

Summary of the terms of issuance of the debenture

Security Name	11.50 % Annapurna Finance Private Limited 2022
Issuer	Annapurna Finance Private Limited
Type of Instrument	Rated, listed, secured, non-convertible debenture denominated in Indian Rupees with nominal value of Rs. 10,00,000 (Indian Rupees Ten Lakhs)
Investor(s) / Debenture Holders	1. UCO bank 2. Punjab National Bank (PNB)
Trustee	Catalyst Trusteeship Limited
Promoters	1. Mr. Gobinda Chandra Pattanaik 2. Mr. Dibyajyoti Pattanaik
Depository	CDSL and NSDL
Legal Counsel	Phoenix Legal
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	<ul style="list-style-type: none"> • Scheduled commercial banks in India; • NBFCs and Residuary Non-Banking Companies registered with RBI; • Indian companies; • Mutual Funds; • Rural regional banks in India; • Insurance companies registered with Insurance Regulatory and Development Authority; • Financial institutions, including all India financial institutions; • Housing finance companies registered with the National Housing Board; • Other eligible investors as per the concerned guidelines and regulations
Listing	<p>Proposed on the WDM segment of BSE Limited</p> <p>Debentures are proposed to be listed on the WDM of the BSE Limited within a maximum period of 15 calendar days from the Deemed Date of Allotment</p> <p>In case of delay in listing of Debentures beyond 20 days from the Deemed Date of Allotment, the Issuer shall pay penal interest at the rate of 1.00% p.a. (over and above the Coupon at the Coupon Rate) from the expiry of 30 days from the Deemed Date of Allotment till the listing of the Debentures</p>
Delay in execution of debenture trust deed	A trust deed shall be executed by the Issuer in favour of the Debenture Trustee within 3 months of the closure of the issue. In case of a delay in execution of the Debenture Trust Deed, the Issuer will pay penal interest of at least 2% p.a. over the Coupon till the execution of the Debenture Trust Deed
Rating	ICRA A- / Stable” by ICRA Limited
Issue size	Rs 100 Crores
Option to retain oversubscription (Amount)	NA
Objects of the Issue/ Details of the utilization of the Proceeds	<p>The funds raised through the issue of Debentures are not meant for any specific project as such and therefore the proceeds of the Debentures shall be utilized for:</p> <ul style="list-style-type: none"> • the general corporate purposes of the Issuer including repayment of existing debt; • to finance the growth of portfolio of the Issuer including for on-lending purposes to its underlying borrowers in line with RBI Guidelines and as permitted by RBI for bank finance; • repayment of any existing Financial Indebtedness. <p>The Issue proceeds will not be used for any purpose for which bank finance is not permitted by RBI including investments in capital market, real estate</p>

	<p>and on-lending activities. Additionally, the Issuer undertakes that proceeds of the present Issue shall not be used for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the RBI, SEBI, registrar of company, or any stock exchange.</p> <p>Pending full utilization of issue proceeds, the Issuer shall be entitled to invest the issue proceeds in money market instruments, mutual funds and deposits with banks.</p>
Coupon Rate	11.50% p.a.
Step Up/Step Down Coupon Rate	<p>a) If credit rating of the Debentures is downgraded below A- by ICRA , the Coupon Rate on Debenture shall be increased by 0.25%. It is clarified that additional step up coupon would be payable only till the time any one of the outstanding rating of the Issuer from ICRA remains below current rating (i.e., ICRA A-) and shall not be charged if the credit ratings are restored to original level or higher level by respective rating agencies.</p> <p>b) If credit rating of the Debentures is downgraded below A- by ICRA , the coupon rate on debentures shall be increased by 0.25% for each notch downgrade. It is option of the Investors either to continue or the issuer shall be obliged to prepay the outstanding principal on debentures (i.e. redemption at par) along with accrued interest, due in respect thereof on such debentures, within 30 days of such request from the debenture holder.</p>
Coupon payment frequency	Half-yearly and on maturity
Coupon Payment Date	February 7, 2021 August 7, 2021 February 7, 2022
Coupon Types	Fixed
Coupon Reset Process (Including rates, spread, effective date, interest rate cap and floor etc.)	Not Applicable
Day Count	Actual / Actual
Interest on Application Money	Not Applicable
Default Interest	<p>Without prejudice to the other rights of the Debenture Trustee (including the right to call an Event of Default):</p> <ul style="list-style-type: none"> In case Security is not created within 90 days from Deemed Date of Allotment, Issuer will pay default interest of 2% p.a. payable monthly over the Coupon Rate from the expiry of 90 days from the deemed date of allotment till the aforesaid conditions are complied with in the form and manner acceptable to the Debenture Holders/Debenture Trustee; and in case of default of payment of interest and / or principal redemption on the due date additional interest at the rate of 2% p.a. payable monthly over the Coupon Rate will be payable by the Company.
Tenor	18 months
Redemption Amount	Redeemable at Par Rs. 10,00,000/- per debenture
Redemption premium / Discount	Not Applicable
Issue Price	At Par Rs. 10,00,000/- per debenture
Discount at which security is issued	Not Applicable
Issue/Bid Opening Date	August 6, 2020
Issue/Bid Closing Date	August 6, 2020
Pay in Date	August 7, 2020
Deemed Date Of Allotment	August 7, 2020
Maturity Date / Redemption Date	February 7, 2022
Call option / Put Option	Not Applicable

Issue Price	Rs. 10,00,000/- per Debenture
Face Value	Rs. 10,00,000/- per Debenture
Minimum Applicable and in multiple of Debentures thereafter	100 and in multiples of 1 Debentures thereafter
No. of Units	1000
Manner of Allotment	Uniform yield allotment
Manner for payment by the Investors	Investors to transfer the subscription amount to the designated ICCL account
Issuance mode of the instrument	De-Materialized Only
Trading mode of instrument	De-Materialized Only
Redemption mode of instrument/settlement mode/mode of settlement	ICCL
Principal redemption frequency	Bullet
Timetable for principal payment	On maturity
Business Day Convention	As per SEBI Guidelines
Effect of Holidays	If a Coupon Payment Date falls on a holiday or a Sunday or a day which is not a Business Day, the payment shall be made on the following Business Day. In respect of any payment of principal, if any where the Redemption Date of the Debentures falls on a Sunday or a holiday or a day which is not a Business Day, the Redemption Amount payment shall be made on the immediately previous Business Day.
Record Date	15 business days prior to each Coupon Payment Date/ Redemption Date
Security	<p>The non-convertible debentures would be secured with margin 1.10 times of the receivables of the Company</p> <p>Description and type of security, the type of charge : The principal amount of the Debentures to be issued in together with all interest due on the Debentures subject to any obligations under applicable statutory and/or regulatory requirements shall be secured by a first ranking <i>paripassu</i> charge on, book debts, receivables (both present and future) of the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Deed of Hypothecation and the Debenture Trust Deed, except those receivables specifically and exclusively charged in favour of certain existing charge holders, such that a security cover of 110% of the outstanding principal amounts of the Debentures is maintained at all time until the maturity date.</p> <p>The date of creation of security: within 90 days of deemed date of allotment.</p> <p>Any revaluation or revaluation of security interest to the debenture holder over and above the coupon rate: Not applicable.</p>
Manner of Bidding	Close Book
Roles and Responsibilities of Debenture Trustee	As per Debenture Trustee Deed
Mode of Allocation/ Allocation Option	Uniform Yield
Quarter End	These being the dates June 30, September 30, December 31 and March 31 of the year
Covenants	Capital Adequacy will be tested on Quarterly Basis and should not fall less than Statutory level
Material Representations & Warranties	<p>The Company shall make representations customary for issuance of this nature, including but not limited to:</p> <ul style="list-style-type: none"> • Corporate existence, power and authority; • Legal validity and binding nature of the transaction; • Corporate authorizations and consents;

	<ul style="list-style-type: none"> • non-contravention of constitutional documents and binding nature of the same; • No outstanding default or material litigation; • No violation of law or material agreements; • No occurrence of a material adverse effect; • No litigation that may have a material adverse effect on operation of business; • No insolvency ; • Completeness and accuracy of financial statements; • Fund proceeds under this transaction shall only be applied in accordance with the end use as stated in this term sheet;
Material Adverse Effect	<p>An event, circumstance, occurrence or condition which has caused, as of any date of determination, or could reasonably be expected to cause any material adverse effect on or a material adverse change in (a) the ability of the Issuer, to perform its obligations under Transaction Documents; or (b) legality or the validity or enforceability of the Transaction Documents or the rights or remedies of Debenture Holder(s) /beneficial owner(s) thereunder.</p> <p>Reference to the words “material” or “reasonable” shall mean “reasonable” or “material” in the opinion of the Debenture Trustee as decided by a majority (51%) of the debenture holders by value.</p>
Event of Default	<p>Customary to transactions of this nature to be provided including but not limited to the following:</p> <ul style="list-style-type: none"> • Non-payment of any amount due and payable in respect of the Debentures and the Transaction Documents; • Failure to maintain security cover; • Cross default - Other than default of the present issue, if the issuer or any other entity within the Group, is in default under the terms and conditions of any issuances/obligations under other facilities and receives such notice of event of default from such lender/investor, then that shall also constitute an event of default under the present issue as well • Breach of any covenants under any of the Transaction Documents; • Repudiation of any Transaction Document; • Misrepresentation; • Unlawfulness; • Material Adverse Effect including any material fraud. Misappropriation, Misstatement, Embezzlement; • Nationalization, Moratorium, Expropriation; • Cessation of Business; • Material Litigation; • Wilful Defaulter; and <p>In addition to the other rights upon an Event of Default, Investor shall have the right to accelerate the Debentures and make the outstanding amounts due and payable immediately by the Issuer.</p>
Transaction Documents	<p>The Disclosure Document shall cover the disclosure requirements of SEBI, as applicable. Further the following transaction documents shall be executed:</p> <ol style="list-style-type: none"> Debenture Trust Deed; Information Memorandum Private Placement Offer Letter cum Application (PPOA) Debenture Trustee Agreement and Security Documents. (Deed of Hypothecation)
Condition Precedent	<ul style="list-style-type: none"> • A certified true copy of the certificate of incorporation of the Issuer together with its constitutional documents. • A certified true copy of a resolution of the board of directors of the Issuer under Section 179 of the Companies Act.

	<ul style="list-style-type: none"> • A certified true copy of a resolution of the board of directors of the Issuer authorizing the constitution of the Financial Resources and Management Committee. • A certified true copy of a resolution of the Financial Resources and Management Committee authorizing the specific terms of the issue of the Debentures in accordance with the board resolution referred above. • Certified true copies of the special resolutions of the shareholders of the Issuer under Section 180 of the Companies Act. • Receipt of a credit rating letter for the Debentures from ICRA. • Consent letter to act as Registrar and Transfer Agent issued by NSDL Database Management Limited. • Consent letter from Debenture Trustee. • Receipt of the ISIN from the Depository for the issuance of the Debentures. • Such other conditions precedent as may be set out in the Debenture Trust Deed.
Conditions Subsequent	<ul style="list-style-type: none"> • Certified true copy of all corporate actions approving and allotting the Debentures. • Execution of the debenture trust deed and the security documents and filing of duly completed Form No. CHG-9 with the registrar of companies by the Issuer, pursuant to Section 77 of the Companies Act. • Filing of a return of allotment on the issue of the Debentures in Form PAS-3 specified pursuant the Companies Act, by the Issuer, with the registrar of companies, within 15 (fifteen) days from the Deemed Date of Allotment. • All necessary authorizations/no-objection letters from the existing security holders for the issuance of the Debentures and creation of security over the hypothecated assets. • Such other conditions subsequent as may be set out in the Debenture Trust Deed.
Governing Law & Jurisdiction	<ul style="list-style-type: none"> • Subject to sub-clauses below, the courts and tribunals of Mumbai have exclusive jurisdiction to settle any dispute arising out of or in connection with the Debentures (including a dispute regarding the existence, validity or termination of the Debentures) (a “Dispute”) and, accordingly, any legal action, suit or proceedings (collectively referred to as “Proceedings”) arising out of or in connection with a Dispute may be brought in those courts and tribunals and the parties shall irrevocably submit to and accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of those courts and tribunals. • The courts and tribunals of Mumbai are the most appropriate and convenient courts to settle Disputes and accordingly the parties will not argue to the contrary. The parties shall: (i) irrevocably waive; (a) any objection now or in future, to the laying of the venue of any Proceedings in the courts and tribunals in Mumbai, and (b) any claim that any such Proceedings have been brought in an inconvenient forum; and (ii) irrevocably agree that a judgment in any Proceedings brought in the courts and tribunals in Mumbai shall be conclusive and binding upon them and may be enforced in the courts and tribunals of any other jurisdiction (subject to the laws of such jurisdiction) by a suit upon such judgment, a certified copy of which shall be conclusive evidence of such judgment, or in any other manner provided by law.

For Annapurna Finance Private Limited

For Annapurna Finance (P) Ltd.

Subrata Pradhan
Company Secretary

Authorised Signatory