issuer, in respect of such repurchased/redeemed Debentures shall have the power exercisable either for a part or all of those Debentures, to cancel, keep alive, appoint nominee(s) to hold or reissue at such price and on such terms and conditions as it may deem fit and as permitted by the Applicable Law.</p>
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).
Risk Factors pertaining to the Issue	As mentioned in the Information Memorandum under captioned "Risk Factor"
Business Day	Any day of the week (excluding, Sundays and any day which is a public holiday) on which banks are normally open for business in Mumbai, India.
Business Day Convention	<p>If any Coupon Payment Date(s) or any other Due Date(s) for the performance of any event falls on a day that is not a Business Day, then the succeeding Business Day will be considered as the effective date. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact.</p> <p>If the Final Redemption Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day, along with coupon/interest accrued on the Debentures until but excluding the date of such payment.</p>
Reissuance	<p>Issuer reserves the right to make multiple issuances under the same ISIN with reference to SEBI circular SEBI/HO/DDHS/P/CIR/2023/119 dated 10th August 2021 or such other amended circular issued by the SEBI from time to time.</p> <p>Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium / par / discount as the case may be in line with said SEBI circular.</p>
Indemnification	The Issuer, Promoter/Promoter Group shall indemnify and hold harmless and agree to keep the Debenture Trustee and its Directors / employees / representatives indemnified against any loss or deficiencies suffered or liabilities and expenses incurred including penalties and interest or withholding of taxes, statutory liabilities or in the event of breach by the Issuer or any agreement and their obligations during the tenor of the Debentures and any non-compliance with the Applicable Laws unless such loss or cost is incurred due to the gross negligence or misconduct or fraud done by Debenture Trustee and its Directors / employees / representatives.
Governing Law and Jurisdiction	The NCDs and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in New Delhi, India and as more particularly provided for in the Debenture Trust Deed.

Transaction Costs	The Issuer shall bear all transaction related costs incurred by the Debenture Holders/ Debenture Trustee with respect to the legal counsel, valuers and auditors/ consultants. Such costs include: <ul style="list-style-type: none"> • Debenture Trustee fees; • Rating fees; • Stamping and registration costs in relation to all Transaction Documents; Any other reasonable transaction related expense incurred by the Debenture Holders/ Debenture Trustee
Taxes, Duties, Costs and Expenses	All relevant taxes, duties, levies, charges, fees or any other amounts payable until the Final Settlement Date under this issuance are to be borne by the Issuer except the tax deductible at source ('TDS') as required under the Income Tax Act, 1961.

Notes:


This term sheet only summarizes the principal terms with respect to a potential investment by the Investor in rated, redeemable, debentures shares proposed to be issued by the Issuer.

This term sheet is intended solely as a basis for further discussion and is not intended to be and does not constitute a legally binding obligation. No legally binding obligations will be created, implied or inferred until the Transaction Documents are executed and delivered. Without limiting the generality of the foregoing, it is the intent of the parties that until the execution of Transaction Documents, no agreement shall exist among them and there shall be no obligations whatsoever based on such things as parol evidence, extended negotiations, "handshakes," oral understandings, or course of conduct.

The Issuer reserves it's sole and absolute right to modify (pre-pone/ postpone) the above issue schedule without giving any reason(s) whatsoever or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Issuer. The Issuer also reserves the right to keep multiple Deemed Date(s) of Allotment.

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