

INDICATIVE TERM SHEET

The terms and conditions given below are indicative only and are not exhaustive and subject to change.

PARTIES INVOLVED IN THE ISSUE	
Issuer / Company	SATYA MICROCAPITAL LIMITED ("SATYA")
Debenture Trustee	Catalyst Trusteeship Limited
Subscriber(s)	Axis Trustee Services Limited acting in its capacity as the trustee of the Northern Arc Income Builder Trust (Series II) with Northern Arc Income Builder Fund (Series II) as its scheme.
Depository	NSDL
Registrar and transfer agent	Link Intime India Private Ltd
Rating Agency	ICRA
Structurer and Arranger	Not Applicable
Legal Counsel	Verist Law
Guarantor(s)	Not Applicable
Credit Enhancer(s)	Not Applicable
Other obligor(s)	Not Applicable
DETAILS OF THE INSTRUMENT	
Type of instrument	Principal protected non-convertible market linked debentures
Nature of instrument	Rated Unsubordinated Secured Transferable Redeemable Principal Protected Market Linked Debentures.
Ranking	Unsubordinated
Security requirements	Debentures shall be secured as per the terms and conditions stipulated under the heading ' Security Creation ' hereunder.
Listing requirements	To be listed in the Wholesale Debt Market segment of BSE within 4 Business Days from the Deemed Date of Allotment
Rating	PP - MLD ICRA BBB
Valuation Agency	ICRA Analytics Ltd
Valuation Agency Fees	Fees paid to valuation agency by issuer shall not be more than 0.0275% p.a. on the face value of outstanding debentures.
ISSUE DETAILS	
Mode of Issue	Private Placement
Form of issue	Debentures will be issued in dematerialized form.
Issue size	INR. 20 Crores (Indian Rupees Twenty Crores only)
Tenor	40 months

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For Satya MicroCapital Ltd.

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Sanjay Goel
Head Finance

Face value	INR. 1,00,000/- (Indian Rupees One Lakh only)		
Issue price	Debentures will be issued at par.		
Issue Schedule		Issue Opening Date	June 14, 2021
		Issue Payin Date	June 14, 2021
		Issue Closing Date	June 14, 2021
		Deemed Date of Allotment	June 14, 2021
Objects of the issue	To augment the long-term resources of the Company, & to meet working capital requirement		
Utilization of issue proceeds	The Issuer shall utilize the proceeds of the Issue solely for meeting the Objects of the Issue as stated in the Information Memorandum		
REDMPTION			
Redemption Amount	Face Value together with Effective Coupon Amount per Debenture. Effective Coupon Amount to be determined as per method of calculation set out in Schedule II.		
Scheduled Redemption	Debentures shall be redeemed on a pro rata basis as set out in Schedule 1 (Redemption Schedule) hereto and shall be fully redeemed by the Final Redemption Date.		
Final Redemption Date	30 September 2024		
Early Redemption	Early redemption at the option of the Issuer shall not be allowed within 24 months from Deemed Date of Allotment (" Lock-in Period "). In case of early redemption of the Debentures at the instance of the Issuer after the Lock-in Period, on any date other than the Final Redemption Date and not arising due to an Event of Default, the Issuer shall pay an Early Redemption Premium. Early Redemption Premium will have to be paid over and above the Coupon Rate.		
Early Redemption Premium	5 % (Five percent) on the principal amount prepaid.		
Put Option	Any of the Debenture Holders shall have the right but not the obligation to call upon the Issuer to redeem the Debentures held by them prior to the Put Option Date by issuing a notice to the Issuer. The notice shall be issued to the Issuer at least 30 (Thirty) calendar days prior to the Put Option Date mentioning the number of Debentures which requires to be redeemed. Upon receipt of such notice, the Issuer shall on the Put Option Date redeem such number of Debentures as is mentioned in the notice by making payment of all outstanding principal, coupon/interest and other monies outstanding to the relevant Debentures Holders		
Put Option Exercise Date	05 June 2023		
COUPON PAYMENT			
Coupon Type	Linked to BSE SENSEX " Reference Index "		

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*Sanjay Goel
Head Finance*

Coupon Rate	Effective Coupon Amount per Debenture shall be paid by the Company to the Debenture Holders as interest on the Final Redemption Date or the Early Redemption Date i.e. (the date on which the Debentures are redeemed prior to the Final Redemption Date in terms of the Transaction Documents), as the case may be. The said 'Effective Coupon Amount' being the interest amount to be paid per Debenture by the Issuer to the Debenture Holders shall be determined in accordance with the method of calculation set out in Schedule [II] (<i>Method of calculation of Effective Coupon Amount</i>) hereto.
Coupon Payment Frequency	Bullet
Coupon Payment Dates	Coupon payment at the time of redemption
Step-up Coupon	In the event the Credit Rating of the Debenture issued by the Issuer is downgraded from the current rating of BBB, the Effective Annualised Coupon Rate shall be increased by 0.50% for every notch of rating downgrade, 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. If the Issuer of the Debenture is rated by more than one rating agency, then the lowest of the ratings shall be considered.
Step-down Coupon	Not applicable.
Default interest	5.00 % (Five point Zero Zero percent)
CONVENTIONS	
Day Count Basis	Actual/Actual
Business Day	Means any day, other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 or a Sunday, on which banks are open for general business in Mumbai & Chennai;
Date Convention	<p>(a) If the date of payment of any interest in respect of the Debentures falls on a day that is not a Business Day, such payment of interest shall be made on the next occurring Business Day;</p> <p>(b) If the date of payment of any redemption amount falls on a day that is not a Business Day, such payment of installment shall be made on the immediately preceding Business Day; and</p> <p>(c) If the Final Redemption Date or the Early Redemption Date (the date on which the Debentures are redeemed prior to the Final Redemption Date in terms of the Transaction Documents), as the case may be, falls on a day that is not a Business Day, such payment of interest and redemption amount shall be made on the immediately preceding Business Day.</p>
THIRD PARTY OBLIGATIONS	
Guarantor(s)	Not applicable.
Credit Enhancer(s)	Not applicable.

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Other Obligor(s)	Not applicable.
SECURITY CREATION	
Hypothecation	<p>The Debentures shall be secured by way of a first ranking, exclusive and continuing charge on identified receivables ("Hypothecated Receivables" / "Hypothecated Property") 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 1.15x (One decimal one five) time or 115.0% (One hundred fifteen percent) the aggregate amount of principal outstanding of the Debenture where at least 1.15x (One decimal point one five) time or 115.0% (One hundred fifteen percent) of the security cover is from principal receivables ("Security Cover") for period up to 04 June, 2022 (12 full months from date of issue); to maintain the value of security at all times equal to 1.30x (One decimal three zero) time or 130.0% (One hundred thirty percent) the aggregate amount of principal outstanding of the Debenture where at least 1.30x (One decimal thirty) time or 130.0% (One hundred thirty percent) of the security cover is from principal receivables ("Security Cover") for period from 05 June, 2022 to 04 May, 2023 to maintain the value of security at all times equal to 1.50x (One decimal five zero) time or 150.0% (One hundred fifty percent) the aggregate amount of principal outstanding of the Debenture where at least 1.50x (One decimal five zero) time or 150.0% (One hundred fifty percent) of the security cover is from principal receivables ("Security Cover") for period from 05 June, 2023 to 30 September, 2024 [Date of Redemption] to create, register and perfect the security over the Hypothecated Property as contemplated above no later than 30 (Thirty) calendar days after the Deemed Date of Allotment by executing a duly stamped deed of hypothecation ("Deed of Hypothecation") and filing CHG-9 within the time period applicable; The Company shall also provide such information sought by the Debenture Trustee for the purpose of filing the prescribed forms and particulars with the Central Registry and Information Utility in connection with the Debentures and the Security Interest over the Hypothecated Property. to pay a penal interest of 2.0% (Two Percent) p.a. over the coupon rate in case there is any delay in the creation, registration and perfection of the security over the Hypothecated Property; 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

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	<p>benefit of the Debenture Holders) ("Monthly Hypothecated Asset Report")</p> <ul style="list-style-type: none"> to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Property is equal to 1.15 (One decimal point one five) times or 115.0% (One hundred and fifteen percent) the aggregate amount of principal outstanding of the NCDs where at least 1.15 (One decimal point one five) time or 115.0% (One hundred fifteen percent) of the security cover is from principal receivables, for period up to 04 June, 2022 (12 full months from date of issue); to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Assets is equal to 1.30 (One decimal three zero) time or 130.0% (One hundred thirty percent) the aggregate amount of principal outstanding of the NCDs where at least 1.30 (One decimal thirty) time or 130.0% (One hundred thirty percent) of the security cover is from principal receivables, for period from 05 June, 2022 to 04 May, 2023 to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Assets is equal to 1.50 (One decimal five zero) time or 150.0% (One hundred five zero percent) the aggregate amount of principal outstanding of the NCDs where at least 1.50 (One decimal five zero) time or 150.0% (One hundred fifty percent) of the security cover is from principal receivables, for period from 05 June, 2023 to 30 September, 2024 [Date of Redemption]; to replace Hypothecated Receivables that have been overdue for more than 60 days with current receivables. Such replacement shall be effected within 15 (Fifteen) Business Days of the Hypothecated Receivables becoming overdue (by more than 90 days) <p><u>Eligibility Criteria for the Hypothecated Receivables:</u></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; All loans hypothecated to the investor should be less than ticket size of INR 5 Lakhs; <p>The Issuer shall authorize the Debenture Trustee to nominate any person for the purposes of conducting credit bureau scrub on the Hypothecated Receivables from time to time</p>
Pledge	None.
Mortgage	None.

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OTHER COVENANTS	
Debenture Redemption Reserve	If so applicable for the Issue, the Issuer shall create debenture redemption reserve in accordance with the Companies Act, 2013 (and Rules thereunder) and in terms thereof earmark an amount not less than 15% of the amount maturing during the year ending on the 31 st day of March of the next year by way of investment and deposits in specified securities on or before the 30 th day of April in each year.
Related Party Transactions	<p>The Issuer shall not enter into any related party transactions other than the following transactions strictly in the ordinary course of business:</p> <ul style="list-style-type: none"> (i) remuneration payable to key managerial personnel (as defined under the Companies Act, 2013); (ii) Availing loans from Ananya Finance For Inclusive Growth Private Limited ("Ananya") or repayment of loans availed from Ananya or payments/receipts made under in the existing service agreement with Ananya; (iii) payments made to the Issuer by any of the Permitted Related Parties (defined below) disclosed hereunder. <p>For the purpose of this clause, Permitted Related Parties shall mean:</p> <ul style="list-style-type: none"> (i) Mr. Girijesh Tiwari (ii) Dia-Vikas Capital Pvt. Ltd. (iii) GOJO and Company, Inc. (iv) Koshish Sustainable Solutions Pvt. Ltd. ("Koshish Solutions") (v) Koshish Marketing Solutions Pvt. Ltd. ("Koshish Marketing") (vi) Satya Employee Welfare Trust (vii) Ananya Finance For Inclusive Growth Pvt. Ltd. ("Ananya") (viii) Satya Shakti Foundation <p>Nothing in this clause shall allow the Issuer to provide any loans, inter-corporate deposits, invest in share capital or donate to Koshish Marketing, Koshish Solutions, Ananya or Satya Shakti Foundation where such transaction, or the aggregate of such transactions in a financial year, would exceed 5% of the Issuer's profit after tax for the corresponding financial year.</p>
Affirmative Covenants	As listed in the Debenture Trust Deed.
Negative Covenants	<p>The issues shall take the prior written permission from the Investor / Debenture Trustee for the following:</p> <ul style="list-style-type: none"> (a) Mr. Vivek Tiwari diluting his stake from the level of 15% on a fully diluted basis (b) Mr. Vivek Tiwari ceasing to maintain an executive role in the company (c) Change in promoter, ownership or control;

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	<ul style="list-style-type: none"> (d) Any dilution of control over Board composition, other than appointment of independent directors (e) Mergers, acquisitions, investment in associates, JVs and subsidiaries including disposal of any of the above (f) Change in nature of business of the Company (g) Change in constitutional documents (h) Loans exceeding 10% of Net-Worth to any single party and/or guarantees on behalf of third parties (i) Declare dividend on equity shares before payment of coupon due on the NCDs (j) Declare dividend on equity/preference shares before payment of coupon due on the NCDs when an Event of Default is subsisting (a) Change in statutory auditors except for an appointment of a following accounting firms (KPMG, Deloitte, EY, PWC & Grant Thornton) (k) Material compromise or settlement <p>And as set out in greater detail in the Debenture Trust Deed</p>
Events of Default	<ul style="list-style-type: none"> (a) Non-payment of any of the dues under this term sheet (b) Default in compliance with financial covenants (c) Default in compliance with non-financial covenants (d) Default or trigger of event of default on any other indebtedness (cross default) (e) Misrepresentation or misleading information in any of the Transaction Documents (f) Insolvency, winding up, liquidation (g) Creditors' processes initiated against the company (h) Repudiation of Transactions Documents (i) Cessation of business (j) The rating of any instrument rated from any of the external rating agency gets downgraded to a rating of B or below (k) Erosion of 50% or more of the Company's net worth as compare to previous financial year <p>And as set out in greater detail in the Debenture Trust Deed</p>
Reporting Covenants	<p>(a) QUARTERLY REPORTS -within 45 (Forty five) calendar days after the end of each calendar quarter:</p> <ul style="list-style-type: none"> (i) Information on financials, operations, portfolio growth & asset quality (static portfolio cuts, collection efficiency and PAR), funding in formats agreeable to the Investor (ii) List of Board of Directors (iii) Shareholding Pattern (iv) Financial covenant compliance certificate issued by management (v) Information on:

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For Satya MicroCapital Ltd. 7


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Head Finance

	<ul style="list-style-type: none"> • New products introduced, or change in existing product features • New business correspondent relationships or discontinuance of existing relationships • Geographical expansion to any new state • Material changes to the IT / MIS systems • Change in credit bureaus used • Revision in the Business Plan • Changes in the Accounting Policy • Any fraud amounting to more than 1% of GLP <p>(b) ANNUAL REPORTS – within 120 days after the end of each fiscal year</p> <ul style="list-style-type: none"> (i) Audited financials (ii) A certificate from the Director/CFO confirming that there is no Event of Default; (iii) Copy of all annual information submitted to the RBI; and (iv) Corporate social responsibility report (if applicable). <p>(c) EVENT BASED REPORTS – within 5 business days after event occurring</p> <ul style="list-style-type: none"> (i) Change in the shareholding structure (ii) Change in the Senior Management officials (Chief Executive Officer, Chief Financial Officer, Chief Operating Officer or Chief Risk Officer) (iii) Change in statutory auditors (iv) Board approval of annual business plan (v) Material change in the Constitutional Documents of the Company; (vi) Material Adverse Effect. (vii) Any dispute, litigation, investigation or other proceeding for an amount excess of INR 5 Crore and which could result in a Material Adverse Effect. (viii) Winding up proceedings (ix) Any Event of Default or Potential Default, and any steps taken / proposed to remedy the same (x) Any prepayment or notice of any prepayment of any Indebtedness of the Issuer.
Financial Covenants	<p>(a) The Capital Adequacy Ratio (as defined in applicable RBI Regulations) shall be maintained at or above 17% at all points in time. Maintain Tier 1 ratio (as defined in NBFC Regulations) of 12% or higher at all points in time.</p>

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	<p>(b) Maintain a ratio of A: B not greater than 6% where A is PAR-90 and B is the Gross Loan Portfolio up to December 31, 2021 and 5% from March 31, 2022 onwards</p> <p>(c) Maintain a ratio of A: B not greater than 20% where A is PAR-90 and B is the Tangible Net Worth</p> <p>(d) To maintain positive after-tax net income</p> <p>(e) Gross Loan Portfolio to Tangible Net worth should not exceed 6 times</p> <p>(f) Maintain positive cumulative mismatch of at least 5% of the total assets for all months up to 1 year</p> <p>“PAR- 90” Shall mean on the Company’s Gross Loan Portfolio the outstanding principal value of the relevant portfolio of the Company that has one or more instalment of principal, interest payments overdue for 90 days or more, includes restructured loans but excludes loans that have been written off by the Company.</p> <p>“Gross Loan Portfolio” shall mean and include the outstanding principal amount of the loans originated by the Issuer on its own books, securitized portfolio as well as loans originated on behalf of other entities by entering into partnership agreements but not included on the Issuer’s own book.</p> <p>“Write-off” shall mean bad debts removed from balance sheet and deemed as non-collectible.</p> <p>“Loan loss provision” shall mean expense set aside as an allowance for uncollected loans and loan payments on the Company’s entire portfolio including receivables sold or discounted on a non-recourse basis.</p> <p>“Tangible net worth” (TNW) shall mean sum of share capital and surplus reserves of the company net of intangible assets of the company.</p>
Transaction documents	<p>Debenture Trust Deed, [Hypothecation Agreement, Hypothecation Confirmation Letter,] [Deed(s) of Guarantee,] [Undertaking(s),] Disclosure Documents, Resolutions, the letters issued by the Rating Agency and the Registrar and all other documents in relation to the issuance of the Debentures.</p> <p>Disclosure Documents means collectively,</p> <p>(a) the debt disclosure document to be issued by the Issuer in terms of sub-regulation (1) of Regulation 21 (<i>Disclosures in respect of Private Placements of Debt Securities</i>) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (if applicable); and</p>

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	<p>(b) private placement offer letter to be issued by the Issuer in terms of section 42 (<i>Offer or invitation for subscription of securities on private placement</i>) of the Companies Act, 2013.</p> <p>Resolutions means collectively,</p> <p>(a) special resolution of the shareholders of the Company under Section 180(1)(a) of the Companies Act, 2013;</p> <p>(b) special resolution of the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013;</p> <p>(c) board resolution of the board of directors of the Company under Section 42 and other applicable provisions of the Companies Act, 2013 and Rules thereunder;</p> <p>(d) special resolution of the shareholders of the Company under the applicable provisions of the Companies Act, 2013 and Rule 14(2) and other applicable provisions of Companies (Prospectus and Allotment of Securities) Rules, 2014.</p>
Other Costs & Conditions	The Issuer shall bear the costs and expenses incurred in connection with the transactions contemplated hereby including stamp duty and registration fee (if applicable) on the Transaction Documents (and the Debentures), appointment of the Debenture trustee, legal advisors' expenses and expenses incurred in the preparation for the Transaction Documents.
Governing Law and Jurisdiction	Indian Law with jurisdiction of the courts and tribunals of Chennai.
Waiver	Delay or omission by investor or debenture trustee in exercising any rights or remedies upon any breach of any covenant, shall not impair any rights, power or remedies available to investor or debenture trustee for any present and continuing or future breaches of any covenants.
Indemnification	The Company will indemnify and hold harmless the Debenture Holder(s) from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of a breach of this Term Sheet by the Company.
Confidentiality	The parties (i.e. Investors, Debenture Trustee and all such parties who gets to view this term sheet, for whatever reason) undertake to keep confidential all information with respect to this agreement/sanction and the same shall not be disclosed to any person other than its officers, directors, employees, accountants, attorneys and other advisors, and the information shall be shared only on a "need to know" and "confidential" basis and such disclosure shall be solely for the permitted purpose or if required under applicable law. The parties shall further ensure that all confidential information including unpublished price sensitive information arising out of this agreement or transactions contemplated herein shall be identified and its confidentiality shall be maintained as per the requirements of SEBI

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Sanjay
Sanjay Goel
Head Finance

	(Prohibition of Insider Trading) Regulations, 2015, as amended or replaced from time to time.
Risk Factors associated with Market Linked Debentures	<p>The securities are created on the basis of 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>
Transaction Costs	<p>The Issuer shall bear all transaction related costs incurred by the Investor with respect to valuers and auditors / consultants. Such costs include:</p> <ol style="list-style-type: none"> 1. Trustee fees <p>Stamping and registration in relation to creation of Security and all Definitive Agreements.</p>
Taxes duties cost and expenses	Relevant taxes, duties and levies are to be borne by the Company.

For Satya MicroCapital Ltd.

Sanjay
Sanjay Goel
Head Finance

Redemption Schedule

Redemption Installments	Redemption Date	Amount to be redeemed per Debenture (in INR)
1	September 30, 2024	1,00,000

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Schedule II
Method of calculation of Effective Coupon Amount

Effective Coupon Amount	$Face\ Value * [(1 + Effective\ Annualized\ Coupon\ Rate)^{(Tenor\ in\ Days/365)} - 1]$								
Effective Annualized Coupon Rate	<p>Based on 'Reference Index Performance', corresponding 'Effective Annualized Coupon Rate' function' will be applicable</p> <table border="1"> <thead> <tr> <th>Reference Index Performance</th><th>'Effective Annualized Coupon Rate' function</th></tr> </thead> <tbody> <tr> <td>$\leq -75\%$</td><td>0%</td></tr> <tr> <td>$> -75\% \text{ but } \leq 17.54\%$</td><td>Max (13.90% XIRR, Annualized Coupon Rate)</td></tr> <tr> <td>$> 17.54\%$</td><td>14.30% XIRR*</td></tr> </tbody> </table> <p>(*14.30% XIRR is thus a ceiling and translates into a comparable coupon rate of 13.44% per annum when the coupon is paid out on a monthly basis. Please refer 'Scenario Analysis' section of the term sheet for further details)</p>	Reference Index Performance	'Effective Annualized Coupon Rate' function	$\leq -75\%$	0%	$> -75\% \text{ but } \leq 17.54\%$	Max (13.90% XIRR, Annualized Coupon Rate)	$> 17.54\%$	14.30% XIRR*
Reference Index Performance	'Effective Annualized Coupon Rate' function								
$\leq -75\%$	0%								
$> -75\% \text{ but } \leq 17.54\%$	Max (13.90% XIRR, Annualized Coupon Rate)								
$> 17.54\%$	14.30% XIRR*								
Annualized Coupon Rate	$[(\frac{Face\ Value + Coupon\ Amount}{Face\ Value})^{(\frac{1}{Tenor\ in\ Days/365})} - 1]$								
Coupon Amount	$Face\ Value * \{ [(1.1410)^{(\frac{Tenor\ in\ Days}{365})} + (Participation\ Ratio * Reference\ Index\ Performance)] - 1 \}$								
Face Value	INR 1,00,000 (Rupees One Lakh only) per Debenture								
Tenor In Days	1204 Days from Deemed Date of Allotment** **In the case of an Early Redemption, Tenor in Days will be number of days between the Deemed Date of Allotment and Early Redemption Date								
Participation Ratio	5%								
Reference Index	BSE SENSEX 30								
Reference Index Performance	$(\frac{Final\ Fixing\ Level}{Initial\ Fixing\ Level}) - 1$								
Initial Fixing Level	Official closing level of the Reference Index as on Initial Fixing Date								
Initial Fixing Date	Deemed Date of Allotment								

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Final Fixing Level	Simple Average of the official closing level of the Reference Index on the Observation Dates.																														
Observation Dates	<p>The Deemed Date of Allotment (DDA) and the subsequent Reference Index futures expiry date in the months of August, November, February & May falling over life of the instrument. The same are expected to be as below***:</p> <table border="1"> <thead> <tr> <th>Observation Date No.</th><th>Observation Date</th></tr> </thead> <tbody> <tr><td>1</td><td>14 June 2021</td></tr> <tr><td>2</td><td>26 August 2021</td></tr> <tr><td>3</td><td>25 November 2021</td></tr> <tr><td>4</td><td>24 February 2022</td></tr> <tr><td>5</td><td>26 May 2022</td></tr> <tr><td>6</td><td>25 August 2022</td></tr> <tr><td>7</td><td>24 November 2022</td></tr> <tr><td>8</td><td>23 February 2023</td></tr> <tr><td>9</td><td>25 May 2023</td></tr> <tr><td>10</td><td>31 August 2023</td></tr> <tr><td>11</td><td>30 November 2023</td></tr> <tr><td>12</td><td>29 February 2024</td></tr> <tr><td>13</td><td>30 May 2024</td></tr> <tr><td>14</td><td>29 August 2024</td></tr> </tbody> </table> <p>In the event the Debentures are to be redeemed on a date earlier than the Final Redemption Date, the final Observation Date for calculating the Coupon Amount, if any, will be 15 calendar days from the date on which the Debenture Trustee receives the Early Redemption Notice/Put Option Notice.</p> <p>***Provided that, if any such date except the DDA is not a scheduled Reference Index futures expiry date, then the Reference Index futures expiry date as notified by the Bombay Stock Exchange for that month will be considered as the observation date.</p>	Observation Date No.	Observation Date	1	14 June 2021	2	26 August 2021	3	25 November 2021	4	24 February 2022	5	26 May 2022	6	25 August 2022	7	24 November 2022	8	23 February 2023	9	25 May 2023	10	31 August 2023	11	30 November 2023	12	29 February 2024	13	30 May 2024	14	29 August 2024
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For Satya MicroCapital Ltd. 14


Sanjay Goel
Head Finance

Scenario Analysis					
Scenario Analysis: Tabular Representations					
Falling Scenario					
Initial Level	Final Level	Performance	Ann. Coupon Rate (XIRR)	Comparable Monthly Coupon Rate	Redemption at Face Value plus Coupon Amt.
51000	7650	-85.0%	0.00%	0.00%	1,00,000
51000	12750	-75.0%	0.00%	0.00%	1,00,000
51000	17850	-65.0%	13.90%	13.09%	1,53,621
Stable Scenario					
Initial Level	Final Level	Performance	Ann. Coupon Rate (XIRR)	Comparable Monthly Coupon Rate	Redemption at Face Value plus Coupon Amt.
51000	45900	-10.0%	13.99%	13.16%	1,54,016
51000	51000	0.0%	14.10%	13.26%	1,54,513
51000	56100	10.0%	14.21%	13.36%	1,55,010
51000	61200	20.0%	14.30%	13.44%	1,55,408
Rising Scenario					
Initial Level	Final Level	Performance	Ann. Coupon Rate (XIRR)	Comparable Monthly Coupon Rate	Redemption at Face Value plus Coupon Amt.
51000	79050	55.0%	14.30%	13.44%	1,55,408
51000	84150	65.0%	14.30%	13.44%	1,55,408
51000	89250	75.0%	14.30%	13.44%	1,55,408

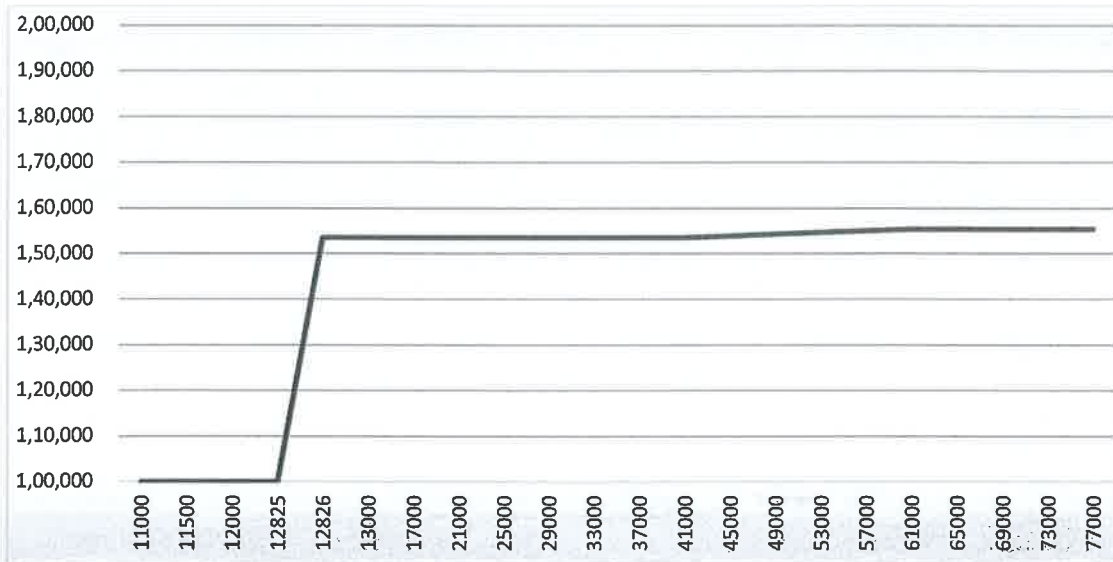
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For Satya MicroCapital Ltd. 15


Sanjay Goel
Head Finance

Note: This scenario analysis is being provided for illustrative purposes only. It does not represent all possible outcomes

Scenario Analysis: Graphical Representation of Effective Coupon Amount vs Final SENSEX Levels



Note: This scenario analysis assumes initial SENSEX Level as 51,000 and is being provided for illustrative purposes only. It does not represent all possible outcomes

For Satya MicroCapital Ltd.

Sanjay Goel
Head Finance

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This indicative term sheet is not a commitment or agreement to lend or provide financing to SATYA. Please note that it only summarizes some of the terms and conditions which may be reflected in final documentation and that nothing herein obligates the Subscriber or its affiliates to provide, arrange or syndicate any credit or other financing in favour of the Issuer or its affiliates. Pricing in the term sheet is based on the credit markets as of today, and on the current evaluation we have of your institution. The final offer will be subject to the necessary internal approvals, including credit approvals, and market conditions at the time of disbursement. As a result of these, actual terms at the time of closing may differ from those indicated herein.

This indicative term sheet is for the confidential use of SATYA only and is not to be reproduced, used for any other purpose, nor disseminated to any other parties without the prior written consent of the Fund Manager. Should you wish to proceed, please kindly confirm to allow us to start cooperating with you on related documentation to best meet your funding needs.

We look forward to collaborating with you

Yours sincerely,

Ravi Vukkadala
CEO, Northern Arc Investments

For Satya MicroCapital Ltd.


Sanjay Goel
Head Finance

COMMITMENT TO PURSUE ISSUANCE OF MLDs TO FImpact Fund

Satya Microcapital Limited ("**SATYA**") acknowledges the receipt of the Indicative Term Sheet sent by Northern Arc Investments and agrees to pursue, in good faith, the MLD issuance for subscription in the name of Northern Arc Income Builder Fund (Series II).

For Satya MicroCapital Ltd.

Signed: _____

Sanjay Goel
Head Finance

Title: _____

Date: 10-06-2021

Schedule-III

ESG Declaration

The Company shall not, finance any activity, production, use, distribution, business or trade involving any of the following:

1. Forced labor^[1] or child labor.^[2]
2. Activities deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phaseouts or bans, such as:
 - (a) Pharmaceuticals,¹ pesticides, and herbicides,² ozone depleting substances,³ PCBs (Polychlorinated Biphenyls),⁴ or
 - (b) Wildlife or products regulated under Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES), or
 - (c) Drift net fishing in the marine environment using nets in excess of 2.5 km. in length or other unsustainable fishing methods like blast fishing.
3. Cross border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations.
4. Destruction^[3] of High Conservation Value areas.^[4]
5. Pornography and/or prostitution.
6. Racist and/or anti-democratic media.
7. Weapons and munitions, including paramilitary materials.
8. Alcoholic beverages (excluding beer and wine).⁵
9. Tobacco.⁵
10. Gambling, casinos and equivalent enterprises.⁵
11. Radioactive materials⁶ including nuclear reactors and components thereof or unbonded asbestos fibers.⁷
12. Hazardous chemicals,⁸ or commercial scale usage of hazardous chemicals (hazardous chemicals include gasoline, kerosene, and other petroleum products).
13. Commercial logging operations or the purchase of logging equipment for use in primary tropical forests or old-growth forests.
14. Marine and coastal fishing practices, such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats.

^[1] Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions

^[2] Persons may only be employed if they are at least 14 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply

¹ A list of pharmaceutical products subject to phaseouts or bans is available at <http://www.who.int>.

² A list of pesticides and herbicides subject to phaseouts or bans is available at <http://www.pic.int>.

³ A list of the chemical compounds that react with and deplete stratospheric ozone resulting in the widely publicized ozone holes is listed in the Montreal Protocol, together with target reduction and phaseout dates. Information is available at <http://www.unep.org/ozone/montreal.shtml>.

⁴ A group of highly toxic chemicals, polychlorinated biphenyls are likely to be found in oil-filled electrical transformers, capacitors, and switchgear dating from 1950 to 1985.

^[4] High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (See <http://www.hcvnetwork.org>)

⁵ This does not apply to project sponsors who are not substantially involved in these activities. Not substantially involved means that the activity concerned is ancillary to a project sponsor's primary operations.

⁶ This does not apply to the purchase of medical equipment, quality control (measurement) equipment, and any equipment for which ADB considers the radioactive source to be trivial and adequately shielded.

⁷ This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

⁸ A list of hazardous chemicals is available at <http://www.pic.int>.

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**NORTHERN
ARC**

Privileged and confidential

15. Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples.
16. Any activity which may result in funding or supporting any individual or organization designated as: (i) terrorists or terrorist organizations by the United Nations, the European Union and any other applicable country; (ii) persons, groups or entities which are subject to United Nations, European Union and the US Office of Foreign Asset Control (OFAC) sanctions.

For Satya MicroCapital Ltd.


Sanjay Goel
Head Finance

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