

Issuer	Madura Microfinance Limited
Base Issue Size	Up to Rs. 50 crores (Rupees Fifty Crore Only)
Option to retain oversubscription	NIL
Type of Instrument	Rated, Listed, Secured, Redeemable, Taxable, Non-Convertible, Debentures
Nature of Instrument/Series	Secured
Issuance Mode	In Demat mode only
Trading Mode	In Demat mode only
Objects of the Issue	<p>The proceeds of the Issuance will be utilized for the following purposes:</p> <ul style="list-style-type: none"> • For liquidity mismatch arising due to moratorium extended by the company • General corporate purposes • For the ordinary course of business of the Issuer including repayment/re-financing of existing debt <p>Issue proceeds will not be used for acquisition of land or for investing in Capital Markets or for the following purposes which are not eligible for bank finance:</p> <ol style="list-style-type: none"> 1. Bills discounted / rediscounted by the Issuer - except for rediscounting of bills discounted by NBFCs arising from sale of - <ol style="list-style-type: none"> (a) commercial vehicles (including light commercial vehicles), and (b) two wheeler and three wheeler vehicles, subject to the following conditions: <ul style="list-style-type: none"> • the bills should have been drawn by the manufacturer on dealers only; • the bills should represent genuine sale transactions as may be ascertained from the chassis / engine number; and • before rediscounting the bills, banks should satisfy themselves about the bona fides and track record of NBFCs which have discounted the bills. 2. Investments of the Issuer both of current and long-term nature, in any company / entity by way of shares, debentures. 3. Unsecured loans / inter-corporate deposits by the Issuer to / in any company. 4. All types of loans and advances by the Issuer to their subsidiaries, group companies / entities. 5. Further lending to individuals for subscribing to Initial Public Offerings (IPOs) and for purchase of shares from secondary market. <p>The proceeds of this Issue shall not be used for any purpose, which may be in contravention of the government/RBI/SEBI/other regulatory guidelines</p>
Utilization of Issue Proceeds	<p>The proceeds of the Issuance will be utilized for the following purposes:</p> <ul style="list-style-type: none"> • For liquidity mismatch arising due to moratorium extended by the company • General corporate purposes • For the ordinary course of business of the Issuer including repayment/re-financing of existing debt <p>Issue proceeds will not be used for acquisition of land or for investing in Capital Markets or for the following purposes which are not eligible for bank finance:</p> <ol style="list-style-type: none"> 1. Bills discounted / rediscounted by the Issuer - except for rediscounting of bills discounted by NBFCs arising from sale of -



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Security	<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 Issuer undertakes:</p> <ul style="list-style-type: none"> • to maintain the value of security at all times equal to 1.25 times or 125% of the aggregate amount of principal outstanding of the NCDs ("Security Cover"). • to replace any slippage in loan receivables specifically charged to Debenture Trustee with standard receivables. Asset coverage ratio will be maintained at 1.25 times at all times during the currency of the NCDs. • to create the security over the Hypothecated Assets as contemplated above by executing a duly stamped deed of hypothecation ("Deed of Hypothecation") 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 subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) ("Monthly Hypothecated Asset Report"). • to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Assets is equal to 1.25 times or 125% (One Hundred Twenty Five Percent) of the aggregate amount of principal outstanding of the NCDs <p>Eligibility Criteria for the Hypothecated Receivables:</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 have not been restructured or rescheduled • all "Know Your Customer" norms have been complied with as prescribed by the Reserve Bank of India; • It is clarified that the assets would be 'current' on inclusion and replacement of receivables (to be carried out within 30 calendar days) would be upon becoming NPA (i.e. on crossing 90DPD); • Each client loans must satisfy the Issuer's credit and underwriting



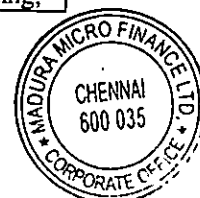
	<p>policies, including credit referencing agency checks where commonly used;</p> <ul style="list-style-type: none"> Each client loan must be directly originated by the Issuer and not loans purchased from a third party; <p>All loans hypothecated under the deed of hypothecation comply with RBI norms and guidelines</p> <p>Collateral:</p> <ol style="list-style-type: none"> 1) First charge – Hypothecation of other free assets(receivables) owned by the company (present and future) The Company to provide exclusive charge on (specific pool of) receivables for this purpose In case of NPA of any of the receivables in this pool of other free assets, company will replace those receivables with fresh list of receivables. 2) Second charge on assets charged as security to other lenders (present and future), as available
Seniority	Senior
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	Nil
Arranger to the issue	SBI Capital Markets Limited
Mode of Issue	Private Placement
Listing	Proposed to be listed on the Wholesale Debt Market Segment (WDM) of BSE
Trustees	Catalyst Trusteeship Limited
Credit Rating	ICRA BBB+ by ICRA Limited
Credit Enhancement	Nil
Face Value	Rs. 10 Lakhs per bond
Premium on issue	Nil
Discount on issue	Nil
Issue Price	At par, Rs. 10 Lakhs per Bond
Premium on redemption	Nil
Discount on redemption	Nil
Minimum Application	10 Bonds and in multiples of 1 Bond thereafter
Tenor	18 months from deemed date of allotment
Put Option	None
Put Option Price	Not Applicable
Put Option Date	Not Applicable
Put Notification Time	Not Applicable
Call Option	None
Call Option Price	Not Applicable
Call Option Date	Not Applicable
Call Notification Time	Not Applicable
Coupon Rate	[10.50%]
Redemption/ Maturity Amount	At Par
Redemption Date	February 17, 2022



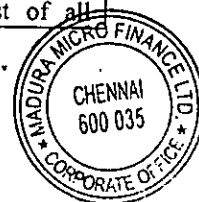
Step Up Coupon Rate	None (please refer rating covenant)	
Step Down Coupon Rate	None (please refer rating covenant)	
Rating Covenant	<p>In the event the Credit Rating of the Issuer is downgraded, the Coupon shall be increased by 0.25% for every notch of rating downgrade. The step-up coupon is applicable from the date of such downgrade until such event is cured, on the outstanding principal amount and accrued interest, if any, of the Debentures.</p> <p>For the purpose of this clause, if the Issuer is rated by more than one rating agency, then the lowest of the ratings shall be considered.</p> <p>In the event the Credit Rating of the Issuer is upgraded, the Coupon shall be decreased by 0.25% for every notch of rating upgrade, provided the coupon rate cannot go below the initial coupon rate at any time</p> <p>For the purpose of this clause, if the Issuer is rated by more than one rating agency, then the lowest of the ratings shall be considered.</p> <p>In the event of a downgrade in the credit rating of Debentures issued under this facility to BBB- or lower by any rating agency, the Debenture holders would reserve the right to recall the outstanding principal amount on the NCDs (i.e. redemption at par) along with other monies/accrued interest due in respect thereof. Such outstanding amount will be payable within a period of 90 days from the date of such notice of exercise of the right by the Debenture holders</p>	
Coupon Payment Frequency	Annual and on Maturity	
Coupon Payment Dates	1st Coupon date	August 17, 2021
	2 nd and Final Coupon date	February 17, 2022
Coupon Type	Fixed	
Coupon Reset	None	
Day Count Basis	Actual/Actual	
Issue Timing		
1. Issue Opening Date	August 17, 2020	
2. Issue Closing Date	August 17, 2020	
3. Pay-in Date	August 17, 2020	
4. Deemed Date of Allotment	August 17, 2020	
Default Interest Rate	2% (Two percent) over and above the Coupon Rate per annum, for the defaulting period, in the event the Issuer fails to make any payments of Interest and/or principal redemption to the Debenture Holders on their respective due dates.	
Settlement Mode	Payment of interest and repayment of principal shall be made by way of cheque(s)/ credit through RTGS/ Electronic Fund Transfer or any other electronic mode offered by the Banks	
Depositories	NSDL & CDSL	
Registrar	Bigshare Services Private Limited	
Valuer	Not Applicable	
Business Day Convention	'Business Day' shall be a day on which commercial banks are open for business in the city of Mumbai, Maharashtra and when the money market is functioning in Mumbai. If the date of payment of interest/redemption of principal does not fall on a Business Day, the payment of interest/principal shall be made in accordance with SEBI Circular CIR/IMD/DF-1/122/2016 dated November 11, 2016.	



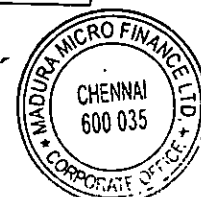
	<p>If any of the Coupon Payment Date(s), other than the ones falling on the redemption date, falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day, which becomes the coupon payment date for that coupon. However, the future coupon payment date(s) would be as per the schedule originally stipulated at the time of issuing the debentures. In other words, the subsequent coupon payment date(s) would not be changed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a non-Business Day.</p> <p>If the redemption date of the Bonds falls on a day that is not a Business Day, the redemption amount shall be paid by the Issuer on the immediately preceding Business Day which becomes the new redemption date, along with interest accrued on the debentures until but excluding the date of such payment.</p>
Record Date	The Record Date shall be 15 Calendar days prior to each coupon payment date / redemption date.
Investors who are eligible to apply	<ul style="list-style-type: none"> a) Banks and Financial Institutions b) FIIs c) Mutual Funds d) Insurance Companies e) Provident and Pension and Gratuity Funds f) Companies and Bodies Corporate including Public Sector Undertakings g) Individuals and Hindu Undivided Families h) Partnership Firms i) Any other investor authorized to invest in these debentures <p>Applications can only be made by the applicants / Institutions to whom this offer is addressed.</p>
Transaction Documents	<p>The Issuer 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> <ul style="list-style-type: none"> a) Letter appointing Catalyst Trusteeship Limited as Trustees to the Debenture Holders; b) Debenture Trusteeship Agreement; c) Debenture Trust Deed; d) Deed of Hypothecation; e) Information Memorandum; f) Board Resolution authorizing this Issuance; g) Applicable Shareholder Resolutions under the Companies Act, 2013; h) Rating Agreement with the aforesaid Rating Agency(ies) with respect to this Issuance; and i) Tripartite Agreements with the Depository(ies) and Registrar & Transfer Agent.
Issuer's Undertaking	<p>The Issuer undertakes that it has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> 1. Tripartite Agreement between the Issuer, Registrar and NSDL for issue of Bonds in dematerialized form; 2. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form; 3. Letter appointing Bigshare Services Private Limited as Registrar;
Conditions precedent to subscription of Bonds	<p>The Issuer represents and warrants to the Investor or its successors or assigns, prior to and upon the execution of the Transaction Documents/Agreement and at the time of issuance of the Debentures and at all time during the currency of the Transaction Documents, that:</p> <ol style="list-style-type: none"> 1. The Issuer is duly incorporated, validly existing, and in good standing;



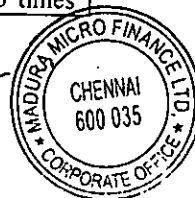
	<ol style="list-style-type: none"> 2. The Issuer is authorized to enter into the Transaction Documents, and the Transaction Documents are a valid and binding obligation of the Issuer enforceable in accordance with its terms; and the execution and performance of the Transaction Documents by the Issuer is lawful and does not constitute a default, acceleration or termination of any other agreement to which the Issuer is a party or breach of any judgment, decree, order or award. 3. All information provided by the Issuer to the Investor at any time is true, complete, and accurate, 4. The Issuer is the sole owner of all assets shown on the Issuer's financial statements delivered to the Investor save and except as stated in the said financial statements. 5. The Issuer is solvent and capable of paying its obligations as and when they become due. 6. There is no material litigation including winding up proceedings or governmental proceeding pending against the Issuer and the Issuer is not aware of any such proceeding being threatened, which could impair the Issuer's net worth or ability to perform this Agreement. 7. The Issuer maintains and shall maintain accurate business and financial records and prepares and shall prepare its financial statements in accordance with generally accepted accounting principles. 8. In case the Issuer is a Company under the Companies Act, 1956 or Companies Act, 2013, as the case may be:- <ol style="list-style-type: none"> i. All corporate authorizations required for entering into the Transaction Documents and performing the transactions pursuant hereto have been obtained and are in full force and effect, and the Transaction Documents and all transactions pursuant hereto are and will be in accordance with all applicable provisions of law; 9. Obligation hereunder are not in conflict with any other obligations of the Issuer 10. The execution of Transaction Documents is binding on the Issuer and such executed documents are valid and admissible in evidence in the court of law. 11. There is no Material Adverse Change occurred or event of default has occurred or continuing with respect to the Issuer and no such event or circumstance would occur as a result of its executing the Transaction Documents or performance of any obligation there under. 12. The Investor or it's successors and assigns shall have an exclusive floating charge on the identified business loan receivables of our Company 13. The Issuer shall take appropriate measures and/or authorization to create Security in favour of the Trustees or its successors and assigns and avail the financial indebtedness. 14. The Issuer shall have good title to assets, to be provided as security.
Conditions subsequent to subscription of Bonds	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Private Placement Offer Letter:</p> <ol style="list-style-type: none"> 1. Ensuring that the payment made for subscription to the Bonds is received from the bank account of the person/ entity subscribing to the Bonds and keep record of the bank accounts from where payments for subscriptions have been received. In case of subscription to the Bonds to be held by joint holders, application monies is received from the bank account of the person whose name appears first in the Application Form; 2. Maintaining a complete record of private placement offers in Form PAS-5; 3. Filing a return of allotment of Bonds with complete list of all



	<p>Bondholders in Form PAS-3 under section 42 of the Companies Act, 2013, with the Registrar of Companies, Chennai on the Deemed Date of Allotment along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014;</p> <p>4. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within two working days from the Deemed Date of Allotment;</p> <p>5. Making listing application to BSE within 15 business days from the Deemed Date of Allotment of Bonds and obtaining listing permission within 20 calendar days from the Deemed Date of Allotment of Bonds;</p> <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in the Private Placement Offer Letter.</p>
Covenants	<p>1. Security Creation: If the Company fails to execute the Debenture Trust Deed within three months of the issue closure, the Company shall pay penal interest at the rate of 2.00% p.a. over the Coupon Rate till these conditions are complied with or refund the subscription (ie. redemption at par) along with other monies/accrued interest due in respect thereof, at the option of the Bondholders;</p> <p>2. Default in Payment: In case of default in payment of interest and/ or principal redemption on the due dates, the Company shall pay additional interest at the rate of 2.00% p.a. over the Coupon Rate for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid.</p> <p>3. Delay in Listing: The Company shall make listing application to BSE within 15 days from the Deemed Date of Allotment of the Bonds and obtain listing permission within 20 calendar days from the Deemed Date of Allotment of Bonds. In case of delay in listing of the Bonds beyond 20 calendar days from the Deemed Date of Allotment, the Company shall pay penal interest at the rate of 1.00% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of Bonds to the Bondholder(s).</p> <p>The interest rates mentioned in above covenants shall be independent of each other.</p> <p>In case any of the "Covenants" is breached and continues breached for a period of 30 days from such breach coming to notice, the Primary Bondholder would reserve the right to recall the outstanding principal amount on the NCDs (ie. redemption at par) along with other monies/accrued interest due in respect thereof.</p>
Event of Defaults	<p>Occurrence of any of the following events constitutes an event of default with respect to the Issuer:</p> <p>(i) The Issuer fails to promptly pay any amount now or hereafter owing to the Investors as and when the same shall become due and payable; or</p> <p>(ii) If the Issuer fail to duly observe or perform any obligation under this agreement or under any agreement entered into by it in connection with any loans or other borrowings (including any kind of hybrid borrowing like FCCB , optionally convertible preference shares or bonds) availed of by the Issuer and the lender or investor concerned; or</p> <p>(iii) Breach of any of the key covenants, as specified above, which are not remedied within such period of time, if any, as the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) may allow.</p> <p>(iv) Breach of any of the covenants, representations and warranties</p>



	<p>(including any representation or warranty is held to be untrue, incomplete, incorrect or misleading in material ("material adverse changes")) form contained in the Transaction Documents which are not remedied within 15 days from the date of such breach.</p> <p>(v) the Issuer entering into any material arrangement or composition with his/her/its/their creditors or committing any act of insolvency, or any act the consequence of which may lead to the insolvency or winding up of the Issuer;</p> <p>(vi) execution or distress or other process being enforced or levied upon or against the whole or any part of the Issuer's property whether secured to the Investor or not;</p> <p>(vii) any order being made or a Resolution being passed for the winding up of the Issuer (except for the purpose of amalgamation or reconstruction with the prior approval of the Investor);</p> <p>(viii) a Receiver being appointed in respect of the whole or any part of the property of the Issuer;</p> <p>(ix) the Issuer being adjudicated insolvent or taking advantage of any law for the relief of insolvent debtors;</p> <p>(x) the Issuer ceasing or threatening to cease to carry on business or giving or threatening to give notice of intention to do so;</p> <p>(xi) Inability to pay debts, proceedings of winding up, or the Issuer's being declared or considered to be a sick company, or a relief undertaking or a protected company or a sick industrial company or a protected industrial company or otherwise, under any law, statute, rule, ordinance etc. which would have the effect of suspending or waiving all or any right against the Issuer or in respect of any contract or agreement concerning the Issuer,</p> <p>(xii) The passing of any order of a court ordering, restraining or otherwise preventing the Issuer from conducting all or any material part of its business; or</p> <p>(xiii) The cessation of business by or the dissolution, winding-up, insolvency or liquidation of the Issuer.</p> <p>(xiv) Events of default considered appropriate for the transaction of this nature including:</p> <ol style="list-style-type: none"> 1. Breach of any of the covenants, representations and warranties. Cure period for (a) any breach of key covenants to be given at the sole discretion of the Investor, and (b) breach of any other covenants, representation and warranties to be cured within 30 days. 2. Failure to file a Form CHG 9 with the Registrar of Companies in form and substance required to perfect the Security within 90 days from the deemed date of allotment. 3. Security provided being invalid security or loss of lien on collateral 4. Unlawfulness or unenforceability of finance or security 5. Repudiation of any Transaction Document 6. Illegality for the Issuer to perform any of its obligations under the Transaction Document 7. The withdrawal, failure of renewal, or failure to obtain any statutory or regulatory approval in any relevant jurisdiction for the Debentures or any Security. 8. Representations or Warranties are found to be untrue or misleading when made or deemed to be made. 9. If any other indebtedness of the Issuer to any other lender is not paid when due and the same is declared as an event of default by that lender. 10. The security cover falls below 1.25 times of the Outstanding principal amount and interest thereon at any time during the currency of the Debentures and if the Issuer fails to reinstate to 1.25 times
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	<p>within 30 working days.</p> <p>On the question whether any of the acts, matters, events or circumstances mentioned in sub-clauses (i) to (xi) and (xiii to xiv) above have happened, the opinion of the Trustee in concurrence with majority debenture holders shall be final and conclusive and be binding on the Issuer.</p>
Role and Responsibilities of Trustees	<p>The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.</p>
Approvals	<p>The Issuer agrees to comply with all applicable rules and regulations in respect of the transaction. The Issuer will be responsible for taking all necessary authorization and / or approvals internal, external regulatory, statutory or otherwise</p>
Governing Law and Jurisdiction	<p>The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of district courts of Mumbai.</p>



V. [Signature]