

TERM SHEET OF Asirvad Microfinance Limited (Secured MLD)

Private Placement of 245 Secured, Redeemable, Principal Protected- Market Linked, Non-Convertible, Debentures of the Face Value of Rs. 10,00,000/- each aggregating to Rupees Twenty Four Crores Fifty Lacs

Issuer	Asirvad Microfinance Limited (AMFL)
Security Name	AMFL NCD Secured, Rated, Listed, Redeemable Principal Protected – Market Linked Non-Convertible Debentures (PPMLD) Dec 11, 2020
Type of Instrument	Secured, Rated, Listed, Redeemable Principal Protected– Market Linked Non-Convertible Debentures (“NCDs” or Debentures”)
Nature of Instrument	Secured
Security	The Debentures are proposed to be secured against book debts of the Issuer. 1 time Security cover covering principal and interest
Ranking of security	The Debentures are secured by way of exclusive charge over the assets of company.
Seniority	Senior
Principal Protection	Principal is Protected at Maturity
Mode of Issue	Private Placement
Merchant Banker	LKP Securities Limited
Eligible Investors	<ul style="list-style-type: none"> A. Mutual Funds B. Non-banking financial companies C. Provident Funds and Pension Funds D. Corporates E. Banks F. Foreign Portfolio Investors (FPIs) G. Foreign Institutional Investors (FIIs) H. Qualified Foreign Investors (QFIs) I. High Net worth Individuals J. Insurance Companies K. Investment holding companies of high net worth individuals L. any other person or entity authorised to invest in bonds as per applicable law



Listing (including name of stock exchange(s) where it will be listed and timeline for listing	Proposed to be listed on the Debt Market (DM) segment of BSE within 20 days from date of allotment.		
Rating of the Instrument	"PP-MLD A+r/Positive" by CRISIL		
Rating Agency	CRISIL Limited		
Underlying/ Reference Index (Security)	10 year Government security: 7.26 G-Sec 2029 having ISIN: IN0020180454 and Maturity on 14-01-29 As published on Bloomberg Ticker IGB 7.26 14/01/2029		
Issue Size	INR 24,50,00,000/- (Rs. Twenty Four crores Fifty lakhs only)		
Objects of the issue	To raise Secured debt to the extent up-to Rs. 24,50,00,000/- (Rs. Twenty Four crores Fifty lakhs only)		
Detail of the utilization of the proceeds	The Issuer shall use the proceeds from the issue of the Debentures towards general corporate purposes and in the ordinary course of business of the Company including for repayment / refinancing of existing debt of the Company. The Company undertakes that no part of the proceeds of the Debentures shall be utilized by the Company directly or indirectly towards capital markets (debt and equity), land acquisition or usages that are restricted for bank financing.		
Coupon Rate/ Yield	Coupon linked to performance of Underlying / Reference Index As mentioned later in "Illustration of Bond Cash Flows per Debenture"		
	Scenario	If yield of underlying on final fixing date	Coupon on XIRR basis
	1	Is <=12%	11.00% p.a. (XIRR)
	2	Is <=18% Final Observation >12%	10.75% p.a. (XIRR)
3	Is > 18%	0.00 %	
Digital level	100% of Closing price of the reference security, i.e. Price Last Traded (closing) of 7.26 G-Sec 2029 as on Initial Fixing Date, as published on Bloomberg Ticker IGB 7.26 14/01/2029		
Initial level	Price Last Traded (closing) of 7.26 G-Sec 2029 as on Initial Fixing Date, as published on Bloomberg Ticker IGB 7.26 14/01/2029		
Initial Fixing Date	6-June-2019		
Final Fixing Level	Price Last Traded (closing) of 7.26 G-Sec 2029 as on Final Fixing Date, as published on Bloomberg Ticker IGB 7.26 14/01/2029		



Final Fixing Date	6-Dec-2020
Step Up/Step Down Coupon Rate /Coupon Payment Frequency	<p>a) For each notch downgrade, XIRR will increase by 25 bps.</p> <p>b) If rating will go below the Investments grade i.e. BBB- and suspended by any rating agencies and if the same is not reinstated back by Issuer within 15 Business Days, the debenture holders can exercise the right for a mandatory prepayment within 30 days.</p> <p>c) During the Tenor of the debenture Equity shareholding of Manappuram Finance Limited on a fully diluted basis to be above 51% at all times</p>
Coupon Payment Frequency	Payable at Maturity i.e. 11-Dec-2020
Coupon Payment Dates	As mentioned later in "Illustration of Cash Flows as provided below"
Coupon Type	Coupon linked to performance of Underlying / Reference Index
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	N.A.
Pay-in of Funds	12-June-2019
Type of allotment	Uniform
Maturity Date	11-Dec-2020
Day Count Basis	Actual / Actual
Interest on Application Money	Not Applicable
Default Interest Rate	2% p.a. over the coupon rate on the defaulted interest and/or principal redemption amount for the duration of default
Tenor	18 Months (548 days)
Redemption Amount	Rs. 10,00,000/- (Rupees Ten Lakh only) per Debenture plus coupon amount (if any)
Redemption Premium per debenture	INR 1,69,625
Face Value	Rs.10,00,000/- (Rupees Ten Lakh only) per Debenture *
Issue Price	Rs.10,00,000/- (Rupees Ten Lakh only) 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	N.A.
Call Option Price	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A.
Minimum Application & in multiples of Debt securities thereafter	10 Debentures of Rs.10,00,000 each and in multiples of 1 Debenture thereafter
1. Issue Opening Date	12-June-2019
2. Issue Closing Date	12-June-2019
3. Pay in Date	12-June-2019
4. Deemed Date of Allotment	
Underlying Performance	(Final Fixing Level / Initial Fixing Level) * 100
Issuance mode of the Instrument	Demat only (for private placement)
Trading mode of the Instrument	Demat only (for private placement)
Settlement mode of the Instrument	RTGS/NEFT/electronic fund
Depository(ies)	NSDL / CDSL
Business Day Convention	If the coupon payment date falls on Saturday, Sunday or a public holiday the payment will be made on the next working day. However, the last coupon payment will be made with the principal redemption and business day convention followed will be that of principal repayment, i.e. paid on the previous working day. Interest will be paid up to previous day of the redemption. If the maturity date fall on Saturday, Sunday or a public holiday, the redemption proceeds will be paid on the previous working day. In case of failure of RBI's system for RTGS / NEFT payment, the same will be made on the next business day. The Company will not be liable to pay any additional interest on account of same.
Record Date	5 days prior to each Coupon Payment / Principal repayment. If the record date is non-business day, then the previous working day will be considered.



Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)	Debentures shall be secured by exclusive charge over the Company's on present and future receivables to the extent equal to the principal and interest amount of the Debentures outstanding at any point of time.
Trustee	Catalyst Trusteeship Limited
Transaction Documents	Term Sheet, the Private Placement Offer Letter cum Information Memorandum, the Private Placement Offer Letter cum Information Memorandum, Debenture Trustee Agreement and any other document designated such by the Trustee.
Conditions Precedent to Disbursement	<p>(a) The Company shall have obtained all corporate approvals from the Board of Directors authorizing the issue of Debentures as also execution of the necessary documents in that behalf and a certified true copy of the resolution of the shareholders of the Company under section 42 of the Companies Act, 2013 and the execution, delivery and performance by the Company 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;</p> <p>(b) Execution by the Company of the Debenture Trustee Agreement and the Debenture Trust Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place;</p> <p>(c) The Company shall have submitted to the Debenture Trustee, the rating letter from the Rating Agency within a minimum credit rating of CRISIL PP-MLD A+r/Po</p> <p>(d) sitive and rating rationale;</p> <p>(e) The Company shall have submitted to the Debenture Holders or the Debenture Trustee, all required documents for the purpose of satisfying its respective know your customer requirements;</p> <p>(f) The Company shall have submitted to the Debenture Trustee a certified true copy of the constitutional documents of the Company and the Certificate of Incorporation;</p>



Condition Subsequent to Disbursement	<p>The Company shall comply with the following Conditions Subsequent within the timelines stipulated herein below:</p> <p>(a) Within 30 (Thirty) days from the Deemed Date of Allotment, the Company shall file of a return of allotment on the issue of the Debentures in Form PAS-3 specified pursuant to Rule 12 and 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, along with the requisite fee with the Registrar of Companies.</p> <p>(b) Within 20(twenty) calendar days from the Deemed Date of Allotment, the Company shall obtain the final listing approval from the BSE.</p> <p>(c) Dematerialised credit of the Debentures within 2 (Two) Business Days from the Deemed Date of Allotment.</p>
Events of Default	<ol style="list-style-type: none"> 1. Non payment of interest and redemption 2. Non creation of security 3. Down grade of rating. <p>For details of the events of default please refer to Debenture Trust Deed.</p>
Provisions related to Cross Default Clause	N.A.
Role and Responsibilities of Debenture Trustee	As per Debenture Trust Deed
Distribution Fees	The fees payable for marketing and distribution of debenture shall not exceed 0.35% p.a.
Governing Law and Jurisdiction	Any dispute in relation to debentures shall be governed by Law of India and courts and tribunals in Chennai shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this proposed debentures
Covenants	<ol style="list-style-type: none"> i) Where the Issuer fails to execute the trust deed within the 90 days period, without prejudice to any liability arising on account of violation of the provisions of the SEBI Act and these SEBI Debt Listing Regulations, the Issuer shall also pay interest of at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed. ii) For other covenants please refer to Private Placement Offer Letter cum Information Memorandum
Representation and warranties	For representation and warranties of the Issuer please refer to Debenture Trust Deed.
Valuation Agency	CRISIL Ratings Limited



Valuation Frequency & Publication	<p>CRISIL Ratings Limited</p> <p>The Valuation Agency will publish a valuation on its website at least once every calendar week. The valuation shall be available on the website of the Valuation Agency</p> <p>The Issuer will also make available, as soon as practicable, the valuation provided by the Valuation Agency on the website of the Issuer.</p> <p>The latest and historical valuations for these Debentures/NCDs will be published on the website of the Issuer at www.asirvadmicrofinance.co.in and the website of the Valuation Agency at http://www.CRISIL.com</p> <p>Upon request by any Debenture/NCD Holder for the valuation of these Debentures/NCDs, the Issuer shall provide them with the latest valuation.</p>
Valuation Agency Fees	<p>The fees would be 5 bps subject to a minimum of 1.5 Lacs. So, for the said issue fee is INR 1.50 Lacs</p>
Risk Factors associated with Market Linked Debentures	<p>The securities are created based on complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.</p> <p>The principal amount is subject to the credit risk of the issuer whereby the investor may or may not recover all or part of the funds in case of default by the Issuer.</p>
Rating and Affirmative Covenants	<ul style="list-style-type: none"> ➤ For each notch downgrade, XIRR will increase by 25 bps. ➤ If rating will go below the Investments grade i.e. BBB- and suspended by any rating agencies and if the same is not reinstated back by Issuer within 15 Business Days, the debenture holders can exercise the right for a mandatory prepayment within 30 days. ➤ During the Tenor of the debenture Equity shareholding of Manappuram Finance Limited on a fully diluted basis to be above 51% at all times
Premature Exit	<p>At the request of an investor, the company shall at its discretion and without being obliged to do so, arrange for buyback ("premature exit") of such number of debentures as the investors shall request. Such Premature shall occur at a price (a) which shall take into consideration the market value of the debenture, all costs incurred by the company, (including cost of unwinding any hedge) and (b) the price computed under (a) above shall be further reduced by such amount not exceeding 10% of the face value of the Debentures/NCD to be determined by the company at its sole discretion. A request for premature Exit by an investor shall not be considered if made within 12</p>



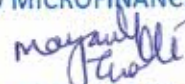
	months from the deemed date of allotment.
Early Redemption	<p>If, for reasons beyond the control of the Company, the performance of the Company's obligations under this Issue is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Company, occurring after such obligation is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights, the Company may at its discretion and without obligation to do so, redeem and/or arrange for the purchase of all but not some of the Debentures/NCDs, by giving notice of not less than 5 (five) Business Days to the Debenture Holders which notice shall be irrevocable and shall specify the date upon which the Debentures/NCD shall be redeemed (such date on which the Debentures/NCDs become immediately due and payable, the "Early Redemption Date"). Provided however if the Company believes or is advised that It is necessary to only redeem and/or arrange for the purchase of the Debentures/NCDs held by only certain class of Debenture Holders to overcome or mitigate any such force majeure, then the Company may without obligation to do so, redeem and/or arrange for the purchase of only such number of the Debentures/NCDs actually held by such class of Debenture Holders at the relevant time. If the Debentures/NCDs are bought by the Company, the Company will, if and to the extent permitted by applicable law, pay to each Debenture Holder in respect of each of the Debentures/NCDs held by such Debenture Holder an amount equal to the Early redemption amount of a Debenture notwithstanding the illegality or impracticability, as determined by the Company in its sole and absolute discretion. Early Redemption Amount means fair market value minus associated costs.</p>
Calculation Agent	CRISIL Ratings Limited
Compliance	<p>Company reserves right to make multiple issuances under the same ISIN with reference to SEBI Circular CIR/IMD/DF-1/ 67 /2017 dated 30th June 2017.</p> <p>Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium /par/discount as the case may be in line with SEBI Circular CIR/IMD/DF-1/ 67 /2017 dated 30th June 2017</p>
Validity	This Information Memorandum is valid until the Issue Closing Date



Illustration of the Scenario and Cash Flow :-

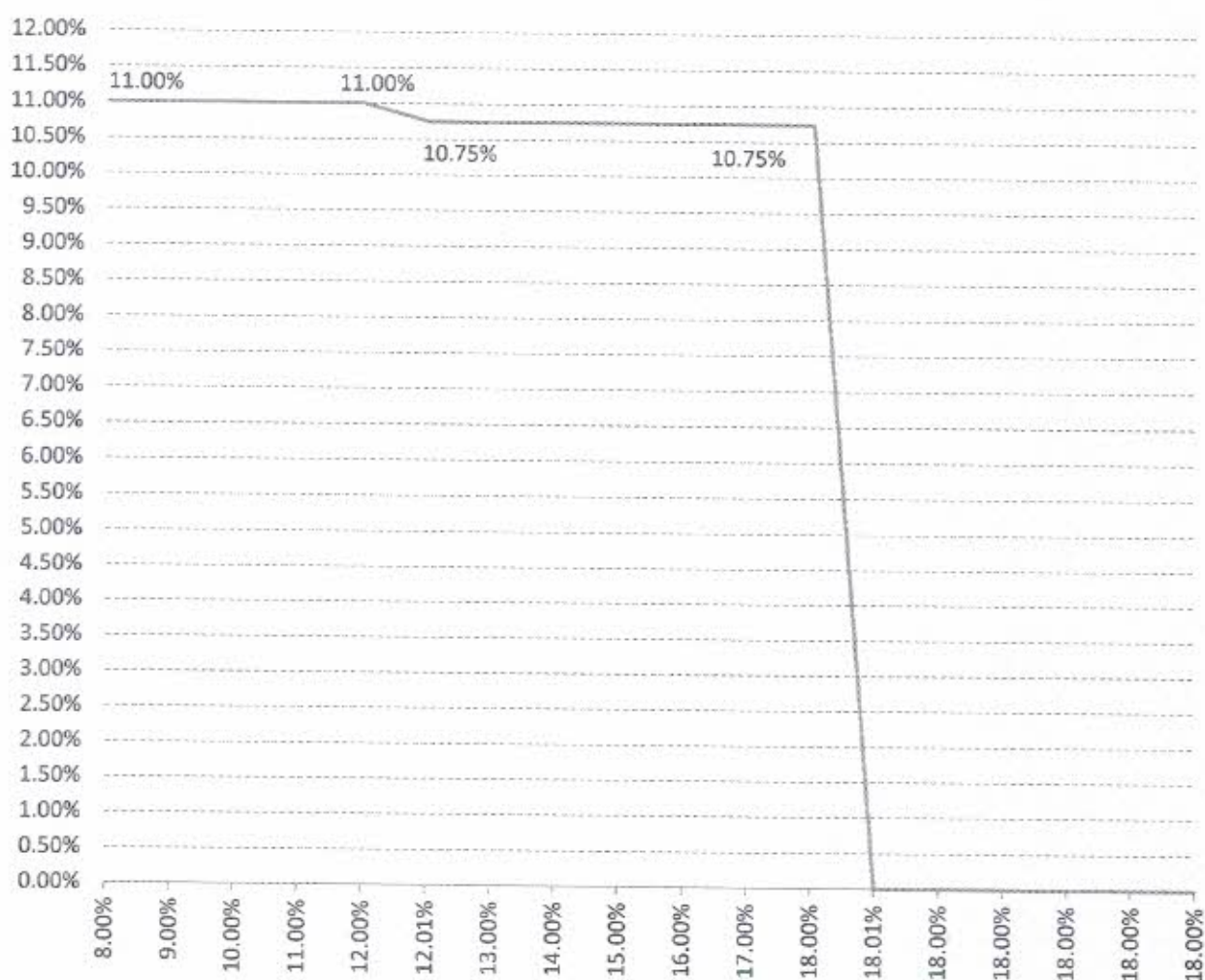
Scenario's	Price of 10 year G-sec at initial Levels	Current YTM	Assumed Price of 10 year Gsec at final observation date	Indicative YTM at final observation date	Return	Investment	Maturity Amount
Moderately falling to rising market conditions	102.2765	6.9316%	≥ 73.3511	$\leq 12\%$	11.00%	10,00,000	11,69,625
Substantially falling conditions	102.2765	6.9316%	< 73.3511 Final Observation 51.661	$\leq 18\%$ Final Observation $> 12\%$	10.75%	10,00,000	11,65,672
Extreme falling conditions	102.2765	6.9316%	< 51.661	$> 18\%$	0.00%	10,00,000	10,00,000

For ASIRVAD MICROFINANCE LIMITED



MAYANK SHYAM THATTE
Chief Financial Officer

Scenario Analysis :-



Note : X-axis = 10 year 7.26 G-sec 2029 Yield and Y-axis -- Yield on Investments

Accepted and agreed

For Asirvad Microfinance Limited

Credit Suisse Securities India Pvt. Ltd.

For ASIRVAD MICROFINANCE LIMITED

Mayank Shyam Thatte
MAYANK SHYAM THATTE
Chief Financial Officer

(Authorised signatory)

(Authorised signatory)