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Offer Document Serial No. 7/2020-21
Addressed to:
Dated: March 18, 2021

SAMASTA MICROFINANCE LIMITED
CIN No: U65191KA1995PLC057884
Website: samasta.co.in
A Public Limited Company Incorporated under the Companies Act, 1956, as amended.
Registered as a Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934).

REGISTERED OFFICE:
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COMPLIANCE OFFICER:
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Mr. Anantha Kumar T
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DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF ISSUE OF 1000 RATED, UNLISTED, UNSUBORDINATED, SECURED, REDEEMABLE, TAXABLE NON-CONVERTIBLE DEBENTURES ("NCDS" OR "DEBENTURES") OF FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH, AGGREGATING RS.100,00,00,000 (RUPEES HUNDRED CRORES ONLY) (THE "DEBENTURES") ON A PRIVATE PLACEMENT BASIS (THE "ISSUE") BY SAMASTA MICROFINANCE LIMITED (THE "ISSUER").

SCHEDULE – I AND PAS-4 DISCLOSURES IN ACCORDANCE WITH REGULATION 21(1) OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED FROM TIME TO TIME AND SECTION 42 OF COMPANIES ACT 2013 AND RULE 14(1) OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) SECOND AMENDMENT RULES, 2018, RESPECTIVELY AND IN COMPLIANCE WITH COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 AND IN COMPLIANCE WITH - MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 DATED SEPTEMBER 01, 2016 ANNEXURE XXII, UPDATED AS ON FEBRUARY 17, 2020 AND AS AMENDED FROM TIME TO TIME.

GENERAL RISK
Investors are advised to read the Disclosure Document carefully before taking an investment decision in this Issue. For taking an investment decision the investor must rely on his examination of the Issuer and the offer including the risks involved. The Issue of Debentures has not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document. Special attention of investors is invited to the statement of Risk Factors in this Disclosure Document.

ISSUER'S ABSOLUTE RESPONSIBILITY
The Issuer confirms that, as of the date hereof, this Disclosure Document contains all information that is material in the context of the Issue and sale of the Debentures in the context of the issue as required under Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time (**"SEBI Debt Regulations"**) is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading.
CREDIT RATING
CRISIL Ratings has assigned "CRISIL A+ Negative" rating, rated for an amount of Rs. 100 crores under the long term debt programme of Rs.1000 crore of the Issuer. The present issue is a part of the aforesaid programme. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information.
LISTING
The Non-Convertible Debentures will be not be listed as the proposed issuance is Unlisted.

Registrar	**Trustee**
Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083. Tel: +91 22 49186000 Fax: +91 22 49186060 Email: rnt.helpdesk@linkintime.co.in Email: bonds.helpdesk@linkintime.co.in Website: www.linkintime.co.in	Catalyst Trusteeship Limited Mumbai Office: Windsor, 6th Floor, office no. 604, C.S.T. Road, Kalina, Santcruz (East) Mumbai- 400098 Tel: (020)49220555 Fax: + 91 (022) 49220505 Registered Office: GDA House, Plot No. 85 Bhusari Colony (Right), Paud Road, Pune 411 038 Tel: 91 (020) 252800081 Fax: + 91 (020) 25280275.
Issue Opens on: As mentioned in the Term Sheet annexed herewith as Annexure A	Issue Closes on: As mentioned in the Term Sheet annexed herewith as Annexure A

This Disclosure Document is not a Prospectus under the Companies Act. This Disclosure Document is prepared in conformity with (i) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008 as amended from time to time (together "**SEBI Debt Regulations**"); (ii) relevant provisions of the Companies Act and rules made thereunder; and (iii) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 - Annexure XXII, updated as on February 17, 2020 and as amended from time to time (iv). SEBI circular Cir./IMD/DF/17/2011 dated September 28, 2011 titled 'Guidelines for Issue and Listing of Structured Products/Market Linked Debentures".;

The Issuer reserves the right to change the issue closing date and in such an event, the Deemed Date of Allotment for the Debentures may also be revised by the Issuer at its sole and absolute discretion.

The Disclosure Document is dated March 18, 2021

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SECTION I - IMPORTANT NOTICE TO THE INVESTORS

GENERAL DISCLAIMER:

THIS INFORMATION MEMORANDUM ("DISCLOSURE DOCUMENT") IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS. THIS DISCLOSURE DOCUMENT IS INTENDED FOR PRIVATE USE AND SHOULD NOT BE CONSTRUED TO BE A PROSPECTUS AND/OR AN INVITATION TO THE PUBLIC OR A SECTION OF THE PUBLIC FOR SUBSCRIPTION TO DEBENTURES UNDER ANY LAW FOR THE TIME BEING IN FORCE. NEITHER THIS DISCLOSURE DOCUMENT NOT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE CONTEMPLATED ISSUE SHOULD BE CONSTRUED AS LEGAL, TAX, ACCOUNTING OR INVESTMENT ADVICE.

APART FROM THIS INFORMATION MEMORANDUM, NO OTHER OFFER DOCUMENT OR PROSPECTUS HAS BEEN PREPARED IN CONNECTION WITH THE OFFERING OF THIS ISSUE NOR IS SUCH A PROSPECTUS REQUIRED TO BE REGISTERED UNDER APPLICABLE LAWS. ACCORDINGLY, THIS INFORMATION MEMORANDUM HAS NEITHER BEEN DELIVERED FOR REGISTRATION NOR IS IT INTENDED TO BE REGISTERED.THE ISSUER DOES NOT UNDERTAKE TO UPDATE THE DISCLOSURE DOCUMENT TO REFLECT SUBSEQUENT EVENTS AFTER THE DATE OF THIS MEMORANDUM AND THUS IT SHOULD NOT BE RELIED UPON WITH RESPECT TO ANY SUCH SUBSEQUENT EVENTS WITHOUT FIRST CONFIRMING ITS ACCURACY WITH THE ISSUER. NEITHER THE DELIVERY OF THIS DISCLOSURE DOCUMENT NOR ANY SALE OF THE NCD MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CONSTITUTE A REPRESENTATION OR CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE INTHE AFFAIRS OF THE ISSUER SINCE THE DATE HEREOF.

This Disclosure Document is for private placement of Debentures and has been prepared in conformity with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(if applicable) issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008 (as amended from time to time), 2, and SEBI circular no. CIR/IMD/DF/18/2013 dated October 29, 2013, and the SEBI (Listing Disclosures and Requirements) Regulations, 2015 and section 42 of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2018 and the RBI circulars on the subject and relevant laws, rules and regulations. As per the applicable provisions, copy of this Disclosure Document has not been filed or submitted to SEBI for its review and/or approval.

This Disclosure Document has been prepared to provide general information about the Issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Disclosure Document does not purport to contain all the information that any potential investor may require. Neither this Disclosure Document nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Disclosure Document should not consider such receipt a recommendation to purchase any Debentures. Each investor contemplating purchasing any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Each recipient of this Disclosure Document acknowledges that such person has not relied on the Issuer or any of its affiliates, shareholders, directors, employees, agents or advisors in connection with its investigation of the accuracy of such information or its investment decision and such person has relied solely on its own examination of the creditworthiness of the Issuer and the merits and risks involved in investing in the Debentures. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Disclosure Document or in any material made available by the Issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

This Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Disclosure Document are intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom application forms along with this Disclosure Document being issued have been sent by or on behalf of the Issuer. Any application by a person to whom the Disclosure Document has not been sent by or on behalf of the Issuer shall be rejected without assigning any reason.

Each person receiving this Disclosure Document acknowledges that:

Such person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein. Each such person (i) is a knowledgeable and sophisticated investor; (ii) have the expertise in assessing the credit, market and all the other risks involved in purchasing the Debentures; (iii) has done its own independent assessment and analysis of the Issue; (iv) understands that, by purchase or holding of the Debentures, it is assuming and is capable of bearing the risk of loss that may occur with respect to Debentures, including the possibility that it may lose all or a substantial portion of investment.

The Issuer does not undertake to update the Disclosure Document to reflect subsequent events after the date of the Disclosure Document except as required under law.

Neither the delivery of this Disclosure Document nor any sale of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Disclosure Document does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Disclosure Document in any jurisdiction where such action is required. The distribution of this Disclosure Document and the offering and sale of the Debentures may be restricted by law in certain jurisdictions. Persons into whose possession this Disclosure Document comes are required to inform themselves about and to observe any such restrictions. The Disclosure Document is made available to investors in the Issue on the strict understanding that the contents hereof are strictly confidential.It is the responsibility of investors to ensure that any transfer of the Debentures is in accordance with this Disclosure Document and the applicable laws, and ensure that the same does not constitute an offer to the public.

The information and data contained herein is submitted to each of the recipient of this Disclosure Document on a strictly private and confidential basis. By accepting a copy of this Disclosure Document, each recipient agrees that neither it nor any of its employees or advisors will use the information contained herein for any purpose other than evaluating the subscription to the Issue or will divulge to any other party any such information. This Disclosure Document must not be photocopied, reproduced, extracted or distributed in full or in part to any person other than the recipient without the prior written consent of the Issuer.

DISCLAIMER OF THE SECURITIES AND EXCHANGE BOARD OF INDIA

This Disclosure Document has not been filed with the Securities & Exchange Board of India (SEBI). The securities have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this document. This document should not, in any way, be deemed or construed to have been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this

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document. The issue of Debentures is being made on a private placement basis and, therefore, filing of this document with SEBI is not required, however SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this document.

DISCLAIMER OF THE STOCK EXCHANGE

As required, a copy of this Disclosure Document shall be submitted to the BSE for hosting the same on its website. It is to be distinctly understood that such submission of the document with BSE or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that this Issuer's securities will be listed or continue to be listed on the exchange; nor does it take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

The above disclaimer is not applicable for the present issuance.

DISCLAIMER IN RESPECT OF JURISDICTION

The private placement of Debenture is made in India to Companies, Corporate Bodies, Trusts registered under the Indian Trusts Act, 1882, Societies registered under the Societies Registration Act, 1860 or any other applicable laws, provided that suchTrust/ Society is authorised under constitution/ rules/ bye-laws to hold debenture in a Company, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Insurance Companies, Commercial Banks including Regional Rural Banks and Cooperative Banks, Provident, Pension, Gratuity, Superannuation Funds as defined under Indian laws. The Disclosure Document does not, however, constitute an offer to sell or an invitation to subscribe to securities offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Disclosure Document comes is required to inform him about and to observe any such restrictions. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the courts at Bangalore.

DISCLAIMER BY RESERVE BANK OF INDIA:

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED MAY 17, 2011 BEARING REGISTRATION NO. B-02-00250 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.

DISCLAIMER BY DEBENTURE TRUSTEE:

The Debenture Trustee, "ipso facto" does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid / invested by Debenture Holders.



DISCLAIMER BY CREDIT RATING AGENCY:

CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com.

FORWARD LOOKING STATEMENTS

All statements in this Disclosure Document that are not statements of historical fact constitute "forward looking statements". All statements regarding the Issuer's expected financial condition and results of operations, business, plans and prospects are forward looking statements. These forward looking statements and any other projections contained in this Disclosure Document (whether made by the Issuer or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the Issuer's actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections. The forward looking statements, if any, contained in this Disclosure Document are based on the beliefs of the management of the Issuer, as well as the assumptions made by and information available to management as at the date of this Disclosure Document. There can be no assurance that the expectations will prove to be correct. The Issuer expressly disclaims any obligation or undertaking to release any updated information or revisions to any forward looking statements contained herein to reflect any changes in the expectations or assumptions with regard thereto or any change in the events, conditions or circumstances on which such statements are based. Given these uncertainties, recipients are cautioned not to place undue reliance on such forward looking statements. All subsequent written and oral forward looking statements attributable to the Issuer are expressly qualified in their entirety by reference to these cautionary statements.



DEFINITION/ ABBREVIATIONS

Term	Description
"Issuer", "the Company" and "our Company"	Samasta Microfinance Limited, a company incorporated under the Companies Act, 1956 and registered as a Non-Banking Financial Company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934.
Act / Companies Act	The Companies Act, 1956 or Companies Act 2013 (such sections which have been notified by the Government) as amended from time to time, whichever is applicable.
AOA / Articles / Articles of Association	Articles of Association of our Company
Board / Board of Directors	The Board of Directors of our Company and includes any Committee thereof
Debenture Trust Deed	The debenture trust deed dated March 18, 2021 entered into between the Company and the Debenture Trustee pursuant to which the Company shall settle the trust in favour of the Debenture Trustee acting on behalf of the Debenture Holders
DIN	Director Identification Number
Equity Shares	Equity shares of face value of Rs.10 each of our Company
MIS	Management Information System of our Company
Memorandum / MOA / Memorandum of Association	Memorandum of Association of our Company
NBFC-MFI	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934
NBFC-ND-SI	Non-Deposit Accepting / Holding Systemically Important NBFC
NPA	Non-Performing Asset
Promoter	IIFL Finance Limited
` / Rs./ INR / Rupees	Indian Rupees
Receivables	Identified receivables of the Company in form of book debts, loans and advances and current assets of the Company, that are in existence as on the date of this Deed, which represent the Receivables charged in the nature of hypothecation exclusively in favour of the Debenture Trustee on behalf of the Debenture Holders, as more specifically described in the Debenture Trust Deed
Statutory Auditors / Auditors	Our statutory auditors being V Sankar Aiyar & Co., Chartered Accountants
"We", "us" and "our"	Our Company and/or its Subsidiaries, unless the context otherwise requires



SECTION II - RISK FACTORS

An investment in this type of security involves a certain degree of risk. The investor should carefully consider all the information contained in this disclosure document, including the risks and uncertainties described below, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risks that may arise in connection with our business or any decision to purchase, own or dispose of the Debentures. Additional risks, which are currently unknown, if materialises, may in the future have a material adverse effect on our business, financial condition and results of operations. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment.

Risks Relating to Our Business

The following are the risks envisaged by the management. Potential investors should consider these risk factors carefully for evaluating the trading or profitability of the Company and its business before making any investment decision. Unless the context requires otherwise, the risk factors described below apply to the Company only.

The Investors must rely on their own examination and investigation of the Company and its business, their promoters, associate companies and the Issue including the risks and uncertainties involved.

The Company and its business are subject to risks, uncertainties and assumptions, internal as well as external, and could materially affect the performance of the Company. The following are some of the important factors that could cause actual results to differ materially from the Company's expectations:

We deal with higher risk clients and provide unsecured loans. Hence our business is exposed to risk of NPAs.

The majority of our loans are unsecured and the clients of these unsecured loans are of the high risk category and if we are unable to control the level of non-performing loans ("**NPAs**") in the future, or if our loan loss reserves are insufficient to cover future loan losses, our financial condition and results of operations may be materially and adversely affected.

A majority of our loans are unsecured and the clients of these unsecured loans are of the high risk category. There is uncertainty on the client's ability to fulfil its loan obligations as MFI clients typically do not have bank accounts or proper income proof verification so it can be difficult to verify all client details and assess the risk. Such non-performing or low credit quality loans can negatively impact our results of operations.

The Issuer has various procedures and process controls in place to mitigate the risk. All group lending loans are provided under the Grameen Model and based on the joint liability of the group.

We cannot assure you that we will be able to effectively control and reduce the level of the impaired loans in our total loan portfolio. The amount of our reported NPAs may increase in the future as a result of growth in our total loan portfolio, and also due to factors beyond our control, such as over - extended member credit that we are unaware of. If we are unable to manage our NPAs or adequately recover our loans, our results of operations will be adversely affected. Our current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of our total loan portfolio. As a result, if the quality of our total loan portfolio deteriorates we may be required to increase our loan loss reserves, which will adversely affect our financial condition and results of operations. Our customers/borrowers are poor and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where our customers live. Moreover, there is no precise method for predicting loan and credit losses, and we cannot assure you that our monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If we are unable to control or reduce the level of our NPAs or poor credit quality loans, our financial condition and results of our operations could be materially and adversely affected.



Further, while we believe that our security interests are perfected and legally enforceable, they might not be deemed as such in an Indian court.

Our business operates through a large number of rural and semi urban branches and is exposed to operational risks including fraud.

We are exposed to operational risks, including fraud, petty theft and embezzlement, as we handle a large amount of cash due to high volume of small transactions. This could harm our operations and our financial position.

As we handle a large amount of cash through a high volume of small transactions taking place in our network, we are exposed to the risk of fraud or other misconduct by employees or outsiders. These risks are further compounded due to the high level of delegation of power and responsibilities our business model requires. Given the high volume of transactions processed by us, certain instances of fraud and misconduct may go unnoticed before they are discovered and successfully rectified. Even when we discover such instances of fraud or theft and pursue them to the full extent of the law or with our insurance carriers, there can be no assurance that we will recover any such amounts. In addition, our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

To mitigate the above risk, we maintain an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. We also have a MIS system able to generate data analysis that can be used to monitor financial and operational performance.

Loans due within two years' account for almost all of our interest income, and a significant reduction in short term loans may result in a corresponding decrease in our interest income.

All of the loans we issue are due within approximately two years of disbursement. The relatively short- term nature of our loans means that our long-term interest income stream is less certain than if a portion of our loans were for a longer term. In addition, our customers may not obtain new loans from us upon maturity of their existing loans, particularly if competition increases. The potential instability of our interest income could materially and adversely affect our results of operations and financial position.

We are exposed to certain political, regulatory and concentration of risks and plan to expand into newer geographic locations.

Due to the nature of operations, we are exposed to political, regulatory and concentration risks. We believe a mitigant to this is to expand its geographical reach and we are consequently expanding operations in different geographies.

If we are not effectively able to manage such operations and expansion, we may lose money invested in such expansion, which could adversely affect our business and results of operations.

Large scale attrition, especially at the senior management level, can make it difficult for us to manage our business.

If we are not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain our quality and reputation, it will be difficult for us to manage our business and growth

We depend on the services of our executive officers and key employees for our continued operations and growth. In particular, our senior management has significant experience in the micro-finance, banking and financial services industries. The loss of any of our executive officers, key employees or senior managers could negatively affect our ability to execute our business strategy, including our ability to manage our rapid growth. Our business is also dependent on our team of personnel who directly manage our relationships with our members. Our business and profits would suffer adversely if a substantial number of such personnel left us or became ineffective in servicing our members over a period of time. Our future success will depend in large part on our ability to identify, attract and retain highly skilled managerial and other personnel. Competition

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for individuals with such specialized knowledge and experience is intense in our industry, and we may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain our quality and reputation or to sustain or expand our operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for us to manage our business and growth and to meet key objectives.

Our business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by our employees.

Our employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we could incur higher labour costs, which would adversely affect our business and results of operations.

Our insurance coverage may not adequately protect us against losses.

Successful claims that exceed our insurance coverage could harm our results of operations and diminish our financial position.

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations and other general liability insurances. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which we do not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition and results of operations. We do not have director 's and officer 's insurance which could impact an individual 's decision to serve on our Board of Directors.

Micro credit lending poses unique risks not generally associated with other forms of lending in India, and, as a result, we may experience increased levels of NPAs and related provisions and write-offs that negatively impact our results of operations

Our core mission is to provide loans to fund the small businesses and other income generating activities of our customers. Our customers are typically poor and illiterate women living in rural India, who have limited sources of income, savings and credit histories, and who cannot provide us with any collateral or security for their borrowings. We also disburse non-interest bearing loans to our customers in the event of emergencies, such as pregnancy, funerals and natural disasters. In addition, we have extended loan repayment moratoriums of two to three weeks to customers who have been victims of flood conditions. While we do extend such moratoriums on a case by case basis, extensive flood conditions could adversely affect the ability of our customers to make loan payments on time and in turn negatively impact our results of operations. As a result, our customers pose a higher risk of default than borrowers with greater financial resources and more established credit histories and borrowers living in urban areas with better access to education, employment opportunities, and social services.

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In addition, we rely on non-traditional guarantee mechanisms in connection with our loan products, which are generally secured by informal individual and group guarantees, rather than tangible assets. As a result, our loan products pose a higher degree of risk than loans secured with physical collateral. Due to the precarious circumstances of our customers and our non-traditional lending practices we may, in the future, experience increased levels of non-performing loans and related provisions and write-offs that negatively impact our business and results of operations.

A credit enhancement happens by way of guarantee of loan to an individual member of a group by all the other members of the group. The ability to repay the loan is taken care of by internal credit evaluation and intention to repay is taken care of by the mutual guarantee of group customers.

We require certain statutory and regulatory approvals for conducting our business and our failure to obtain or retain them in a timely manner, or at all, may adversely affect our operations.

NBFCs in India are subject to strict regulation and supervision by the RBI. Pursuant to the Master Circular- 'Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) – Directions dated July 1, 2014 (as updated from time to time, the NBFC-MFI Directions) issued by the RBI, we are required to maintain our status as a Non-Banking Finance Company – Micro Finance Institution (**"NBFC- MFI"**) in order to be eligible for categoriza0on as priority sector advance for bank loans. See risk factor titled — 'Current Micro-finance Industry Challenges' for details. We require certain approvals, licenses, registrations and permissions for operating our business, including registration with the RBI as a NBFC-MFI. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and we may not be aware of or comply with all requirements all of the time. Additionally, we may need additional approvals from regulators to introduce new insurance and other fee based products to our members. In particular, we are required to obtain a certificate of registration for carrying on business as a NBFC-MFI that is subject to numerous conditions. In addition, our branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled and we shall not be able to carry on such activities. If we fail to comply with the NBFC-MFI Directions and fail to maintain the status of NBFC-MFI, we will not be eligible for priority sector loans from the Indian banking sector and may also attract penal provisions under the RBI Act, 1934 for non-compliance.



We may be required to increase our capital ratio or amount of loan loss reserves, which may result in changes to our business and accounting practices that would harm our business and results of operation.

We are subject to the RBI minimum capital to risk weighted assets ratio regulations. Pursuant to Section 45 - IC of the Reserve Bank of India Act 1934, every NBFC-MFI is required to create a reserve fund and transfer thereto a sum not less than 20 percent of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. We are also required to maintain a minimum capital adequacy ratio of 15.00 percent in relation to our aggregate risk-weighted assets and risk adjusted assigned loans. The ratio must equal or exceed 15.00 percent.

The RBI may also in the future require compliance with other financial ratios and standards. Compliance with such regulatory requirements in the future may require us to alter our business and accounting practices or take other actions that could materially harm our business and operating results.

Competition from banks and financial institutions, as well as state-sponsored social programs, may adversely affect our profitability and position in the Indian micro-credit lending industry

We face our most significant competition from other micro finance institutions (Fis) and banks in India. Many of the institutions with which we compete have greater assets and better access to, and lower cost of, funding than we do. In certain areas, they may also have better name recognition and larger member bases than us. We anticipate that we may encounter greater competition as we continue expanding our operations in India, which may result in an adverse effect on our business, results of operations and financial condition.

We believe traditional commercial banks as well as regional rural and cooperative banks have generally not directly targeted the rural lower income segments of the population for new customers. However, some banks do participate in micro-finance by financing the loan programs of self-help groups often in partnership with NGOs. Banks also indirectly participate in microfinance by making loans and providing other sources of funding to other MFIs. In addition, we are aware that some commercial banks are beginning to directly compete with for –profit MFIs for lower income segment customers in certain geographies.

Movement in market interest rates may adversely affect the margins of the Issuer, Changes in interest rates at which the Issuer borrows can impact spreads, especially in the short term. Increase in cost of funds can severely squeeze margins, impacting profitability and operational self-sufficiency of MFIs. With increasing competition and pressure to cut interest rates, the Issuer may not be in a position to pass interest rate increases to clients. Further, the new directions issued by the RBI, the NBFC-MFI Directions (following the recommendations of the Malegam Committee Report) has introduced restrictions on margins, interest rates and processing fees and will increase interest rate risk for the Issuer.



External Risk Factors:

1. ***Financial difficulties and other problems in certain financial institutions in India could cause our business to suffer and adversely affect our results of operations.***

   We are exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years. Some co-operative banks (which tend to operate in rural sector) have also faced serious financial and liquidity crises. There has been a trend towards consolidation with weaker banks and NBFCs being merged with stronger entities. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect our business, our future financial performance, our shareholders' funds and the market price of our NCDs.

2. ***Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business***

   Terrorist attacks and other acts of violence or war may negatively affect our business and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, any deterioration in relations between India and its neighboring countries might result in investor concern about stability in the region, which could adversely affect our business.

   India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our NCDs.

3. ***Natural calamities, pandemics could have a negative impact on the Indian economy and cause our business to suffer;***

   India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. The erratic progress of the monsoon in 2012 affected sowing operations for certain crops. Further, prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy thereby, adversely affecting our business.

   Further, the World Health Organisation as well as the Government of India vide its Office Memorandum dated February 19, 2020 declared the recent outbreak of the COVID-19 pandemic as a natural calamity. We had the impacts of COVID-19 and had an adverse effect on our business, financial condition inlcluding raising of funds and results of operations.

4. ***Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry***

   There is no assurance that the liberalization policies of the government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. The Government of India plays an important role by regulating the policies and regulations that govern the private sector. The current economic policies of the government may change at a later date. The pace of economic liberalization could change and specific laws and policies affecting the industry and other policies affecting investments in our Company's business could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business.

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Unstable domestic as well as international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced polices and taken initiatives that support continued economic liberalization.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business may be affected not only by changes in interest rates, changes in Government policy, taxation, social and civil unrest but also by other political, economic or other developments in or affecting India.

5. ***Companies operating in India are subject to a variety of central and state government taxes and surcharges.***

Tax and other levies imposed by the central and state governments in India that affect our tax liability include: (i) central and state taxes and other levies; (ii) income tax; (iii) value added tax; (iv) turnover tax; (v) service tax; (vi) stamp duty; and (vii) other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. For example, a Direct tax code is proposed to be introduced in the Indian Parliament.

The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

6. ***There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.***

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchange for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to the Prospectus.

The above clause is not applicable in the present issuance.



SECTION III - ISSUER INFORMATION

Issuer Name	Samasta Microfinance Limited
Registered office	110/3, Lalbagh Main Road, Krishnappa Layout, Bangalore Karnataka 560027 Tel:08042913548 E-mail: venkateshn@samasta.co.in
Corporate office	37A, Sannathi Street, Theradi, Thiruvottiyur, Chennai-600019 Tamil Nadu, India Tel: 08042913500 E-mail: venkateshn@samasta.co.in
Date of incorporation	August 09, 1995
Compliance Officer for the Issue	Mr. Pramod Kulkarni Company Secretary 110/3, Lalbagh Main Road, Krishnappa Layout, Bangalore Karnataka 560027 Email: pramod@samasta.co.in Tel.: 080-42913500
Chief Financial Officer of the Company	Mr. Anantha Kumar T Chief Financial Officer 110/3, Lalbagh Main Road, Krishnappa Layout, Bangalore Karnataka 560027 Karnataka, India Email: ananthakumart@samasta.co.in Tel.: 080-42913509
Trustee of the Issue	Catalyst Trusteeship Limited Mumbai Office: Windsor, 6th Floor, office no. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai- 400098 Tel: (020)49220555 Fax: + 91 (022) 49220505 Registered Office: GDA House, Plot No. 85 Bhusari Colony (Right), Paud Road, Pune 411 038 Tel: 91 (020) 252800081 Fax: + 91 (020) 25280275 Website- www.catalysttrustee.com Email ID- umesh.salvi@ctltrustee.com
Registrar of the Issue	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083. Tel: +91 22 49186000

	Fax: +91 22 49186060 Email: rnt.helpdesk@linkintime.co.in Email: bonds.helpdesk@linkintime.co.in Website: www.linkintime.co.in
Credit Rating Agency of the Issue	CRISIL Limited Hiranandani Business Park, Central Avenue, Hiranandani Gardens, Powai, Mumbai - 400076
Auditors of the Issuer	V Sankar Aiyar & Co.
Arrangers if any of the instrument	N.A.

I. Directors of the Company

The following table sets out the details regarding the Board of Directors as on February 28, 2021.

Name, Designation, Nationality, DIN and Address, Occupation	Age (years)	Date of Appointment	Other Directorships
Mr. Venkatesh N. **Designation:** Managing Director **DIN:** 01018821 **Nationality:** Indian **Occupation:** Professional **Address:** No.472, 19th Main, 35th Cross, 4th T Block, Jayanagar Bengaluru-560041	45	01/02/2004	NIL
Mr. Shivaprakash D. **Designation:** Whole-time Director **DIN:** 02216802 **Nationality:** Indian **Occupation:** Business **Address:** N0.51, Uttarathalli Main Road, Komarla Brigade Residency, A 417, Chikkalasandara, Bengaluru-560061	46	30/07/2008	NIL

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Mr. Monu Ratra **Designation**: Director **DIN**: 07406284 **Nationality:** Indian **Occupation:** Business **Address:** E194, The Icon, DLF Phase V Gurugram, Haryana-122002	47	24/06/2020	1. IIFL Home Finance Limited
Mr. Badrinarayanan Seshadri **Designation:** Independent Director **DIN:** 00507371 **Nationality:** Indian **Occupation:** Professional **Address:** F3, Warren Manere, Old No 22, New No 66, Warren Road, Mylapore, Chennai, Tamil Nadu-600004	51	30/07/2008	1. Chromosome Distributors Private Limited 2. New Horizon Media Private Limited 3. Aargee Staffing Services Private Limited 4. Hethi Business Services Private Limited
Mr. Vikraman Ampalakkat **Designation:** Independent Director **DIN:** 01978341 **Nationality:** Indian **Occupation:** Professional **Address:** G-3 V B Royal Apartments Elamakkara Road, Edappally Kochi 682024.	73	26/06/2009	1. Esaf Financial Holdings Private Limited 2. Muthoot Fincorp Limited 3. Saggraha Management Services Private limited

Mr. Ramanathan Annamalai **Designation:** Independent Director **DIN:** 02645247 **Nationality:** Indian **Occupation:** Professional **Address:** 28 Tansi Ngr 18th St. Velachery Chennai 600042.	72	23/04/2009	1. Mangal Credit and Fincorp Limited 2. United Overseas Facilities Management Private Limited 3. South India Finvest Private Limited 4. Unnati Microfin Private Limited 5. Asirvad Micro Finance Limited 6. Five-Star Business Finance Limited 7. Five-Star Housing Finance Private limited 8. Hindusthan Microfinance Private Limited 9. Svasti Microfinance Private Limited 10. Tattva Fincorp Limited
Mrs. Malini B. Eden **Designation:** Independent Director **DIN:** 00732954 **Nationality:** Indian **Occupation:** Professional **Address:** #50, 2nd Stage, 2nd Main Road, BHBCS Behind Royal Durbar BTM Layout, Bannerghatta Road, Bangalore 560076.	61	26/04/2018	NIL

Note: *None of the above directors appear in the RBI defaulter list and/or ECGC default list.*

Brief profile/particulars of directors of the Company & Key Managerial Personnel of the Company (as on date)

Mr. Venkatesh N. -Managing Director

Venkatesh is the founder and MD of Samasta Microfinance Ltd. He has over 20 years of experience in the financial services industry as an entrepreneur. Venkatesh was also the founder of the erstwhile PNV Techno Acquisitions Private Ltd. that marketed financial products, and Affluence Edifice, that provided wealth management services for individuals. Venkatesh holds a Bachelor's degree in Computer Science and has completed the Harvard Business School-ACCION Program on Strategic Leadership in Microfinance.

Mr. Shivaprakash D – Whole-time Director

Shivaprakash co-founded Samasta in 2008. He leads Samasta's technology-led initiatives which includes the setting of comprehensive IT infrastructure to facilitate smooth operations. He also oversees Operations to ensure seamless execution of business strategies. Shivaprakash has over two decades of experience spanning the software and financial services industries. Before co-founding Samasta, he managed global technology projects for Wipro.

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Mr. Ramanathan A. -Independent Director

Ramanathan was the Chief General Manager in the Micro Credit Innovations Department of NABARD and has extensive experience in development banking in the agriculture and rural sectors. He managed the SHG Bank Linkage programme, the largest microfinance programme in the world. As In-charge of the Financial Inclusion department, he has managed Financial Inclusion Fund and Financial Inclusion Technology Fund.

Mr. Vikraman A. -Independent Director

A former Chief General Manager of SIDBI Foundation for Micro Credit, Vikraman has extensive experience in the Microfinance sector. In his experience spanning 38 years, he was with Reserve Bank of India for 5 years, IDBI for 16 years and SIDBI for 17 years. He is also on the board of other microfinance and financial corporations.

Mr. Badri Seshadri -Independent Director

Badri Seshadri co-founded Cricinfo.com, a cricket information portal, which is now owned by ESPN. He is an alumnus of IIT Chennai and has a Ph.D in Mechanical Engineering from Cornell University. His latest venture is New Horizon Media that focuses on publishing in Indian languages.

Mrs. Malini B. Eden- Independent Director

Malini has been a Development Specialist and Strategy Consultant for over two decades and has significant experience of working for the marginalized and drawing them into policy across several developmental themes. She has been part of bilateral agencies and government Boards at the state, national and international levels in areas such as economic empowerment, health and donor relations.

Mr. Monu Ratra- Non-Executive Director

Mr. Monu Ratra is a Graduate of Architecture and MBA with over 18 years of work experience in the financial services industry. Mr. Ratra has been instrumental in growth of IIFL Home Finance Limited's loan book substantially during the past three years. Under his leadership, IIFL Home Finance Limited has aspired to become key player in affordable housing segment and to serve the need of housing finance, especially, of those who are underserved or untouched. Prior to joining IIFL Group, he was associated with Indiabulls Housing Finance Limited as National Business Manager where he was responsible for setting up and building the retail home loan business along with their home equity business. Mr. Ratra has also served HDFC Ltd., ICICI Bank.

Mr. Anantha Kumar T– Chief Financial Officer

Anantha Kumar is the Chief Financial Officer at Samasta. In this role, he is responsible for overall budgeting, reviewing and managing operational expenses, and monitoring payroll. Anantha joined Samasta in May 2016 and has over 11 years of experience across industries such as financial services, steel, garments and IT. His expertise lies in audit, strategy, accounts & finance, treasury, and tax.

Before joining Samasta, Anantha was a Senior Consultant at GBA Consulting Services, where he managed assignments in India as well as globally. Anantha is a Chartered Accountant and Company Secretary.

Mr. Pramod Kulkarni – Company Secretary

Mr. Pramod Kulkarni is a qualified Company Secretary from the Institute of Company Secretaries of India along with holding a bachelor's degree in Business Management and comes with an experience of over 5 years. Previously he has been associated with a Financial Solutions (MNC) Company and Chartered Accountant firm with a know-how in handling Corporate Laws, FEMA, Insolvency and Bankruptcy Code, Mergers and Acquisitions, Corporate Litigation, Corporate Funding, drafting Agreements and Incorporation of entities.

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Brief Particulars of the Management of the Company as on the date of this Information Memorandum:

Sr. No.	Name	Designation
1	Mr. Venkatesh Narayanaswamy	Managing Director
2	Mr. Shivaprakash Deviah	Whole Time Director
3	Mr. Badrinarayanan Seshadri	Independent Director
4	Mr. Vikraman Ampalakkat	Independent Director
5	Mr. Ramanathan Annamalai	Independent Director
6	Mrs. Malini B. Eden	Independent Director
7	Mr. Monu Ratra	Non-executive Director
8	Mr. Anantha Kumar. T	Chief Financial Officer
9	Mr. Pramod Kulkarni	Company Secretary

Details of change in directors since last three years: -

Name of Director	DIN	Date of appointment / Resignation	Director of the Company since (in case of resignation)	Reason
Mr. Kalyanaraman Chandrachoodan (Director)	07712306	August 30, 2017	Appointed on January 20, 2017	Resignation
Mr. R. Venkataraman (Director)	00011919	September 16, 2019	Appointed on January 20, 2017	Resignation
Mr. Gaurav Malhotra (Director)	07640504	December 06, 2019	Appointed on March 7, 2017	Resignation
Mr. Sumit Bali	02896088	September 18, 2019	-	Appointment
Mrs. Malini B Eden	00732954	April 26, 2018	-	Appointment
Mr. Sumit Bali	02896088	June 24, 2020	Appointed on September 18, 2019	Resignation
Mr. Monu Ratra	07406284	June 24, 2020	-	Appointment

Details of the auditors of the Company: -

Name	Address	Auditor since
M/s. V Sankar Aiyar & Co	41, Circular Road(1st Floor), United India Colony, Kodambakkam, – 560069	2018

Details of change in auditor since last three years: -

V Sankar Aiyar & Co, Chartered Accountants, have been appointed as the Statutory Auditors of the Company with effect from July 16, 2018 to fill the casual vacancy caused due to resignation of M/s. Gowthama & Co, Chartered Accountants.

II. A Brief Summary of the Business/ Activities of the Issuer and its Line of Business:

Overview

Samasta Microfinance Limited, an IIFL Group company, is a microfinance institution committed to working towards women's economic empowerment. Since its inception in March 2008, Samasta has been providing innovative and affordable financial products to women from unbanked sections in society in both rural and semi urban areas. Today as the organisation caters to 16 states across India, Samasta with its wide array of responsible financial products and services acts as a catalyst for sustainable and inclusive economic growth.

We are leveraging innovative technology solutions to enable customers to enjoy the benefits of digitization and we aim to create economic opportunities for all and to improve the standard of living in the communities we serve.

Over the past several years, we have diversified our products and expanded our presence into segments that are of greater relevance to the evolving business environment and customer demand trends

As on December 31, 2020 Samasta has 606 branches spread across 16 states in the country for giving Microfinance Loans.

Details of default, if any, including therein the amount involved, duration of default and present status in repayment of:

a) Statutory Dues: As per audited financials, our Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, GST, Cess and other material statutory dues with the appropriate authorities, where applicable.

b) Debentures and interest thereon –NIL

c) Deposits and interest thereon –NA

d) Loan from any bank or financial institution and interest thereon – NIL

A summary of our key operational and financial parameters for the last three completed financial years, as specified below, on a consolidated basis are as follows:

For Financial Entities	FY 20 (IND-AS)	FY 19 (IND-AS)	FY18 (IGAAP)	FY17 (IGAAP)
	(Audited)	(Audited)	(Audited)	(Audited)
Net worth	5,091.55	2,665.78	1,169.36	643.53
Total Debt	19,591.93	15,764.81	5,462.39	1,466.31
of which –				
- Non Current Maturities of Long Term Borrowing	10,360.64	9,553.49	1,956.41	682.67
- Short Term Borrowings	-	-	1,376.60	-
- Current Maturities of long Term Borrowings	9,231.28	6,211.32	2,129.38	783.64
Net Fixed Assets	130.87	108.35	45.43	22.04
Non-Current Assets	-	-	-	-
	-	-	-	-
Cash and Cash Equivalents	2,009.10	556.15	459.59	561.48
Current Investments	-	-	-	-
Current Assets	16,652.08	11,673.49	4,875.52	1,689.74
	-		-	-

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Current Liabilities	10,507.55	6,821.17	4,178.56	905.14
	-	-	-	-
Assets Under Management	33,998.39	22,852.41	8,406.19	2,390.80
	-	-	-	-
Off Balance Sheet Assets	10,992.29	4,666.04	2,066.10	954.30
Interest Income	5,101.87	2,974.20	959.81	320.38
Interest Expense	1,775.75	1,184.55	313.02	146.31
Provisioning & Write-offs	595.20	240.97	195.12	10.52
Profit before tax	1,398.29	719.95	43.80	6.23
Provision for tax	330.26	192.21	17.97	-1.86
Profit after tax (PAT)	1,068.02	527.73	25.83	8.09
Gross NPA (%)	1.49%	0.36%	0.30%	3.85%
Net NPA (%)	-	-	-	-
Tier I Capital Adequacy Ratio (%) *	20.91%	13.51%	17.51%	40.17%
Tier II Capital Adequacy Ratio (%) *	4.96%	6.99%	1.25%	4.20%
Gross Debt: Equity Ratio of the Company:-				
Before the issue of debt securities	3.95	6.20	4.67	2.28
After the issue of debt securities #	4.02			
Total Debt	19,941.93			
Current Debt Issue Size (Rs. In Millions)	350.00			

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Dividend Declared (standalone basis)	118.00			
Interest coverage ratio	1.79	1.61	1.14	1.04

A brief history of the Issuer since its incorporation giving details of its activities including any reorganization, reconstruction or amalgamation, changes in its capital structure, (authorized, issued and subscribed) and borrowings, if any.

Corporate profile

Our Company was originally incorporated on August 9, 1995 as a public limited company under the provisions of the Companies Act as Colonac Finance Limited under the State of Tamil Nadu. Our Company changed its name to Samasta Microfinance Limited ("Samasta") w.e.f. July 25, 2008 and and its registered office from the State of Tamil Nadu to Karnataka on March 31, 2011.

Our Company has obtained a certificate of registration dated May 17, 2011 bearing registration no. B-02-00250 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934. As on December 31, 2020 Samasta has 606 branches across 16 states.

Samasta focuses on bridging the gap between ambition and achievement of the working poor across India, by providing financial and non-financial services, in a sustainable long-term relationship and enable them to achieve a better quality of life.

As a business correspondent, Samasta uses their market know how and accessibility to the rural and semi urban BOP families in India to bring microfinance services like micro loans, credit linked insurance, group based savings account etc to their doorstep.

Samasta, as a Non-Banking Financial Company-MFI registered under the RBI, believes that the way forward lies in microfinance which empowers individuals and enriches communities. By alleviating financial stress among the poor and offering an opportunity for income-generation, it helps improve the quality of life. The micro loans can be used to pay off outstanding debts borrowed from local money lenders at very high interest rates, start small businesses, which are the primary requirements of the people we cater to.

Change in registered office of our Company

Registered Office of the Company changed from 418, 1/2A, 4th Cross, 6th Main, Wilson Garden, Bangalore-560027 to 110/3, Lalbagh Main Road, Krishnappa Layout, Bangalore- 560027 with effect from May 27, 2019.

Main objects of our Company

The broad objectives of Samasta Microfinance are:

- To forge long-term partnerships and foster innovative business practices to form the bridge between ideation and achievement.
- To work with the poor in India who are creative entrepreneurs, value-demanding consumers and innovative business partners, by means of a robust microfinance model leading to the creation of businesses and markets which mutually benefit Samasta Microfinance and the poor communities in India.
- To provide both financial and non-financial products to the economically poor to improve their standard of living.

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- To operate in the supply chain domain and offer manpower training, and industry-specific vocational training programs.
- To engage in private-public partnerships in rural and urban markets with a focus on supplementing income generation activities with the application of appropriate technology.

CAPITAL STRUCTURE

Details of share capital

The share capital of our Company as at December 31, 2020 is set forth below:

Share Capital	In Rs.
Authorised Share Capital	
39,80,00,000 equity shares of Rs. 10 each	3,98,00,00,000
20,00,000 Preference Shares of Rs. 10 each	2,00,00,000
Total Authorised Share Capital	4,00,00,00,000
Issued, Subscribed and Paid-up share capital	
320,813,336 equity shares of Rs. 10 each	3,208,133,360
Total Issued, Subscribed and Paid-up share capital	3,208,133,360
Paid up capital:	**3,208,133,360**
Securities Premium Account	98,24,90,906

Note: *There will be no change in the capital structure and securities premium account due to the issue and allotment of the NCDs.*

Changes in the authorized capital of our Company in last Five years as on December 31, 2020:

Date of Approval	Authorized Share Capital (in Rs.)	Particulars
	125,000,000	Authorised Share Capital of our Company as on 31.03.2015
June 22, 2016 (EGM)	425,000,000	Increase of Authorised Share Capital, by creation of 30,000,000 new Equity Shares of Rs. 10 each. The revised Authorised Share Capital stood at Rs. 425 Million comprising of 405,00,000 Equity Shares of Rs. 10 each and 20,00,000 (Twenty Lakhs Only) Preference Shares of Its. 10/- (Rupees Ten Only) aggregating to Rs. 2,00,00,000 (Rupees Two Crores Only).
March 08,2017 (EGM)	650,000,000	Increase of Authorised Share Capital, by creation of 63,000,000 new Equity Shares of Rs. 10 each. The revised Authorised Share Capital stood at Rs. 650 Million comprising of 630,000,000 Equity Shares of Rs. 10 each and 20,00,000 (Twenty Lakhs Only) Preference Shares of Its. 10/- (Rupees Ten Only) aggregating to Rs. 2,00,00,000 (Rupees Two Crores Only).

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November 04, 2017 (EGM)	1,150,000,000	Increase of Authorised Share Capital, by creation of 50,000,000 new Equity Shares of Rs. 10 each. The revised Authorised Share Capital stood at Rs. 1150 Million comprising of 11,30,00,000 Equity Shares of Rs. 10 each and 20,00,000 (Twenty Lakhs Only) Preference Shares of Its. 10/- (Rupees Ten Only) aggregating toRs. 2,00,00,000 (Rupees Two Crores Only).
June 23, 2018	1,50,00,00,000	Increase of Authorised Share Capital, by creation of 3,50,00,000 new Equity Shares of Rs. 10 each. The revised Authorised Share Capital stood at Rs. 150 crores comprising of 14,80,00,000 Equity Shares of Rs. 10 each and 20,00,000 Preference Shares of Rs. 10/- aggregating to Rs. 2,00,00,000.
December 3, 2018	1,52,25,00,000	Increase of Authorised Share Capital pursuant to the confirmationorderNo.3/(Kar)/CPNo.24/CAA11/2017/RD(SER)/Sec.233 /2017/3003 dated 09.08.2018 given by Regional Director w.r.t. Merger of Ayusha Dairy Private Limited (Transferor Company) with Samasta Microfinance Limited (Transferee Company) under Section 233 of the Companies Act, 2013. The revised authorized capital was Rs. 152,25,00,000 consisting of Rs.150,25,00,000 Equity share capital divided into 15,02,50,000 Equity Shares of Rs.10 each and, Rs.2,00,00,000 Preference share capital divided into 20,00,000 preference share of Rs. 10 each
March 16, 2019	1,80,50,00,000	Increase of Authorised Share Capital, by creation of 2,82,50,000 new Equity Shares of Rs. 10 each. The revised Authorised Share Capital stood at Rs. 180.50 crores comprising of 17,85,00,000 Equity Shares of Rs. 10 each and 20,00,000 Preference Shares of Rs. 10/- aggregating to Rs. 2,00,00,000.
September 23, 2019	2,15,50,00,000	Increase of Authorised Share Capital, by creation of 3,50,00,000 new Equity Shares of Rs. 10 each. The revised Authorised Share Capital stood at Rs. 215.50 crores comprising of 21,35,00,000 Equity Shares of Rs. 10 each and 20,00,000 Preference Shares of Rs. 10/- aggregating to Rs. 2,00,00,000.
January 24, 2020	3,00,00,00,000	Increase of Authorised Share Capital, by creation of 8,45,00,000 new Equity Shares of Rs. 10 each. The revised Authorised Share Capital stood at Rs. 300 crores comprising of 29,80,00,000 Equity Shares of Rs. 10 each and 20,00,000 Preference Shares of Rs. 10/- aggregating to Rs. 2,00,00,000.
December 14,2020	4,00,00,00,000	Increase of Authorised Share Capital, by creation of 1,00,00,000 new Equity Shares of Rs. 10 each. The revised Authorised Share Capital stood at Rs. 400 crores comprising of 39,80,00,000 Equity Shares of Rs. 10 each and 20,00,000 Preference Shares of Rs. 10/- aggregating to Rs. 2,00,00,000.



Equity Share Capital History of our Company as on December 31, 2020:

Date of allotment / transfer	Nameof Shareholder	No. of equity shares issued	Face value	Nature of acquisition of shares	Cumulative number of equity shares	Cumulative paid up share capital (in Cr)	Cumulative share premium (In rs. Cr)	Remarks
30-07-2008	Shivaprakash. D	250000	10	Allotment				
01-01-2015	Shivaprakash. D	95000	10	Allotment	345000	0.345		
30-07-2008	R.C. Shekar	250000	10	Allotment				
08-11-2008	R.C. Shekar	250000	10	Allotment				
03-07-2009	R.C. Shekar	50000	10	Allotment				
30-10-2009	R.C. Shekar	160000	10	Allotment				
26-12-2009	R.C. Shekar	469000	10	Allotment				
26-12-2009	R.C. Shekar	100000	10	Allotment				
01-01-2015	R.C. Shekar	486020	10	Allotment	1765020	1.7650		
31-03-2006	Narayanaswamy	20000	10	Allotment				
31-03-2007	Narayanaswamy	10000	10	Allotment				
18-04-2008	Narayanaswamy	110000	10	Allotment				
18-04-2008	Narayanaswamy	25	10	Allotment				
30-07-2008	Narayanaswamy	25	10	Allotment				
30-07-2008	Narayanaswamy	30000	10	Allotment				
30-07-2008	Narayanaswamy	20000	10	Allotment				
30-07-2008	Narayanaswamy	10000	10	Allotment				
30-07-2008	Narayanaswamy	20000	10	Allotment				
30-07-2008	Narayanaswamy	27500	10	Allotment				
30-07-2008	Narayanaswamy	10000	10	Allotment				
30-07-2008	Narayanaswamy	502450	10	Allotment				
01-01-2015	Narayanaswamy	288800	10	Allotment	1048800	1.0488		
30-07-2008	G.J. Krishnaprasad	120000	10	Allotment				

26-12-2009	G.J. Krishnaprasad	280000	10	Allotment				
01-10-2015	G.J. Krishnaprasad	152000	10	Allotment	552000	0.552		
30-07-2008	Anitha Shivaprakash	30000	10	Allotment				
08-11-2008	Anitha Shivaprakash	20000	10	Allotment				
26-12-2009	Anitha Shivaprakash	90000	10	Allotment				
01-01-2015	Anitha Shivaprakash	53200	10	Allotment	193200	0.1932		
01-01-2015	Christopher	7600	10	Allotment	7600	0.0076		
31-03-2006	Venkatesh N	23402	10	Allotment				
31-03-2007	Venkatesh N	16247	10	Allotment				
25-02-2008	Venkatesh N	202801	10	Allotment				
30-07-2008	Venkatesh N	151650	10	Allotment				
08-11-2008	Venkatesh N	222900	10	Allotment				
27-01-2009	Venkatesh N	350000	10	Allotment				
03-07-2009	Venkatesh N	1000	10	Allotment				
01-01-2015	Venkatesh N	367840	10	Allotment	1335840	1.33584		
08-11-2008	Swaminathan	50000	10	Allotment				
26-12-2009	Swaminathan	15000	10	Allotment				
01-01-2015	Swaminathan	24700	10	Allotment	89700	0.0897		
30-07-2008	G. Prema Narayanaswamy	1000	10	Allotment				
01-01-2015	G. Prema Narayanaswamy	380	10	Allotment	1380	0.00138		
30-07-2008	Vidya Anand	1000	10	Allotment				
						0.0013		

01-01-2015	Vidya Anand	380	10	Allotment	1380	8		
30-07-2008	S. Anand	1000	10	Allotment				
01-01-2015	S. Anand	380	10	Allotment	1380	0.0013 8		
30-10-2009	Vinodh	200000	10	Allotment				
01-01-2015	Vinodh	76000	10	Allotment	276000	0.276		
30-10-2009	Tara Vinodh	50000	10	Allotment				
01-01-2015	Tara Vinodh	19000	10	Allotment	69000	0.069		
26-12-2009	Shiva Srinivasan	100000	10	Allotment				
01-01-2015	Shiva Srinivasan	38000	10	Allotment	138000	0.138		
26-12-2009	R.Satya - HUF	70000	10	Allotment				
01-01-2015	R.Satya - HUF	26600	10	Allotment	96600	0.0966		
24-12-2015	Jeganathan Ramanathan	41400	10	Allotment	41400	0.0414		
26-12-2009	P.S.Anand Ram	70000	10	Allotment				
01-01-2015	P.S.Anand Ram	26600	10	Allotment	96600	0.0966		
26-12-2009	Kalpathi Investments Pvt Ltd	120000 0	10	Allotment				
01-01-2015	Kalpathi Investments Pvt Ltd	456000	10	Allotment	1656000	1.656		
28-04-2010	B.H.Krishnamurthy	400000	10	Allotment				
01-01-2015	B.H.Krishnamurthy	152000	10	Allotment	552000	0.552		
28-04-2010	Sanjay Shenoy	400000	10	Allotment				
01-01-2015	Sanjay Shenoy	152000	10	Allotment				
07-08-2015	Sanjay Shenoy	27600	10	Allotment				
07-08-2015	Sanjay Shenoy	103500	10	Allotment	683100	0.6831		
		150000						

12-03-2015	SIDBI	0	10	Allotment	1500000	1.5		
08-11-2008	Ramesh J	5000	10	Allotment	5000	0.005		
08-11-2008	Girish	5000	10	Allotment	5000	0.005		
08-11-2008	T M Durai	5000	10	Allotment	5000	0.005		
08-11-2008	Anilkumar	5000	10	Allotment	5000	0.005		
07-03-2017	India Infoline Finance Limited	8,417,631	10	Transfer	8,417,631			
08-03-2017	India Infoline Finance Limited	5,00,00,000	10	Allotment	6,13,44,609	61.34		
08-11-2017	India Infoline Finance Limited	5,00,00,000	10	Allotment	11,13,44,609	111.34		
29-06-2018	India Infoline Finance Limited	3,46,02,076	10	Allotment	14,59,46,685	145.94		
30-03-2019	India Infoline Finance Limited	3,20,92,426	10	Allotment	17,80,39,111	178.04		
30-09-2019	India Infoline Finance Limited	2,97,08,853	10	Allotment	20,77,47,964	207.74		
04-03-2020	India Infoline Finance Limited	2,82,48,587	10	Allotment	23,59,96,551	235.99		
24-03-2020	India Infoline Finance Limited	2,82,48,587	10	Allotment	26,42,45,138	264.24		
23-06-2020	IIFL Home Finance Limited	6,60,61,285	10	Transfer of Shares from IIFL Finance Limited(Formerly known as India Infoline Finance Limited)	6,60,61,285	264.24		
21-12-2020	IIFL Finance Limited(Formerly known as India Infoline Finance Limited)	4,24,26,147	10	Allotment	30,66,71,285	306.67		
21-12-2020	IIFL Home Finance Limited(Formerly known as India Infoline Finance	1,41,42,049	10	Allotment	32,08,13,334	320.81		

SAMASTA MICROFINANCE LIMITED BENGALURU

	Limited)							

Details of any acquisition or amalgamation in the last 1 year-NIL Details of any reorganization or reconstruction in the last 1 year.

Type of Event	Date of Announcement	Date of Completion	Details
Amalgamation of wholly owned subsidiary i.e. Ayusha Dairy Private Limited.	April 1, 2017: Effective date of the Scheme.	August 6, 2018: Confirmation Order of the Scheme of merger or amalgamation passed by the Regional Director (South Eastern Region), Ministry of Corporate Affairs.	The Board of Directors of the Company presented a Scheme of Amalgamation or merger under section 233 of the Companies Act, to the regional director, ministry of corporate affairs for amalgamation of its wholly owned subsidiary Ayusha Dairy Private Limited with the Company, the concerned authority sanctioned the scheme vide its order dated August 6, 2018.

Shareholding Pattern:

Shareholding pattern of Equity Shares of our Company as on December 31, 2020:

Sl. No.	Name of Share holder	No. of Equity Shares	Face Value In(Rs)	Total Amount	% of Share Holding
1	Shivaprakash Deviah	3,45,000	10	34,50,000	0.11
2	Venkatakrishnama Appa Naidu Narayanaswamy	10,52,938	10	1,05,29,380	0.33
3	Anitha Shivanna	1,93,200	10	19,32,000	0.06
4	Narayanaswamy Venkatesh	13,35,840	10	1,33,58,400	0.42
5	IIFL Finance Limited	23,76,83,022	10	2,37,68,30,220	74.09
6	IIFL Home Finance Limited	8,02,03,334	10	80,20,33,340	25.00
7	Prema Narayanaswamy	1	10	10	0.00

8	Vidhya Anand	1	10	10	0.00
Total		**32,08,13,336**	**Rs.10**	**3,20,81,33,360**	**100.00**

Note: *Prema Narayanaswamy and Vidhya Anand holding 1 equity share of Rs.10 each respectively are Registered owners and Beneficial Interest of such shares lies with Narayanaswamy.*

No shares are pledged or encumbered by the promoter i.e. IIFL Finance Limited.

Post Issue Shareholding Pattern

There will be no change in the shareholding after the issuance.

Top 10 holders of Equity Shareholders of our Company as on December 31,2020:

Sl. No.	Name of Share holder	No. of Equity Shares	Face Value in(Rs)	Total Amount	% of Share Holding
1	Shivaprakash Deviah	3,45,000	10	34,50,000	0.11
2	Venkatakrishnama Appa Naidu Narayanaswamy	10,52,938	10	1,05,29,380	0.33
3	Anitha Shivanna	1,93,200	10	19,32,000	0.06
4	Narayanaswamy Venkatesh	13,35,840	10	1,33,58,400	0.42
5	IIFL Finance Limited	23,76,83,022	10	2,37,68,30,220	74.09
6	IIFL Home Finance Limited	8,02,03,334	10	80,20,33,340	25.00
7	Prema Narayanaswamy	1	10	10	0.00
8	Vidhya Anand	1	10	10	0.00
Total		**32,08,13,336**	**Rs.10**	**3,20,81,33,360**	**100.00**

Note: Prema Narayanaswamy and Vidhya Anand holding 1 equity share of Rs.10 each respectively are Registered owners and Beneficial Interest of such shares lies with Narayanaswamy.

Details of Promoters:

Details of Promoter Holding in the Company as on December 31, 2020 -

Name of Promoter shareholder	Total Number of Equity Shares	Number of shares in demat form	Total shareholding as % of total no of equity Shares	Number of Shares Pledged	% of Shares pledged with respect to shares owned
IIFL Finance Limited	23,76,83,022	23,76,83,022	74.09	NIL	NIL
Venkatesh N.	13,35,840	13,35,840	0.42	NIL	NIL
Shivaprakash D.	3,45,000	3,45,000	0.11	NIL	NIL

Abridged version of Audited Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications, if any.

Refer to Section IV titled '*Financial Information of the Issuer*'

Abridged version of Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement, and Balance Sheet) and auditor's qualifications, if any

Refer to Section IV titled '*Financial Information of the Issuer*'

Other disclosures in accordance with Section 42 of the Companies Act, 2013 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014

Disclosures made in Annexure F to this Information Memorandum – Form PAS – 4.

SECTION IV – FINANCIAL INFORMATION OF THE ISSUER

A SUMMARY OF THE FINANCIAL POSITION AND CASH FLOW STATEMENT OF THE COMPANY (STANDALONE):[##]

Balance Sheet as at 31 March 2020, 31st March 2019 and 31 March 2018 prepared in accordance with IND AS: (Standalone)

	Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 31 March 2018
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	2,009.10	556.15	187.53
(b)	Bank Balance other than (a) above	799.61	403.38	258.48
(c)	Derivative financial instruments	21.28	55.42	-
(c)	Receivables			
	(I) Trade Receivables	18.54	36.19	37.92
	(I) Other Receivables	-	-	-
(d)	Loans	22,873.88	17,897.98	6,704.89
(e)	Investments	0.50	11.22	10.72
(f)	Other Financial assets	648.48	159.93	35.88
2	**Non-financial Assets**			
(a)	Current tax assets	41.89	26.24	-
(b)	Deferred tax Assets	64.78	50.54	41.68
(c)	Investment Property	0.56	0.58	-
(d)	Property, Plant and Equipment	80.78	95.24	44.50
(e)	Right to Use	46.35	-	-
(f)	Capital work-in-progress	-	7.55	-
(g)	Other Intangible assets	3.19	4.97	0.93
(h)	Other non-financial assets	10.47	3.61	3.07
	Total Assets	26,619.40	19,309.01	7,325.58
	LIABILITIES AND EQUITY			



1	**Financial Liabilities**			
(a)	Derivative financial instruments	21.28	55.42	-
(b)	Payables			
	(I) Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	35.31	111.29	44.07
(c)	Debt Securities	4,521.25	5,556.26	932.15
(d)	Borrowings (Other than Debt Securities)	13,895.46	9,040.77	5,061.09
(e)	Subordinated Liabilities	992.55	989.02	50.00
(f)	Lease Liability	46.73	-	-
(g)	Other financial liabilities	1,953.85	847.03	72.83
2	**Non-financial liabilities**			
(a)	Current tax liabilities	-	-	18.11
(b)	Provisions	37.06	18.23	3.87
(c)	Other non-financial liabilities	24.34	25.20	15.66
3	**Equity**			
(a)	Equity and Share Capital	2,642.45	1,780.39	1,113.45
(b)	Other Equity	2,449.10	885.39	14.36
	Total Liabilities and Equity	**26,619.40**	**19,309.01**	**7,325.58**

Profit and Loss for the financial years ended 31 March 2020, 31st March 2019 and 31 March 2018 prepared in accordance with IND-AS (STANDALONE)

	Particulars	As at 31st March, 2020	As at 31 March 2019	As at 31 March 2018
	Revenue from operations			
(i)	Interest Income	5,101.87	2,974.20	807.37
(ii)	Fees and commission Income	192.36	256.52	155.11

(iii)	Net gain on fair value changes	454.02	105.80	2.09
(I)	**Total Revenue from operations**	**5,748.25**	**3,336.52**	**964.56**
(II)	**Other Income**	**72.83**	**61.01**	**6.49**
(III)	**Total Income (I+II)**	**5,821.08**	**3,397.54**	**971.05**
	Expenses			
(i)	Finance Costs	1,775.75	1,184.55	345.12
(ii)	Net loss on derecognition of financial instruments under amortised cost category	129.09	80.82	123.14
(iii)	Impairment on financial instruments	466.11	160.16	-6.89
(iv)	Employee Benefits Expenses	1,357.22	849.47	279.81
(v)	Depreciation, amortization and impairment	73.48	54.66	13.08
(vi)	Other expenses	585.11	343.57	122.90
(IV)	**Total Expenses (IV)**	**4,386.76**	**2,673.23**	**877.17**
(V)	**Profit / (Loss) before exceptional items and tax (III-IV)**	**1,434.32**	**724.31**	**93.88**
(VI)	Exceptional Items	31.02	-	-
(VII)	**Profit/(loss) before tax (V+VI)**	**1,403.30**	**724.31**	**93.88**
(VIII)	Tax Expense:			
	(1) Current Tax	336.15	199.28	37.75
	(2) Deferred Tax	-7.01	-7.07	-4.81
	(3) Current tax expense relating to prior years	1.12	-	-
	Total Tax Expense	330.26	192.21	32.94

(IX)	Profit / (loss) for the period from continuing operations (VII-VIII)	1,073.04	532.09	60.94
(X)	Profit / (loss) from discontinued operations	-	-	-
(XI)	Tax Expense of discontinued operations	-	-	-
(XII)	Profit / (loss) from discontinued operations (After tax) (X-XI)	-	-	-
(X)	**Profit/(loss) for the period**	**1,073.04**	**532.09**	**60.94**
(XI)	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss (specify items and amounts)	-6.70	-6.15	-0.27
	(ii) Income tax relating to items that will not be reclassified to profit or loss	1.69	1.79	0.08
	Subtotal (A)	**-5.01**	**-4.36**	**-0.19**
	B (i) Items that will be reclassified to profit or loss (specify items amounts)	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
	Subtotal (B)	-	-	-
	Other Comprehensive Income (A+B)	**-5.01**	**-4.36**	**-0.19**
(XII)	**Total Comprehensive Income for the period**	**1,068.02**	**527.73**	**60.75**
(XIII)	**Earnings Per Share (Face Value Rs. 10 each)**			
	Basic	5.47	3.86	0.75
	Diluted	5.47	3.86	0.75



Cash Flow Statement for the financial years ended 31 March 2020, 31 March 2019 and 31 March 2018 prepared in accordance with Ind-AS (STANDALONE)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019		Year ended March 31, 2018	
A. CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		**1,403.30**		**724.31**		**93.88**
Adjustments for:						
Depreciation, amortisation and impairment	73.48		54.66		13.08	
Impairment on financial instruments	466.11		160.16		-6.89	
(Profit)/Loss on sale of assets	-		-		-	
Net (Gain)/Loss on fair value changes - unrealised	-		-		-	
Net (Gain)/Loss on fair value changes - realised	-		-		-	
Net Gain / (loss) on derecognition of financial instruments under amortised cost	-451.59		-104.69		-2.09	
Employee Benefit expenses - share based						
Employee benefit expenses - others	13.82		10.00		2.11	
Interest on loans	-62.14		-25.61		-18.60	
Interest on deposits with Banks						
Interest on Investments						
Finance cost						
Loss on buy back of commercial paper (net)						
Loss on buy back of debentures (net)						
Premium paid on early redemption of debentures						
Income received on loans						
Interest received on deposits with Banks						
Income received on Investments	-67.57		-59.55		-5.32	
Finance cost paid						
Bad Debts Written Off	129.09		80.82		123.14	
Operating profit before working capital changes		**1,504.49**		**840.09**		**199.31**
Decrease / (Increase) in financial and non financial assets	-5,602.47		-11,519.57		-5,391.08	
Increase in financial and non financial liabilities	1,027.16		1,001.32		304.54	
Cash generated from operations		-3,070.81		-9,678.16		-4,887.22
Taxes paid	-321.66		-236.89		-16.93	

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Particulars	Year ended March 31, 2020		Year ended March 31, 2019		Year ended March 31, 2018	
Net cash from operating activities		**- 3,392.47**		**- 9,915.06**		**- 4,904.16**
Loans (disbursed) / repaid (net)	-26.57		-12.48		- 10.22	
Net cash (used in)/from operating activities (A)		**- 3,419.04**		**- 9,927.54**		**- 4,914.37**
B. CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of property, plant and equipment and other intangible assets	-51.47		- 117.61		-36.50	
Sale of property, plant and equipment and other intangible assets	7.72		0.03		0.03	
Investments in subsidiaries						
Purchase of Investment properties						
Purchase of Investments	- 32,951.17		- 19,312.56		-1,250.63	
Proceeds from sale/maturity of Investments	33,029.32		19,371.19		1,255.48	
Deposits placed with Banks	-2,045.85		- 105.06		177.56	
Interest Received	48.81		17.61		14.18	
Dividend Received	0.15		0.42		0.00	
Net cash used in investing activities (B)		**- 1,962.50**		**-145.98**		**160.12**
C. CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from issue of equity share capital	1,500.00		1,000.00		500.00	-
Dividend paid (including dividend distribution tax)	-142.25		-		-	-
Proceeds towards Borrowings	15,472.72		17,525.05		6,397.23	
Repayment of Borrowings	- 11,639.08		- 8,149.72		-2,205.02	
Net cash (used in)/from financing activities (C)		**5,191.38**		**10,375.33**		**4,692.21**
Net (Decrease) / Increase in cash and cash equivalents (A + B + C)		**- 190.16**		**301.81**		**-62.05**
Add : Opening Cash and cash equivalents as at the beginning of the year		**431.61**		**129.80**		191.85

SAMASTA MICROFINANCE LIMITED BENGALURU

Particulars	Year ended March 31, 2020		Year ended March 31, 2019		Year ended March 31, 2018	
Cash and cash equivalents as at the end of the year		241.45		431.61		129.80

A SUMMARY OF THE FINANCIAL POSITION AND CASH FLOW STATEMENT OF THE COMPANY (STANDALONE):

Statement of Reformatted Unconsolidated Assets and Liabilities (IGAAP)

(Rs. in Million)

Particulars	As at March 31, 2018	As at March 31, 2017
I EQUITY AND LIABILITIES		
(1) Shareholders' funds		
(a) Share Capital	1,113.45	613.45
(b) Reserve and Surplus	55.92	30.09
Sub-Total	**1,169.36**	**643.53**
(2) Share application money pending allotment		
(3) Non-Current Liabilities		
(a) Long-term borrowings	1,956.41	682.67
(b) Other Long-term liabilities		
(c) Long-term provisions	100.98	23.56
Sub-Total	**2,057.40**	**706.23**
(4) Current Liabilities		
1(a) Short-term borrowings	1,376.60	0.00
(b) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises;		
- Total outstanding dues of creditors other than micro enterprises and small enterprises (c) Other current liabilities	30.63	81.49
-Current maturities of long term borrowings	2,129.38	783.64
-Others	603.17	38.56
(d) Short-term provisions	38.78	1.45
Sub-Total	**4,178.56**	**905.14**
TOTAL	**7,405.32**	**2,254.90**
II ASSETS		
(1) Non-current assets		
(a) Fixed assets		
(i) Tangible assets	44.50	21.32
(ii) Intangible assets	0.93	0.73
(iii) Capital work-in-progress		
Sub-Total	45.43	**22.04**

(b) Non-current investments	10.50	10.50
(c) Deferred tax assets (Net)	24.66	4.79
(d) Long-term loans & advances		
-Loans	2,113.38	369.17
-Others		
(e) Other non-current assets	335.82	158.67
Sub-Total	**2,484.37**	**543.12**
(2) Current assets		
(a) Current investments		
(b) Inventories		
(c) Trade receivables	37.92	9.85
(d) Cash and cash equivalents	459.59	561.48
(e) Short-term loans & advances		
-Loans	4,226.70	1,067.31
-Others	60.31	4.20
(f) Other current assets	91.00	46.89
Sub total	**4,875.52**	**1,689.74**
TOTAL	**7,405.32**	**2,254.90**

Statement of Reformatted Unconsolidated Profit & Losses (IGAAP)

(Rs. in Million)

Particulars	As at March 31, 2018	As at March 31, 2017
1. REVENUE		
a. Revenue from operations	959.81	320.38
b. Other Income	8.03	8.06
Total Revenue (a + b)	**967.83**	**328.45**
2. EXPENSES		
a. Employee benefit expenses	280.08	112.17
b. Finance cost	313.02	146.31
c. Depreciation & amortisation expenses	13.08	4.58
d. Other expenses	122.73	48.63
e. Provisions & write off	195.12	10.52
Total Expenses	**924.04**	**322.21**
3. Profit before tax (1 - 2)	**43.80**	**6.23**
4. Tax expenses :		
Current Tax	36.50	1.45

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Deferred tax	-19.88	-1.96
MAT credit availed and utilised	1.34	-1.34
Total tax expense	**17.97**	**-1.86**
5. Profit for the Year (3 - 4)	**25.83**	**8.09**
6. Earnings Per Share (Face Value Rs. 10 each)		
- Basic	0.32	0.59
- Diluted	0.32	0.59

Statement of Reformatted Unconsolidated Cash Flows (IGAAP)

(Rs. in Million)

Particulars	2017-2018		2016-2017	
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		43.80		6.23
Adjustments for:				
Depreciation and amortisation expenses	13.08		4.58	
Dividend on Mutual funds			-6.95	
Provision for doubtful loans				
Provision against standard assets	49.05		7.56	
Provision for diminution in value of investments				
Provision for contingencies				
Interest on Fixed deposits with Banks	-18.60		-13.08	
Interest Expense				
Bad Debts Written Off	120.68		2.96	
Interest on Income Tax	1.51		-	
Income from financing activities				
(Profit) / Loss on Sale of Fixed Assets [net]			0.09	
Profit on Sale of Investments [net]	-4.85			
(Profit) / Loss on Buy back of Commercial Paper [net]				
(Profit) / Loss on Buy back of Debentures [net]				
Premium paid on early redemption of Debentures				
Interest received on Fixed deposits with Banks				
Interest paid				
Income received from financing activities				
Gratuity & leave enchasment				
Operating profit before working capital changes		**204.65**		**1.39**
Decrease / (Increase) in Current and Non-Current Assets	-5,363.19		-822.52	

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Increase / (Decrease) in Current and Non-Current Liabilities	394.38		61.87	
Cash generated from operations		**-4,764.15**		**-759.25**
Taxes paid	-16.93		-7.87	
Net cash from operating activities		**-4,781.09**		**-767.12**
Loans (disbursed) / repaid [net]	-		-	
Net cash (used in)/from operating activities (A)		**-4,781.09**		**-767.12**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	-36.50		-16.43	
Sale of Fixed Assets	0.03		0.59	
Divdend from Mutual Funds			6.95	
Investments in Subsidiaries				
Short Term Capital Gain	4.85		-	
Interest on Fixed Deposits	18.60		13.08	
Purchase of Investments				
Proceeds from sale/maturity of Investments				
Fixed deposits placed				
Fixed deposits matured				
Net cash used in investing activities (B)		**-13.01**		**4.19**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Issue of Preference Share capital				
Share Issue Expenses				
Redemption of Preference Share Capital				
Proceeds from Issue of Equity Share Capital	500.00		500.00	
Dividend paid (including dividend distribution tax)			-1.94	
Proceeds towards Long-term borrowings	6,397.23		1,361.29	
Repayment of Long-term borrowings	-2,205.02		-665.60	
Proceeds towards Short-term borrowings				
Repayment of Short-term borrowings				
Net cash from financing activities (C)		**4,692.21**		**1,193.74**
Net (Decrease) / Increase in cash and cash equivalents (A + B + C)	-101.90		430.82	
Add : Opening Cash and cash equivalents as at the beginning of the year	561.48		130.67	
Cash and cash equivalents as at the end of the year		**459.59**		**561.48**
Add : Earmarked balances with banks				
Add : Fixed deposits considered in Investing activities				

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Cash and cash equivalents as at the end of the year		**459.59**		**561.48**

A SUMMARY OF THE FINANCIAL POSITION AND CASH FLOW STATEMENT OF THE COMPANY (CONSOLIDATED):

Reformatted Summary Consolidated Statement of Assets and Liabilities in accordance with IGAAP (Rs. in Million)

Particulars	As at March 31, 2018	As at March 31, 2017
I EQUITY AND LIABILITIES		
(1) Shareholders' funds		
(a) Share Capital	1,113.45	613.45
(b) Reserve and Surplus	56.35	32.59
Sub-Total	**1,169.80**	**646.03**
(2) Share application money pending allotment		
(3) Non-Current Liabilities		
(a) Long-term borrowings	1,956.41	682.67
(b) Other Long-term liabilities		
(c) Long-term provisions	101.13	23.56
Sub-Total	**2,057.55**	**706.23**
(4) Current Liabilities		
1(a) Short-term borrowings	1,376.60	0.00
(b) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises;		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	30.63	81.49
(c) Other current liabilities		
-Current maturities of long term borrowings	2,129.38	783.64
-Others	603.21	38.47
(d) Short-term provisions	38.78	3.40
Sub-Total	**4,178.59**	**906.99**
TOTAL	**7,405.94**	**2,259.26**
II ASSETS		

(1) Non-current assets		
(a) Fixed assets		
(i) Tangible assets	44.50	21.32
(ii) Intangible assets	0.93	0.73
(iii) Capital work-in-progress		
Sub-Total	**45.43**	**22.04**
(b) Non-current investments	0.50	0.50
(c) Deferred tax assets (Net)	24.66	4.79
(d) Long-term loans & advances		
-Loans	2,113.38	369.17
-Others		
(e) Other non-current assets	336.05	160.60
Sub-Total	**2,474.59**	**535.05**
(2) Current assets		
(a) Current investments	10.22	9.75
(b) Inventories		
(c) Trade receivables	37.92	12.31
(d) Cash and cash equivalents	459.77	561.70
(e) Short-term loans & advances		
-Loans	4,226.70	1,067.31
-Others	60.31	4.20
(f) Other current assets	91.00	46.90
Sub total	**4,885.92**	**1,702.17**
TOTAL	**7,405.94**	**2,259.26**

Reformatted Summary Consolidated Statement of Profit and Loss (IGAAP) (Rs. in Million)

Particulars	2017-18	2016-17
1. REVENUE		
a. Revenue from operations	959.81	320.38
b. Other Income	8.50	10.42
Total Revenue (a + b)	**968.30**	**330.80**
2. EXPENSES		
a. Employee benefit expenses	280.08	112.17
b. Finance cost	313.02	146.31
c. Depreciation & amortisation expenses	13.08	4.58
d. Other expenses	122.90	50.45
e. Provisions & write off	197.58	10.52
Total Expenses	**926.67**	**324.03**
3. Profit before tax (1 - 2)	**41.63**	**6.77**
4. Tax expenses :		
Current Tax	36.50	1.45
Deferred tax	-19.88	-1.96
MAT credit availed and utilised	1.34	-1.34
Taxes for earlier years	-0.10	0.00
Total tax expense	**17.87**	**-1.86**
5. Profit for the Year (3 - 4)	**23.76**	**8.63**
6. Earnings Per Share (Face Value Rs. 10 each)		
- Basic	0.29	0.62
- Diluted	0.29	0.62

REFORMATTED SUMMARY CONSOLIDATED CASH FLOW STATEMENT (IGAAP) (Rs. in Million)

Particulars	2017-2018		2016-2017	
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		41.63		6.77
Adjustments for:				
Depreciation and amortisation expenses	13.08		4.58	
Dividend on Mutual funds	-0.47		-7.26	
Provision for doubtful loans				
Provision against standard assets	49.05		4.56	
Provision for diminution in value of investments				
Provision for contingencies				

Interest on Fixed deposits with Banks	-18.60		-13.08	
Interest Expense				
Bad Debts Written Off	123.14		2.96	
Interest on Income Tax	1.51		-	
Income from financing activities				
(Profit) / Loss on Sale of Fixed Assets [net]			0.09	
Profit on Sale of Investments [net]	-4.85			
(Profit) / Loss on Buy back of Commercial Paper [net]				
(Profit) / Loss on Buy back of Debentures [net]				
Premium paid on early redemption of Debentures				
Interest received on Fixed deposits with Banks				
Interest paid				
Income received from financing activities				
Gratuity & leave enchasment				
Operating profit before working capital changes		**204.48**		**1.62**
Decrease / (Increase) in Current and Non-Current Assets	-5,363.18		-812.94	
Increase / (Decrease) in Current and Non-Current Liabilities	394.51		61.84	
Cash generated from operations		**-4,764.19**		**-749.48**
Taxes paid	-53.43		-7.98	
Net cash from operating activities		**-4,817.63**		**-757.46**
Loans (disbursed) / repaid [net]	-		-	
Net cash (used in)/from operating activities (A)		**-4,817.63**		**-757.46**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	-36.50		-16.43	
Sale of Fixed Assets	0.03		0.59	
Divdend from Mutual Funds	0.47		7.26	
Investments in Subsidiaries				
Short Term Capital Gain	4.85		-	
Interest on Fixed Deposits	18.60		13.08	
Investment in Mutual Funds	-0.47		-9.75	
Proceeds from sale/maturity of Investments				
Fixed deposits placed				
Fixed deposits matured				
Net cash used in investing activities (B)		**-13.01**		**-5.24**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Issue of Preference Share capital				
Share Issue Expenses				

Redemption of Preference Share Capital				
Proceeds from Issue of Equity Share Capital	500.00		500.00	
Dividend paid (including dividend distribution tax)			-1.94	
Proceeds towards Long-term borrowings	6,397.23		1,361.29	
Repayment of Long-term borrowings	-2,205.02		-665.60	
Proceeds towards Short-term borrowings				
Repayment of Short-term borrowings				
Net cash from financing activities (C)		**4,692.21**		**1,193.74**
Net (Decrease) / Increase in cash and cash equivalents (A + B + C)	-138.44		431.03	
Add : Opening Cash and cash equivalents as at the beginning of the year	561.70		130.67	
Cash and cash equivalents as at the end of the year		**423.26**		**561.70**
Add : Earmarked balances with banks	-		-	
Add : Fixed deposits considered in Investing activities	-		-	
Cash and cash equivalents as at the end of the year		**423.26**		**561.70**

SECTION V – DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS OF THE COMPANY

Details of Borrowings as on January 31, 2021:

As on January 31, 2021, the company had an outstanding borrowing of secured facilities amounting to Rs 6,050.00 million and an unsecured borrowing of Rs. 1050.00 million

A summary of all the outstanding secured as well as unsecured borrowing for the company has been tabulate below:

Secured NCD facilities as on January 31, 2021.

Instrument Name	Outstanding as on 31st January 2021 in Rs million	Date of Allotment	Maturity Date	Coupon / Yield	Tenor	Ratings
SECURED, RATED, LISTED, TAXABLE, SENIOR, REDEEMABLE, NON- CONVERTIBLE DEBENTURES	140.00	13-07-2018	14-03-2022	8.73%	44 months	CRISIL PP-MLD A+r/Negative
SECURED, RATED, LISTED, TAXABLE, SENIOR, REDEEMABLE, NON- CONVERTIBLE DEBENTURES	1,110.00	13-07-2018	19-10-2021	9.96%	39 Months	CRISIL PP-MLD A+r/Negative
SECURED, RATED, LISTED, TAXABLE, SENIOR, REDEEMABLE, NON- CONVERTIBLE DEBENTURES	1,000.00	19-06-2018	19-10-2021	9.75%	40 Months	CRISIL PP-MLD A+r/Negative
SECURED, RATED, LISTED, TAXABLE, SENIOR, REDEEMABLE, NON- CONVERTIBLE DEBENTURES	500.00	03-07-2018	19-10-2021	9.87%	39 Months	CRISIL PP-MLD A+r/Negative
SECURED, RATED, LISTED, TAXABLE, SENIOR, REDEEMABLE, NON- CONVERTIBLE DEBENTURES	250.00	10-07-2018	19-10-2021	9.93%	39 Months	CRISIL PP-MLD A+r/Negative
SECURED, RATED, UNLISTED, TRANSFERABLE, REDEEMABLE, NON- CONVERTIBLE DEBENTURES	50.00	04-07-2016	30-06-2022	15.25%	72 months	ICRA A (Stable)
SECURED, RATED, LISTED, TRANSFERABLE, REDEEMABLE, NON- CONVERTIBLE DEBENTURES	200.00	05-06-2020	05-06-2023	11.50%	36 months	CRISIL A+/Negative
SECURED, RATED, LISTED, TRANSFERABLE, REDEEMABLE, NON- CONVERTIBLE DEBENTURES	150.00	05-06-2020	05-06-2023	11.50%	36 months	CRISIL A+/Negative
SECURED, RATED, LISTED, TRANSFERABLE, REDEEMABLE, NON- CONVERTIBLE DEBENTURES	250.00	18-06-2020	05-06-2023	11.50%	36 months	CRISIL A+/Negative

SECURED, RATED, LISTED, TRANSFERABLE, REDEEMABLE, NON- CONVERTIBLE DEBENTURES	150.00	26-06-2020	21-04-2023	11.50%	36 months	CRISIL A+/Negative
SECURED, RATED, LISTED, TRANSFERABLE, REDEEMABLE, NON- CONVERTIBLE DEBENTURES	1,000.00	26-06-2020	21-04-2023	11.50%	36 months	CRISIL A+/Negative
SECURED, RATED, LISTED, TRANSFERABLE, REDEEMABLE, NON- CONVERTIBLE DEBENTURES	250.00	10-07-2020	10-07-2023	11.50%	36 months	CRISIL A+/Negative
SECURED, RATED, LISTED, TRANSFERABLE, REDEEMABLE, NON- CONVERTIBLE DEBENTURES	1,000.00	11-08-2020	11-02-2022	10.00%	18 months	CRISIL A+/Negative

Security: *Most of the above Debentures/NCDs have been secured by way of first pari passu charge on the book debts/receivables other than the assets that have been specifically charged by our Company.*

Unsecured NCD facilities as on January 31, 2021

Instrument Name	Outstanding as on 31st January 2021 in Rs million	Date of Allotment	Redemption Date	Coupon	Tenor	Rating
UNSECURED, SUBORDINATED, RATED, TRANSFERABLE, REDEEMABLE, NON CONVERTIBLE DEBENTURES	50.00	29-06-2016	15-04-2022	16.90%	72 Months	ICRA A (Stable)
UNSECURED, SUBORDINATED, RATED, TRANSFERABLE, REDEEMABLE, NON- CONVERTIBLE DEBENTURES	890.00	20-07-2018	19-04-2024	10.24%	69 Months	CRISIL PP-MLD A+r/Negative
UNSECURED, SUBORDINATED, RATED, TRANSFERABLE, REDEEMABLE, NON CONVERTIBLE DEBENTURES	110.00	20-07-2018	19-04-2024	9.05%	69 Months	CRISIL PP-MLD A+r/Negative



Details of Term Loan Borrowings & Cash Credit Facilities

Name of Bank	Type of Facility	Amount Sanctioned	Outstanding as on 31st January 2021 in Rs million	Repayment Date / Schedule	Security
Axis Bank Limited	Term Loan	500.00	71.43	28-02-2021	Book Debts and Cash Collateral
Axis Bank Limited	Term Loan	250.00	125.00	24-01-2022	Book Debts and Cash Collateral
Axis Bank Limited	Term Loan	250.00	78.13	11-03-2022	Book Debts and Cash Collateral
Axis Bank Limited	Term Loan	250.00	78.13	11-03-2022	Book Debts and Cash Collateral
Bank of Maharashtra	Term Loan	100.00	30.54	31-03-2022	Book Debts and Cash Collateral
Bandhan Bank Limited	Term Loan	1,000.00	142.86	18-03-2021	Book Debts and Cash Collateral
Bandhan Bank Limited	Term Loan	1,000.00	714.29	28-02-2022	Book Debts
Bajaj Finance Limited	Term Loan	250.00	114.58	30-12-2021	Book Debts and Cash Collateral
CSB Bank	Term Loan	500.00	500.00	29-01-2024	Book Debts
Dhanlakshmi Bank Ltd.	Term Loan	300.00	234.38	21-02-2023	Book Debts and Cash Collateral
Hero FinCorp Ltd	Term Loan	250.00	66.17	03-07-2021	Book Debts
Hero FinCorp Ltd	Term Loan	200.00	148.97	03-05-2022	Book Debts
Hinduja Leyland Finance Limited	Term Loan	350.00	119.95	27-12-2021	Book Debts
Hinduja Leyland Finance Limited	Term Loan	100.00	48.79	28-05-2022	Book Debts
IDFC First Bank Limited-New	Term Loan	1,450.00	1,208.39	28-09-2022	Book Debts
IDFC First Bank Limited	Term Loan	1,500.00	262.79	28-02-2021	Book Debts
ICICI Bank Ltd	Term Loan	1,000.00	590.91	10-03-2022	Book Debts and Cash Collateral
ICICI Bank Ltd	Term Loan	250.00	129.55	10-08-2022	Book Debts and Cash Collateral
ICICI Bank Ltd	Term Loan	250.00	95.45	10-10-2022	Book Debts and Cash Collateral
Indian Bank	Term Loan	500.00	375.75	17-03-2023	Book Debts and Cash Collateral
Indian Bank	Term Loan	500.00	416.63	45095	Book Debts and Cash Collateral
Indian Bank	Term Loan	500.00	458.33	03-09-2023	Book Debts and Cash Collateral
Indian Bank	Term Loan	500.00	166.47	31-12-2021	Book Debts and Cash Collateral
Kotak Mahindra Prime Ltd	Term Loan		0.02	05-02-2021	Nil
Lakshmi Vilas Bank Limited	Term Loan	250.00	62.52	30-04-2021	Book Debts
Lakshmi Vilas Bank Limited	Term Loan	50.00	8.34	30-09-2021	Book Debts and Cash Collateral
National Bank for Agriculture and Rural Development	Term Loan	1,500.00	1,050.00	45688	Book Debts

National Bank for Agriculture and Rural Development	Term Loan	1,300.00	975.00	30-04-2022	Book Debts and Cash Collateral
Nabkisan Finance Limited	Term Loan	220.00	160.00	01-11-2022	Book Debts
Nabsamrudhi Finance Ltd	Term Loan	200.00	75.00	31-01-2022	Book Debts
Oriental Bank of Commerce	Term Loan	350.00	233.33	30-11-2022	Book Debts and Cash Collateral
Oriental Bank of Commerce	Term Loan	250.00	98.38	30-04-2022	Book Debts and Cash Collateral
State Bank (Mauritius) Ltd	Term Loan	160.00	80.00	13-01-2022	Book Debts
State Bank (Mauritius) Ltd	Term Loan	200.00	195.00	03-11-2022	Book Debts
Small Industries Development Bank of India	Term Loan	750.00	375.00	10-04-2021	Book Debts and Cash Collateral
Small Industries Development Bank of India	Term Loan	500.00	366.67	10-11-2022	Book Debts and Cash Collateral
Small Industries Development Bank of India	Term Loan	1,250.00	468.75	10-04-2021	Book Debts and Cash Collateral
South Indian Bank	Term Loan	60.00	43.33	23-04-2023	Book Debts and Cash Collateral
South Indian Bank	Term Loan	40.00	28.35	23-04-2023	Book Debts and Cash Collateral
Standard Chartered Bank	Term Loan	950.00	125.00	28-04-2021	Book Debts
Standard Chartered Bank	Term Loan		50.00	16-02-2021	Book Debts
Standard Chartered Bank	Term Loan		62.50	16-02-2021	Book Debts
Standard Chartered Bank	Term Loan		250.00	20-11-2021	Book Debts
Standard Chartered Bank	Term Loan		100.00	08-12-2021	Book Debts
Standard Chartered Bank	Term Loan		125.00	08-12-2021	Book Debts
State Bank of India	Term Loan	1,000.00	699.98	20-02-2023	Book Debts and Cash Collateral
State Bank of India	Term Loan	500.00	57.80	31-05-2021	Book Debts
State Bank of India	Term Loan	3,000.00	3,000.00	28-10-2023	Book Debts and Cash Collateral
UCO Bank	Term Loan	50.00	1.58	31-05-2021	Book Debts and Cash Collateral
Union Bank	Term Loan	250.00	146.69	31-05-2022	Book Debts and Cash Collateral
Union Bank	Term Loan	200.00	35.36	28-02-2021	Book Debts and Cash Collateral
Woori Bank	Term Loan	400.00	400.00	29-09-2022	Book Debts and Cash Collateral
Woori Bank	Term Loan	400.00	100.00	20-07-2021	Book Debts and Cash Collateral
Woori Bank	Term Loan	200.00	33.33	30-06-2021	Book Debts and Cash Collateral
YES Bank Ltd.	Term Loan	750.00	52.08	28-03-2021	Book Debts and Cash Collateral
YES Bank Ltd.	Term Loan		31.25	29-03-2021	Book Debts and Cash Collateral
YES Bank Ltd.	Term Loan		31.67	28-06-2021	Book Debts and Cash Collateral
YES Bank Ltd.	Term Loan		48.13	21-05-2021	Book Debts and Cash Collateral



ICICI Bank Ltd	Overdraft	180.00	179.00	06-03-2021	Cash Collateral
ICICI Bank Ltd	Overdraft	180.00	179.90	01-04-2021	Cash Collateral
			16,106.42		

Details of Commercial Paper Borrowings

Nil

Details of Top 10 Debenture Holders as on January 31, 2021

Sr. No.	Name	Total Value Outstanding in Rs. (Million)
1.	State Bank of India	1000
2.	Bank of Maharashtra	650
3.	Union Bank of India	400
4.	Indian Bank	250
5.	Bank of India	250
6.	Punjab National Bank	250
7.	Canara Bank	200
8.	Raghav Bahl	200
9.	Balkrishna Industries Limited	150
10.	Shubham Goldiee Masale Private Limited	150

Note: Top 10 holders' (in value terms, on cumulative basis for all outstanding debentures issues).

Details of the amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc.) on behalf of whom it has been issued.

Not Applicable

Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:

The Company confirms that currently it does not have any outstanding borrowing taken or currently it has not issued debt securities for consideration other than cash, whether in whole or in part; at a premium or discount; or in pursuance of an option.

Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on January 31, 2021:

NIL

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Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years:

NIL

Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.

To the best of the knowledge and belief of the Company, save and except mentioned hereunder, there has been no material event/ development or change having implications on the business of the Issuer at the time of Issue which may affect the Issue or investor's decision to invest or continue to invest in the Issue.

If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document

Nil



SECTION VI – ISSUE RELATED INFORMATION

In terms of this Disclosure Document, the Issuer intends to raise an amount of Rs. 100,00,00,000 (Rupees One Hundred Crores only) of Rated, Unlisted, Unsubordinated, Secured, Redeemable, Taxable, Non-Convertible Debentures ("NCDs" or "Debentures") of face value Rs. 10,00,000/- (Rupees Ten Lakhs) each By Samasta Microfinance Limited (The "Issuer").through Private Placement.

The Tenor for this Issue is 24 Months

Security

Security by way of first ranking exclusive charge over identified Receivables of the Company charged by way of hypothecation in favour of the Debenture Trustee on behalf of and for the benefit of the Debenture Holders. The Company has entered into a debenture trust deed with the Trustee dated March 18, 2021 for Issuers debenture issue programme aggregating upto an amount of Rs. 100,00,00,000 (Rupees One Hundred Crores Only), creating charge in favour of the Debenture Trustee and setting out the terms and conditions on which the Debenture Trustee shall hold such security. The security offered for the Debentures issued herein forms part of the Issuer's debenture issue programme aggregating upto Rs. 100,00,00,000 (Rupees One Hundred Crores only) and shall rank *pari passu*, inter se without any preference or priority of one over other debentures issued under the same programme.

Credit Rating

The Issuer has received a rating of "CRISIL A+/Negative" for an amount of Rs. 100,00,00,000 (Rupees One Hundred Crores) under the long term rating programme for an aggregate amount of Rs. 1000,00,00,000 (Rupees Thousand Crores only) by the credit rating letter dated February 19, 2021 by CRISIL Ratings Limited. The abovementioned credit rating outlook revised from Stable to Outlook and rating re-affirmed. The credit rating letter has been annexed hereto as *'Annexure C'*.

Details of utilization of the issue proceeds

The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for various financing activities including onward lending and for the business operations including the general Business purposes and working capital requirements.

Project cost and means of financing, in case of funding of new projects:

Not applicable

Other details of the Issue:

Undertaking to use a common form of transfer

The Debentures will be issued in dematerialized form only and there would be no physical holding. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The Issuer undertakes that there will be a common transfer form / procedure for transfer of debentures.

The company states that the assets on which charge is created are freefrom any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor.

A summary of term sheet including brief information pertaining to the Issue is attached as ***'Annexure A'***.



Issue Procedure

Minimum Subscription

As the current issue of Debentures is being made on a private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Company shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.

Date of Allotment

All benefits relating to the Debentures will be available to the investors from the Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. The Debentures shall be allotted in accordance with the requirements of section 42 of the Companies Act, 2013.

Underwriting

The present Issue of Debentures on private placement basis has not been underwritten and no arrangement has been made for the same.

Recovery Expense Fund (If any)

The company has created a recovery expense fund in the manner as specified by SEBI from time to time.

Interest on Application Money

Our Company shall pay interest on application money on the amount allotted, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to any Applicant to whom NCDs are allotted pursuant to the Issue from the date of realization of the cheque (s)/demand draft(s) whichever is later up to one day prior to the Deemed Date of Allotment, at applicable coupon rate per annum.

Tax Deduction at Source

Tax as applicable under the provisions of Income Tax Act, 1961, or any other applicable statutory modification or re-enactments thereof will be deducted at source at the time of payment of interest or principal amount.

Transfer of Debentures

Debentures shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Transfer of Debentures to and from NRIs/ OCBs, in case they seek to hold the Debentures and are eligible to do so, will be governed by the then prevailing guidelines of RBI. The transferee(s) and transferor should take the requisite approvals, including from RBI, as applicable and should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the company.

APPLICATION PROCESS

Who can apply

The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures by submitting all the relevant documents along with the application form.



1. Companies and Bodies Corporate (incorporated in India) / Companies / Financial institutions / NBFCs / Statutory Corporations including Public Sector Undertakings
2. Commercial Banks
3. Resident Individuals (including Partnership Firms, and HUF)
4. Regional Rural Banks
5. Insurance Companies
6. Mutual Funds/ Alternative Investment Fund (AIF)
7. Any other investors authorized/ permitted to invest in these Debentures

In each case, solely in India.

Only the persons who are specifically addressed through direct communication by or on behalf of the Company are eligible to apply for the Debentures. An application made by any other person will be deemed as an invalid application and rejected.
Note: Each of eligible investor(s) is required to check and comply with extant rules/regulations/guidelines etc governing or regulating their investments as issued by their respective regulatory authorities and the Company is not in any way, directly or indirectly responsible for any statutory or regulatory breaches by any investor, neither is the Company required to check or confirm the same.

Application by Mutual Funds

No mutual fund scheme shall invest more than 15% of its NAV in debt instruments issued by a single company which are rated not below investment grade by a credit rating agency authorised to carry out such activity. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of Asset Management Company.

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. The applications must be also accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed (ii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Debentures in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications under Power of Attorney

A certified true copy of the Memorandum of Association &/ Power of Attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Company or to its Registrars or to such other person(s) at such other address(es) as may be specified by the Company from time to time through a suitable communication.

Application by a Portfolio Manager registered with SEBI

The application should be accompanied by certified true copies of (i) resolution of the Board of Directors, authorizing investment and containing operating instructions, and with all particulars relating to the investment in these Debentures, and the acceptance of the terms of these Debentures along with the authorized signatory list; and (ii) certified copy of registration certificate issued by the SEBI to undertake Portfolio Management activities



Documents to be provided by investors

Investors need to submit the following documentation, along with the application form, as applicable.

- Memorandum and Articles of Association / Documents governing its constitution
- Resolution authorizing investment
- Certified True Copy of the Power of Attorney
- Form 15 AA for investors seeking exemption from Tax Deduction at Source from interest on the application money.
- Specimen signatures of the authorized signatories duly certified by an appropriate authority
- A copy of the Permanent Account Number and registration certificate
- SEBI registration certificate (for Mutual Funds).

Permanent Account Number

All Applicants should mention their Permanent Account Number allotted under Income Tax Act, 1961 and the Income Tax Circle / Ward / District. A copy of the PAN card should be annexed to the application form.

Each of the Applicants is required to mention his PAN allotted under the Income Tax Act in the Application Form. The PAN would be the sole identification number for participants transacting in the securities markets, irrespective of the amount of the transaction. Any Application Form without the PAN is liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground.

Nomination Facility

As per Section 72 of the Companies Act, 2013, only individuals applying as sole applicant/Joint Applicant can nominate, in the prescribed manner, a person to whom his Debentures shall vest in the event of his death. Non-individuals including holders of Power of Attorney cannot nominate.

Disputes and Governing law

Save and except as set out in Clause 2 below, the Debentures are governed by and shall be construed in accordance with the Indian laws. Save and except as set out in Clause 2 any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals in Bangalore. The Trustees may, however, in their absolute discretion commence any legal action or proceeding arising out of this agreement in a court, tribunal or ay other appropriate forum in India and the Company hereby consents to that jurisdiction.

Trading of Debentures

The trading of privately placed Debentures would be permitted in standard denomination of Rs. 10,00,000 in the anonymous, order driven system of the Stock Exchange in a separate trading segment. All class of investors would be permitted to trade subject to the standard denomination/marketable lot and further subject to regulatory requirements. The trades executed on spot basis shall be required to be reported to the Stock Exchange.

Mode of Payment

As set out in the term sheet, which is annexed as '*Annexure A*' hereto.

Authority for the Placement

The present issue of Debentures is being made pursuant to the resolution of the Shareholders of the Company, passed at its meeting held on May 20, 2020, and the resolution of the Board of Directors passed at its meeting held on May 11, 2020 and further a resolution passed by the Issue and Allotment Committee at its meeting held on March 17th , 2021. The current issue of Debentures is within the overall borrowings limits set out in resolution passed under section 180(1)(c) of the Companies Act, 2013, at the Extra Ordinary General Meeting of the Company held on May 20, 2020. The Company can issue the Debentures proposed by it in view of the present approvals and no further approvals in general from any government authority are required.

Terms of Payment

The full Face Value of the Debentures applied for is to be paid along with the Application Form. Investor(s) need to send in the Application Form and the cheque(s)/ demand draft(s) or RTGS or NEFT for the full Face Value of the Debentures applied for.

Face Value Per Debenture	Minimum Application	Amount Payable on Application per Debenture (Excluding cumulative interest, if any)
Rs. 10,00,000	10 debentures & in multiples of 1 Debenture thereafter	Rs 1,00,00,000

Market Lot

The market lot will be 10 Debentures and in multiples of 1 Debenture thereafter (**"Market Lot"**). Since the Debentures are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of debentures.

Payment on Redemption

In case of the Debentures held in demat form, no action is required on the part of the debenture holder(s) at the time of redemption of the Debentures and on the Redemption Date, the redemption proceeds would be paid to those debenture holder(s) whose name(s) appear on the list of beneficial owners given by the Depositories to the Company. The name(s) would be as per the Depositories' records on the record date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The redemption proceeds shall be directly credited through Electronic Clearing Service (ECS), RTGS or National Electronic Funds Transfer (NEFT) and where such facilities are not available the Company shall make payment of all such amounts by way of cheque/ demand draft. The cheque/demand draft for redemption proceeds, will be dispatched by courier or hand delivery or registered post at the address provided in the Application / at the address as notified by the debenture holder(s) or at the address with Depositories' record. Once the redemption proceeds have been credited to the account of the debenture holder(s) or the cheque/demand draft for redemption proceeds is dispatched to the debenture holder(s) at the addresses provided or available from the Depositories record, the Company's liability to redeem the Debentures on the date of redemption shall stand extinguished and the Company will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the Debenture(s).

Right to Reissue Debenture(s)

Where the Company has redeemed or repurchased any Debenture(s), the Company shall have and shall be deemed always to have had the right to keep such Debentures alive without extinguishment for the purpose of resale or reissue and in exercising such right, the Company shall have and be deemed always to have had the power to resell or reissue such Debentures either by reselling or reissuing the same Debentures or by issuing other Debentures in their place. This includes the right to reissue original Debentures.

Transfer/Transmission of Debentures

The Debentures shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013 as amended. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles, the Companies Act, 2013 as amended shall apply, mutatis mutandis, to the extent applicable to Debentures, as well.

The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DP of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the record date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories/Company, as the case may be. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with us or Registrar.

List of Beneficial Owners

The Company shall request the Depository to provide a list of Beneficial Owners as on the Record Date. This list shall be considered for payment of interest or repayment of principal amount, as the case may be.

Debenture Redemption Reserve

In line with the Companies Act, 2013 read with the rules notified thereunder, Debenture Redemption Reserve is not required to be created for issue of privately placed debentures by Non-Banking Finance Companies registered with the Reserve Bank of India.

Notices

The notices to the Debenture holder(s) required to be given by the Company or the Trustees shall be deemed to have been given if sent by registered post/ courier to the sole/first allottee or sole/first registered holder of the Debentures, as the case may be to the address registered with the Company. All notices to be given by the Debenture holder(s) shall be sent by registered post/ courier or by hand delivery to Registrars or to such persons at such address as may be notified by the Company from time to time.

All transfer related documents, tax exemption certificates, intimation for loss of Letter of Allotment/Debenture{s}, etc., requests for issue of duplicate debentures etc. and/or any other notices / correspondence by the Debenture holder(s) to the Company with regard to the issue should be sent by Registered Post or by hand delivery to the Registrar, or to such persons at such persons at such address as may be notified by the Company from time to time.

Sharing of Information

The Company may, at its option, use on its own, as well as exchange, share or part with any financial or other information about the Debenture holders available with the Company, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Company or its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

Registrar

Link-in Time India Private Limited is acting as Registrar and Transfer agents for the Company for the Issue.

Trustees for the Debenture holders

The Company has appointed Catalyst Trusteeship Limited to act as Trustees for the Debenture holders (hereinafter referred to as **"Trustees"**). A copy of letter from Catalyst Trusteeship Limited conveying their consent to act as Trustees for the Debenture holders is annexed as *'Annexure B'* to this Disclosure Document.

1. The Company and the Trustees have entered into a Debenture Trustee Agreement and the Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Company and the Trustees in respect of the issuance of debentures.
2. The Debenture holder(s) shall, by signing the Application Form and without any further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do inter-alia all acts, deeds and things necessary in respect of enforcement of rights of Debenture holders.
3. All the rights and remedies of the Debenture holder(s) shall vest in and shall be exercised by the said Trustees without having it referred to the Debenture holder(s).
4. No Debenture holder shall be entitled to proceed directly against the Company unless the Trustees, having become so bound to proceed, fail to do so.
5. Any payment made by the Company to the Trustees on behalf of the Debenture holders shall discharge the Company *pro tanto* to the Debenture holder(s).
6. The Debenture Trustee shall ensure disclosure of all material events to the Debenture holders on an ongoing basis.
7. The Trustees will protect the interest of the Debenture holder(s) in the event of 'Default' by the Company in regard to timely payment of interest and repayment of principal and they will take necessary action at the cost of the Company.
8. The Debenture Trustee shall carry out its duties and shall perform its functions under the SEBI (Issue and Listing of Debt Security) Regulations, the SEBI (Debenture Trustee) Regulations, the trust deed and this Disclosure Document, with due care, diligence and loyalty.
9. Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed entered into between the Issuer and the Debenture Trustee. A notice in writing to the Debenture holders shall be provided for the same
10. The events of default are set out under the Debenture Trust Deed.

Right to Accept or Reject Applications

The Board of Directors / Issue and Allotment Committee of the Company reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on Application Money will be paid from the Pay-in Date till one day prior to the Refund Date. The Application Forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

a. Number of Debentures applied for is less than the Minimum Application Size;
b. Bank account details not given;
c. Details for issue of Debentures in electronic/dematerialised form not given;
d. PAN not given;
e. In case of applications under Power of Attorney by limited companies, corporate bodies, etc. relevant documents not submitted;
f. In the event, if any Debenture(s) applied for is/ are not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

How to Apply

This Disclosure Document is neither a prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures issued by the Company. The document is for the exclusive use of the investor(s) to whom it is delivered and it should not be circulated or distributed to third parties. The document would be specifically addressed to the investor(s) by the Issuer.

Only specifically addressed investors may apply for Debentures by completing the Application Form in the prescribed format in BLOCK LETTERS in English as per the instructions contained therein. Applications should be for a minimum of 10 Debentures and in multiples of 1 Debenture thereafter. The applications not completed in the said manner are liable to be rejected. Application Form duly completed in all respects and should be submitted as instructed. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

Applications may be made in single or joint names (not exceeding three). In the case of joint applications, all payments will be made out in favour of the first applicant. All communications will be addressed to the first named applicant whose name appears in the Application Form at the address mentioned therein.

Unless the Company specifically agrees in writing with or without such terms or conditions it deems fit, a separate single cheque/ demand draft must accompany each Application Form. Application money shall not be accepted in cash. Applicants are requested to write their names and application serial number on the reverse of the instruments by which the payments are made. All applicants are requested to tick the relevant column "Category of Investor" in the Application Form.

Debenture holder not a Shareholder

The Debenture holders will not be entitled to any of the rights and privileges available to the Shareholders.

Rights of Debenture holders

- The Debentures shall not, except as provided in the Companies Act, 2013 confer upon the holders thereof any rights or privileges available to the members of the Company including the right to receive Notices or Annual Reports of, or to attend and/or vote, at the General Meeting of the Company. However, if any resolution affecting the rights attached to the Debentures is to be placed before the shareholders, the said resolution will first be placed before the concerned registered Debenture holders for their consideration. In terms of Section 136 (1) of the Companies Act, 2013, trustee of holders of Debentures shall be entitled to a copy of the Balance Sheet on a specific request made to the Company.
- The rights, privileges and conditions attached to the Debentures may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Debentures or with the sanction of Special Resolution passed at a meeting of the concerned Debenture holders, provided that nothing in such consent or resolution shall be operative against the Company, where such consent or resolution modifies or varies the terms and conditions governing the Debentures, if the same are not acceptable to the Company.
- The Debentures comprising the private placement shall rank *pari passu inter se* without any preference to or priority of one over the other or others over them and shall also be subject to the terms and conditions to be incorporated in the agreements to be entered into by the Issuer with the Trustee and the letters of allotment/ debenture certificates that will be issued.
- The registered Debenture holder or in case of joint-holders, the one whose name stands first in the Register of Debenture holders shall be entitled to vote in respect of such Debentures, either in person or by proxy, at any meeting of the concerned Debenture holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights shall be in proportion to the outstanding nominal value of Debentures held by him/her on every resolution placed before such meeting of the Debenture holders.

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- The Debentures are subject to the provisions of the Companies Act, 2013, the Memorandum and Articles of the Company, the terms of this Disclosure Document and the Application Form. Over and above such terms and conditions, the Debentures shall also be subject to other terms and conditions as may be incorporated in the Trustee Agreement/ Letters of Allotment/ Debenture Certificates, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Debentures.
- Save as otherwise provided in this Disclosure Document, the provisions contained in Annexure C and/ or Annexure D to the Companies (Central Government's) General Rules and Forms, 1956 as prevailing and to the extent applicable, will apply to any meeting of the Debenture holders, in relation to matters not otherwise provided for in terms of the Issue of the Debentures.
- A register of Debenture holders will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the Debentures will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Debenture holders.
- The Debenture holders will be entitled to their Debentures free from equities and/or cross claims by the Company against the original or any intermediate holders thereof.

Trustee for the Issue

Catalyst Trusteeship Limited

Effect of Holidays

Should any of the date(s), including the Interest payment date or record date falls on a Saturday or a Sunday or a public holiday or no high value clearing or RTGS is available for any reason whatsoever at the place of issuer's registered/ corporate office, the next working day shall be considered as the effective date. However, for payment of principal amount, previous working day to be considered as effective date.

1. If the interest payment date falls on a Saturday, Sunday or a public holiday, the payment may be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a Saturday, Sunday or a public holiday.

2. In order to ensure consistency for interest calculation, a uniform methodology shall be followed for calculation of interest payments in the case of leap year, which shall be as follows: In case of a leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/Actual day count convention) for a whole one year period, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly etc. It is thus emphasized that for a half yearly interest payment, 366 days would be reckoned twice as the denominator; for quarterly interest, four times and for monthly interest payment, twelve times. If the maturity date of the debt securities, falls on a Saturday, Sunday or a holiday, the redemption proceeds shall be paid on the previous working day.

1. In order to ensure uniformity for payment of interest/redemption with respect to debt securities, it has been decided that interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Note: - For illustration of the above point 1 & 2, with the help of example, SEBI circular number CIR/IMD/DF-1/122/2016 dated 11.11.2016 should be referred.

Put / Call Option

Put/Call Option will be as set out in the attached Term Sheet annexed as '*Annexure A*' hereto.



Deemed Date of Allotment

The Deemed Date of Allotment will be as set out in the attached term sheet.

Debentures in dematerialized mode

The Debentures will be credited in dematerialized form within the statutory time period from the Deemed Date of Allotment.

The Debentures, since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL) from time to time and other applicable laws and rules notified in respect thereof.

Record Date

Refer Annexure A (Term sheet). The Record date for payment of interest or repayment of principal shall be 7 days prior to interest payment date/redemption date.

Interest and/or principal repayment shall be made to the person whose name appears as sole / first in the register of Debenture holders/ beneficiaries on the Record Date. In the event of the Company not receiving any notice of transfer at least 7 days prior to the Redemption Date the transferees for the Debentures shall not have any claim against the Company in respect of interest so paid to the registered Debenture holders.

Purchase and Sale of Debentures

The Company may, at any time and from time to time, purchase Debentures at the price available in the Debt Market in accordance with the applicable laws. Such Debentures may, at the option of the Company, be cancelled, held or reissued at such a price and on such terms and conditions as the Company may deem fit and as permitted by law.

Future Borrowings

The Investor acknowledges and agrees that the Company shall be entitled from time to time to make further issue of debentures or any other instruments to the public, members of the Company and /or any other person(s) and to raise further loans, advances or such other facilities from Banks, Financial Institutions and / or any other person(s) on the security or otherwise of its assets, without the consent of or intimation to the Debenture holders or Debenture Trustee.

The discount at which such offer is made and the effective price for the investor as a result of such discount

The present Issue is not at a discount.

Servicing behavior on existing debt securities, payment of due interest on due dates on term loans and debt securities.

As on the date of this Disclosure Document, there has been no default in payment of principal or interest on any existing term loan or debt security issued by the Issuer.



The names of the debenture trustee(s) shall be mentioned with a statement to the effect that debenture trustee(s) has given his consent to the issuer for his appointment under regulation 4 (4) and also in all the subsequent periodical communications sent to the holders of debt securities

The Company has appointed Catalyst Trusteeship Limited as the Trustee for the Issue. All the rights and remedies of the Debenture holders shall vest in and shall be exercised by the Debenture Trustee without referring to the Debenture holders. All investors are deemed to have irrevocably given their authority and consent to Catalyst Trusteeship Limited to act as their Debenture Trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by the Company to the Debenture Trustee on behalf of the Debenture holders shall discharge the Company *pro tanto* to the Debenture holders. The Debenture Trustee shall carry out its duties and shall perform its functions under the SEBI Debt Regulations and this Disclosure Documents, with due care, diligence and loyalty. Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed being entered into between the Company and the Debenture Trustee. A notice in writing to the Debenture holders shall be provided for the same. The Debenture Trustee shall ensure disclosure of all material events on an ongoing basis. The Debenture Trustee shall duly intimate the Debenture holders on occurrence of any of the following events:

(a) Default by the Company to pay interest on the Debentures or redemption amount; and
(b) Revision of credit rating assigned to the Debentures.

Such information shall also be placed on the websites of the Debentures Trustee, the Company and the Stock Exchange(if applicable).

Debenture trustee has accorded its consent to act as debenture trustee for the Issue. A copy of such consent has been annexed to this document.

The rating letter and rating rationale(s) adopted (not older than one year on the date of opening of the issue)/ credit rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies:

"CRISIL A+/Negative" rating has been assigned by CRISIL Ratings Limited to the Company's Debentures and the present Issue is the part of such programme. The present issue of Debentures falls within the above long term debt programme.

Other than the credit ratings mentioned hereinabove, Issuer has not sought any other credit rating from any other credit rating agency (ies) for the debentures offered for subscription under the terms of this Disclosure Document.

The rating provided by the rating agency may be suspended, withdrawn or revised at any time by such rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions.

The rating letter and rating rationale has been attached as *'Annexure C'* to this document.

Names of all the recognized stock exchanges where securities are proposed to be listed clearly indicating the designated stock exchange and also whether in principle approval from the recognized stock exchange has been obtained.

The Debentures are not proposed to be listed.

Names and designations of officials who have been authorized to issue the Disclosure Document

Mr. Venkatesh N. – Managing Director
Mr. Shivaprakash D.- Whole Time Director
Mr. Anantha Kumar. T – Chief Financial Officer
Mr. Pramod Kulkarni – Company Secretary

SECTION VII – REGULATIONS AND POLICIES

Key Regulations & Policies

The following description is a summary of certain laws applicable to the Non-Banking Financial Companies in India as well as certain other Indian Laws and foreign laws, which are applicable to our Company and our business. The summary of laws, regulations and policies set forth below is not exhaustive and is only intended to provide general overview.

Our Company is engaged in the business of providing loans against collaterals. We are governed by the laws governing service sector enterprises and commercial establishments. We are a non-deposit taking (which does not accept public deposits), systemically important, NBFC. As such, our business activities are regulated by RBI regulations applicable to non-public deposit accepting NBFCs (**"NBFC-ND-SI, MFI"**).

Taxation statutes such as the Income Tax Act, 1961, the Finance Act, 1994, the Shops and Establishments Act, 1958, labour regulations such as the Employees' State Insurance Act, 1948 and the Employees' Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations and statutes apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Regulations governing NBFC-MFIs

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares / stock / bonds / debentures / securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale / purchase / construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its 'principal business' is to be treated as an NBFC. The term 'principal business' has not been defined in any statute, however, RBI has clarified through a press release (Ref. No. 1998-99/ 1269) issued in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company's principal business. The company will be treated as an NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company. Further a NBFC-MFI is required to be constituted of qualified assets not less than 85% of its total assets (netted off by intangible assets).

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act, the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("Prudential Norms – D"), the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("Prudential Norms – ND"), the provisions of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 and the revised regulatory framework for NBFCs issued by RBI vide its circular DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014 and DNBR (PD) CC.No.024/03.10.001/2014-15 dated March 27, 2015 as amended from time to time. In addition to these regulations, NBFC-MFIs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

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Securities Contract Regulation Act, 1956

The Securities Contract (Regulation) Act, 1956 ("SCRA") seeks to prevent undesirable transactions in securities by regulating the business of dealing in securities and other related matters. The SCRA provides for grant of recognition for stock exchanges by the Central Government. Every recognized stock exchange is required to have in place a set of rules relating to its constitution and bye-laws for the regulation and control of contracts. The said act deals with recognition, derecognition, regulation / control on the stock exchanges, empowers the stock exchanges for making its own bye laws, rules and the provisions pertaining to listing of securities, delisting of securities and dealing in securities. The said enactment also provides for appellatemechanism.

The bye-laws inter-alia providefor:

i. the opening and closing of markets and the regulation of the hours of trade;

ii. the fixing, altering or postponing of days for settlements;

iii. the determination and declaration of market rates, including the opening, closing highest and lowest rates for securities;

iv. the terms, conditions and incidents of contracts, including the prescription of margin requirements, if any, and conditions relating thereto, and the forms of contracts in writing;

v. the regulation of the entering into, making, performance, recession and termination ofcontracts, including contracts between members or between a member and his constituent.

SECTION VIII – DISCLOSURES PERTAINING TO WILFUL DEFAULT

A. Name of the bank declaring our Company/Promoter/any of the Director as a wilful defaulter:

N.A.

B. The year in which our Company/Promoter/any of the Director is declared as a wilful defaulter:

N.A.

C. Outstanding amount when our Company/Promoter/any of the Director is declared as a wilful defaulter:

N.A.

D. Name of the entity/director declared as a wilful defaulter:

N.A.

E. Steps taken, if any, for the removal from the list of wilful defaulters:

N.A.

F. Any other disclosure in order to enable investors to take informed decisions:

N.A.



SECTION IX - MATERIAL CONTRACTS, AGREEMENTS AND DOCUMENTS

The following contracts (not being contracts entered into in the ordinary course of business ried on by our Company) or documents pertaining to the Issue which are or may be deemed material have been entered or to be entered into by our Company. These contracts or documents which are or may be deemed material are available for inspection at the registered office of our Company from 10.00 am to 4.00 pm on working days from the date of opening of the Issue until the Issue closing date.

Material Contracts:

1. Agreement dated July 21,2017 with Link Intime India Private Limited appointing it as registrar.
2. Agreement dated March 18, 2021 with the Trustee appointing it as the Debenture Trustee to the Issue.
3. Debenture Trust Deed dated March 18, 2021 executed by and between the Debenture Trustee and the Company.

Other Documents:

1. Memorandum and Articles of Association of the Issuer.
2. Audited Annual Reports of the Company for the last three years.
3. Certificate of incorporation dated August 09,1995.
4. Fresh certificate of incorporation dated March 31, 2011.
5. Resolution under section 180(1)(c) of the Companies Act, 2013 regarding borrowing powers upto Rs. 5,000 Crore, resolution under section 180(1)(a) of the Companies Act, 2013 for creation of charge and resolution under section 42 for private placement of securities passed at the Extra Ordinary General Meeting of the shareholders of the Company. The same has been attached as '*Annexure E*'.
6. Resolution of the Board of Directors of the Issuer passed at its Board Meeting held on May 11, 2020 and resolution passed by the Issue and Allotment Committee of Directors at its meeting held on March 17, 2021 for raising money under the Issue. The same has been attached as '*Annexure D*'.
7. Credit Rating Letter dated February 11, 2021 issued by CRISIL Ratings Limited
8. Consent dated March 17, 2021 of Catalyst Trusteeship Limited to act as Trustee to the Issue of Debentures.
9. An undertaking that the Issuer will, till the redemption of the Debentures, submit the details of the latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information (profit and loss statement, balance sheet and cash flow statement) and auditor qualifications, if any, to the Debenture Trustee within the timelines as mentioned in the simplified listing agreement, issued by SEBI vide circular dated May 11, 2009 as amended from time to time, for furnishing/ publishing it half yearly/ annual result.



DECLARATION

samasta
MICROFINANCE

DECLARATION

The Company and each of the directors of the Company hereby confirm and declare that:

a. the Company has complied with the provisions of the Act and the rules made thereunder, including the compliances in relation to making a private placement of the Debentures;

b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of Debentures, if applicable, is guaranteed by the Central Government;

c. the monies received under the issue shall be used only for the purposes and objects indicated in this offer letter;

I am authorized by the Board of Directors of the Company *vide* resolution dated 17th March, 2021 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this Disclosure Document and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of Disclosure Document has been suppressed or concealed and is as per the original records maintained by the Promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

The Company accepts no responsibility for the statement made otherwise than in the disclosure document or in any other material issued by or at the instance of the company and that anyone placing reliance on any other source of information would be doing so at his own risk

For and on behalf of
Samasta Microfinance Limited

Pramod Kulkarni
Company Secretary

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ANNEXURE A – TERM SHEET



PARTIES INVOLVED IN THE ISSUE	
Issuer / Company	Samasta Microfinance Limited ("Samasta")
Debenture Trustee	Catalyst Trusteeship Limited
Subscriber(s)	Northern Arc Capital Limited
Depository	NSDL
Registrar and transfer agent	Link Intime India Private Limited
Rating Agency	CRISIL
Structurer and Arranger	Northern Arc Capital Limited ("Northern Arc")
Guarantor(s)	Not Applicable
Credit Enhancer(s)	Not Applicable
Other obligor(s)	Not Applicable
DETAILS OF THE INSTRUMENT	
Type of instrument	Non-convertible debentures
Nature of instrument	Rated, Unlisted, Unsubordinated, Secured, Redeemable, Taxable, Non-Convertible Debentures ("NCDs" or "Debentures")
Ranking	Unsubordinated
Security requirements	Debentures shall be secured as per the terms and conditions stipulated under the heading 'Security Creation' hereunder.
Listing requirements	The Debentures shall be unlisted
Rating	CRISIL A+
ISSUE DETAILS	
Mode of Issue	Private Placement
Form of issue	Debentures will be issued in dematerialized form.
Issue size	INR. 100,00,00,000/- (Indian Rupees One Hundred Crores only)
Tenor	24 Months
Face value	INR. 10,00,000/- (Indian Rupees Ten lakhs only)
Issue price	Debentures will be issued at par
Issue Schedule	Issue Opening Date: March 18,2021 Issue Payin Date: March 18,2021 Issue Closing Date: March 18,2021 Deemed Date of Allotment: March 18,2021

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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. No part of the proceeds from the Issue will be used towards: i. any capital market instrument such as equity and equity linked instruments or any other capital market related activities; ii. any speculative purposes; iii. investment in the real estate sector; or iv. in contravention of any applicable law
REDMPTION	
Redemption Amount	Each Debenture shall be redeemed at par.
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	March 18, 2023
Early Redemption	In case of early redemption of the Debentures at the instance of the Issuer, on any date other than the Maturity Date and not arising due to an Event of Default, the Issuer shall pay a penalty of 2% (Two Percent) on the principal amount prepaid. Prepayment shall be subject to the consent of the Majority Debenture Holders. The Issuer shall give the Debenture Trustee and the Debenture Holders at least 15 (Fifteen) Business Days written notice prior to the date of such meeting where consent of the Debenture Holders shall be sought.
Early Redemption Premium	2% (Two percent) on the principal amount prepaid.
Put Option Date	Not Applicable
Put Notification Time	Not Applicable
Call Option Date	Not Applicable
Call Notification Time	Not Applicable
COUPON PAYMENT	
Coupon Type	Fixed
Coupon Rate	10.50% (Ten Decimal Five Zero per cent) per annum payable at such frequency as set out below against the heading 'Coupon Payment Frequency' and on such dates as set out below against the heading 'Coupon Payment Dates'.
Coupon Payment Frequency	Monthly

Coupon Payment Dates	As mentioned in Schedule-I
Step-up Coupon	Not applicable.
Step-down Coupon	Not applicable.
Default interest	• In case of default in payment of interest and / or principal redemption on the due dates, additional interest @ 4% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period. • In case of default by the Issuer in the performance of any of the covenants of this Issuance, including but not limited to the financial covenants of this Issuance, additional interest @ 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period
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	(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; (b) If the date of payment of any redemption amount falls on a day that is not a Business Day, such payment of instalment shall be made on the immediately preceding Business Day; and (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.
THIRD PARTY OBLIGATIONS	
Guarantor(s)	Not applicable.
Credit Enhancer(s)	Not applicable.
Other Obligor(s)	Not applicable.
SECURITY CREATION	
Hypothecation	The Debentures shall be secured by way of a first ranking, exclusive and continuing charge on identified receivables (**"Hypothecated Receivables"/"Hypothecated Assets"**) created pursuant to the deed of hypothecation to be executed between the Company and the Debenture Trustee as described herein. The Hypothecated Assets shall at all times be equal to the value of the outstanding principal amount of the Debentures. The Issuer undertakes: • to maintain the value of security at all times equal to 1.1 (One decimal point one) time or 110.0% (One hundred and ten

	percent) the aggregate amount of principal outstanding of the NCDs where at least 1.1 (One decimal point one) time or 110.0% (One hundred and ten percent) of the security cover is from principal receivables ("**Security Cover**"); • to create and register the Hypothecated Assets as contemplated above within 30 (Thirty) Calendar days and perfect the security over the Hypothecated Assets within 30 (Thirty) calendar days from 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 Assets. • 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 Assets; • to provide a list on quarterly 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 benefit of the Debenture Holders) ("**Hypothecated Asset Report**") • to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Assets is equal to 1.1 (One decimal point one) time or 110.0% (One hundred and ten percent) the aggregate amount of principal outstanding of the NCDs where at least 1.1 (One decimal point one) time or 110.0% (One hundred and ten percent) of the security cover is from principal receivables. • to replace Hypothecated Receivables that have been overdue for more than 90 days with current receivables. Such replacement shall be affected within 15 (Fifteen) Business Days of the Hypothecated Receivables becoming overdue (by more than 90 days) <u>Eligibility Criteria for the Hypothecated Receivables:</u> • 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;
Pledge	Not applicable
Mortgage	Not applicable

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 31st day of March of the next year by way of investment and deposits in specified securities on or before the 30th day of April in each year.
Related Party Transactions	Issuer shall not without the prior written consent of the Lender (i) enter into any transaction(s) whereby the overall outstanding amount owed to the Issuer under all such transactions exceeds 10.00% (Ten Point Zero Zero percent) of its net worth, (ii) whereby the overall expense incurred through such transactions during any financial year exceeds 10.00% (Ten Point Zero Zero percent) of its net profit, or (iii) provide any guarantee for any indebtedness of a related party. The Lender shall be granted access to any additional information that it deems necessary to monitor and evaluate this covenant. For the purposes of this clause, the terms 'net worth' and 'related party' shall respectively have the meaning ascribed to them in sections 2 (57) and 2 (76) of the Companies Act, 2013 (and the Rules framed thereunder).
Affirmative Covenants	(a) Notice of winding up or other legal process Company shall promptly inform the Debenture Trustee if it has notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Act or any other notice under any other statute relating to winding up or otherwise of any suit or other legal process intended to be filed or initiated against the Company; (b) Loss or damage by uncovered risks Company shall promptly inform the Debenture Trustee of any material loss or significant damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties; (c) Costs and expenses Company shall pay all costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Company before they are incurred and shall not include any foreign travel costs; (d) Payment of Rents, etc. Company shall punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as

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	and when the same shall become payable and when required by the Debenture Trustee produce the receipts of such payment and also punctually pay and discharge all debts and obligations and liabilities which may have priority over the Debentures and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Company; (e) Preserve corporate status; authorisations Company shall (i) diligently preserve and maintain its corporate existence and status and all rights, contracts privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business and comply with each and every term of the said franchises and concessions and all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to its Assets or any part thereof PROVIDED THAT the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Debentures are not thereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Debentures might or would be hindered or delayed; and (ii) conduct its business with due diligence and efficiency and in accordance with sound technical, managerial and financial standards and business practices with qualified and experienced management and personnel; (iii) promptly obtain all consents and authorizations as maybe necessary for performing its obligations in relation to the issue of the Debentures; (f) Pay stamp duty Company shall pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the applicable state laws and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Debenture Trustee on demand; (g) Furnish information to trustee Company shall give to the Debenture Trustee or its nominee(s)/ agent(s) such information/copies of relevant extracts as they shall require as to all matters relating to the business of the Company or any part thereof and to investigate the affairs thereof and the Company

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	shall allow the Debenture Trustee to make such examination and investigation as and when felt necessary and shall furnish him with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation; (h) Grievance Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance; (i) Specific Information to be provided to the Debenture Trustee Company shall inform and provide the Debenture Trustee with applicable documents in respect of the following: (i) notice of any Event of Default or potential Event of Default, each as listed in Events of Default; (ii) periodic review of the ratings obtained by the Company by the credit rating agencies and any revision in the rating as per the listing agreement entered into with the stock exchange (if the Debentures are listed); (iii) details of any material litigation, arbitration or administrative proceedings, etc. including those that are required to be disclosed to the stock exchange under the listing agreement entered into with the stock (if the Debentures are listed); (iv) any and all information required to be provided to the Debenture Holders under the listing agreement that may be entered into between the Company and the BSE; and (v) the declaration or distribution of dividend; (j) Comply with Investor Education and Protection Fund requirements Company shall comply with the provisions of the Act relating to transfer of unclaimed/ unpaid amounts of interest on Debentures and redemption of Debentures to Investor Education and Protection Fund (IEPF), if applicable to it; (k) Further assurances Company shall (i) execute and/or do, at their own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by Law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee; (ii) furnish to the Debenture Trustee details of all grievances received from the Debenture Holders and the steps taken by the Company to redress the same. At the request of any Debenture Holder,

	the Debenture Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance and the Company shall comply with the instructions of the Debenture Trustee issued in this regard; (iii) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary to enable it to lawfully enter into and perform its obligations or to ensure the legality, validity, enforceability or admissibility in evidence in India; (iv) comply with: (A) all Laws, rules, regulations and guidelines (including but not limited to environmental, social and taxation related Laws), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following (if the Debentures are listed) (i) the Debt Listing Regulations, as may be in force from time to time during the tenor of the Debentures; (ii) the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (iii) the provisions of the listing agreement to be entered into by the Company with the BSE in relation to the Debentures; (B) the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures; (C) the provisions of the Act in relation to the issue of the Debentures; (D) procure that the Debentures are rated and continued to be rated until the redemption of the Debentures; and (E) The Company shall ensure that, at time of making any payment of interest or repayment of the principal amount of the Debentures in full or in part, the Company shall do so in the manner that is most tax efficient for the Debenture Holders (including withholding tax benefit) but without, in any way, requiring the Company to incur any additional costs, expenses or taxes and the Company shall avail of all the benefits available under any treaty applicable to the Company and/or the Debenture Holders. (I) Security The Company hereby further agrees, declares and covenants with the Debenture Trustee as follows: (i) the Debentures shall be secured with first ranking exclusive continuing security by way of a first ranking exclusive charge on the Hypothecated Assets in favour of the Debenture Trustee for the benefit

	of the Debenture Holders; (ii) that all the Assets that shall be charged to the Debenture Trustee under the Hypothecation Agreement shall always be kept distinguishable and held as the exclusive property of the Company specifically appropriated to this security and be dealt with only under the directions of the Debenture Trustee. PROVIDED THAT the charge on the monies lying in the Designated Proceeds Account shall be a floating charge with the intent that the Company may use the proceeds lying therein or to the credit thereof for the origination of Loans and the charging of the Receivables thereof in favour of the Debenture Trustee in accordance with the terms of the Transaction Documents and the floating charge shall convert to a fixed charge in accordance with the terms of the Hypothecation Agreement. The Company shall not create any charge, lien or other encumbrance upon or over the same or any part thereof except in favour of the Debenture Trustee nor suffer any such charge, lien or other encumbrance or any part thereof nor do or allow anything that may prejudice this security and the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve this security and to maintain the same undiminished and claim reimbursement thereof; (iii) shall, on the First Security Cover Determination Date and at all times thereafter, ensure that the Security Cover Ratio is maintained and towards this end, it shall on or before each Monthly Security Cover Determination Date, Top-up the Hypothecated Assets with additional Receivables and/or Replace any Receivables constituting the Hypothecated Assets in accordance with the Hypothecation Agreement so as to ensure that Security Cover Ratio is maintained at all times from the First Security Cover Determination Date until the redemption of the Debentures in full and perfect the first ranking and exclusive charge of the Debenture Trustee over such modified Hypothecated Assets by filing Form CHG-9 with the concerned ROC and the required filing with the Central Registry in relation thereto as soon as practicable and no later than 30 (thirty) days therefrom; (iv) shall, on the First Security Cover Determination Date and every Reporting Date, as also whenever required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time and shall furnish and verify all statements, reports (including Monitoring Reports as prescribed in the Hypothecation Agreement), returns, certificates and information from time to time and as required by the Debenture Trustee and furnish and execute all necessary documents to give effect to the Hypothecated Assets; (v) the security interest created on the Hypothecated Assets shall be a continuing security as described in the Hypothecation Agreement; (vi) the Hypothecated Assets shall satisfy the eligibility criteria set out in Eligibility Criteria;

	(vii) nothing contained herein shall prejudice the rights or remedies of the Debenture Trustee and/ or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any Financial Indebtedness or liability of the Company to the Debenture Trustee and/ or the Debenture Holders; and (viii) the Debenture Holders shall have a beneficial interest in the moveable Assets of the Company which have been charged to the Debenture Trustee to the extent of the Outstanding Principal Amounts of the Debentures; (m) Filings If the Debentures are listed, the Company shall file with the BSE for dissemination, within 45 days from the end of half years September and March, a half- yearly communication, counter signed by the Debenture Trustee, containing inter-alia the following information: (i) credit rating; (ii) asset cover available accompanied with a half yearly certificate regarding maintenance of minimum Security Cover Ratio specified in the Hypothecation Agreement in respect of the Debentures, by either a practicing company secretary or a practicing chartered accountant, within one month from the end of the half year; (iii) debt to Equity ratio accompanied with a certificate of a practicing chartered accountant confirming such debt to Equity ratio; (iv) previous Due Date for the payment of interest/principal and whether the same has been paid or not; and (v) next Due Date for the payment of interest/principal. (n) Amounts to be reimbursed to the Debenture Trustee Company shall, forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Hypothecated Assets and such amounts shall be deemed to be secured by the Hypothecated Assets; (o) Where Debenture Holder is a Foreign Investor Company shall in the event a Debenture Holder is a foreign portfolio investor, foreign institutional investor or sub-account of foreign institutional investors, or qualified foreign investor, the Company shall, in relation to each Interest Payment Date and in relation to each date when any other payment is due by the Company under the Debentures (each a "Relevant Payment Date"), courier to the Debenture Holders (or their designated agent, as confirmed by the Debenture Holders) within 1 (One) Business Day after a Relevant Payment Date, the duly completed and signed Form 15 CA/CB. A scanned copy of such duly completed and signed Form 15 CA/CB shall be sent to the Debenture Holders on the Relevant Payment Date by e-mail; (p) Delay in Security Creation Company shall in the event of any delay in the creation of first ranking

	and exclusive charge over the Hypothecated Assets within the timelines stipulated in the Hypothecation Agreement or in the event the Security Cover Ratio is not met on or prior to the First Security Cover Determination Date, the Company will, at the option of the Debenture Holders, either: (i) refund the Application Money to the Debenture Holders; or (ii) pay to the Debenture Holders additional interest at Default Interest Rate on the Outstanding Principal Amounts from the Deemed Date of Allotment till the creation of first ranking and exclusive charge over the Hypothecated Assets pursuant to the terms of the Hypothecation Agreement such that the Security Cover Ratio is met. (q) Compliance (i) The Company shall (and it shall ensure that all of the Group Entities will) conduct their respective businesses in all material respects in compliance with all applicable Laws including but not limited to Environmental and Social Requirements and Client Protection Laws and take all reasonable steps in anticipation of known or expected future changes to or obligations under the same. (ii) The Company shall promptly inform the Debenture Trustee any material breach of any Environmental and Social Requirements and provide accurate and complete information with respect to such breach and any additional information in relation thereto, in whichever form as the Debenture Trustee may request at its sole discretion. The Company shall promptly inform the Debenture Trustee, on (i) any Environmental and Social Claim and/or any Client Protection Claim being commenced against it or against any Group Entity, and (ii) any facts or circumstances which will or are reasonably likely to result in any Environmental and Social Claim and/or any Client Protection Claim being commenced or threatened against it or any Group Entity, and provide accurate and complete information with respect to such Environmental and Social Claim and/or any Client Protection Claim and any additional information in relation thereto, in whichever form as the Debenture Trustee may request at its sole discretion. (iii) The Company shall (and it shall ensure that the Group Entities will) abide by the Workers' Rights Requirements. (r) Books of Account Company shall maintain proper books of account as required by the Act and therein make true and proper entries of all dealings and transactions of and in relation to the Hypothecated Assets and the business of the Company and keep such books of account and all other books, registers and other documents relating to the affairs of the Company at its registered office or, where permitted by Law, at other place or places where the books of account and documents of a similar nature may be kept. The Company will ensure that all entries in the same relating to the Hypothecated Assets and the business of the Company shall at all reasonable times be open for inspection of the

	Debenture Trustee and such person or persons as the Debenture Trustee shall, from time to time, in writing for the purpose, appoint. (s) Material Adverse Effect Company shall promptly inform the Debenture Trustee in writing of the occurrence of any, or the occurrence of any event that is likely to have a, Material Adverse Effect, together with explanation of the reasons thereof; (t) Insurance Company shall maintain insurances on and in relation to its business and assets with insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business and any other insurances as may be required by Law and ensure that all premiums are paid on time and other obligations of the Company under the insurance policies are duly complied with; (u) Corporate Governance (i) the Company shall maintain the highest standards of corporate governance in accordance with the NBFC Master Directions; (ii) shall at all times until the redemption of all outstanding Debentures, ensure that there is at least 1 (One) independent director; and (iii) the Company shall at all times comply with the NBFC Master Directions. (v) General (i) the Company shall perform all of its obligations under the terms of the Transactions Documents and maintain in full force and effect each of the Transaction Documents; (ii) the Company shall promptly pay and discharge all its financial obligations and regularly make all payments due and payable by the Company, including but not limited to taxes and also such payment due and payable under or in respect of the Issue or any documents executed in connection there with; (iii) the Company shall give the Debenture Trustee any information, relating to the business, property, affairs of the Company, that materially impacts the interests of the Debenture Holders; (iv) the Company shall comply with the 'Guidelines on Fair Practices Code for Non-Banking Financial Companies' as prescribed by the RBI from time to time; and (v) the Company shall at all times act and proceed in relation to its affairs and business in compliance with applicable Law. (w) Access Company shall permit the Debenture Trustee (and the Debenture holders) and/or accountants or other professional advisers and contractors appointed by the Debenture Trustee access at all reasonable times and on reasonable notice of the Company to:

	(i) check the management of the funds made available through subscription to the Debentures; (ii) inspect and take copies and extracts from the books, accounts and records of the Company; (iii) visit and inspect the premises of the Company; and (iv) meet and discuss matters with senior management employees of the Company. (x) Conditions Subsequent Company shall comply with the conditions stipulated in Conditions Subsequent. (y) Financial Covenants Company shall comply with the financial covenants stipulated in Financials Covenants. (z) Issue Terms and Conditions At all times during the term of these presents comply with each of the Issue Terms and Conditions. (aa) Internal Controls Company shall maintain appropriate internal controls for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes. (bb) Information to Debenture Trustee The Company shall promptly provide all assistance, documents and information to the Debenture Trustee as may be required by it to enable the Debenture Trustee to fulfill its obligations as laid out in Clause 5.14 and as may be required by SEBI from time to time.
Negative Covenants	(a) Change of business; Role of Promoter (i) Change the general nature of its business from that which is permitted by the RBI. (ii) Change or make any alteration to its Constitutional Documents (other than for amendments or modifications, either to correct manifest error or which are of a stylistic, minor, or purely technical nature and do not change the Constitutional Documents in any material respect; provided, that the Company shall promptly give the Debenture Trustee notice, and provide Debenture Trustee with a

	copy, of such amendment or modification). (iii) The Company will ensure that prior to the Final Redemption Date, there will be no sale, disposal or transfer in any matter whatsoever of the equity shares held by the Promoter in the Company whereby the equity stake of the Promoter in the share capital of the Company falls, nor will the Promoter encumber (in any manner whatsoever) the equity shares held by the Promoter in the Company. (iv) Until the Final Redemption Date, the Company will procure and ensure that the Promoter will not exit from or reduce its involvement from the management activities of the Company as is subsisting on the date of execution of Debenture Trust Deed. (b) Dividend Declare or pay any dividend or make any distributions on its share capital (other than dividends or distributions payable on shares of the Company), unless: (i) the proposed payment or distribution is out of net income of the current Financial Year (excluding any amount resulting from the revaluation of any of the Company's assets); (ii) no Event of Default has occurred and is then continuing, or could occur or is reasonably likely to occur, as a result of such payment or declaration of any dividend or distribution and after giving effect to any such action; (iii) the Company is in compliance with the financial covenants set forth in Financial Covenants; and (iv) the company has paid or made satisfactory provision for the payment of the installments of principal and interest due on the Debentures. (c) Merger, consolidation, etc. Undertake or permit any merger, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction. (d) Associates, Subsidiaries, and Joint Ventures Dispose of, acquire or incorporate any associates (as defined in the Act), subsidiary (as defined in the Act) or joint ventures. (e) Acquisition Acquire, without the prior written consent of the Majority Debenture Holders, any company, business or undertaking if the amount of the acquisition cost, whether paid by cash or otherwise, when aggregated

	with the aggregate acquisition cost of any other companies, business or undertaking acquired by it during that financial year exceeds 10% (Ten percent) of the Equity. (f) Joint Venture Without the prior written consent of the Majority Debenture Holders: (i) acquire (or agree to acquire) any shares, stocks, securities or other interest in any joint venture; or (ii) transfer any assets or lend to or guarantee or indemnify or give security for the obligations of a joint venture (or agree to transfer, lend, guarantee, indemnify or give security for the obligations of a joint venture). (g) Loans and Guarantees The Company shall not: (i) extend a loan to any single individual or entity amounting to greater than 10% (Ten percent) of its Tangible Net Worth; or (ii) undertake to guarantee the liabilities of any individual or entity (unless the entity is a wholly owned subsidiary of the Company). (h) Arm's length basis; No profit sharing arrangements The Company shall not, without the prior written consent of the Majority Debenture Holders: (i) enter into any transaction with any person or enter into or continue business relations with its shareholders, employees, affiliate(s), holding company(ies), and/or subsidiary(ies) except on proper commercial terms negotiated on an arm's length basis; (ii) enter into or establish any partnership, profit sharing, royalty agreement or other similar other arrangement whereby the Company's income or profits are, or might be, shared with any other person; or (iii) enter into any management contract or similar arrangement whereby its business or operations are managed by any other person. (i) Immunity Claim any immunity or limitation of liability against any payment obligations arising towards the Debenture Holders. (j) Auditor Change its auditor to other than the Indian affiliates of Deloitte & Touche, KPMG, Price Waterhouse Coopers, Ernst & Young, Grant Thornton, BDO without the prior written consent of the Majority Debenture Holders. The Company shall authorize its auditors to communicate directly with the Debenture Trustee and the Debenture Holders.

	(k) Liabilities Incur, create, assume, or allow any Financial Indebtedness that ranks prior to the Debentures or subordinates the Debentures. (l) Change of control Issue any additional shares or equity interests and shall not have its existing shares or equity interests transferred, sold, pledged or otherwise encumbered, if such action results in change in Control of the Company. PROVIDED THAT if the written consent of the Debenture Trustee/ the Majority Debenture Holder(s) is withheld for the proposed change of control, the Company will, upon the instructions of the Debenture Trustee, redeem the Debentures forthwith within 45 (Forty five) days of receiving such written instructions from the Debenture Trustee and pay prepayment penalty on such redemption in accordance with the terms of the Transaction Documents. No prior written consent of the Debenture Trustee is required if the issue of any additional shares or equity interests, transfer, sale, pledge or encumbrance of its existing shares or equity interests does not result in change in Control of the Company. (m) Disposal of Assets Sell, transfer, or otherwise dispose of in any manner whatsoever any material Assets of the Company, other than any securitization/portfolio sale of assets undertaken by the Company in its ordinary course of business. (n) Management Control Any change in Management Control of the Company. (o) Material compromise or Settlement Enter into material compromise or arrangement or settlement with any of its creditors (secured and unsecured) that would prejudicially affect the interest of the Debenture Holders. (p) Anti-money laundering Permit any of the Debenture proceeds to be used to fund any form of violent political activity, terrorists or terrorist organizations, nor any money laundering process or scheme to disguise illegally obtained funds, nor any other criminal activity including arms sales, drug trafficking, robbery, fraud or racketeering. (q) Related Party Transactions Without the prior written consent of the Debenture Holders, the Company shall not (i) enter into any transaction(s) whereby the overall outstanding amount owed to the Company under all such transactions

	exceeds 10.00% (Ten Point Zero Zero percent) of its net worth, (ii) whereby the overall expense incurred through such transactions during any financial year exceeds 10.00% (Ten Point Zero Zero percent) of its net profit, or (iii) provide any guarantee for any indebtedness of a related party. Debenture Trustee or its representatives will have access to any additional information that it/they deem(s) necessary to monitor and evaluate the mentioned covenant till the Final Settlement Date. For the purposes of this clause, the terms 'net worth' and 'related party' shall respectively have the meaning ascribed to them in sections 2 (57) and 2 (76) of the Companies Act, 2013 (and the Rules framed thereunder). (r) Financial Year Company shall not change its financial year-end from 31st March (or such other date as may be approved by Majority Debenture Holders) without the prior written consent of the Debenture Trustee. (s) Exclusion List Perform or involve in any of the excluded activities as listed in the Exclusion List or finance any Person or Obligor performing any of the excluded activities as listed in the Exclusion List. (t) Objectionable Practices Engage in any Objectionable Practice, nor authorise or permit any other Person acting on its behalf or on behalf of such Person to do so. (u) Sanctions Neither the Company nor any other person benefiting in any capacity, either directly or indirectly, in connection with or from the Debenture Trust Deed and/or any instruments and/or payments thereunder is included in any OFAC List or otherwise the subject or target of any Sanctions. The Company shall not, and shall require that none of its borrowers engage in any transaction, activity or conduct that would violate any Sanctions. The Company shall not use all or any part of the proceeds of the Issue for any purpose that would be in breach of any Sanctions. The Company shall require that none of its borrowers to whom any debt was made available by the Borrower utilising the proceeds of the Issue use all or any part of such debt for any purpose that would be in breach of any Sanctions. (v) Exclusion List The Company shall not (i) perform or involve in any of the excluded activities as listed in the Exclusion List or (ii) finance any Person or

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	Obligor performing any of the excluded activities as listed in Exclusion List. (w) Others Without prejudice to Clause (a) (Change of business; Role of Promoter) of this Negative Covenants, permit sale/ transfer/ disposal of (i) equity shares of the Company, or (ii) instruments that are compulsorily and mandatorily convertible into equity shares of the Company, by the Promoter(s) and/ or (iii) permit the Promoter(s) to exit from management activities in relation to the Company.
Events of Default	(a) Payment Defaults The Company does not pay on the Due Date any amount payable pursuant and the Debentures (including but not limited to penal interest, if any) at the place at and in the currency in which it is expressed to be payable. (b) Insolvency / Inability to Pay Debts / Distress (i) The Company is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness. (ii) The Company is (or deemed by Law or a court to be) insolvent or bankrupt or unable to pay its debts or stops or suspends payments of all its debts, makes a general assignment or an arrangement or composition with or for benefit of the relevant creditors in respect of any such debts or a moratorium is agreed or declared in respect of or affecting all the debts of the Company. (iii) Any distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets, or revenues of the Company and is not discharged or quashed or stayed within 15 (fifteen) days. (c) Charge over Hypothecated Assets The Company creates or attempts to create any charge on the Hypothecated Assets or any part thereof, in addition to the charge created pursuant to the Hypothecation Agreement without the consent of the Special Majority Debenture Holders. (d) Business The Company without obtaining the prior consent of the Special Majority Debenture Holders ceases to carry on its business or gives notice of its intention to do so. (e) Security in Jeopardy (i) In the opinion of the Debenture Trustee the Hypothecated Assets is in jeopardy; (ii) If, the security provided pursuant to the Hypothecation

	Agreement depreciates in value to such an extent that in the reasonable opinion of the Trustee further security should be given and on advising the Company to that effect such security has not been given to the Debenture Trustee to their satisfaction; (iii) If, without the prior written approval of the Debenture Trustee, the Hypothecated Assets or any part thereof is transferred, assigned, charged, encumbered or alienated but no prior approval shall require for the replacement of assets comprising the Hypothecated Assets with other similar assets; or (iv) the value of the Hypothecated Assets is insufficient to maintain the Security Cover Ratio and Company fails to maintain the minimum Security Cover Ratio specified in the Hypothecation Agreement within the stipulated timelines in the Hypothecation Agreement. (f) Misrepresentation Any representation or warranty made by the Company in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Company shall prove to have been incorrect, false or misleading in any material respect when made or deemed made. (g) Material Adverse Change There shall have occurred a change in the business, operations, property, Assets, liabilities, condition (financial or otherwise) or prospects of the Company since the date hereof that has resulted in a Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified for a period of 30 (Thirty) Business Days. (h) Liquidation or Dissolution of the Company / Appointment of Receiver or Liquidator (i) Any corporate action, legal proceedings or other procedure or step is taken in relation to: (A) the suspension of payments, a moratorium of any Indebtedness, winding-up, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company or its Affiliate; (B) a composition, compromise, assignment or arrangement with any creditor of the Company or its Affiliate; (C) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or its Affiliate; or (D) the Company or its Affilate, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "Prudential Framework for Resolution of Stressed Assets" (as amended

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	or modified or restated from time to time)); (E) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 (to the extent applicable) or under any other applicable Law, in respect of the Company or its Affiliate; or (F) enforcement of any security over any Assets of the Company or its Affiliate. Any other event occurs or proceeding instituted under any applicable Law that would have an effect analogous to any of the events listed in sub-Clauses (A) to (F) above. (ii) An order is made or an effective resolution passed for the winding up or dissolution, judicial management or administration of the Company, or the Company ceases to carry on all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, re-organization, merger or consolidation on terms approved by Special Resolution of Debenture Holders. (i) Cross Default The Company (i) defaults in any payment of any Financial Indebtedness beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Financial Indebtedness was created; (ii) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity; or (iii) any Financial Indebtedness of the Company shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof. (j) Creditors' Process (i) All or a material part of the undertaking, Assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or any Government Authority. (ii) The Company does not inform the Debenture Trustee of one or more of the other creditors of the Company accelerating the payment obligations on the grounds of a material adverse change (howsoever described) or a material adverse effect (howsoever

	described) in the financial, operational or regulatory conditions governing the Company. (iii) The Company has voluntarily or involuntarily becomes the subject of proceedings under any bankruptcy or insolvency laws and such proceedings have been admitted by a competent court or the Company is voluntarily or involuntarily dissolved. (iv) The Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors. (v) Any expropriation, attachment, garnishee, sequestration, distress or execution affects any Receivables constituting Hypothecated Assets or part thereof. (k) Judgments Defaults One or more judgments or decrees entered against the Company involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 5% (five percent) of the Total Assets of the Company PROVIDED THAT such judgments or decrees are either final and non-appealable or have not been vacated, discharged or stayed pending appeal for any period of 30 (thirty) consecutive calendar days. (l) Transaction Documents (i) Any Transaction Document in whole or in part, are terminated or cease to be effective or cease to be a legally valid, binding and enforceable obligation of the Company. (ii) In the opinion of the Debenture Trustee, any of the Transaction Documents fails to provide the security interest, rights, title, remedies, power or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests do not have the priority contemplated under the Transaction Documents, or the security interest created thereunder become unlawful, invalid, or unenforceable. (m) Unlawfulness It is or becomes unlawful for the Company to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Company under any Transaction Document are not or cease to be valid, binding or enforceable. (n) Repudiation The Company repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents. (o) Information Covenants The failure to comply with any reasonably monitoring and/or servicing requests from Debenture Holders, including its monthly, quarterly, annual and event-based reporting requirements as required under the reporting covenants prescribed in Reporting Covenants.

	(p) Government Intervention (i) Any step is taken by Governmental Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Company which is material to the Company; (ii) Any Governmental Authority having assumed custody or control of the business or operations of the Company or having taken any action for the dissolution of the Company or any action that would prevent the Company or its officers from carrying on its business or operations thereof; or (iii) The Company's organizational or legal status, or any license or franchise is revoked or suspended by any Governmental Authority or authority after the Company has exhausted all remedies and appeals relating thereto. (q) Delisting If the Debentures are listed and any Debenture is subsequently delisted from any exchange on which it is listed without the prior written consent of the Debenture Trustee. (r) Cessation The Company ceases or threatens to cease to carry on the main business it is currently engaged in. (s) Alteration in Constitutional Documents The Company, without the previous consent in writing of the Debenture Trustee, makes or attempts to make any alteration in the provisions of its Constitutional Documents where (i) such change might in the opinion of the Debenture Trustee detrimentally affect the interests of the Debenture Holder(s) and (ii) the Company refuses or neglects to or is unable to rescind such alteration. (t) Non-compliance with judicial order The Company fails to comply with or fulfil any judicial order passed against it provided however that such order shall not include any order against which appeal is available or for which an appeal is pending. (u) Erosion of Net Worth The Debenture Holders' assessment from quarterly or annual financial reporting from the company, or at any time certified by an accountant of a firm or chartered accountant appointed by the Debenture Trustee (which the Debenture Trustee is entitled and hereby authorized to do so at any time), that the net worth (as defined in the Act) of the Company has eroded by 50% or more. (v) Merger The rearrangement or consolidation or amalgamation with or merger with or into, or receiving of all or substantially all the assets or obligations of, another entity, or any action for reorganisation of

	capital without the prior written consent of the Debenture Trustee. (w) Sale, disposal Sale, transfer, or other disposition of all or substantially all of the Company's Assets other than in the normal course of business of the Company. (x) Third party A default or Event of Default occurs on account of a breach of representation or breach of an information covenant under the terms of any other agreement involving borrowed money or the extension of credit or any other Financial Indebtedness under which the Company may be obligated as a borrower or guarantor and pursuant to which the Company is called upon to and makes a prepayment to a 3rd party without the prior written consent of the Debenture Holder. Such consent shall not be unreasonably delayed or withheld by the Debenture Holders. (y) Wilful default Any Promoters or directors or key management personnel of the Company is/are declared as wilful defaulter by any competent authority or accused of, charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter/s and/or director, including any accusations, charges and/or convictions of any offence relating to bribery. (z) Breach of Financial Covenants Any breach of financial covenants stipulated in Financial Covenants and such breach is not remedied (if capable of remedy) within the expiry of Cure Period for breach of Financial Covenants from the date of such breach. (aa) Breach of Negative Covenants Any breach of negative covenants mentioned in Negative Covenants. (bb) Breach of other terms of Debenture Trust Deed A breach by the Company of any of its obligations and covenants provided in terms of Debenture Trust Deed or other Transaction Documents (other than (a) to (bb) above) and such breach is not remedied (if capable of remedy) within the expiry of Cure Period for breach of Other Covenants from the date of such breach.
Reporting Covenants	(a) **QUARTERLY REPORTS** - within 45 (Forty-five) calendar days after the end of each calendar quarter: (i) Information on financials, operations, portfolio growth & asset quality (static portfolio cuts, collection efficiency and PAR), funding in formats agreeable to the Debenture Holders (ii) List of Board of Directors

	(iii) Shareholding Pattern (iv) Financial covenant compliance certificate issued by management (v) Information on: • 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 5% of GLP (b) **ANNUAL REPORTS** – within 120 days after the end of each fiscal year (i) Audited financials (ii) A certificate from the Director/CFO confirming that there is no or Event of Default; (c) **EVENT BASED REPORTS** – within 5 business days after event occurring (i) Change in Board of Directors (ii) Change in the shareholding structure (iii) Change in the Senior Management officials (Chief Executive Officer, Chief Financial Officer, Chief Operating Officer or Chief Risk Officer) (iv) Change in statutory auditors (v) Board approval of annual business plan (vi) Material change in the Constitutional Documents of the Company; (vii) 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 dispute, litigation, investigation or other proceeding which could result in a Material Adverse Effect. Any prepayment or notice of any prepayment of any Indebtedness of the Issuer
Financial Covenants	1. Maximum permissible ratio of sum of the PAR > 90 and write-offs (on the Issuer's entire portfolio including receivables sold or discounted on a non-recourse basis) to Gross Loan Portfolio shall be 5.00% (Five Point Zero Zero percent) till Sept 30, 2021,

SAMASTA MICROFINANCE LIMITED BENGALURU

write-offs would be calculated for trailing twelve months and only writes-offs taken after January 01, 2021 shall be considered".

2. Maximum permissible ratio of sum of the PAR > 30 and write-offs (on the Issuer's entire portfolio including receivables sold or discounted on a non-recourse basis) to Gross Loan Portfolio shall be 3.00% (Three Point Zero Zero percent) from Oct 01, 2021 onwards, write-offs would be calculated for trailing twelve months and only writes-offs taken after, March 31,2021 shall be considered".

3. Maximum permissible ratio of PAR > 90 net off Loan Loss Provisions (on the Issuer's entire portfolio including receivables sold or discounted on a non-recourse basis) to Tangible Networth shall be 20.00% (Ten Point Zero Zero percent) till September 30, 2021.

4. Maximum permissible ratio of PAR > 30 net off Loan Loss Provisions (on the Issuer's entire portfolio including receivables sold or discounted on a non-recourse basis) to Tangible Networth shall be 20.00% (Twenty Point Zero Zero percent) from October 01, 2021 onwards.

5. Minimum capital ratio of Tier I Capital and Tier II Capital to aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items shall not be less than 15.00% (Fifteen Point Zero Zero percent) or as per the regulatory minimum prescribed by the Reserve Bank of India under the NBFC Master Directions, whichever is higher. For the purpose of calculation of minimum capital ratio: (i) first loss credit enhancements provided by the Issuer on securitization shall be reduced from Tier I Capital and Tier II Capital without any ceiling. (ii) credit enhancements provided by the Issuer on loans originated on behalf of other institutions shall be reduced from Tier I Capital and Tier II Capital without any ceiling. The deduction shall be made at 50 per cent from Tier I Capital and 50 per cent from Tier II Capital. (iii) It is also clarified that in computing the amount of subordinated debt eligible for inclusion in Tier II Capital, the aforementioned subordinated debt shall be subject to discounting as prescribed by RBI.

Portfolio at Risk greater than 30 days or PAR > 30 shall mean, in a district or a branch or on the Issuer's Gross Loan Portfolio at any point of time, as the case may be, the outstanding principal value of the Issuer's portfolio that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue

	for 30 days or more and includes restructured loans. **Portfolio at Risk greater than 90 days or PAR > 90** shall mean, in a district or a branch or on the Issuer's Gross Loan Portfolio at any point of time, as the case may be, the outstanding principal value of the Issuer's portfolio that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 days or more and includes restructured loans. **Tangible Networth** means, with respect to any person, the amount paid up on such person's issued equity share capital, compulsorily convertible instruments and any amount standing to the credit of its reserves, less equity or equity-like investments, goodwill, deferred tax assets and other intangible assets. **Gross Loan Portfolio** means and includes the outstanding principal amounts 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. **NBFC Master Directions** means the master directions issued by the RBI on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 or Non-Banking Financial Company–Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as may be applicable for the Issuer (as amended or modified or restated from time to time). **Tier I Capital** means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year. **Tier II Capital** means and includes (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation

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	reserves at discounted rate of fifty five percent; (c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier I Capital.
Transaction documents	Debenture Trust Deed, 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. Disclosure Documents means collectively, (a) the debt disclosure document to be issued by the Issuer in terms of sub-regulation (1) of Regulation 21 (*Disclosures in respect of Private Placements of Debt Securities*) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (if applicable); and (b) private placement offer letter to be issued by the Issuer in terms of section 42 (*Offer or invitation for subscription of securities on private placement*) of the Companies Act, 2013. Resolutions means collectively, (a) special resolution of the shareholders of the Company under Section 180(1)(a) of the Companies Act, 2013; (b) special resolution of the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013; (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; (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.
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.

For and on behalf of

Samasta Microfinance Limited

Sd/-

Venkatesh.N

Managing Director

DIN: 01018821

Schedule I

Redemption Schedule

Redemption Instalments	Interest Payment Date	Principal	Interest	Total
0	18-Mar-21			-1,00,00,00,000
1	18-Apr-21	-	89,17,808	89,17,808
2	18-May-21	-	86,30,137	86,30,137
3	18-Jun-21	12,50,00,000	89,17,808	13,39,17,808
4	18-Jul-21	-	75,51,370	75,51,370
5	18-Aug-21	-	78,03,082	78,03,082
6	18-Sep-21	12,50,00,000	78,03,082	13,28,03,082
7	18-Oct-21	-	64,72,603	64,72,603
8	18-Nov-21	-	66,88,356	66,88,356
9	18-Dec-21	12,50,00,000	64,72,603	13,14,72,603
10	18-Jan-22	-	55,73,630	55,73,630
11	18-Feb-22	-	55,73,630	55,73,630
12	18-Mar-22	12,50,00,000	50,34,247	13,00,34,247
13	18-Apr-22	-	44,58,904	44,58,904
14	18-May-22	-	43,15,068	43,15,068
15	18-Jun-22	12,50,00,000	44,58,904	12,94,58,904
16	18-Jul-22	-	32,36,301	32,36,301
17	18-Aug-22	-	33,44,178	33,44,178
18	18-Sep-22	12,50,00,000	33,44,178	12,83,44,178
19	18-Oct-22	-	21,57,534	21,57,534
20	18-Nov-22	-	22,29,452	22,29,452
21	18-Dec-22	12,50,00,000	21,57,534	12,71,57,534
22	18-Jan-23	-	11,14,726	11,14,726
23	18-Feb-23	-	11,14,726	11,14,726
24	18-Mar-23	12,50,00,000	10,06,849	12,60,06,849



Payment Instructions:

The Application form should be submitted directly. The entire amount of Rs. 10,00,000/- (Rupees Ten Lakh Only) per Debenture is payable along with the making of an application. Applicants can remit the application amount through RTGS on pay-in date. The RTGS details of the issuer are as follows:

Beneficiary Name	Samasta Microfinance Limited
Account Number	409000839892
IFSC Code	RATN0000156
Bank Name	RBL Bank
Branch Address	Residency Road, Bangalore



ANNEXURE B – DEBENTURE TRUSTEE CONSENT LETTER

CATALYST
Believe in yourself... Trust us!

CL/MUM/20-21/DEB/1109

March 17, 2021

Samasta Microfinance Limited
110/3, Lalbagh Main Road,
Krishnappa Layout,
Bengaluru - 560027

Dear Sir,

Consent to act as Trustee for Rated, Secured, Unlisted, Non-Convertible Debentures aggregating to 100 Crores to be issued by your Company.

The Company and the Trustee shall enter into relevant trustee agreements and other necessary documents for the The Company and the Trustee shall enter into relevant trustee agreements and other necessary Debenture documents for the aforesaid issue of NCDs and term loans and also agrees & undertakes to comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, the RBI Circular No.RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013, the Companies (Share Capital and Debenture) Rules, 2014 and any other applicable statutes, regulations and provisions as amended from time to time.

The Company shall enter into Agreement with Trustee as required by Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993 thereby agreeing to create the security within three months from the date of closure of issue or in accordance with the Companies Act, 2013 or as per the provisions as prescribed by any regulatory authority as applicable and comply with the provisions of applicable laws.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Yours faithfully,
Catalyst Trusteeship Limited

Authorized Signatory

We accept the above terms
For Samasta Microfinance Limited

Authorized Signatory

ANNEXURE C – CREDIT RATING LETTER

Ratings

CRISIL
An S&P Global Company

CONFIDENTIAL

SAMML/260980/NCD/122003325/1
February 19, 2021

Mr. Venkatesh N
Managing Director
Samasta Microfinance Limited
110/3, Lalbagh Main Road,
Krishnappa Layout,
Near Urvashi Theatre
Bangalore - 560027

Dear Mr. Venkatesh N,

Re: CRISIL Rating on the Rs.1000 Crore Non-Convertible Debentures of Samasta Microfinance Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letters dated December 24, 2020 bearing Ref. no.: SAMML/260980/NCD/122003325
Please find in the table below the ratings outstanding for your company

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	1000	CRISIL A+/Negative

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL Ratings believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Ajit Velonie
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisil.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301.

Ratings

CRISIL
An S&P Global Company

Pursuant to SEBI notifications, CRISIL Limited (CRISIL) has transferred its Ratings business to its wholly owned subsidiary, CRISIL Ratings Limited (CRISIL Ratings), with effect from December 31st 2020. Any reference to CRISIL in the documents published by the Ratings division of CRISIL, such as Rating Rationales, Credit Rating Reports, Press Releases, Criteria, Methodology, FAQs, Policies and Disclosures, shall henceforth refer to CRISIL Ratings.

Rating Rationale

February 26, 2021 | Mumbai

Samasta Microfinance Limited

'CRISIL PPMLD A+ r /Negative' assigned to Long Term Principal Protected Market Linked Debentures

Rating Action

Total Bank Loan Facilities Rated	Rs.2000 Crore
Long Term Rating	CRISIL A+/Negative (Reaffirmed)

Rs.200 Crore Long Term Principal Protected Market Linked Debentures	CRISIL PPMLD A+ r /Negative (Assigned)
Rs.100 Crore Principal Protected Market Linked Non-Convertible Subordinated Debentures	CRISIL PPMLD A+ r /Negative (Reaffirmed)
Rs.1000 Crore Non Convertible Debentures	CRISIL A+/Negative (Reaffirmed)
Rs.150 Crore Non Convertible Debentures	CRISIL A+/Negative (Reaffirmed)
Rs.500 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)
Long Term Principal Protected Market Linked Debentures Aggregating Rs.300 Crore	CRISIL PPMLD A+ r /Negative (Reaffirmed)

1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its **'CRISIL PP-MLD A+r/Negative'** rating to the Rs 200 crore principal protected market-linked debentures of Samasta Microfinance Ltd (Samasta). CRISIL Ratings has also reaffirmed its 'CRISIL A+/CRISIL PP-MLD A+r/Negative/CRISIL A1+' ratings on the long-term bank facilities and debt programmes.

The **'Negative'** outlook reflects a similar outlook on the ratings of the parent, IIFL Finance Ltd (IIFL Finance; 'CRISIL AA/Negative/CRISIL A1+').

The ratings remain centrally driven by strong financial and management support from the parent, the company's improving diversity in funding and the extensive experience of the senior management. These strengths are partially offset by geographic concentration in revenue and susceptibility to regulatory and legislative risks associated with the microfinance sector.

The prefix 'PP-MLD' indicates that the principal amount of the debentures is protected, while the returns market-linked. The suffix 'r' shows that the returns on the debentures have significant risks other than credit risk. Also, payments to investors are not fixed and are linked to external variables such as commodity prices, equity indices, foreign exchange rates or equity valuation of the company.

The company's collection efficiency (including overdues but excluding prepayments) revived towards the end of the nine months ended fiscal 2021, and went over 100% in December 2020 driven by sizeable overdue payments while current collection stood at 93%. The company's ability to improve its current collection to pre-Covid levels of over 99% will be a key monitorable. With steady improvement in collections and revival in economic activity, disbursements improved. Samasta started disbursing from July, and with improvement in collection, disbursements also significantly increased and stood at Rs 1,835 crore as of December 2020. In addition to disbursing loans to fresh borrowers, the company also pre-closed the loans of existing borrowers and disbursed fresh loans to provide them with additional liquidity to revive their businesses, resulting in higher prepayments in the third quarter of fiscal 2021, especially in December 2020. Sustainability of collections for incremental disbursements will be a key monitorable.

Given the gap between current and pre-Covid collection levels, there is a risk of increase in credit loss and its potential impact on capitalisation metrics. As part of the one-time restructuring scheme related to Covid-19 announced by the Reserve Bank of India (RBI), Samasta has not undertaken restructuring. Early bucket delinquencies (0-60 days) may remain elevated in the near term. Overall asset quality moderated on account of the pandemic, and the 90+ days past due (dpd) on proforma basis stood at 2.5% as on December 31, 2020, compared with 1.5% as on March 31, 2020. The company made provisions of Rs 74 crore in the nine months ended fiscal 2021. However, Samasta's ability to manage asset quality and maintain healthy collection will be a key monitorable.

With respect to the spread of Covid-19, the penetration and severity of the pandemic in Tamil Nadu and Karnataka is believed to be more vulnerable than in Odisha and Bihar. CRISIL Ratings will continue to monitor the situation and its likely impact on credit losses as it evolves.

Susceptibility to regulatory and legislative risks associated with the microfinance sector
The microfinance sector witnessed two major disruptive events in the past decade. The first was the crisis promulgated by the ordinance passed by the government of Andhra Pradesh in 2010, and the second was demonetisation in 2016. In addition, the sector faced issues of varying intensity in several geographies. Promulgation of the ordinance on MFIs by the government of Andhra Pradesh in 2010 demonstrated their vulnerability to regulatory and legislative risks. The ordinance triggered a chain of events that adversely affected the business models of MFIs by impairing their growth, asset quality, profitability and solvency. Similarly, the sector witnessed high level of delinquencies post-demonetisation and subsequent socio-political events. For Samasta, the ultimate credit loss due to disruption after demonetisation was close to 14.3%, which was borne over two fiscals. This indicates the fragility of the business model vis-a-vis external risks. As the business involves lending to the poor and downtrodden sections of the society, MFIs will remain exposed to socially sensitive factors, including high interest rates, and consequently, to tighter regulations and legislation.

Liquidity: Adequate
Liquidity buffer (cash and liquid investments as on December 31, 2020), at a standalone level, to cover total debt repayment and operating expenses for the succeeding two months was marginally below 1 time. However, the company has received sanctions worth Rs 1842 crore as on December 31, 2020, and is in active discussions to raise incremental funds and increase liquidity. Nevertheless, IIFL Finance will provide timely fund support for servicing of debt if needed.

As on September 30, 2020, at a consolidated level, IIFL Finance had liquidity cushion of Rs 4,927 crore (Rs 2,219 crore of cash and equivalent, Rs 488 crore of unutilised cash credit lines and Rs 2,220 crore of unutilised bank lines including securitisation lines). Against this, debt obligation (principal and interest) stood at Rs 4,792 crore over the five months through February 2021.

Outlook Negative
The Negative outlook reflects a similar outlook on the parent, IIFL Finance. CRISIL Ratings believes Samasta will continue to receive financial and managerial support from IIFL Finance, thereby maintaining its adequate capitalisation and resource profile.

Rating Sensitivity factors
Upward factors
- Any change in the name or branding philosophy of Samasta, leading to closer association with IIFL Finance and higher moral obligation of the parent to support the company
- Significant increase in revenue and diversity in operations while maintaining return on managed assets (RoMA) above 2.5%
- Upgrade in the rating on IIFL Finance

Downward factors
- Downgrade in the rating on IIFL Finance, or significant decline in the extent of support or ownership by IIFL Finance in Samasta
- Significant weakness in asset quality, leading to stress in profitability and capitalisation, resulting in a steady state CAR of less than 18%
- Liquidity buffer remaining low as against scheduled debt and loan payments

About the Company
Samasta, an NBFC and MFI, is a majority-owned subsidiary of IIFL Finance. Samasta started operations in March 2008 by taking over Colanac Finance Ltd, an NBFC. It follows the standard Grameen Bank model and lends to groups of five. The centres have 25-30 members. IIFL Finance acquired significant stake in Samasta in fiscal 2017.

Key Financial Indicators

As on / for the period ended 31	Unit	Dec-20	Mar-20	Mar-19
Total managed assets#	Rs crore	3956	3400	2285
Total income	Rs crore	481	582	340
Gross NPA*	%	2.5	1.5	0.4
Adjusted gearing	Times	5.1	6.0	7.7
Profit after tax (PAT)	Rs crore	45	107	53
Return on managed assets	%	1.5	3.4	3.1

*90 dpd
Including the BC portfolio

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size	Complexity levels	Rating assigned with outlook



					(Rs crore)		
NA	Commercial paper	NA	NA	7 to 365 Days	500	Simple	CRISIL A1+
NA	Long-term principal protected market linked debentures^	NA	NA	NA	200	Highly complex	CRISIL PP-MLD A+r/Negative
INE413U07079	Long-term principal protected market linked debentures#	19-Jun-18	NA	19-Oct-21	286	Highly complex	CRISIL PP-MLD A+r/Negative
INE413U07087	Long-term principal protected market linked debentures	13-Jul-18	NA	14-Mar-22	14	Highly complex	CRISIL PP-MLD A+r/Negative
INE413U08036	Principal protected market linked non-convertible subordinated debentures	NA	NA	NA	21.85	Highly complex	CRISIL PP-MLD A+r/Negative
INE413U08028	Principal protected market linked non-convertible subordinated debentures	20-Jul-18	NA	18-Apr-24	11	Highly complex	CRISIL PP-MLD A+r/Negative
INE413U08036	Principal protected market linked non-convertible subordinated debentures	20-Jul-18	NA	19-Apr-24	67.15	Highly complex	CRISIL PP-MLD A+r/Negative
INE413U07103	Non-convertible debentures	05-Jun-20	NA	05-Jun-23	60	Simple	CRISIL A+/Negative
INE413U07111	Non-convertible debentures	26-Jun-20	NA	21-Apr-23	115	Simple	CRISIL A+/Negative
INE413U07129	Non-convertible debentures	10-Jul-20	NA	10-Jul-23	25	Simple	CRISIL A+/Negative
INE413U07137	Non-convertible debentures	11-Aug-20	NA	11-Aug-23	100	Simple	CRISIL A+/Negative
NA	Non-convertible debentures*	NA	NA	NA	65	Simple	CRISIL A+/Negative
NA	Non-convertible debentures*	NA	NA	NA	760	Simple	CRISIL A+/Negative
NA	Term loan	29-Nov-18	NA	28-Feb-21	7.14	NA	CRISIL A+/Negative
NA	Term loan	24-Oct-19	NA	24-Jan-22	15.63	NA	CRISIL A+/Negative
NA	Term loan	11-Mar-20	NA	11-Mar-22	9.38	NA	CRISIL A+/Negative
NA	Term loan	11-Mar-20	NA	11-Mar-22	9.38	NA	CRISIL A+/Negative
NA	Term loan	30-Mar-18	NA	30-Dec-20	1.57	NA	CRISIL A+/Negative
NA	Term loan	28-Mar-18	NA	31-Mar-22	3.47	NA	CRISIL A+/Negative
NA	Term loan	19-Mar-19	NA	18-Mar-21	28.57	NA	CRISIL A+/Negative
NA	Term loan	28-Feb-20	NA	28-Feb-22	85.71	NA	CRISIL A+/Negative
NA	Term loan	30-Dec-19	NA	30-Dec-21	13.54	NA	CRISIL A+/Negative
NA	Term loan	21-Mar-20	NA	21-Feb-23	25.31	NA	CRISIL A+/Negative
NA	Term loan	16-Apr-19	NA	03-Jul-21	9.10	NA	CRISIL A+/Negative
NA	Term loan	13-Feb-20	NA	03-May-22	16.70	NA	CRISIL A+/Negative
NA	Term loan	27-Dec-18	NA	27-Dec-21	14.04	NA	CRISIL A+/Negative

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NA	Term loan	09-Sep-18	NA	31-May-21	10.28	NA	CRISIL A+/Negative
NA	Term loan	28-Oct-20	NA	28-Oct-23	150.00	NA	CRISIL A+/Negative
NA	Term loan	21-Dec-20	NA	21-Dec-23	150.00	NA	CRISIL A+/Negative
NA	Term loan	26-May-17	NA	31-May-21	0.50	NA	CRISIL A+/Negative
NA	Term loan	30-Sep-19	NA	31-May-22	14.67	NA	CRISIL A+/Negative
NA	Term loan	16-Nov-18	NA	28-Feb-21	3.54	NA	CRISIL A+/Negative
NA	Term loan	29-Sep-20	NA	29-Sep-22	40.00	NA	CRISIL A+/Negative
NA	Term loan	19-Jul-19	NA	20-Jul-21	15.00	NA	CRISIL A+/Negative
NA	Term loan	19-Jun-18	NA	30-Jun-21	5.00	NA	CRISIL A+/Negative
NA	Term loan	29-Mar-19	NA	28-Mar-21	7.29	NA	CRISIL A+/Negative
NA	Term loan	29-Mar-19	NA	29-Mar-21	4.38	NA	CRISIL A+/Negative
NA	Term loan	28-Jun-19	NA	28-Jun-21	3.96	NA	CRISIL A+/Negative
NA	Term loan	21-May-19	NA	21-May-21	6.19	NA	CRISIL A+/Negative
NA	Proposed long-term bank loan facility	NA	NA	NA	266.3	NA	CRISIL A+/Negative

*Yet to be issued
#Issued in tranches

Annexure - Rating History for last 3 Years

	Current			2021 (History)		2020		2019		2018		Start of 2018
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	2000.0	CRISIL A+/Negative		–	24-12-20	CRISIL A+/Negative	16-12-19	CRISIL A+/Stable	21-12-18	CRISIL A+/Stable	CRISIL A/Stable
			–		–	10-08-20	CRISIL A+/Negative	20-11-19	CRISIL A+/Stable	16-08-18	CRISIL A+/Stable	–
			–		–	26-06-20	CRISIL A+/Negative	16-05-19	CRISIL A+/Stable	13-08-18	CRISIL A+/Stable	–
			–		–	04-05-20	CRISIL A+/Stable	24-04-19	CRISIL A+/Stable	18-07-18	CRISIL A/Watch Developing	–
			–		–	24-04-20	CRISIL A+/Stable	17-04-19	CRISIL A+/Stable	13-07-18	CRISIL A/Watch Developing	–
			–		–		–		–	01-06-18	CRISIL A/Watch Developing	–
			–		–		–		–	10-05-18	CRISIL A/Watch Developing	–
			–		–		–		–	09-02-18	CRISIL A/Watch Developing	–
Commercial Paper	ST	500.0	CRISIL A1+		–	24-12-20	CRISIL A1+	16-12-19	CRISIL A1+		–	–
			–		–	10-08-20	CRISIL A1+	20-11-19	CRISIL A1+		–	–
			–		–	26-06-20	CRISIL A1+	16-05-19	CRISIL A1+		–	–
			–		–	04-05-20	CRISIL A1+	24-04-19	CRISIL A1+		–	–
			–		–	24-04-20	CRISIL A1+	17-04-19	CRISIL A1+		–	–
Non Convertible Debentures	LT	1150.0	CRISIL A+/Negative		–	24-12-20	CRISIL A+/Negative	16-12-19	CRISIL A+/Stable	21-12-18	CRISIL A+/Stable	–
			–		–	10-08-20	CRISIL A+/Negative	20-11-19	CRISIL A+/Stable	16-08-18	CRISIL A+/Stable	–
			–		–	26-06-20	CRISIL A+/Negative	16-05-19	CRISIL A+/Stable		–	–

			–		–	04-05-20	CRISIL A+/Stable	24-04-19	CRISIL A+/Stable		–	–
			–		–	24-04-20	CRISIL A+/Stable	17-04-19	CRISIL A+/Stable		–	–
Long Term Principal Protected Market Linked Debentures	LT	500.0	CRISIL PPMLD A+ r /Negative		–	24-12-20	CRISIL PPMLD A+ r /Negative	16-12-19	CRISIL PPMLD A+ r /Stable	21-12-18	CRISIL PPMLD A+ r /Stable	–
			–		–	10-08-20	CRISIL PPMLD A+ r /Negative	20-11-19	CRISIL PPMLD A+ r /Stable	16-08-18	CRISIL PPMLD A+ r /Stable	–
			–		–	26-06-20	CRISIL PPMLD A+ r /Negative	16-05-19	CRISIL PPMLD A+ r /Stable	13-06-18	CRISIL PPMLD A+ r /Stable	–
			–		–	04-05-20	CRISIL PPMLD A+ r /Stable	24-04-19	CRISIL PPMLD A+ r /Stable	18-07-18	CRISIL PPMLD Ar /Watch Developing	–
			–		–	24-04-20	CRISIL PPMLD A+ r /Stable	17-04-19	CRISIL PPMLD A+ r /Stable	13-07-18	CRISIL PPMLD Ar /Watch Developing	–
			–		–		–		–	01-06-18	CRISIL PPMLD Ar /Watch Developing	–
Principal Protected Market Linked Non-Convertible Subordinated Debentures	LT	100.0	CRISIL PPMLD A+ r /Negative		–	24-12-20	CRISIL PPMLD A+ r /Negative	16-12-19	CRISIL PPMLD A+ r /Stable	21-12-18	CRISIL PPMLD A+ r /Stable	–
			–		–	10-08-20	CRISIL PPMLD A+ r /Negative	20-11-19	CRISIL PPMLD A+ r /Stable	16-08-18	CRISIL PPMLD A+ r /Stable	–
			–		–	26-06-20	CRISIL PPMLD A+ r /Negative	16-05-19	CRISIL PPMLD A+ r /Stable	13-06-18	CRISIL PPMLD A+ r /Stable	–
			–		–	04-05-20	CRISIL PPMLD A+ r /Stable	24-04-19	CRISIL PPMLD A+ r /Stable	18-07-18	CRISIL PPMLD Ar /Watch Developing	–
			–		–	24-04-20	CRISIL PPMLD A+ r /Stable	17-04-19	CRISIL PPMLD A+ r /Stable		–	–

All amounts are in Rs.Cr.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Proposed Long Term Bank Loan Facility	266.36	CRISIL A+/Negative	Proposed Long Term Bank Loan Facility	266.36	CRISIL A+/Negative
Term Loan	1733.64	CRISIL A+/Negative	Term Loan	1733.64	CRISIL A+/Negative
Total	2000	-	Total	2000	-

Links to related criteria
Rating Criteria for Finance Companies

Media Relations	Analytical Contacts	Customer Service Helpdesk
Saman Khan Media Relations CRISIL Limited D: +91 22 3342 3895 B: +91 22 3342 3000 saman.khan@crisil.com	Krishnan Sitaraman Senior Director CRISIL Ratings Limited B:+91 22 3342 8070 krishnan.sitaraman@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301 For a copy of Rationales / Rating Reports: CRISIL.ratingdesk@crisil.com

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Amith Varghese Kurian
Rating Analyst
CRISIL Ratings Limited
B:+91 22 3342 3000
Amith.Kurian@crisil.com

For Analytical queries:
ratingsinvestordesk@crisil.com

ANNEXURE D – BOARD RESOLUTION

samasta
microfinance

CERTIFIED TRUE COPY OF THE EXTRACTS OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY FOR THE FINANCIAL YEAR 2020-21 HELD ON MONDAY, MAY 20, 2020 AT 11.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 110/3, LALBAGH MAIN ROAD, KRISHNAPPA LAYOUT, BENGALURU- 560027, KARNATAKA

"**RESOLVED THAT** pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 as may be amended from time to time, and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and SEBI (Listing Obligations and Disclosures Requirement), 2015 as may be amended from time to time and other applicable regulations, subject to the approval of members at an ensuing general meeting, consent of the Board (hereinafter referred to as 'the Board' which term shall be deemed to include Issue and Allotment Committee or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) be and is hereby accorded to issue, offer and allot Secured/ Unsecured/ Listed/ Unlisted/ Rated/ Unrated/ Non – Convertible/ Market Linked/ Subordinated Debt/ Perpetual Debentures/ Fixed Maturity Debentures or any other securities of the Company upto an amount of Rs.2500 Crores (Rupees Two Thousand Five Hundred Crore) on private placement basis in one or more tranches, on such terms and conditions as may be determined by the Board, from time to time, and subject to compliance with the applicable law, rules, directions issued by the government or any other regulatory authority, in this regard.

RESOLVED FURTHER THAT, for the purpose of creating, offering, issuing and allotting the Debentures, subject to the approval of members at an ensuing general meeting, the Board (including Issue and Allotment Committee thereof) be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and with power on behalf of the Company to determine the terms and conditions of the issue of the securities, settle all the questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT authority and approval of the Board of Directors be and is hereby accorded to the Issue & Allotment Committee of the Board of Directors to deal with the matters relating to issue and allotment of various types of Debt Securities and finalization of all the terms and conditions of such Debt Securities to be issued and allotted from time to time within the aggregate limit above, deciding the terms of the issue, deciding the Issue Date, Redemption, Minimum Application Money, Interest on Application Money, Put and Call Options, Security and Allotment date and on listing the Debentures on the Stock Exchanges on private placement basis and other related matters.

RESOLVED FURTHER THAT the Issue and Allotment Committee of the Board of Directors be and is hereby authorized and empowered to consider, transact and decide matters, from time to time, pertaining to the private placement of Debt Securities, including finalization and issuance of any offer document, opening of a separate bank account and allot the Debt Securities in one or more tranches, including, where so considered appropriate, amount payable on application and further amounts as may be called from time to time and the allotment thereof, to sign, verify, execute and file all necessary forms and documents, if any, with any governmental authority including but not limited to the Registrar of Companies, Securities and Exchange Board of India and/or such other authorities as may be required from time to time, Appointing Debenture Trustee and to do all such acts, deeds, matters and things necessary or expedient to give effect to the issue of Debt Securities and ensuring compliance and/or any actions as may be required under applicable law.

RESOLVED FURTHER THAT authority and approval of the Board of Directors be and is hereby accorded to the Issue and Allotment Committee of the Board of Directors to deal with the matters (including but not limited to finalization of the notice for obtaining of the approval from the shareholders of the Company through convening Extra Ordinary General Meeting of the shareholders and take decision in this regard.

RESOLVED FURTHER THAT, Mr. Venkatesh N., Managing Director / Mr. Shivaprakash D., Whole Time Director /Company Secretary /Chief Financial Officer be and are hereby severally authorized to do all such acts, deeds or things which may be necessary in order to give effect to the above resolution."

// Certified True Copy //

For Samasta Microfinance Limited

Pramod Kulkarni
Company Secretary
Membership No. A49450

Date: February 27, 2021
Place: Bangalore

ANNEXURE E – SHAREHOLDERS RESOLUTION

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CERTIFIED TRUE COPY OF THE EXTRACTS OF THE SPECIAL RESOLUTION PASSED AT THE 1ST EXTRA ORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY FOR THE FINANCIAL YEAR 2020-2021 HELD ON WEDNESDAY 20th DAY OF MAY, 2020 AT 10:30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 110/3, LALBAGH MAIN ROAD, KRISHNAPPA LAYOUT, BANGALORE- 560027

Approval of the limit of issuance of securities on Private Placement basis for the financial year 2020-2021

"**RESOLVED THAT** pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 as may be amended from time to time, and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and SEBI (Listing Obligations and Disclosures Requirement), 2015 as may be amended from time to time and other applicable regulations, consent of the members of the Company be and is hereby accorded to issue, offer and allot Secured/ Unsecured/ Listed/ Unlisted/ Rated/ Unrated/ Non –Convertible/ Market Linked/ Subordinated Debt/ Perpetual Debentures/ Fixed Maturity Debentures or any other securities of the Company upto an amount of Rs.2500 Crores (Rupees Two Thousand Five Hundred Crore) on private placement basis in one or more tranches, on such terms and conditions as may be determined by the Board, from time to time, and subject to compliance with the applicable law, rules, directions issued by the government or any other regulatory authority, in this regard.

RESOLVED FURTHER THAT consent of the members of the Company be and is hereby accorded to the Board of Directors or any authorized committee thereof for the purpose of creating, offering, issuing and allotting the Debentures and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and with power on behalf of the Company to determine the terms and conditions of the issue of the securities, settle all the questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT Mr. Venkatesh N., Managing Director / Mr. Shivaprakash D., Whole Time Director / Company Secretary / Chief Financial Officer be and are hereby severally authorized to do all such acts, deeds or things which may be necessary in order to give effect to the above resolution."

Samasta Microfinance Limited
Regd. & Head Office: No.110/3, Lalbagh Road, Krishnappa Layout, Bangalore - 560 027, Karnataka, Tel: +91 80 4291 3500
Corporate office: No. 37 A, Samathi Street, Theradi, Thiruvottriyur, Chennai - 600 [illegible], India
CIN:U65191KA1995PLC057884
www.samasta.co.in

For Samasta Microfinance Limited

Pramod Kulkarni
Company Secretary
M.No. A49450

The Above mentioned resolution is valid and subsisting as on February 27, 2021

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

SPECIAL BUSINESS

AGENDA ITEM 1:

Approval of the limit of issuance of securities on Private Placement basis for the financial year 2020-2021

The Company in its Board Meeting held on May 11, 2020 has passed for the issuance of 2500 crores Non- Convertible Debentures (NCD). Your company needs to pass Special Resolution for issuance of debt securities pursuant to Rule 14 (2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014. Board has approved the Issuance of securities such as Secured /Unsecured /Listed /Unlisted /Rated /Unrated /Non – Convertible /Market Linked/Subordinated Debt /Perpetual Debentures /Fixed Maturity Debentures upto 2500 crore for the F.Y. 2020-21 at its meeting held on 11th May, 2020. The price of the securities shall be decided by the Board or other authorized Committee in accordance with applicable laws.

Pursuant to Section 42 of the Companies Act, 2013 read with rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, and such other applicable provisions and rules, if any, of the Companies Act, 2013 (including any amendment(s), statutory modification(s) or re-enactment thereof) prior approval of members of the Company by way of special resolution is required for any private placement of securities. The said approval may be taken only once in a year for all the offers on private placement basis for the non-convertible debt securities proposed to be issued during the year. The Board of Directors has recommended the passing of the special resolution as set out in item no. 1 of the Notice for Issuance of debt securities. None of the Directors or Key Managerial Personnel of your Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

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CERTIFIED TRUE COPY OF EXTRACTS OF THE MINUTES OF THE FIRST(1ST) EXTRA ORDINARY GENERAL MEETING OF THE COMPANY FOR THE FINANCIAL YEAR 2018-2019, HELD ON SATURDAY, APRIL 28, 2018 AT 10:00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY:

SPECIAL BUSINESS:

AGENDA:

1. **INCREASE IN BORROWING LIMITS OF THE COMPANY:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION:**

"RESOLVED THAT, pursuant to the provisions of section 180(1)(c) of the Companies Act 2013 and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification(s) or amendments(s) thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the Company hereby accords its consent to the Board of Directors (herein after referred to as "the Board" which term shall be deemed to include the Resourcing & Business Committee or any other Committee which the Board may constitute/ authorize for this purpose) of the Company to increase the borrowing limit of such sum or sums of monies and for availing all kinds and types of loans, advances and credit facilities including issuance of debentures and other debts instruments, (apart from temporary loans from the company's bankers), from time to time, from the existing limit of Rs.1,000 crore (Rupees One Thousand Crore Only) to Rs.5,000 crore (Rupees Five Thousand Crore Only) outstanding at any point of time on account of principal, for and on behalf of the Company, from its bankers, other banks, NBFCs, financial institutions, companies, firms, bodies corporate, or from any other person, in Indian rupees or any foreign currencies, as may be permitted under applicable laws, whether unsecured or secured.

RESOLVED FURTHER THAT, pursuant to the provisions of Section 180(1) (a) of the Companies Act 2013 and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors of the Company (which term shall be deemed to include the Resourcing & Business Committee and any such committee which the Board may constitute/ authorize for this purpose) for mortgaging/ charging/hypothecating all or any of the immovable

Samasta Microfinance Limited
Regd. & Head Office: No. 1, 1st Floor, Lalbagh Road, Krishnappa Layout, Bangalore - 560 027, Karnataka. Tel.: +91 80 4291 3500
Corporate Office: No. 37 A, Sannathi Street, Theradi, Thiruvottiyur, Chennai - 600 019 (India)
CIN:U65191KA1995PLC057884
www.samasta.co.in

and movable properties and assets of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) and debenture holders or holders of other instruments to secure the loans/ borrowings/credit facilities obtained or as maybe obtained or debentures/ bonds and other instruments issued or to be issued by the company to or in favour of the financial institutions, non-banking finance companies, co-operative banks, investments institution and their subsidiaries, banks, mutual funds, trusts and other bodies corporate or trustees for the holders of debentures/ bonds and/ or other instruments, which may exceed the paid-up capital and free reserves provided that the total amount of monies borrowed/ credit facilities availed shall not at any time exceed a sum of Rs.5,000 crore (Rupees Five Thousand Crore Only) outstanding at any point of time on account of principal.

For and on behalf of
Samasta Microfinance Limited

Pramod Kulkarni
Company Secretary
A49450

Date: February 27, 2021
Place: Bangalore

The Above mentioned resolution is valid and subsisting as on February 27, 2021

Private & Confidential – For Private Circulation Only

ANNEXURE F – FORM PAS 4

Form No. PAS – 4

PART – A

PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

[Pursuant to Section 42 and Rule 14(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014]

THIS DOCUMENT AS AN OFFER LETTER IN RESPECT OF 1000 NON-CONVERTIBLE DEBENTURES AGGREGATING TO RS. 100,00,00,000/- (RUPEES HUNDRED CRORES ONLY) TO BE ISSUED BY SAMASTA MICROFINANCE LIMITED ("COMPANY")

1.1 **GENERAL INFORMATION:**

A. Name, address, website, if any and other contact details of the Company, indicating both registered office and the Corporate office:

Issuer / Company: Samasta Microfinance Limited

Registered Office: 110/3, Lalbagh Main Road, Krishnappa Layout, Bangalore- 560027

Corporate Office: 37A, Sannathi Street, Theradi, Thiruvottiyur, Chennai- 600019

Telephone No.: 080-42913500

Website: www.samasta.co.in

Fax: +91 80 22244538

Contact Person: Venkatesh.N

Email: venkateshn@samasta.co.in

B. Date of Incorporation of the Company:

09/08/1995

C. Business carried on by the Company and its subsidiaries with the details of branches or units, if any;

Please refer to Section III of the Information Memorandum titled *'Issuer Information'*.

D. Brief particulars of the management of the Company:

Please refer to Section III of the Information Memorandum titled *'Issuer Information'*

E. Name, addresses, Director Identification Number (DIN) and occupations of the directors:

Please refer to Section III of the Information Memorandum titled *'Issuer Information'*

F. Management's perception of Risk Factors:

Please refer to Section II of the Information Memorandum titled *'Risk Factors'*

G. Details of defaults, if any, including the amounts involved, duration of default, and present status, in repayment of:

(i) Statutory Dues: Nil

(ii) Debentures and interest thereon: Nil
(iii) Deposits and interest thereon: Nil
(iv) Loans from banks or financial institutions and interest thereon: Nil

H. Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the Issue:

Compliance/ Investor Relations Officer:	Pramod Kulkarni
Designation/Department:	Company Secretary
Address:	110/3, Lalbagh Main Road, Krishnappa Layout, Bangalore- 560027
Tel. Nos.:	080-42913540
Fax Nos.:	+ 91 80 22244538
Email address(s):	pramod@samasta.co.in

I. Any Default in Annual filing of the company under the Companies Act, 2013 or the rules made thereunder: Nil

1.2 PARTICULARS OF THE OFFER:

Financial position of the Company for the last 3 financial years	Please refer to Section IV of the Information Memorandum titled *'Financial Information of the Issuer'*.
Date of passing of Board Resolution	Board resolution dated May 11, 2020.
Date of passing of resolution in general meeting, authorizing the offer of securities	Shareholders resolution passed under Section 42 dated May 20, 2020.
Kinds of securities offered (i.e. whether share or debentures) and class of security, the total number of shares or other securities to be issued	Rated, Unlisted, Unsubordinated, Secured, Redeemable, Taxable, Non-Convertible Debentures ("NCDs" or "Debentures")
Price at which the security is being offered, including	At par i.e. Rs. 10,00,000/- per Debenture(At Par)

<table>
<tr><td>premium if any, along with justification of the price</td><td></td></tr>
<tr><td>Name and address of the valuer who performed valuation of the security offered and the basis on which the price has been arrived at along with report of the registered valuer</td><td>Not Applicable</td></tr>
<tr><td>Relevant date with reference to which the price has been arrived at</td><td>Not Applicable</td></tr>
<tr><td>The class or classes of persons to whom the allotment is proposed to be
Made</td><td>The Persons to whom this private placement offer cum application letter is being issued, being NBFC, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("Eligible Investors").

All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.</td></tr>
<tr><td>Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer)</td><td>N.A.</td></tr>
<tr><td>The proposed time within which the allotment shall be completed</td><td>Allotment to be completed within 2 days from the date of issuance of Debentures</td></tr>
<tr><td>The names of the proposed allottees and the percentage of post private placement capital that may be held by them</td><td>N.A</td></tr>
<tr><td>The change in control, if any, in the company that would occur consequent to the private placement</td><td>N.A.</td></tr>
<tr><td>The number of persons to whom allotment on preferential basis/private placement/ rights issue has already been made during the year, in terms</td><td>
<table>
<tr><th>Date</th><th>No. of Shares</th><th>Issue Price</th></tr>
<tr><td>30.09.2019</td><td>2,97,08,853</td><td>16.83 (including Premium of Rs. 6.83)</td></tr>
<tr><td>04.03.2020</td><td>2,82,48,587</td><td>17.7 (including Premium of Rs. 7.7)</td></tr>
<tr><td>24.03.2020</td><td>2,82,48,587</td><td>17.7 (including Premium of Rs. 7.7)</td></tr>
<tr><td>21.12.2020</td><td>5,65,68,196</td><td>15.91(including Premium of Rs. 5.91)</td></tr>
</table>
</td></tr>
</table>

of number of securities as well as price	
The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	N.A.
Amount, which the Company intends to raise by way of proposed offer of securities	Rs. 100,00,00,000/- (Rupees Hundred Crores Only)
Terms of raising of securities	Refer Term Sheet
Proposed time schedule for which the Issue is valid	Issue Opening Date: 18th March, 2021 Issue Closure Date: 18th March, 2021
Purpose and objects of the Issue	The proceeds of the Issue will be used for onward lending, refinancing of existing debt and other general corporate purposes of the Issuer.
Contribution being made by the Promoters or directors either as part of the offer or separately in furtherance of the object	Nil
Principal terms of assets charged as security, if applicable	Security by way of first ranking exclusive charge in the nature of hypothecation over the identified recievables of the Company.
The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations	Nil
The pre-issue and post-issue shareholding pattern of the company	There will be no change in shareholding pattern of the Company pursuant to the issue, as non-convertible debentures are being issued in terms of this private placement offer cum application letter. The details of the shareholding pattern of the Company can be found in Section III of the Information Memorandum titled 'Issuer Information'.

1.3 **MODE OF PAYMENT FOR SUBSCRIPTION:**

- Cheque
- Demand Draft
- Other Banking Channels

1.4 DISCLOSURE WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION, ETC:

<table>
<tr><td>Any financial or other material interest of the directors, promoters or key managerial personnel in the Issue and the effect of such interest in so far as it is different from the interests of other persons</td><td>NIL</td></tr>
<tr><td>Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoters of the Company during the last 3 (three) years immediately preceding the year of the issue and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed</td><td>NIL</td></tr>
<tr><td>Remuneration of directors (during the current year and last 3 (three) financial years)</td><td><table>
<tr><th>Name of Director</th><th>FY 18</th><th>FY 19</th><th>FY 20</th></tr>
<tr><td>Mr. Badrinarayanan S.</td><td>58,332</td><td>85,554</td><td>122,221</td></tr>
<tr><td>Mr. Vikramana A.</td><td>58,332</td><td>99,998</td><td>155,554</td></tr>
<tr><td>Mr. Ramanathan A.</td><td>47,222</td><td>88,888</td><td>88,888</td></tr>
<tr><td>Ms. Malini B Eden</td><td>-</td><td>77,778</td><td>111,110</td></tr>
</table></td></tr>
<tr><td>Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this Disclosure Document including with regard to loans made or, guarantees given or securities provided</td><td>Please refer to Annexure 1 annexed hereto.</td></tr>
<tr><td>Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of this Disclosure Document and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark</td><td>NIL</td></tr>
<tr><td>Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of issue in the case of the Company and all of its subsidiaries. Also if there were any were any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of issue and if so, section-wise details</td><td>NIL</td></tr>
</table>

thereof for the Company and all of its subsidiaries	
Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company	Please refer to 'Annexure 2' annexed hereto

1.5 **FINANCIAL POSITION OF THE COMPANY:**

The capital structure of the Company in the following manner in a tabular form:

The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)	Please refer to Section III of the Information Memorandum titled '*Issuer Information*'.
Size of the Present Issue	Rs. 100,00,00,000/-
Paid-up Capital: a. After the offer: b. After the conversion of Convertible Instruments (if applicable):	Not applicable in case of this Issue
Share Premium Account: a. Before the offer: b. After the offer:	Not applicable in case of this Issue
Details of the existing share capital of the Issuer: Please refer to Section III of the Information Memorandum titled '*Issuer Information*'.	
Details of allotments made by the Company in past 1 (one) year along with details of allotment made for consideration other than cash	Nil
Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of circulation of this Disclosure Document	

Particulars	FY 20	FY 19	FY 18
Profit Before Tax (In	1,403.30	724.31	93.88

	million) / Profit After Tax (In million): 1,073.04 / 532.09 / 60.94
Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio (Includes hedging expenses and forex loss) for last three years (cash profit after tax plus interest paid/interest paid)	Particulars: Dividend (Rs million): FY 20: 118.0, FY 19: NIL, FY 18: NIL; Interest Coverage Ratio: FY 20: 1.79, FY 19: 1.61, FY 18: 1.14
A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of issue of this Disclosure Document	*Please refer to Section IV of the Information Memorandum titled 'Financial Information of the Issuer'*
Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Disclosure Document	*Please refer to Section IV of the Information Memorandum titled 'Financial Information of the Issuer'*
Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company	**Yes,** there was a change in the accounting policy from IGAAP to IND- AS, below are the impact on the reserves and profits.

Equity Reconciliation

Particulars	Year ended March 31' 2018
Equity as per Indian GAAP	**1,16,97,96,865**
Add/(less):	
- Effective interest rate on financial assets	(5,65,84,019)
- Effective interest rate on financial liabilities	1,23,78,667
- Expected credit loss	(1,52,60,633)
- Interest strip amortisation	20,88,919
- Interest recognition on NPAs	(16,30,784)
- Deferred tax impact on above adjustments	1,70,17,864
Equity as per Ind AS	**1,12,78,06,878**

Net Profit Reconciliation

Particulars	Year ended March 31' 2018
Profit after tax as per Indian GAAP	**2,37,62,849**
Add/(less):	
- Fair valuation of Investments	
- Effective interest rate on financial assets	(4,53,93,226)
- Effective interest rate on financial liabilities	1,39,57,011

	- Expected credit loss	7,82,57,159
	- Interest strip amortisation	20,88,920
	- Interest recognition on NPAs	30,73,795
	- Reclassification of actuarial gains/losses on post-employment benefits to OCI	2,67,817
	- Deferred tax impact on above adjustments	(1,50,70,076)
	Profit after tax as per Ind AS (Before OCI)	**6,09,44,250**
	Other Comprehensive Income	
	- Reclassification of actuarial gains/losses on post-employment benefits from P&L	(2,67,818)
	- Deferred tax impact on above adjustments	77,989
	Total Comprehensive Income	**6,07,54,420**



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SAMASTA MICROFINANCCE LIMITED

A public limited company incorporated under the Companies Act, 1956

Date of Incorporation: 9TH August, 1995; **CIN**: U65191KA1995PLC057884

Registered Office:: 110/3, Lalbagh Main Road, Krishnappa Layout, Bangalore- 560027, Karnataka

Telephone No.: 080-42913540

Website: https://samasta.co.in/

(PLEASE READ THE INSTRUCTIONS GIVEN IN THE MEMORANDUM CAREFULLY BEFORE FILLING THIS FORM)

Application Serial

Date -_____

Having read and understood the contents of the Disclosure Document of Private Placement, We apply for allotment of Bond. The amount payable on application as shown below is remitted herewith. We bind ourselves by the provisions as contained in the Memorandum.

The application shall be for a minimum of one bond of Rs.10,00,000/- each and in multiple 1 bonds thereafter

We are applying for Bonds under		**FOR OFFICE USE ONLY**	Interest Rate ___ ___ . ___ ___ Percent per annum
No of Bonds (in figures)		Date of receipt of application	Date of realization of cheque / draft
Face value (in words)	Rs. 10,00,000/- (Rupees Ten lakh only)		Staff Initial
Total Amount (in figures)			
Total Amount (in words)			

Banking only through RTGS (*Banking details of SAMASTA overleaf)		
UTR No.		

APPLICANT'S NAME IN FULL

ADDRESS IN FULL (Do not repeat name, Post Box No. is not sufficient)

Pincode

Telephone

SAMASTA MICROFINANCE LIMITED BENGALURU

DEPOSITORY NAME - NSDL / CDSL	DP NAME
DP-ID	CLIENT ID.

Tax Payer's / Applicant's PAN or GIR No. [Refer Instruction 7]	PAN/GIR No	IT Circle/Ward	IT CIRCLE / WARD

TO BE FILLED IN BY INSTITUTIONAL INVESTORS ONLY

NAME OF AUTHORISED SIGNATORY	DESIGNATION	SIGNATURE
1.	1.	1.
2.	2.	2.
3.	3.	3.

RTGS details:

Bank Account No. _____ **Name of the Bank and Branch** _____

IFS Code _____

_____

(Kindly remit the funds as per EBP guidelines on the Pay-in date) (If applicable)

Acknowledgement Slip

Samasta Microfinance Limited
110/3, Lalbagh Main Road, Krishnappa Layout,
Bangalore- 560027, Karnataka

Application Form

Serial No.

Received from:

An Application for _____ Bonds alongwith

_____

UTR No. _____ Dated _____

_____For Rs. _____

Rate of Interest 10.00% (SA) p.a, (_____% p.a.)

SAMASTA MICROFINANCE LIMITED BENGALURU

SAMASTA'S SEAL

INSTRUCTIONS

1. **Banking Details – Through ICCL(if applicable)**
2. Application form must be completed in full in Block letters in English. A blank space must be left between two or more parts of the name
3. Signatures should be made in English or in any of the Indian languages
4. Application forms duly completed in all respects may be lodged with SAMASTA Bengaluru.
5. Receipt of applications will be acknowledged by SAMASTA in the Acknowledgement Slip appearing below the Application Form. No separate receipt will be issued.
6. All applicants should mention their Permanent Account Number or the GIR number allotted under Income-Tax Act, 1961 and the Income-Tax Circle/Ward/District. In case neither PAN/GIR number has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided. Income Tax as applicable will be deducted at source at the time of payment of interest. Those desirous of receiving the interest without deduction of tax are required to submit a certificate in the form 15 AA issued by the assessing officer
7. SAMASTA is entitled, at its sole discretion to accept or reject any application, in part or in full, without assigning any reason thereof. An application which is not complete in all respects is liable to be rejected
8. The applications must be accompanied by certified true copies of (i) Power of Attorney/Board Resolution or authorization empowering the investment and (ii) duly attested specimen signatures of the authorized persons.
9. Application once submitted and acknowledged by SAMASTA cannot be withdrawn.
10. Funds to be realized into our bank account as given in the Banking instructions, before 10.30AM on the Pay-in-date.

SAMASTA MICROFINANCE LIMITED * BENGALURU

DECLARATION

The Company and each of the directors of the Company hereby confirm and declare that:

a. the Company has complied with the provisions of the Act and the rules made thereunder, including the compliances in relation to making a private placement of the Debentures;

b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of Debentures, if applicable, is guaranteed by the Central Government;

c. the monies received under the Issue shall be used only for the purposes and objects indicated in this offer letter;

I am authorized by the Board of Directors of the Company *vide* resolution number _____ dated March 17, 2020 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this Disclosure Document and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of Disclosure Document has been suppressed or concealed and is as per the original records maintained by the Promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed for and on behalf of

_____

_____Sd/-_____

Name: **Venkatesh N**

Authorised Signatory

Date: _____

Place: _____

Attachments:

Copy of Board resolution

Copy of shareholders' resolution

Optional attachments, if any

SAMASTA MICROFINANCE LIMITED * BENGALURU

REFER TO DECLARATION (Table of Contents)

Annexure 1

Related party transactions entered during the last 3 (three) financial years

Nature of Relationship	Name of the Related Party
Holding Company	IIFL Finance Limited
Fellow Subsidiary Company	India Infoline Home Finance Limited
Others	IIFL Management Services Limited
	IIFL Investment Adviser And Trustee Services Limited
	IIFL Wealth Management Limited
	IIFL Alternate Asset Advisors Limited
	IIFL Wealth Finance Limited
Key Management Personnel	Mr. N. Venkatesh Managing Director
	Mr. D. Shivaprakash Whole-time Director
	Mr .Sumit Bali Non Executive Directior upto 24/06/2020
	Mr .Venkatraman Non Executive Directior upto 16/09/19
	Mr Gauav Malholtra Non Executive Directior upto 06/12/19
	Mr. A. Vikraman Independent Director
	Mr. A. Ramanathan Independent Director
	Ms. Malini B Eden, Women Director
	Mr. Badrinarayan Seshadri Independent Director
	Mr. Anantha Kumar T Chief Financial Officer wef 21/10/19
	Mr. Shreepal Jain Chief Financial Officer upto 30/08/19
	Mr. Shreyas D Company Secretary upto 14/08/20
	Mr. Sutheja K Company Secretary upto 31/07/19
	Mr. Monu Ratra, Non-executive Director w.e.f. 24/06/2020
	Mr. Pramod Kulkarni - Company Secretary w.e.f 14/08/20

Nature of Transaction	Holding Company	Fellow Subsidiaries	Direct Subsidiaries	Other related parties	Key Managerial Personnel and their relatives	Total
F.Y. 2019-20						
Service Fee on Business Correspondence-Income	104.79	-	-	-	-	104.79
Interest Expense	36.24	-	-	-	-	36.24
Interest Income	8.42	-	-	-	-	8.42
Dividend Paid	116.53	-	-	-	-	116.53
Loans Purchased	1,723.50	-	-	-	-	1,723.50
Inter Corporate Deposit Received from IIFL Finance Limited	610.00	-	-	-	-	610.00
Inter Corporate Deposit Repaid to IIFL Finance Limited	610.00	-	-	-	-	610.00

SAMASTA MICROFINANCE LIMITED BENGALURU

Inter Corporate Deposit Given to IIFL Finance Limited	1,650.00	-	-	-	-	1,650.00
Inter Corporate Deposit Repaid by IIFL Finance Limited	1,150.00	-	-	-	-	1,150.00
Equity Share Capital Received	1,500.00	-	-	-	-	1,500.00
Others(Assignment Payment)	3.39	-	-	-	-	3.39
Remuneration to Key Managerial Personnel	-	-	-	-	17.86	17.86
Outstanding Balance as on March 31 ,2020	-	-	-	-	-	-
Inter Corporate Deposit - Holding Company	500.00	-	-	-	-	500.00
Sundry Payable - Holding Company (after TDS deduction)	0.27	-	-	-	-	0.27
Sundry Receivable - Holding Company (after TDS deduction)	1.12	-	-	-	-	1.12
FY 2018-19						
Service Fee on Business Correspondence-Income	189.91	6.14	-	-	-	196.05
Interest Expense	11.31	-	-	-	-	11.31
Arranger Fee Expenses	-	-	-	106.72	-	106.72
Reimbursement of Expenses	0.13	-	-	-	-	0.13
Inter Corporate Deposit Received from IIFL Finance Limited	3,345.00	-	-	-	-	3,345.00
Inter Corporate Deposit Repaid to IIFL Finance Limited	4,093.62	-	-	-	-	4,093.62
Cash Credit Facility received from IIFL Finance Limited	200.00	-	-	-	-	200.00
Cash Credit Facility Repaid to IIFL Finance Limited	200.00	-	-	-	-	200.00
Loan Repaid to IIFL Finance Limited	196.12	-	-	-	-	196.12
Equity Share Capital Received	1,000.00	-	-	-	-	1,000.00
Market Linked						1,214.99

Debentures issued during the year	-	-	-	1,214.99	-	
Remuneration to Key Managerial Personnel	-	-	-	-	17.41	17.41
Outstanding Balance as on March 31 ,2019	-	-	-	-	-	-
Sundry Receivable - Holding Company (after TDS deduction)	17.19	-	-	-	-	17.19
FY 2017-18						
Service Fee on Business Correspondence-Income	65.25	1.20	-	-	-	66.45
Interest Expense	62.26	-	-	0.01	-	62.27
Rent Expenses	-	-	-	-	-	-
Inter Corporate Deposit Received	3,994.50	-	-	-	-	3,994.50
Loan received	315.00	-	-	-	-	315.00
Inter Corporate Deposit Repaid	3,245.88	-	-	-	-	3,245.88
Loan Repaid	118.88	-	-	-	-	118.88
Equity Share Capital Received	500.00	-	-	-	-	500.00
Remuneration to Key Managerial Personnel	-	-	-	-	11.65	11.65
Outstanding Balance as on March 31 ,2018	-	-	-	-	-	-
Inter Corporate Deposit - Holding Company	748.62	-	-	-	-	748.62
Term Loans -Holding Company	196.12	-	-	-	-	196.12

Annexure 2

Details of material fraud committed against the Company in the last 3 years

Financial Year ended	**March 31, 2018**	**March 31, 2019**	**March 31, 2020**
Nature of Frauds	Cash Misappropriation	Cash Misappropriation	Cash Misappropriation
Aggregate the amount involved (in Rs. lakh)	40,90,965	21,23,589	4,34,252
Corrective actions were taken by Samasta	• Chaired 3 Fraud Control Meets with peer MFIs across the country to adopt industry best practices on fraud prevention. • Rolled out online learning modules on Fraud Prevention & Awareness. • Monthly Fraud awareness campaigns are being cascaded for fraud prevention. • Devised Customer Declaration Forms for all products to ensure compliance and mitigate the risk of fraudulent activities. • Vigilance & empanelled Retired Police officers jointly conducted training sessions on IPC sections and fraud trends/triggers.		