


Annexure -I



ASIRVAD MICROFINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.

Corporate Office:
9th & 10th Floor,
No:9, Club House Road,
Anna Salai, Chennai - 600 002.
T : 044 4212 4493


August 31, 2020

Union Bank of India
Mumbai
Maharashtra

Broad Terms of the Issue

Type of Instrument	Secured Rated Listed Redeemable Non-Convertible Debentures (the "NCD")
Nature of Instrument	Secured
Seniority	Senior
Mode of Issuance	Private Placement
Issuer/ Borrower/ Company	Asirvad Microfinance Limited (AML)
Tranche	Series
Face Value	INR 10 Lakhs per Debenture
Issue Price	INR 10 Lakhs per Debenture
Redemption Date	At the end of 18 months from the Deemed Date of Allotment ie on March 8, 2022
Allotment Quantity	500
Tranche Issue Size	INR 50.00 Crs
Security Cover	1.05x
Value Date/Deemed Date of Allotment	September 8, 2020
Maturity	At the end of 18 months from the Deemed Date of Allotment ie on March 8, 2022
Tenor	18 months
Security Name	AML Series Secured, Redeemable Non-Convertible Debentures
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	<ul style="list-style-type: none"> Proposed to be listed on the Wholesale Debt Market Segment of BSE Limited within 20 days from the Deemed Date of Allotment.
Rating of the Instrument	"CRISIL AA-" by CRISIL Limited
Issue Size	INR 50.00 Crore (Rupees Fifty Crores Only)
Minimum Subscription Amount	INR 50.00 Crore (Rupees Fifty Crores Only)

Option to retain oversubscription (Amount)	N.A.
Objects of the Issue	The Issuer shall utilise the moneys received towards subscription of the Debentures for on-lending to its micro finance clients and for regular business activities/purposes.
Details of the utilization of the Proceeds	The Issuer shall utilise the moneys received towards subscription of the Debentures for on-lending to its micro finance clients and for regular business activities/purposes.



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Web : www.asirvadmicrofinance.co.in E-mail : info@asirvad.org CIN : U65923TN2007PLC064550

2020/9/2

	The proceeds of the NCD shall not be utilized towards activities like investment in capital market, acquisition or purchase of land, or usages that are restricted for bank financing under RBI regulations.
Coupon Type	Fixed
Coupon Payment Frequency	Annual & on Redemption
Coupon Rate	9.00 % p.a.
Coupon Reset Process	N.A.
Step Up/Step Down Coupon Rate	N.A.
Coupon Amount	Accrued interest on the paid-up value of Debentures payable on Coupon Payment Date
Coupon Payment Dates	As mentioned later in "Illustration of Bond Cash Flows per Debenture"
Day Count Basis	Actual/ Actual
Interest on Application Money	At the Coupon Rate
Default Coupon Rate	2% p.a. over and above the Coupon Rate on defaulted amounts for the defaulting period
Redemption	Bullet at Par, At Maturity.
Redemption Amount	INR 10 Lakhs (Rupees Ten Lakhs Only) per Debenture.
Redemption Premium /Discount	N.A.
Discount at which security is issued and the effective yield as a result of such discount	N.A.
Put Date	N.A.
Put Price	N.A.
Put Option Notice	N.A.
Call Date	N.A.
Call Price	N.A.
Call Option Notice	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A.
Minimum Application and in multiples of 1 Debt securities thereafter	10 (Ten) Debentures
Issue Timing	
1. Issue/Bid Opening Date	September 7, 2020
2. Issue/Bid Closing Date	September 7, 2020
3. Pay-in Date	September 8, 2020
4. Deemed Date of Allotment	September 8, 2020
Issuance mode of the Instrument	Dematerialised only
Trading mode of the Instrument	Dematerialised only
Settlement mode of the Instrument	Cheque(s) / Direct Credit / Electronic Clearing Services / RTGS (Electronic mode) / Fund Transfer
Class / Classes of investors	Financial Institution
Debt Equity Ratio	4.33



2020/09/2 1



(Including Current Issue)	
Mode of Allotment / Allocation option	Uniform Yield
Mode of Settlement	Through Indian Clearing Corporation Limited (ICCL)
Depository	NSDL & CDSL
Penal Interest	<p>1. Security Creation: If the Company fails to execute the trust deed within three months of the closure of the issue, the Company shall also pay interest of 2.00% p.a. to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed or refund the subscription (ie. redemption at par) along with other monies/accrued interest due in respect thereof, at the option of the Debenture holders;</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 and/ or NSE within 15 days from the Deemed Date of Allotment of the Debentures and seek listing permission within 20 days from the Deemed Date of Allotment of Debentures. In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Company shall pay penal interest at the rate of 2.00% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of Debentures to the Debenture holder(s).</p>
Business Day Convention	<p>Other than the Deemed Date of Allotment and Coupon Payment Date, should any of the other date(s) fall on a day that is not a Business Day, then immediately preceding Business Day shall be considered as the effective Business Day.</p> <p>Should the Deemed Date of Allotment or any Coupon Payment Date fall on a day that is not a Business Day, then immediately succeeding Business Day shall be considered as the effective Business Day. However the calculation of the said coupon payment would be as per the schedule originally stipulated at the time of issuing the security. Thus, the subsequent coupon schedule would not be disturbed.</p> <p>"Business Day" shall be a day on which Money Market is functioning in Mumbai, however shall exclude Saturday, Sunday or any other day on which banks are closed in Mumbai.</p>
Record Date/Shut Period	15 days prior to each Coupon Payment / Redemption Date





Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	<ul style="list-style-type: none"> The outstanding NCD amount, together with interest shall be secured by an Exclusive Charge via a deed of hypothecation over specific asset portfolio of receivables and the identified current assets of the Company. The Issuer shall maintain a minimum asset cover of at least 1.05 time at all times during the tenure of the NCDs.
Security Creation	<ul style="list-style-type: none"> The Issuer undertakes to file a Form CHG 9 with the Registrar of Companies within 90 days from the Date of Disbursement.
Transaction Documents	<p>Debenture Trust Deed and/or any other documents as may be considered necessary by the Company, the Debenture Trustee and/or the Debenture Holders.</p> <ol style="list-style-type: none"> Consent Letter from IDBI Trusteeship Services Limited to act as Trustee to the Debenture holders; Debenture Trusteeship Agreement; Debenture Trust Deed; Rating Letter; Rating Rationale Private Placement Memorandum Detailed Term Sheet Deed of Hypothecation Board Resolution
Conditions Precedent to Disbursement	<ol style="list-style-type: none"> The Issuer is duly incorporated, validly existing, and in good standing; 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. All information provided by the Issuer to the Investor at any time is true, complete, and accurate, 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. The Issuer is solvent and capable of paying its obligations as and when they become due. 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. 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. Obligation hereunder are not in conflict with any other obligations of the Issuer





	<p>9. 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.</p> <p>10. 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.</p> <p>11. The Issuer shall have good title to assets, to be provided as security.</p>
Condition Subsequent to Disbursement	<p>1. Ensuring that the payment made for subscription to the Debentures is received from the bank account of the person/ entity subscribing to the Debentures and keep record of the bank accounts from where payments for subscriptions have been received. In case of subscription to the Debentures 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;</p> <p>2. Maintaining a complete record of private placement offers in Form PAS-5;</p> <p>3. Filing a return of allotment of Debentures with complete list of all Debenture holders 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 Debentures allotted within two working days from the Deemed Date of Allotment;</p> <p>5. Making listing application to BSE and/ or NSE within 15 business days from the Deemed Date of Allotment of Debentures and obtain listing permission within 20 calendar days from the Deemed Date of Allotment of Debentures;</p> <p>6. Ensuring execution of Deed of Hypothecation and Debenture Trust Deed in prescribed time limit i.e. within 90 days from the Deemed Date of Allotment</p>
Covenants	<ul style="list-style-type: none"> • Capital Adequacy to be kept minimum at 15% • Leverage level can be maximum at 7x • If the debentures get delisted, issuer will bear all expenses for listing it again within one month of delisting.





Events of Default	<p>Events of default as stated in the Debenture Documentation, including but not limited to the following:</p> <ul style="list-style-type: none"> • Failure to pay amounts due under the Issue on the relevant due date by the Issuer; • Insolvency, reorganization, liquidation, suspension of payment of debts, winding up, illegality, cessation of business by the Issuer; • Illegality, cessation of business of the Issuer; • Bankruptcy, CDR proceedings filed with respect to the Issuer; • Breach of any of the terms of the Transaction Documents by the Issuer; • Breach of any covenants; • Breach of any Representations and Warranties; • Nationalization or expropriation of any of a substantial part of the assets of the Issuer;
Consequences of Event of Default	<p>The consequences of default will, include but not be limited to the following:</p> <ul style="list-style-type: none"> • Acceleration of all outstanding dues, cancellation of total Issue and enforcement of Security; • To transfer assets of the Issuer comprised within the Security created in favour of Debenture Trustee or such other person by way of lease, leave and license, sale or otherwise. Any surplus realized from the transfer of assets after fulfilment of all the obligations of the Issuer under the Issue shall be paid to the Issuer; • Enforce its right under the Transaction Documents; • Appropriate any amount in the Accounts and utilize it for payment/repayment of any amount outstanding under the Issue; • Charge Default Interest. It is clarified that the default interest shall be charged from the date of occurrence of event of default irrespective of the same being declared by the Investor(s) till such date the default subsists; • Any cost incurred on any of the above shall be borne by the Issuer.
Provisions related to Cross Default	Any financial indebtedness of the Company is not paid when due and the applicable cure period has lapsed without the Company making payment of the overdue amount in full
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders, as per the terms of the Transaction Documents
Governing Law and Jurisdiction	The Debenture Documents shall be governed by the laws of India. The Courts in Mumbai will have exclusive jurisdiction in relation to any dispute that may arise out of or in connection with any of the Debenture Documents.
Taxation	All the taxes as per law excluding Income tax, as and when applicable on the instrument from time to time shall be borne by the Company.



Validity of the Information Memorandum	This Information Memorandum is valid as per timelines prescribed by the exchange
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Illustration of Bond Cash Flows per Debenture

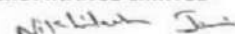
Cash Flows	Date	Month	No of Days in coupon period/Principal Period	Amount (in Rupees)
First Coupon	September 8, 2021	12	365	90,000
Final Coupon	March 8, 2022	18	181	44,630
Principal	March 8, 2022	18		10,00,000

Final Cash Flow

Cash Flows	Date	Month	No of Days in coupon period/Principal Period	Amount (in Rupees)
First Coupon	September 8, 2021	12	365	4,50,00,000
Final Coupon	March 8, 2022	18	181	2,23,15,068
Principal	March 8, 2022	18		50,00,00,000

For Asirvad Microfinance Limited

For ASIRVAD MICROFINANCE LIMITED



Authorised Signatory

Nikhilesh Kumar Jain

Head - Treasury