



Security Name	SMFL NCD Series 2
Issuer	Samasta Microfinance Limited
Date of board resolution and shareholder resolutions	Board resolution dated 11 th May 2020 and shareholders resolution dated 20 th May 2020
Type of Instrument /Security	Rated, Listed, Taxable, Senior, Secured, Redeemable INR denominated Non-Convertible Debentures
Nature of Instrument	Rated, Listed, Secured, Redeemable Non-Convertible Debentures
Seniority	Senior
Mode of Issue	Private Placement
Debenture Trustee	Catalyst Trusteeship Limited
Eligible Investors	<p>Only the persons who are specifically addressed through direct communication by or on behalf of the Company are eligible to apply for the Debentures. An application made by any other person will be deemed as an invalid application and rejected.</p> <p>Refers to the following categories of investors eligible to invest in the Debentures, when addressed directly:</p> <ol style="list-style-type: none"> i. Commercial Banks, Eligible Financial Institutions* and Insurance Companies; ii. Companies; iii. Non-Banking Finance Companies (NBFCs) and Residuary NBFCs and iv. Mutual Funds v. Foreign Institutional Investors (FII) vi. Provident Funds, Gratuity, Superannuation & Pension Funds, subject to their Investment guidelines vii. Qualified Foreign Investors viii. Foreign Portfolio Investors



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	ix. Alternative Investment Funds x. Any other investor authorized to invest in these Debentures
Rating	CRISIL A+
Issue Size	Rs. 25,00,00,000 (Rupees Twenty Five Crores Only)
Option to retain oversubscription (Amount)	Not applicable
Objects of the Issue	Onward lending and general corporate purpose.
Details of Utilization of the proceeds	The Issuer shall utilise the moneys received from issuance of the Debentures for on-lending to its micro finance clients and for regular business activities/purposes. The proceeds of the NCD shall not be used for any purpose, which may be in contravention of the government/RBI/SEBI/Other regulatory guidelines.
Coupon Rate	11.50% per annum
Step Up/Step Down Coupon Rate	N.A
Coupon Payment Frequency	Half yearly
Coupon Payment Dates	December 5 th , 2020, June 5 th , 2021, December 5 th , 2021, June 5 th , 2022, December 5 th , 2022 and June 5 th , 2023.
Coupon Type	Fixed Rate
Coupon Reset Process	N.A
Day Count Basis	Actual/Actual
Interest on Application Money	Interest at the rate of 2% p.a. (subject to deduction of tax at source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961) will be paid on Application Money to the Applicants from the date of realization of the cheques / drafts or credit through RTGS / NEFT / direct credit upto one day prior to the Deemed Date of Allotment for all valid applications within 5 (five) Business Days from the Deemed Date of Allotment. Where the entire subscription

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	amount has been refunded, the interest on Application Money will be paid along with the refund orders or through RTGS / NEFT / direct credit to the bank account of the Applicant as described in the Application Form.
Letter of Allotment	Letter of Allotment should be made within 30 days of allotment. In the event of delay in execution of Debenture Trustee Deed within 3 months of the deemed date of allotment or any other extended period given by the Debenture Trustee & Debenture Holders, the company shall pay a penal interest at the rate of 2%p.a. over the coupon rate till these conditions are complied with or refund the subscription.(i.e. redemption at par) along with other monies /accrued interest due in respect thereof, at the option of Debenture Holders.
Default Interest Rate	In the event of delay in the payment of interest amount and/or principal amount on the due date(s), the issuer shall pay an additional interest of 2% per annum in addition to the coupon rate payable on NCD's, on such amount due, for the defaulting period i.e. period commencing from and including the date on which such amount becomes due and upto but excluding the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid.
Prepayment and Prepayment Penalty	Any full or part of Prepayment shall be subject to the consent of the Majority of all Debenture Holders. In case of early redemption of the Debentures, at the instance of the Issuer and post consent of majority debenture holders, on any date other than the Maturity Date and not arising due to an Event of Default, the issuer shall pay a penalty of 2% (Two Percent) on the principal amount repaid. The issuer shall give the Debenture Trustee and the Debenture Holders at least 30 (Thirty) Calendar Days written notice prior to the date of such meeting where Debenture Holders consent for prepayment shall be sought. If the Company prepays the loan at any time during the tenor of the loan through internally generated cash accrual and/or fresh equity infusion then there will be no prepayment penalty
Tenor	36 months
Redemption Date(s)	Redemption of whole amount at the end of 36 months from the Deemed Date of Allotment i.e. on June 18, 2020 and redemption date is June 05, 2023.
Redemption Amount	INR 1,00,000 per Debenture
Listing (including name of Stock Exchange(s) where it	<ul style="list-style-type: none"> Proposed to be listed on the Wholesale Debt Market Segment of BSE Limited within 15 days from the Deemed Date of Allotment. In case of delay in listing of the Debt securities within 15 days from the Deemed Date of Allotment, the Company will pay penal interest of 2% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of such Debt securities to the investor.

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will be listed and timeline for listing)	
Redemption Premium/Discount	N.A
Face Value	INR 1,00,000/- per Debenture
Issue Price	At par i.e. INR 1,00,409.589/- (Rupees One Lakh Four Hundred Nine and Six Paise Only) per Debenture (Issue Price Rs. 1,00,000 and Accumulated Interest amount adjusted Rs. 409.589 per Debenture)
Discount at which security is issued and the effective yield as a result of such discount	N.A.
Put Option Date	N.A.
Put Option Price	N.A.
Call Option Date and Price	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A.
Face Value	INR 1,00,000/- (Rupees One Lakh) per Debenture
Interest on Application Money	N.A.
Default Coupon Rate	2% p.a. over and above the Coupon Rate on defaulted amounts for the defaulting period
Minimum Application of Debt Securities thereafter	100 Debentures and multiples of 1 thereafter
Issue Timing	1. Issue Opening Date: June 18,2020 2. Issue Closing Date: June 18,2020



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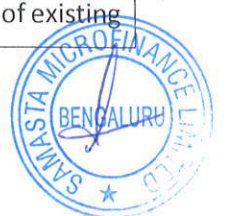


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	<p>3. Pay in Date: June 18,2020</p> <p>4. Deemed Date of Allotment: June 18,2020</p>
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	RTGS / NEFT mentioned in the application form
Depository	NSDL and/or CDSL
Business Convention	<p>Should any of the date(s), including the Interest payment date falls on a Saturday or a Sunday or a public holiday or no high value clearing or RTGS is available for any reason whatsoever at the place of issuer's registered/ corporate office, the next working day shall be considered as the effective date. However, for payment of principal amount, previous working day to be considered as effective date*.</p> <p>In case Record Date falls on Saturday/ Sunday / Holiday, the prior Business Day to the said Saturday/ Sunday / Holiday shall be the Record Date.</p> <p>(SEBI Circular No: CIR/IMD/DF/18/2013 dated October 29, 2013 & CIR/IMD/DF-1/122/2016 dated November 11, 2016)</p>
Record Date	15 calendar days prior to the proposed date on which any payments are required to be made in respect of the Debentures to the Debenture Holders.
Conditions Precedent	Nil
Conditions Subsequent	Nil



<p>Security</p>	<p>The Debentures together with the payments to be made in relation thereto will be secured by the first ranking exclusive charge in the nature of hypothecation created by the Company in favour of the Debenture Trustee over the specific and identified receivables of the Company vide the Debenture Trust Deed dated June 04, 2020.</p> <p>The charge created over the receivables shall be a charge in favour of the Debenture Trustee acting for the benefit of and on behalf of the Debenture Holder(s); The Security created hereunder shall be first ranking and exclusive security for the benefit of the Debenture Holders, sufficient to maintain the Security Cover by the Company.</p> <p>Such security cover to be maintained on the value of outstanding debentures and other obligations i.e. coupon, default interest, all agreed fees, costs, charges, expenses and monies payable under the debentures at all times during the tenure of the debentures is minimum 1.00 times, as more particularly described in the Debenture Trust Deed.</p> <p>Non – maintenance of security cover will attract a penal interest of 2%p.a. over the coupon rate for the period of non- compliance.</p>
<p>Security Creation</p>	<p>The issuer undertakes to create security within 90 days from the issue closure date. In case of delay in creation of the security within 90 days from the deemed date of allotment, the company will pay penal interest of 2%p.a. over the coupon rate from the expiry of 90 days from the deemed date of allotment till the creation of security takes place.</p>
<p>Transaction Documents</p>	<p>Shall collectively mean:</p> <ul style="list-style-type: none"> (i) the Debenture Trust Deed. (ii) the information memorandum and the private placement offer and application (collectively, Disclosure Documents). (iii) the Debenture Trustee Appointment Agreement: and any other document designated as a Transaction Document. (iv) Rating Revalidation letter
<p>Future Borrowings</p>	<p>The Company reserves the right to borrow further under the same ISIN of existing</p>






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	<p>right to accelerated redemption and it shall lead to full redemption of the debentures.</p> <ul style="list-style-type: none"> • Capital adequacy of the company should not fall below 18% during entire tenor of debenture till maturity of the subject debenture • Debt equity ratio should be maintained below 6.10 during entire tenor of debenture till maturity. • Shareholding of the promoter of the company should not fall below 51% during entire tenor of debenture till maturity. • If the debentures get delisted during the tenor of the NCD, issuer will bear all expenses for listing it again within 30 days from date of delisting.
Events of Default	<p>Events of default as stated in the Debenture Documentation, including but not limited to the following:</p> <ul style="list-style-type: none"> • Failure to pay amounts due under the Issue on the relevant due date by the Issuer; • Insolvency, reorganization, liquidation, suspension of payment of debts, winding up, illegality, cessation of business by the Issuer; • Illegality, cessation of business of the Issuer; • Bankruptcy, CDR proceedings filed with respect to the Issuer; • Breach of any of the terms of the Transaction Documents by the Issuer; • Breach of any covenants; • Breach of any Representations and Warranties; • Nationalization or expropriation of any of a substantial part of the assets of the Issuer; • Any other events of default as mentioned in the Debenture Trust Deed <p>All RBI/SEBI /other regulatory body guidelines issued from time to time by the regulatory/ statutory bodies to be complied with by the company</p>
Governing Law and Jurisdiction	<p>The Debenture Documents shall be governed by the laws of India. The Courts in Bangalore will have exclusive jurisdiction in relation to any dispute that may arise out of or in connection with any of the Transaction Documents.</p>
Taxation	<p>All the taxes as per law excluding Income tax, as and when applicable on the instrument from time to time shall be borne by the Company.</p>
Indemnity Clause	<p>The Debenture Holder shall be indemnified from and against any claim, liability, demand, loss, damage, judgement or any other obligation or right action which may arise as a result of breach of this Term Sheet by the company.</p>

For Samasta Microfinance Limited


Shreyas Dwaraki
Company Secretary



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