

Annexure 'A'

Term & Conditions	
Issuer /Company	Muthoot Fincorp Limited (MFL)
Facility	Senior, Secured, Unlisted Covered unrated Non-Convertible Debentures (NCD)
Facility Amount / Issuer Size	INR 75,00,00,000/- (Rupees Seventy Five crores only)
Face Value	Rs. 10,00,000 per NCD
Guarantor / Trust	Credavenue Centenario Trust 2021
Promoter (s)	Thomas John Muthoot, Thomas George Muthoot, Thomas Muthoot
Tenor	Upto 12 months and 5 days from date of first disbursement
Rate of Interest/ Coupon	7.00%p.a.p.m.
Upfront Fee	0.10% of the Facility Amount plus taxes
Outstanding Amount	Facility Balance, the sum of the Facility Amount, interest accrued or unpaid, Prepayment charges, Default Rate payable (if any) and other charges payable, (if any as per the Transaction Documents).
End Use	<ul style="list-style-type: none"> For onward lending business of the Issuer Transaction related expenses <p>End Use certificate to be submitted within 30 days from date of disbursement.</p>
Security	<ul style="list-style-type: none"> Hypothecation over Cover Pool and C&P Account to be created upfront by the Trust in favour of Security Trustee. Cover of 1.15x of the outstanding NCDs to be maintained at all times Hypothecation over: (i) Contribution (ii) right, title and interest of the Borrower in the property belonging to the Trust, as a residual beneficiary; and (iii) in the event that the transfer of the assets from the Borrower to the Trust is reversed for any reason whatsoever, then all right, title and interest of the Borrower in the said assets (iv) Cash Collateral of 7% of Facility Amount (static) in the form of Fixed Deposits to be created upfront by the Company in favour of Debenture Trustee, to be created by the Borrower upfront and CHG 9 to be filed within 30 days from date of first disbursement by Borrower in favour of Security Trustee
Credit Enhancement	<ul style="list-style-type: none"> 15% Over Collateralization on outstanding NCDs Cash Collateral of 7% in form of FD Excess Interest Spread (EIS)
Underlying Pool/ Cover Pool Assets	<p>Receivables (principal amount) against a pool of gold loans originated by MFL amounting to a minimum cover of 1.15x on the facility amount outstanding. The cover pool assets can be replenished by MFL as per the pre-defined eligibility criteria during the entire tenor of the Facility.</p> <p>Prior to occurrence of the Event of Default, the cover pool would be replenished such that the minimum cover on the Facility amount outstanding is maintained. The collections deposited in the C&P account would be utilised to make consideration payment towards such replenishment; in the event that pool collections are not sufficient to make the required consideration, the Issuer would provide an additional irrevocable contribution to enable the purchase of additional assets. Upon the occurrence of an Event of Default, the collections from cover pool assets shall be used only to meet payment to the Lender.</p> <p>For the purpose of computing the cover on the loan Facility, cash lying in the C&P Account and future receivables against the cover pool assets shall be included. Only receivables against assets not overdue by more than 30 days shall be considered for computing the cover.</p>



	<p>The Debenture Trustee shall ensure that the minimum cover stipulated in the transaction is maintained at all points of time during the tenor of the transaction. The Issuer shall provide details of the underlying cover pool on a monthly basis for determining the requisite cover.</p> <p>At the time of each assignment, the consideration for the assignment would be paid by the Trust only post execution of the Assignment Agreement</p>								
Validity	The Issuer to submit the signed copy of this letter within 7 calendar days from the date of this letter, after which this offer will lapse.								
Redemption Method	<p>Coupon: Monthly</p> <p>Face Value: Equal quarterly instalments starting from date of first disbursement</p>								
Debenture Trustee	Catalyst Trusteeship Limited								
Security Trustee	Catalyst Trusteeship Limited								
Registrar & Transfer Agent	Integrated Registry Management Services Private Limited								
Depository	NSDL & CDSL								
Servicer	MFL would be appointed as the servicer by the Trust for servicing all cover pool assets. The Trustee (upon instructions from majority lenders/ Debenture Trustee) shall have the right to change the Servicer on occurrence of any Servicer Event of Default or upon the failure of the Servicer to deposit the collections in the C&P Account on the due date every month.								
Guarantee	The Facility shall be backed by an unconditional and irrevocable guarantee provided by the Trust ("Trust Guarantee"). The guarantee obligation of the Trust shall rank senior to any beneficial payments by the Trust to the Issuer.								
Payment Mechanism	<p>The following payment mechanism shall be followed:</p> <p><u>Prior to Occurrence of a Event of Default (T being 22nd of every month subject to business day convention):</u></p> <table border="1"> <thead> <tr> <th>Event</th><th>Timeline</th></tr> </thead> <tbody> <tr> <td>Servicer to share pool collection report with the Trustee.</td><td>T-10 day</td></tr> <tr> <td>C&P account to be funded by the Servicer to the extent of Underlying Pool Collections.</td><td>T-1 day</td></tr> <tr> <td>On the expected payout date, Issuer to fund the account of the Debenture Holders ("Lender Account") account by 2pm.</td><td>T day</td></tr> </tbody> </table> <p>Funds from C&P Account to flow back to the Issuer only post Debenture Trustee checking and confirming the following:</p> <ol style="list-style-type: none"> Non-occurrence of any Event of Default Cover Pool eligibility criteria being satisfactorily tested on a monthly basis and Cash Collateral of 7% Facility Amount being maintained Issuer's compliance with the financial covenants on a quarterly basis <p>At the time of each assignment, the utilisation of funds from the C&P account towards consideration for the assignment of additional assets would happen only post execution of the Assignment Agreement.</p>	Event	Timeline	Servicer to share pool collection report with the Trustee.	T-10 day	C&P account to be funded by the Servicer to the extent of Underlying Pool Collections.	T-1 day	On the expected payout date, Issuer to fund the account of the Debenture Holders ("Lender Account") account by 2pm.	T day
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	<u>Upon occurrence of an event of Default (22nd being the monthly payout date i.e. T subject to business day conventions):</u>	
	Event	Timeline
	Servicer to share pool collection report with the Trustee.	T-10 day
	The Servicer shall fund the C&P Account to the extent of collections from the Underlying Cover Pool by 2 pm.	T-1 day
	Trustee shall transfer the amount due for payment on the facility from the C&P Account to the Lender Account or an account as instructed by the Lender.	
	The Trustee shall drawdown the Cash Collateral placed with Cash Collateral Bank, for repayment of outstanding amounts in relation to the Facility. The amounts drawn shall be deposited into the Lender Account for repayment of outstanding amounts in relation to the Facility.	T day
	The Trustee shall use the funds lying in the C&P Account to meet the payment to the Lenders by depositing the said funds into the Lender Account	T day
Waterfall Mechanism	<p>On the relevant Payout Date, proceeds realized from the Receivables in the relevant calendar month and deposited in the Collection and Payout Account and any other amounts then available in the Collection and Payout Account, will be utilized in the following order of priority till such time as the facility are outstanding:</p> <p>Prior to the occurrence of Event of Default</p> <ol style="list-style-type: none"> 1. Statutory Dues & Payment to Trust Fees 2. Balance monies shall be utilized in the following manner: <ol style="list-style-type: none"> a. If there is a shortfall in the Minimum Security Cover (cover of 1.15x), then: (I) firstly, for acquiring additional receivables from the Company, which are similar to the Identified Receivables initially acquired; and (II) thereafter, the surplus monies (if any), for repayment of the Contributions to the Company (subject to maintenance of the Minimum Security Cover). b. If there is no shortfall in the Minimum Security Cover, then the balance monies shall be utilised for repayment of the Contributions to the Company. <p>Upon occurrence of Event of Default</p> <ol style="list-style-type: none"> 1. Statutory Dues & Payment to Trust Fees 2. For transferring all such monies to the Lender Account pursuant to invocation of the SPV Guarantee, for the purposes of repaying the Facility in full, in the following manner and priority <ol style="list-style-type: none"> a. For payment of interest amount under the Facility; b. Payment of principal amount under the Facility; 3. Once the outstanding amounts in connection with Facility are paid in full, then: <ol style="list-style-type: none"> a. Replenishment of cash collateral utilized if any with respect to the Facility b. Any balance left shall be released to MFL by way of redemption of Contribution <p>On the occurrence of EOD, entire cash collateral shall be available for utilization by KMIL as deemed fit.</p>	
C&P Account	An account operated and maintained by the Trustee with Kotak Mahindra Bank Limited	
Cash Collateral	Issuer shall provide credit enhancement in the form of Cash collateral (lien marked in favour of the Trustee) amounting to 7.0% of the Facility Amount.	



	The beneficiary of the credit enhancement shall be the Trustee. The credit enhancement shall be utilised for making payment to the Lender immediately upon occurrence of any Event of Default.
Covenants	<ol style="list-style-type: none"> 1. Capital Adequacy of Issuer falls below 17% 2. Gross NPA of the Issuer goes above 6% 3. Cover of 1.15x to be maintained on the outstanding Facility at all points of time and subject to pool selection criteria. <p><u>Covenants 1 & 2 to be monitored on a quarterly basis and Covenant 3 on monthly basis. GNPA and Capital adequacy details to be shared within 60 days of the end of each quarter.</u></p>
Eligibility criteria for Cover Pool assets	<p>Only assets satisfying the below criteria shall be eligible to be included under cover pool assets:</p> <ol style="list-style-type: none"> 1. Only gold loan assets to be part of the pool 2. Asset should be current (i.e. non-delinquent) at the time of assignment to the Trust 3. After assignment, assets delinquent by more than 30 days shall be excluded from the cover pool. 4. The proportion of delinquent assets but less than 30 days should not be more than 5% of the cover pool at any point of time. 5. Minimum seasoning of 30 days; 6. Minimum LTV of 50% and Maximum LTV of 75% 7. Maximum state concentration of 30% 8. Gold loan assets to be provided exclusively from the following eligible states: Karnataka, Tamil Nadu, Andhra Pradesh, Kerala, Telangana, Punjab & Madhya Pradesh 9. Branch having more than 5% of the book in 90+ dpd to be excluded 10. Minimum ticket size of Rs. 10,000. Maximum Obligor ticket size of INR 10,00,000 11. Contracts with Original tenure of 6 months to be included in the pool exclusively
Pre disbursement Conditions	<ul style="list-style-type: none"> • Security Creation i.e. assignment of pool of receivables to the Trust • All corporate approvals from the Board of Directors and shareholders of the Issuer, if applicable, shall have been received for the loan Facility to be availed, 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, and other rules prescribed; • Board approval for the Contribution to the Trust • Execution of the Transaction Documents in a form and manner satisfactory to the Debenture Trustee shall have taken place; • The Issuer shall have submitted to the Lenders / Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements; • The Issuer shall have submitted to the Debenture Trustee a certified true copy of the constitutional documents of the Issuer (the Memorandum and Articles of Association and the Certificate of Incorporation); and • The Issuer shall have submitted to the Debenture Trustee its audited account statements for the most recent financial year or audited financial half-year • Legal Opinion on bankruptcy remoteness and transaction from Transaction Legal Counsel • C&P Account to be opened and be operational • Confirmation of creation of cash collateral of 7% of Facility Amount • Any other documents as required by KMIL Legal.



Post Disbursement Condition	<ul style="list-style-type: none"> Financial due-diligence on top 10% of the Cover Pool by value to be conducted within 30 days of disbursement Audit of the top 3 branches of the Issuer, within 45 days from the first deemed date of allotment
Other Conditions	<ul style="list-style-type: none"> In case of downgrade of rating of the Issuer, the Interest Rate shall increase by 50 bps for each notch of downgrade Share of overdue contracts in Covered Pool should not exceed 5%. Contracts to be replaced in case overdue contracts exceed 5% Cash collateral of 7% shall be immediately utilized by KMIL in the Event of Default under the Facility (as deemed fit by KMIL) Promoter/ promoter family directly or indirectly shall continue to hold more than 75% shareholding in the company No scheme of merger / demerger / corporate restructuring to be initiated by the Issuer during the tenure of the Facility Representation from the Issuer that the entry into and performance by the Company of and the transactions contemplated here do not and will not conflict with any agreement or instrument binding upon them or any of their assets, including but not limited to any terms and conditions of the existing Financial Indebtedness, if any, of the Company.
Events of Default	<ul style="list-style-type: none"> Rating downgrade of the Issuer to A- or below Breach of Financial Covenants Issuer has defaulted in making any payments due on its financial indebtedness The Issuer is in default in relation to servicing obligations undertaken for direct assignment or securitisation transactions, wherein the Issuer is the originator. Cross default with other Lenders of the Issuer.
Consequences of occurrence of Event of Default	<ul style="list-style-type: none"> The Trust Guarantee would be invoked, and all collections deposited in the C&P Account by the Servicer shall be passed by the Trustee to the Lender Account for meeting payment to the lenders as per the defined 'Waterfall mechanism'. Trustee would immediately dip into the available cash collateral under an Event of Default and/or to meet payments to the lenders (as the Lender may deem fit). The Debenture Trustee approval shall be required for the Issuer to declare any dividends or make any other distributions to the holders of common equity. Upon instruction from the Debenture Trustee, the Trustee may also liquidate the cover pool assets and pass the proceeds received from the same to the Debenture Trustee for meeting payment to the lenders. Upon the occurrence of any Event of Default, all outstanding amounts on the loan facility shall stand accelerated and become payable forthwith. Others to be finalised <p>Cure period of 15 days on occurrence of any EoD (Except payment default/IBC/insolvency/security, in which case there shall be no cure period) within which Issuer can repay the NCDs in full, without payment of any prepayment penalty</p> <p>Lenders shall have the right to exercise any or all of the rights available to it in the manner that it deems fit.</p>
Transaction Documents	<p>The Issuer shall execute (including but not limited to the following) documents, as required:</p> <ol style="list-style-type: none"> 1. Debenture Trustee Agreement; 2. Debenture Trust Deed; 3. Borrower's Deed of Hypothecation; 4. Borrower Deed of Hypothecation – Power of Attorney.



	<ol style="list-style-type: none"> 5. Trust Deed of Hypothecation 6. Trust Deed; 7. Deed of Assignment & Assignment Agreement 8. Trust Guarantee Document; 9. Servicing Agreement; 10. Private Placement Offer Letter 11. Board Resolution authorizing this Facility and Contribution; 12. Applicable Shareholder Resolutions under the Companies Act 2013; and 13. Other documents as may be required
Information requirement	<p>Following information is to be shared with the Lender on a quarterly basis</p> <ul style="list-style-type: none"> - ALM submitted to RBI - GNPA and NNPA numbers - Total disbursements - Total portfolio cut including 30 days DPD, 60 days DPD and 90 days DPD - Profit and loss statement - Debt position – lender wise - Any other information required by the Lender

For MUTHOOT FINCORP LTD.


Authorized Signatory