

ISSUE ADDENDUM TO THE SHELF DISCLOSURE DOCUMENT

BELSTAR MICROFINANCE LIMITED

A public limited company incorporated under the Companies Act, 1956

Date of Incorporation: January 11, 1988; CIN: U06599TN1988PTC081652

Registered Office: New No. 33, Old No. 14, 48th Street, 9th Avenue, Ashok Nagar, Chennai – 600083

This Issue Addendum to Shelf Disclosure Document is issued in terms of and pursuant to the Shelf Disclosure Document dated July 23, 2020. All the terms, conditions and information as stipulated in the Shelf Disclosure Document are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the same. This Issue Addendum to the Shelf Disclosure Document must be read in conjunction with the Shelf Disclosure Document.

This Issue Addendum is dated September 22, 2020.

DESCRIPTION	PARTICULARS		
Security Name	9.50% Secured Rated Redeemable Listed Non-Convertible Debentures		
Issuer/Company	Belstar Microfinance Limited		
Debenture Trustee	IDBI Trusteeship Services Limited		
Rating Agency	CARE Ratings Ltd		
Rating	<p>"CARE A+" by CARE Ratings Ltd</p> <p><i>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</i></p>		
Legal Counsel	Not applicable		
Issuance	Rated, Listed, Fully Paid-up, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures ("NCDs" or "Debentures")		
Shelf Disclosure Document Size	Rs. 366,00,00,000/- (Rupees Three Hundred and Sixty Six Crores Only)		
Tranche Issue Size	Rs. 125,00,00,000/- (Rupees One Hundred Twenty-Five Crores Only) plus Green shoe option of up to Rs. 75,00,00,000/- (Rupees Seventy-Five Crores Only) aggregating to Rs.200,00,00,000/- (Rupees Two Hundred Crores Only)		
Tenor	18 months from Deemed Date of Allotment		
Face value per Debenture	INR 10,00,000 (Indian Rupees Ten Lakh Only)		
Issue Price	At Par, i.e. INR 10,00,000 (Indian Rupees Ten Lakh Only)		
Minimum subscription amount	INR 1,00,00,000 (Indian Rupees One Crore Only)		
Redemption Date	Mar 25, 2022		
Redemption	Bullet, At Par		
Redemption Amount per Debenture	INR 10,00,000 (Indian Rupees Ten Lakhs)		
Redemption premium / discount	Not applicable		
Day count basis	Actual/Actual		
Interest Rate / Coupon Rate	9.50% Coupon per annum payable annually		
Coupon/ Interest Payment Frequency	<p>The Coupon shall be payable Annually from the Deemed Date of Allotment and on Redemption as mentioned below subject to Business Day Convention;</p> <table border="1" style="width: 100%;"> <tr> <td>Sep 25, 2021</td> <td>March 25, 2022</td> </tr> </table>	Sep 25, 2021	March 25, 2022
Sep 25, 2021	March 25, 2022		
Coupon Type	Fixed		
Coupon Reset process/ step up/ step down coupon rate	In case rating goes down below single notch below the existing rating of the company, the rate of interest shall increase by 25 basis points for every notch		

This document does not constitute an offer, or an invitation to offer, or a recommendation to enter into any transaction. We have sent you this document in our capacity as a potential counterparty acting at arm's length. We are not acting as your financial adviser or in a fiduciary capacity in respect of this proposed transaction or any other transaction with you unless otherwise expressly agreed by us in writing. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You should also consider seeking advice from your own advisers in making this assessment.

	downwards. And further down gradation of the company's rating goes below 'A' then the debenture holder shall have right for accelerated redemption.								
Ranking	Each Debenture issued by the Issuer will constitute direct, senior and secured obligations of the Issuer. The claims of the Debenture Holders shall be akin to the claims of senior, secured investors / lenders and shall rank pari passu to all senior, secured indebtedness of the Issuer. 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.								
Registrar & Transfer Agent	Integrated Registry Management Services Private Limited								
Depository	NSDL / CDSL								
Issuance mode	Dematerialized, Private Placement								
Trading mode	Dematerialized								
Settlement mode	ICCL & BSE								
Settlement cycle	T+1								
Mode of Allotment / Allocation option	Uniform Yield								
Manner of Bidding if any	Close								
Issue Schedule	<table> <tr> <td>Issue Open Date</td><td>Sep 24, 2020</td></tr> <tr> <td>Issue Close Date</td><td>Sep 24, 2020</td></tr> <tr> <td>Pay-in Date</td><td>Sep 25, 2020</td></tr> <tr> <td>Deemed Date of Allotment</td><td>Sep 25, 2020</td></tr> </table>	Issue Open Date	Sep 24, 2020	Issue Close Date	Sep 24, 2020	Pay-in Date	Sep 25, 2020	Deemed Date of Allotment	Sep 25, 2020
Issue Open Date	Sep 24, 2020								
Issue Close Date	Sep 24, 2020								
Pay-in Date	Sep 25, 2020								
Deemed Date of Allotment	Sep 25, 2020								
Listing	<p>The NCDs are proposed to be listed on the Bombay Stock Exchange ("BSE") within 20 calendar days of the Deemed Date of Allotment</p> <p>In case of a delay by the Issuer in listing the Debentures beyond 20 (Twenty) days from the Deemed Date of Allotment the Issuer shall make payment the Debenture Holders of penal interest calculated on the face value of the Debentures at the rate of minimum of 2% (Two Percent) p.a. over the Coupon Rate from the expiry of 30 (Thirty) calendar days from the Deemed Date of Allotment until the listing of the Debentures.</p> <p>In the event that the NCDs are not listed within 20 (Twenty) days from the Deemed Date of Allotment for any reason whatsoever, then to the extent that any Debenture Holders are Foreign Institutional Investors or sub-accounts of Foreign Institutional Investors or Qualified Foreign Investors, the Issuer undertakes to immediately redeem and/or buyback any and all Debentures within 2 (two) Business Days of the expiry of the Listing Period.</p>								
Business Days	A day (other than a Saturday, a Sunday or a Bank Holiday) on which banks are open for general business in Mumbai.								
Business Day Convention	<ul style="list-style-type: none"> • If any coupon payment date falls on a day that is not a working day, the payment shall be made on the immediately succeeding working day. • If the redemption date of the Debentures falls on a day that is not a working day, the redemption proceeds shall be paid on the immediately preceding working day • If the Maturity Date (also the last coupon payment date) of the Debentures falls on a day that is not a working day, the redemption proceeds and coupon payment shall be paid on the immediately preceding working day. 								
Record Date	15 (Fifteen) Business Days prior to each coupon payment date and redemption date.								
End Use	The funds raised by the Issue, after meeting the costs and expenses in respect of the Issue, shall be utilized by the Issuer solely for the following ("Purpose"):								

This document does not constitute an offer, or an invitation to offer, or a recommendation to enter into any transaction. We have sent you this document in our capacity as a potential counterparty acting at arm's length. We are not acting as your financial adviser or in a fiduciary capacity in respect of this proposed transaction or any other transaction with you unless otherwise expressly agreed by us in writing. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You should also consider seeking advice from your own advisers in making this assessment.

	<p>(a) financing activities and business operations of the Issuer (including on-ward lending);</p> <p>(b) re-payment of the existing Financial Indebtedness of the Issuer; and</p> <p>(c) general corporate purposes of the Issuer.</p> <p>i. The Issuer shall not use the proceeds of the Issue towards (i) any capital market instrument such as equity, debt, debt linked 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 Applicable Law (including without limitation, any guidelines, rules or regulations of the Supervisory Authorities) (v) or any usage that are restricted for bank financing.</p> <p>▪ Utilization of the issue proceeds should comply with the Guidelines on MFI/NBFC-MFI issued by RBI or any other statutory body</p>
Discount at which security is issued and the effective yield as a result of such discount.	Not applicable
Put Date	Not applicable
Put Price	Not applicable
Put Option Notice	Not applicable
Call Date	Not applicable
Call Price	Not applicable
Call Option Notice	Not applicable
Put Notification Time	Not applicable
Call Notification Time	Not applicable
Security & Security Cover	<p>The Debentures shall be secured by way of a first ranking, exclusive and continuing charge on identified receivables ("Hypothecated Receivables") created pursuant to the deed of hypothecation to be executed between the Company and the Debenture Trustee as described herein. The Hypothecated Receivables shall at all times be equal to the value of the outstanding principal amount (including accrued interest) of the Debentures. The issuer undertakes that:</p> <ul style="list-style-type: none"> • The outstanding Facility amount, together with interest, default interest, remuneration of the Trustee, charges, fees, expenses and any other charges due from the Company, shall be secured (to the satisfaction of the NCD holders) • to maintain the value of security at all times equal to 1.10x (One Decimal Point One) time or 110.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding (including accrued interest) of the NCDs where at least 1.10x (One Decimal Point One) time or 110.0% (One Hundred and Ten Percent) of the security cover is from principal receivables ("Security Cover"); • to create, register and perfect the security over the Hypothecated Assets as contemplated above no later than 90 (ninety) calendar days after the Deemed Date of Allotment by executing a duly stamped deed of hypothecation ("Deed of Hypothecation") and filing CHG-9 within the time period applicable; • to provide a list on a monthly basis, of specific loan receivables/identified book debts to the Debenture Trustee over which the charge is created and

This document does not constitute an offer, or an invitation to offer, or a recommendation to enter into any transaction. We have sent you this document in our capacity as a potential counterparty acting at arm's length. We are not acting as your financial adviser or in a fiduciary capacity in respect of this proposed transaction or any other transaction with you unless otherwise expressly agreed by us in writing. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You should also consider seeking advice from your own advisers in making this assessment.

	<p>subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) ("Monthly Hypothecated Asset Report")</p> <ul style="list-style-type: none"> to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Assets is equal to 1.10x (One Decimal Point one) time or 110.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding (including accrued interest) of the NCDs where at least 1.10x (One Decimal Point One) time or 110.0% (One Hundred and Ten Percent) of the security cover is from principal receivables. to replace any Hypothecated Receivables that become non- performing (90 days overdue) with current receivables. Such replacement shall be effected within 15 (Fifteen) Business Days of the receivables becoming non-performing non-maintenance of security cover will attract penal interest of 2%pa. over and above the coupon rate for the period of non-compliance Company's Receivables are free from all Encumbrances and are not subject to any lien or charge; The Company's Receivables generated from lending to Issuer's associate/s & subsidiary/s and/or Related Party shall not be considered for asset cover calculation for this issuance. No drawing power for shall be provided for Company's Specific Receivables generated from the lending to Issuer's associate/s /subsidiary/s/ Related Party. <p><u>Eligibility Criteria for the Hypothecated Receivables:</u></p> <ul style="list-style-type: none"> the receivables are existing at the time of selection and have not been terminated or pre-paid; the receivables are not overdue on the day of selection the receivables have not been restructured or rescheduled all applicable "Know Your Customer" norms have been complied with as prescribed by the Reserve Bank of India or the National Housing Bank; All loans hypothecated under the deed of hypothecation comply with RBI norms and guidelines
Default Interest Rate	<ul style="list-style-type: none"> In case of default in payment of interest and / or principal redemption on the due dates, additional interest @ 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period. In case of default by the Issuer in the performance of any of the covenants of this Issuance, including but not limited to the financial covenants of this Issuance, additional interest @ 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period
Prepayment	No prepayment is permitted, however accelerated payment can be done in case of breach of any covenants
Redemption Amount	The sum of the principal outstanding on the Debentures, accrued Coupon, Default Interest payable (if any) and other charges and fees payable.
Interest on application money	The Issuer shall be liable to pay the Debenture Holders, interest on application money at the Coupon Rate for the period commencing from the date on which the Debenture Holders have made payment of the application monies in respect of the Debenture to the Issuer and ending on one Business Day prior to the Deemed Date of Allotment. The interest on application monies, if any, shall be paid by the Issuer

	to the Debenture Holders within 2 (two) Business days from the Deemed Date of Allotment.
Transaction documents	<p>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:</p> <ol style="list-style-type: none"> 1. Letter appointing Trustees to the Debenture Holders; 2. Debenture Trusteeship Agreement; 3. Debenture Trust Deed; 4. Deed of Hypothecation; 5. Shelf Disclosure Document; 6. Private Placement Offer Letter (Form PAS 4); 7. Board Resolution authorizing this Issuance; 8. Applicable Shareholder Resolutions under the Companies Act 2013; 9. Credit Rating Letter & Rationale 10. Rating Agreement with the aforesaid Rating Agency(ies) with respect to this Issuance; 11. BSE In-principle Approval for Listing <p>the audited financial results of the Issuer for the for FY 19</p> <ol style="list-style-type: none"> 12. Tripartite Agreements with the Depository(ies) and Registrar & Transfer Agent
Conditions Precedent	<p>The Company shall fulfil the following Conditions Precedent the satisfaction of the Debenture Trustee and submit Conditions Precedent documentation where applicable to the Debenture Trustee, prior to the Pay in Date:</p> <ol style="list-style-type: none"> 1. All corporate approvals from the Board of Directors and shareholders of the Issuer, if applicable, shall have been received for the issuance of the NCDs, and the execution, delivery and performance by the Issuer of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed; 2. Execution of the Debenture Trustee Agreement,; 3. Executed Shelf Disclosure Document 4. Debenture Trustee Consent Letter 5. The Issuer shall have submitted to the Debenture Trustee the rating letter and rating rationale; 6. The Issuer shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements; 7. The Issuer shall have submitted to the Debenture Trustee a certified true copy of the constitutional documents of the Company (the Memorandum and Articles of Association and the Certificate of Incorporation) 8. The Issuer shall have submitted to the Debenture Trustee its audited account statements for the most recent financial year or audited financial half-year
Conditions Subsequent	<p>The Issuer shall ensure that the following documents are executed/activities are completed as per the time frame stipulated in the Debenture Trust Deed</p> <ol style="list-style-type: none"> 1. The Issuer shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 5 along with the Information Memorandum and Form PAS 3 along with requisite fee within prescribed timelines;

This document does not constitute an offer, or an invitation to offer, or a recommendation to enter into any transaction. We have sent you this document in our capacity as a potential counterparty acting at arm's length. We are not acting as your financial adviser or in a fiduciary capacity in respect of this proposed transaction or any other transaction with you unless otherwise expressly agreed by us in writing. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You should also consider seeking advice from your own advisers in making this assessment.

	<p>2. To create, register and perfect the security over the Hypothecated Assets no later than 90 (Ninety) calendar days from the Deemed Date of Allotment or as applicable under relevant regulation and Law, whichever is earlier beyond which company shall pay a penal interest of 2% over the coupon rate from the expiry of 90 days from deemed date of allotment till the creation of security takes place.</p> <p>3. Receive final listing approval from the BSE within 20 calendar days from the Deemed Date of Allotment</p> <p>4. The Issuer shall ensure credit of demat account(s) of the allottee(s) with the number of NCDs allotted within 5 (Five) Business Days of the Deemed Date of Allotment</p> <p>5. Execution of the Debenture Trust Deed in form and manner satisfactory to the Debenture Trustee shall have taken place; in the event of delay in execution of aforementioned deed within 3 months from deemed date of allotment, the company shall pay penal interest at the rate of 2% p.a. over the coupon rate till these conditions are complied with / refund the subscription/ accrues interest due in respect thereof; at the option of Debenture holders</p> <p>6. The Issuer shall ensure compliance with SEBI / Companies Act 2013 (as applicable) for issuance of NCDs.</p> <p>(a) the Issuer shall file copies of the Debt Disclosure Document with SEBI within the prescribed timelines;</p> <p>(b) the Issuer shall obtain listing of the Debentures within 20 (twenty) calendar days of Deemed Date of Allotment, and deliver evidence in a form and manner satisfactory to the Debenture Holders of the final listing of Debentures within 20 (twenty) days of the Deemed Date of Allotment;</p> <p>7. The Issuer shall file Form CHG-9 with the ROC within 30 (thirty) calendar days from the date of execution of the Deed of Hypothecation or within such other extended time as permissible by the Ministry of Corporate Affairs</p> <p>(c) the Issuer shall assist the Debenture Trustee in filing Form I with CERSAI within 30 (thirty) calendar days from the date of execution of the Deed of Hypothecation;</p> <p>(d) within 15 (fifteen) days (or such other time period prescribed by the Debenture Trustee (acting on the instructions of the Debenture Holders)) of the filing of charges pursuant to paragraph (e) above, receipt of certified true copy of the certificate of registration of charge issued by the ROC;</p> <p>(e) within 75 (seventy five) calendar days from the date of execution of the Deed of Hypothecation, provide such other documents/comply with such other requirement as may be prescribed by Debenture Trustee for the perfection of the security created under the Deed of Hypothecation; and</p> <p>(f) provide such other information, documents, certificates, opinions and instruments as the Debenture Trustee and the Debenture Holders may request in connection with the transactions contemplated under the DTD and the other Transaction Documents.</p> <p>(g) Will comply with all RBI and sebi guidelines for issuance of NCD</p> <p>(h) the audited financial results of the Issuer for the for FY 20</p> <p>(i) The Issuer shall ensure compliance with SEBI / Companies Act, 2013 (as applicable) for issuance of NCDs.</p>
--	---

This document does not constitute an offer, or an invitation to offer, or a recommendation to enter into any transaction. We have sent you this document in our capacity as a potential counterparty acting at arm's length. We are not acting as your financial adviser or in a fiduciary capacity in respect of this proposed transaction or any other transaction with you unless otherwise expressly agreed by us in writing. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You should also consider seeking advice from your own advisers in making this assessment.

	(j) The company should submit to Debenture Trustee/Branch, at the end of each quarter, a Chartered Accountant's Certificate stating, inter-alia, that the criteria on (i) qualifying assets, (ii) the aggregate amount of loan, extended for income generation activity, and (iii) pricing guidelines are followed.
Events of Default	<p>Customary for financings of this nature and others appropriate in the judgment of the Debenture Holders, including but not limited to:</p> <ol style="list-style-type: none"> 1. Non-payment of any of the dues under this Issuance, 2. Issuer is unable or admits in writing its inability to pay its debts as they mature or suspends making payment of any of its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or a moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Company; 3. Insolvency, winding up, liquidation 4. Creditors' processes initiated against the company <ol style="list-style-type: none"> a. If initiated by a creditor that is not a lender / debt investor, cure period of 90 days 5. Repudiation of Transaction Documents by the Issuer 6. Cessation of business 7. All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or Government authority; 8. Occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders 9. Application of insolvency petition under bankruptcy code/NCLT by the Issuer <p>Breach of the following covenants:</p> <ol style="list-style-type: none"> 10. Cross default of payment to financial indebtedness of the Issuer or its subsidiaries. <p>Upon occurrence of any of the aforesaid event of default, the Debenture Trustee may by a notice in writing to the Company initiate actions as may be contemplated in the Transaction Documents including the following:</p> <ol style="list-style-type: none"> 1. require the Company to mandatorily redeem the Debentures and repay the principal amount on the Debentures, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with this Deed and other Transaction Documents; 2. declare all or any part of the Debentures to be immediately (or on such dates as the Debenture Trustee may specify) due and payable, whereupon it shall become so due and payable. 3. enforce security
Reporting Covenants	<ol style="list-style-type: none"> 1. Quarterly Reports – within 45 (Forty Five) calendar days from the end of each financial quarter <ol style="list-style-type: none"> a) Information on financials

This document does not constitute an offer, or an invitation to offer, or a recommendation to enter into any transaction. We have sent you this document in our capacity as a potential counterparty acting at arm's length. We are not acting as your financial adviser or in a fiduciary capacity in respect of this proposed transaction or any other transaction with you unless otherwise expressly agreed by us in writing. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You should also consider seeking advice from your own advisers in making this assessment.

	<ul style="list-style-type: none"> b) List of Board of Directors c) Shareholding Pattern d) Financial covenant compliance certificate signed by a Director or the Chief Financial Officer/Treasury Head <p>2. Annual Reports – within 120 (One Hundred and Twenty) calendar days from the end of each financial year</p> <ul style="list-style-type: none"> a) Audited financial statements <p>3. Event Based Reports – Within 15 (Fifteen) Business Days of the event occurring</p> <ul style="list-style-type: none"> a) Change in Shareholding structure b) Change in Board composition c) Changes in Accounting Policy, which have a material impact, and excluding changes required due to compliance with statutory requirements d) Board approval of annual business plan e) Change in the constitutional documents of the Company f) Material Adverse Effect g) Any dispute, litigation, investigation or other proceeding which could result in a Material Adverse Effect. h) Winding up proceedings i) IBC related application/petition
Financial Covenants	<ol style="list-style-type: none"> 1. The Capital Adequacy Ratio shall be always compliant with minimum levels stipulated by the regulator ("RBI") 2. The Gearing ratio shall not be more than 6 times 3. The Gross NPA (including write-offs) shall be less than 3% 4. The Net NPA shall be less than 1.5% <p>All covenants would be tested on quarterly basis for the Company, i.e. as on 31st March, 30th June, 30th September and 31st December every year, on consolidated and standalone balance sheet till the redemption of the Debentures.</p> <p>The covenants shall be certified by the Company within 45 (Forty-Five) calendar days from the end of each financial half year.</p> <p><i>For the purpose of this aforesaid clause, the following definitions may be relied upon:</i></p> <p><i>"Debt" shall mean aggregate of</i></p> <ol style="list-style-type: none"> a. All long-term outstanding, whether secured or unsecured, plus b. Contingent liabilities pertaining to corporate / financial guarantees given on behalf of any company / SPV / subsidiary / affiliate to the extent of outstanding of such guaranteed debt, plus c. Any short term debt outstanding whether secured or unsecured, availed of in lieu of long term debt or by way of bridge financing for long term debt

	<p>d. Any amount raised by acceptance under any acceptance credit facility</p> <p>e. Receivables sold or discounted (other than receivables to the extent they are sold on a non-recourse basis)</p> <p>f. Any put option, shortfall / liquidity support undertaking, debt service reserve account undertaking, keep fit letter(s), Letter of Comfort issued in favour of any person(s), which give or may give rise to any financial obligation(s)</p> <p>g. Any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;</p> <p><i>"Equity" shall mean issued and paid up Equity, compulsorily convertible instruments and Compulsorily convertible Preference Share Capital (+) all reserves (excluding revaluation reserves and pertaining to instruments which are not equity or compulsorily convertible) (-) any dividend declared (+) deferred tax liability (-) deferred tax assets (-) intangibles (including but not restricted to brand valuation, goodwill etc) as per the latest audited financials of the Issuer.</i></p> <p><i>"Gross NPA (including write-offs)" shall mean the entire outstanding principal value of the relevant portfolio of the Issuer that has one or more instalments of payments (including principal overdue) for 90 days or more or any restructured loans and write-offs, if any .</i></p> <p><i>"Net NPA" shall mean the difference between (i) on the Company's entire assets under management at any point of time, as the case may be, the outstanding principal value of the relevant portfolio of the Company that has one or more instalments of principal overdue for 90 days or more, including restructured loans but excluding loans that have been written off by the Company and (ii) all provisions created against standard assets, sub-standard assets, doubtful assets and loss assets</i></p>
Early Redemption	<p>The Debentures along with the accrued interest shall become due and payable within 30 (Thirty) days upon receipt of written notice from Debenture Trustee of happening of any of the following events ("Early Redemption Events"):</p> <ul style="list-style-type: none"> Any breach in Financial Covenants by the Issuer.
Affirmative Covenants	<ol style="list-style-type: none"> To utilise the proceeds of this issue in accordance with applicable laws and regulations To comply with corporate governance, fair practices code prescribed by the RBI To comply with latest regulatory guidelines, including on LCR, if applicable Notification of any potential Event of Default or Event of Default; Obtain, comply with and maintain all licenses / authorizations Permit visits and inspection of books of records, documents and accounts to Debenture Trustee as and when required by them Comply with any monitoring and/or servicing requests from Debenture Trustee
Representations & Warranties	<ol style="list-style-type: none"> The Company is registered as an NBFC No Event of Default has occurred and is continuing on the date of this transaction The Debentures under this Issuance shall rank pari passu amongst themselves, and with all other senior, secured creditors. Binding obligation of Transaction Documents

This document does not constitute an offer, or an invitation to offer, or a recommendation to enter into any transaction. We have sent you this document in our capacity as a potential counterparty acting at arm's length. We are not acting as your financial adviser or in a fiduciary capacity in respect of this proposed transaction or any other transaction with you unless otherwise expressly agreed by us in writing. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You should also consider seeking advice from your own advisers in making this assessment.

	<p>4. No conflict with other obligations / constitutional documents</p> <p>5. No Material Adverse Change in business, condition or operations of the Issuer</p> <p>6. Company has the power and authority to issue Debentures and such Transactions Documents are valid and admissible in evidence</p> <p>7. Absence of any pending or threatened litigation, investigation or proceedings that may have a material adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the Issuer or that purports to affect the Facility</p> <p>8. Illegality</p> <p>And as set out in greater detail in the Transaction Documents.</p>
Indemnification	The Issuer will indemnify, and hold harmless the Debenture Holders from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer or its Promoter/s.
Confidentiality	The terms and conditions described in this Term Sheet, including its existence, shall be confidential information and shall not be disclosed to any third party except to each Party's advisors and counsel. Provided however that if any of the Parties is required by law to disclose information regarding this Term Sheet or to file this Term Sheet with any regulatory body, it shall, at a reasonable time after making any such disclosure or filing, informing the other Parties.
Governing Law & Jurisdiction	This Term Sheet shall be governed and construed exclusively in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at Mumbai, India.
Roles and Responsibilities of Debenture Trustee	<p>As more particularly set out in the Transaction Documents, and to oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s), including:</p> <p>(a) the Debenture Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Issuer or by the Debenture Trustee or otherwise and shall not be responsible for any loss occasioned by so acting. PROVIDED THAT, the Debenture Trustee shall at all times act with due care and diligence before relying upon any advice, opinion, information and communication received by it from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert its attorney, representative or receiver;</p> <p>(b) subject to the approval of the Debenture Holders by way of Super Majority Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have the discretion as to the exercise thereof and to the mode and time of exercise thereof. In the absence of any fraud, gross negligence, willful misconduct or breach of trust the Debenture Trustee shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the aforementioned exercise or non-exercise thereof. The Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing the same and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;</p>

This document does not constitute an offer, or an invitation to offer, or a recommendation to enter into any transaction. We have sent you this document in our capacity as a potential counterparty acting at arm's length. We are not acting as your financial adviser or in a fiduciary capacity in respect of this proposed transaction or any other transaction with you unless otherwise expressly agreed by us in writing. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You should also consider seeking advice from your own advisers in making this assessment.

	<p>(c) with a view to facilitating any dealing under any provisions of these presents, subject to the Debenture Trustee obtaining the prior written consent of the Super Majority Debenture Holders, the Debenture Trustee shall have the power (i) to consent (where such consent is required) to a specified transaction or class of transactions (with or without specifying additional conditions), (ii) to determine all questions and doubts arising in relation to the interpretation or construction any of the provisions of the DTD, and (iii) to take any action on behalf of the Debenture Holders;</p> <p>(d) the Debenture Trustee shall not be responsible for the amounts paid by the Applicants for the Debentures;</p> <p>(e) the Debenture Trustee and every receiver, attorney, manager, agent or other person appointed by them shall, subject to the provisions of the Act, be entitled to be indemnified by the Issuer in respect of all liabilities and expenses incurred by them in the execution or purported execution of the powers and trusts thereof; and</p> <p>(f) the Debenture Trustee shall forward to the Debenture Holders copies of any information, documents from the Issuer pursuant to the DTD within 2 (two) Business Days of receiving any of the foregoing from the Issuer.</p> <p>(g) Debenture trustee shall obtain from the MFI, at the end of each quarter, a Chartered Accountant Certificate stating, inter-alia, that the criteria on (i) qualifying assets, (ii) the aggregate amount of loan, extended for income generation activity, and (iii) pricing guidelines are followed.</p> <p>(h) Debenture Trustee shall make sure the company comply with Guidelines on MFI/NBFC-MFI issued by RBI and any other statutory body(issued in time)</p> <p>PROVIDED THAT nothing contained in this Clause shall exempt the Debenture Trustee, its representatives or any receiver appointed by the Debenture Trustee from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule or Applicable Law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder</p>
Transaction Costs	<p>The Issuer shall bear all transaction related costs incurred by the Debenture Holders with respect to legal counsel, valuers and auditors / consultants. Such costs include:</p> <ol style="list-style-type: none"> 1. Trustee fees 2. Listing fees 3. Rating fees 4. Stamping and registration in relation to all Transaction Documents.
Taxes, Duties, Costs and Expenses	<ol style="list-style-type: none"> 1. Relevant taxes such as TDS, GST and any other applicable direct and indirect taxes for the time being in force, duties and levies are to be borne by the Issuer. 2. The charges / fees and any amounts payable under this Debentures by the Issuer as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.
Eligible investors	As permitted under Applicable Law
Conflict	In case of any repugnancy, inconsistency or where there is a conflict between the conditions/covenants as are stipulated in this document and any Transaction

This document does not constitute an offer, or an invitation to offer, or a recommendation to enter into any transaction. We have sent you this document in our capacity as a potential counterparty acting at arm's length. We are not acting as your financial adviser or in a fiduciary capacity in respect of this proposed transaction or any other transaction with you unless otherwise expressly agreed by us in writing. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You should also consider seeking advice from your own advisers in making this assessment.

	Document/s to be executed by the Company, the provisions mentioned in the respective Term sheet/Issue Addendum shall prevail and override the provisions mentioned elsewhere.
--	---

Cash Flow on a per Debenture Basis:

Face Value		Rs. 10,00,000				
Coupon Rate		9.50% p.a.				
Months	Date	Net Cash Flow	Principal	Interest	Principal O/s	days
	25 Sep 2020	(10,00,000)			10,00,000	
12	25 Sep 2021	95,000	-	95,000	10,00,000	365
18	25 Mar 2022	10,47,110.00	10,00,000	47,110	-	181

Accepted and agreed



This document does not constitute an offer, or an invitation to offer, or a recommendation to enter into any transaction. We have sent you this document in our capacity as a potential counterparty acting at arm's length. We are not acting as your financial adviser or in a fiduciary capacity in respect of this proposed transaction or any other transaction with you unless otherwise expressly agreed by us in writing. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You should also consider seeking advice from your own advisers in making this assessment.