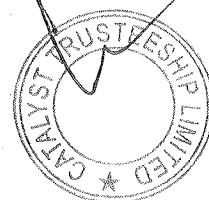


- (i) Firstly, the Excess Interest Spread;
 - (ii) Secondly, the Investment by the Seller in the Equity Tranche PTCs; and
 - (iii) Lastly, the Cash Collateral.
 - (c) After all the scheduled Investor Payouts are made in full and the Cash Collateral is restored to the stipulated level if there are any surplus amounts lying to the credit of the Collection and Payout Account or any balance Receivables to be collected from the Obligors, the right, title and interest in relation thereto shall belong to the Seller and the Parties agree and undertake to execute any document(s) as may be required for the said purpose
 - (d) The Trustee shall require the utilisation of the Credit Enhancement, in the circumstances and in the manner provided in the Agreement to Assign and any other Transaction Document and to do all acts, deeds and things including giving written instructions, mandates and instructions to the Cash Collateral Provider, as may be required in this regard.
 - (e) The Trustee shall determine the sufficiency of collections for meeting Investor Payouts basis the Monthly Report submitted by the Servicer, and if the collections would be insufficient to meet the Investor Payouts (as per the Waterfall Mechanism), the Trustee shall invoke the Credit Enhancement to meet any shortfall in the collections, to make the Investor Payouts, provided however that the Cash Collateral shall not be utilised to meet any payments in respect of the Equity Tranche Investor Payouts. For the purpose, of invoking the Cash Collateral, Trustee and the Cash Collateral Provider shall call upon the Cash Collateral Bank in which Cash Collateral has been placed, in writing, to remit such amounts available under the Cash Collateral as are required to meet the shortfall, into the Collection and Payout Account.
 - (f) On receiving the written instructions as per terms of the Agreement to Assign, the Cash Collateral Bank will, within 1 (One) Business Day, make the credit of the amount instructed by the Trustee into the Collection and Payout Account. In the event the intervening day between a Payout Date and the date on which the Trustee receives the Monthly Report is not a Business Day, then the Trustee will issue a notice to the Cash Collateral Bank, in writing, not later than 5:00 p.m. on such day, to remit such amounts available under the Cash Collateral as are required to meet the shortfall into the Collection and Payout Account.
 - (g) The Excess Interest Spread shall be collected by the Servicer and deposited in the Collection and Payout Account in accordance with the Transaction Documents and shall be available for appropriation by the Trustee as Credit Enhancement, for making any Investor Payouts in the event that the Identified Receivables deposited in the Collection and Payout Account is not sufficient to meet the Investor Payouts.
- (4) Reinstatement and Release of the FLCF / Cash Collateral
- (a) In the event surplus amounts are available in the Collection and Payout Account after meeting the Investor Payouts, such surplus amounts shall be utilized to reinstate the



Cash Collateral in accordance with the Waterfall Mechanism to the extent that Cash Collateral has been reduced on account of any draws.

- (b) The Trustee shall, acting on the instructions of all the Investors and with notice to the rating agency and in compliance with RBI Securitisation Guidelines, release the Cash Collateral in favour of the Cash Collateral Provider after all the Investor Payouts have been made and Series A1 PTCs has been redeemed in full.

3.8 IMPORTANT STRUCTURAL TRIGGERS

In the event of any prepayment/foreclosure by the Trust, the Investor shall receive the prepayment amounts on the immediately succeeding Payout Date as set out under Waterfall Mechanism. The cashflow schedule for the PTCs would accordingly vary, in the prepayment on account of prepayments/ foreclosures. Therefore, the tenor of the PTC may be shortened on account of the prepayment/ foreclosures. Upon the delay in payments by the Obligor, the tenure of the PTCs may be increased.

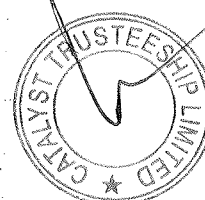
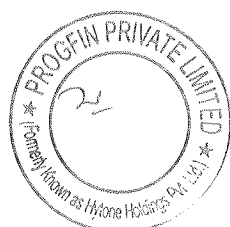
However, the Originator has stated that the cashflows upon realisation are sufficient to repay the PTCs.

3.9 MATERIAL CONTRACTS

The Originator has entered into the Loan Agreements with the Obligors under the terms of which the Loans have been advanced by the Originator to the Obligors.

3.10 NO RECOURSE

- (1) Notwithstanding anything to the contrary contained herein, once the sale of Assets is completed on an Effective Date in terms of a Deed of Assignment, there will be absolutely no further recourse to the Seller (other than to the limited extent of the Credit Enhancement and for breach of contract) or to the Issuer in relation to the Assets.
- (2) The Originator is not under any obligation to replace any asset sold except where the obligation arises from a breach of a representation or warranty, if any, given in respect of the nature of the assets at the time of transfer; provided however that such obligation would arise if the breach of representation or warranty is identified within 120 (one hundred and twenty) days from the date of execution of the Deed of Assignment or within such other time as may be set out under RBI Securitisation Guidelines as amended from time to time or any other Applicable Law in this regard.
- (3) If within 120 (One Hundred and Twenty) days from the date of execution of the Deed of Assignment, any of the representations and warranties made by the Seller in the Transaction Documents is found to be false in any respect and if such misrepresentation has not been rectified by the Seller within 15 (Fifteen) days of notice of the non-fulfilment given by the Issuer or the Servicer (as the case maybe) to the Seller ("Cure Period"), the Issuer has a right under the Transaction Documents, in terms thereof, to demand from the Seller either:
- (a) substitute the Identified Receivables in respect of which there is a misrepresentation



with any other receivables, which comply with the Selection Criteria and which, in the opinion of the Trustee, are similar to the substituted Identified Receivables as to the principal amount, maturity, interest; or

- (b) repurchase those Identified Receivables by credit to the Collection and Payout Account of an amount equal to the purchase consideration (corresponding to the such Identified Receivables) minus the amounts already paid to the Beneficiaries towards the payouts (corresponding to such Identified Receivables), along with interest thereon at 2% (Two Percent) (over and above the Series A1 Yield) from the date of expiry of the Cure Period, till the date of repurchase by the Seller.
- (4) The Seller must either substitute or repurchase as directed by the Trustee within 15 (Fifteen) days of being notified by the Trustee or such shorter timeline required under Applicable Law. For the avoidance of doubt, so long as no repurchase has been effected under 3.4(a)(ii) of the Agreement to Assign, interest as set out thereunder will continue to accrue.

3.11 CASH FLOW APPROPRIATION AND DISTRIBUTION

(1) Collection of Instalment

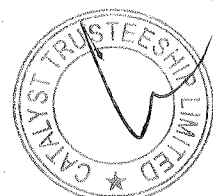
The Trustee shall open the Collection and Payout Account with the Designated Bank. The Originator shall instruct the Servicer upfront to remit all collections on the pools pertaining to the Collection and Payout Account. The Servicer shall collect all Identified Receivables due and all such collected amounts (including upon enforcement or as overdues) in any particular Collection Month shall be remitted by the Servicer into the Collection and Payout Account at least 1 (One) Business Day prior to the Payout Date in the subsequent calendar month.

(2) Investor Payouts determination

- (a) The Monthly Report for each Collection Month will be submitted by the Servicer to the Trustee latest by 4 (Four) calendar days prior to the Payout Date in the subsequent calendar month. At least 4 (Four) calendar days prior to each Payout Date, the Trustee will determine the Investor Payouts to be paid on the Payout Date to the Beneficiaries on the basis of the Monthly Reports. In the event that there is going to be a shortfall in the monies available in the Collection and Payout Account to meet the scheduled Investor Payouts (as determined by the Trustee on the basis of the Monthly Reports), the Trustee shall utilise the Cash Collateral to the extent required to meet such shortfalls.
- (b) The Investor Payouts will be made only to the registered Beneficiaries with the Registrar and Transfer Agent as on the Determination Date, which shall mean the day falling 3 (Three) Business Day(s) prior to any Payout Date. For example, Determination Date for the Payout Date of February 20, 2025 will be February 17, 2025.

3.12 WATERFALL MECHANISM

The Waterfall mechanism shall be as set out under the entry titled "Payment Waterfall" in paragraph 2.3 of Chapter 2 of this Information Memorandum.



3.13 METHOD OF PAYMENT

All payments by the Trustee to the Investors shall be made by a RTGS/NEFT/Funds Transfer and payable in the account specified by the Investor.

3.14 DUE DILIGENCE AUDIT

Due Diligence Auditor shall, at the cost of the Seller, conduct:

- (a) Audit of the Underlying Documents pertaining to Initial Identified Receivables (as solely determined by the Series A1 Investors), to confirm that the Loans meet the Selection Criteria; and
- (b) Audit of the Underlying Documents to confirm that Loans / Receivables are compliant with 'know your customer' requirements prescribed by the RBI; provided that the same shall not be required vis-à-vis an Obligor in the event 'know your customer' audit of such Obligor has already been conducted at the time of a previous assignment of receivables by Seller to Trustee under Transaction Documents;

and a certificate in this regard has been issued by the Due Diligence Auditor and submitted to the Trustee.

3.15 REPRESENTATIONS AND WARRANTIES

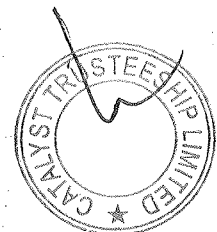
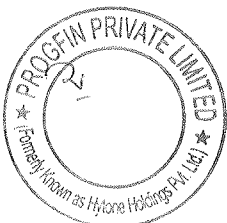
The Seller shall make all the representations and warranties in relation to the Assets as are standard and customary in relation to such transactions and which shall be in compliance with the RBI Securitisation Guidelines.

3.16 EFFECT OF DELINQUENCIES

For the instrument under consideration, since pool specific Credit Enhancement is available for shortfalls in collection caused on account of delinquency, the returns on the Series A1 PTCs will be affected only if the delinquencies are higher than the Credit Enhancement provided. The historical delinquencies for contracts originated by the Originator suggest that the Credit Enhancement available will be more than sufficient to cover the shortfall caused on account of the delinquencies. There is, however, no assurance that the actual delinquencies of the contracts under consideration will conform to the historical rates.

3.17 EFFECT OF PREPAYMENTS & FORECLOSURES

- (1) Prepayment of a loan contract may arise in a circumstance where an Obligor pays the Identified Receivables due from him at any time prior to the scheduled maturity date of that Identified Receivable. A foreclosure may occur inter alia on account of the Servicer repossessing the Underlying Asset and selling the same and using the proceeds therefrom to close the Loan account.
- (2) In the event of Prepayments or foreclosures, Investors may be exposed to changes in tenor.



3.18 EFFECT OF RE-SCHEDULEMENTS

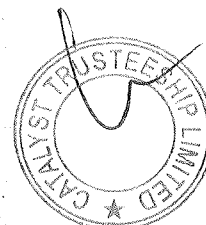
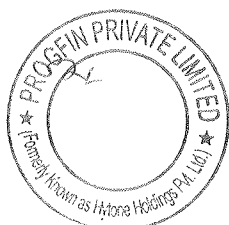
Re-schedulements of Loans may be undertaken by the Servicer in the ordinary course of servicing (if the Servicer is of the opinion that it is the best option), with the prior consent of the Trustee acting on the instructions of the Beneficiaries holding Majority Interest. Further, the Trustee may re-schedule the Loans after the transfer of assets to the Trust, with the express consent of all the Beneficiaries holding Majority Interest, providers of Credit Enhancement, and other service providers if any. However, for resolution of any Loan by the Trustee which has become a stressed asset, no consent of providers of Credit Enhancement or service providers would be required to be obtained. Upon any such re-schedulement, the tenor and cashflows due to the Investors may be impacted and will be reflected in the relevant Monthly Report.

3.19 REPORTS TO INVESTORS

- (1) The Servicer shall submit monthly monitoring reports ("**Monthly Reports**") on the pool to the Issuer, Rating Agency and the Trustee in accordance with the Transaction Documents, which reports shall cover details in relation to the collections for the previous month and shall set out inter alia the following information:
- (a) level of MRR being maintained by the Seller with respect to the Assets including by way of subscription to the Equity Tranche PTCs and the Credit Enhancement made available by the Seller;
 - (b) billed amount to the Obligors during the Collection Month;
 - (c) actual collections from Obligors towards this billed amount;
 - (d) aging analysis of overdues and of principal outstanding;
 - (e) any defaults, and Prepayment from Obligors and the number of Loan Agreements prepaid and amounts obtained therefrom;
 - (f) revised cashflow schedule(s);
 - (g) report regarding the NPAs as per Clause 5.4(d) of the Agreement to Assign;
 - (h) details of Identified Receivables which are overdue for more than 90 (Ninety) days;
 - (i) contract level data;
 - (j) revised cashflow schedule(s); details of enforcement of Underlying Security, including number and value of Underlying Assets sold;
 - (k) details of the sale proceeds from sold Underlying Assets, if any;
 - (l) any other information relating to the Identified Receivables that the Trustee may reasonably request; and
 - (m) any other detail as requested for by the Trustee (acting for and on behalf of and on the instructions of Beneficiaries holding Majority Interest).

3.20 SEMI ANNUAL REPORTS

The Servicer shall as on the Deemed Date of Allotment and every 6 (six) months thereafter (end-September and March), submit a report to the Trustee which shall contain all the information required under the Annex 2 of the RBI Securitisation Guidelines (prepared in the format set out in the said Annexure, which format has been reproduced in **Annexure 3** herein).



3.21 DISCLOSURES PURSUANT TO THE RBI GUIDELINES

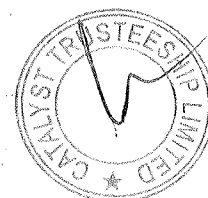
- (1) The investments in the PTCs do not represent deposits or other liabilities of the Originator (other than to the limited extent of the Credit Enhancement provided by the Originator), Servicer, Trust or the Trustee and the said investment in the PTCs are not insured.
- (2) The SPV / Trustee / Originator / Servicer / Trust do not guarantee the capital value of the PTCs (other than to the limited extent of the Credit Enhancement provided by the Originator) and/or the performance of the PTCs issued or the collectability of the Identified Receivables.
- (3) The investment in the PTCs by the investors can be subject to investment risk, interest rate risk, credit risk, possible delays in repayment and loss of income and principal invested.
- (4) The level of MRR being maintained by the Seller is 21% (Twenty One Percent) in this transaction comprising of (i) Cash Collateral of approximately of Rs. 1,62,88,026/- (Rupees One Crore Sixty Two Lakhs Eighty Eight Thousand Twenty Six only) and subscription to Equity Tranche PTC equivalent to Rs. 3,25,76,083/- (Rupees Three Crores Twenty Five Lakhs Seventy Six Thousand Eighty Three only).
- (5) Please find annexed hereto and numbered as **Annexure 3**, the format in which ProgFin Private Limited shall set out the disclosures required under Annex 2 of RBI Securitisation Guidelines.

3.22 MODIFICATION OF RIGHTS OF PTC HOLDERS

The rights, privileges and conditions attached to PTCs cannot be varied, modified and/or abrogated without the consent of the relevant Beneficiaries. The said Beneficiaries shall be deemed to have given their consent to variation if 21 (Twenty-One) days' notice has been given to them for the proposed variation and the proposed variation has been approved by the Beneficiaries through postal ballot. It is hereby agreed that the provisions of Section 110 and Section 114 of the Companies Act, 2013 shall mutatis mutandis apply to such aforesaid resolution.

3.23 SUPERSESSION

The Transaction Documents shall be read harmoniously with each other. In case of any conflict between the terms of the Trust Deed and the other Transaction Document, the document specifically governing such matter shall prevail over the other Transaction Documents. For example, if the subject matter relates to the settlement, creation of the Trust, the Trust Deed shall prevail and for matters specifically connected with the assignment of Receivables, obligations and duties of Servicer etc., the Deed of Assignment/Agreement to Assign will prevail.



CHAPTER 4: APPLICATION / ALLOTMENT PROCEDURE

4.1 WHO CAN APPLY

An application for the PTCs may be made only by the person to whom this Information Memorandum has been sent by the Issuer. Neither any application nor this Information Memorandum is transferable by the party who receives the same. In order to subscribe to these Certificates or to purchase them in the secondary market, a prospective investor must qualify under any of the following categories: Companies and Bodies Corporate/ Banks/ Financial Institutions/ Mutual Funds/ Insurance Companies.

4.2 OFFER PROGRAM

The subscription list will open at the commencement of the banking hours and will close on the day mentioned below:

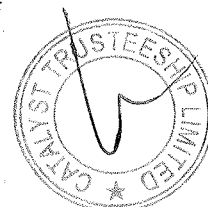
Issue Opening Date	January 31, 2025
Issue Closing Date	January 31, 2025
Deemed Date of Allotment	January 31, 2025

4.3 SUBMISSION OF APPLICATIONS

- (1) Investors are required to subscribe by submitting a completed Application Form, in the format as annexed to this Memorandum, along with the Subscription Amounts for the PTCs applied for.
- (2) All applications for the PTCs must be in the prescribed application forms and must be completed in BLOCK LETTERS in English. Application forms, duly completed, must be delivered together with the cheque / demand draft/ transfer details payable high value on the Issue Closing Date. The investors must make such payment by RTGS such that the credit is received at least by 4.00 PM on the Issue Closing Date.
- (3) All application forms must be accompanied by duly attested / certified true copies of the following:
 - (a) Memorandum and Articles of Association / Trust Deed / Byelaws / other documents of constitution, as the case may be of the investing entity;
 - (b) Resolution of the appropriate authority of the investing entity, authorising the investment;
 - (c) Names and specimen signatures of authorised signatories;
 - (d) Power of attorney where applicable (Modifications / additions should be notified to the Registrar and Transfer Agent); and
 - (e) Tax exemption certificate for non-deduction of tax at source if exemption is sought.

4.4 TERMS OF PAYMENT

- (1) The full amount due should be paid along with the completed application at least on the Issue Closing Date. All such investors, who are desirous of making payment through RTGS, would



have to remit the Subscription Amount by way of RTGS transfer such that the received at least by 4.00 PM at Delhi on the Issue Closing Date.

- (2) In case of payments by RTGS the same can be made as per the details mentioned below:

- | | | |
|-----|------------------|----------------------------------|
| (a) | Beneficiary Name | : InvoiceX 7 Trust |
| (b) | Account No. | : 055505018704 |
| (c) | Bank Details | : ICICI Bank |
| (d) | Branch | : ICICI Bank Towers, BKC, Mumbai |
| (e) | IFS Code | : ICIC0000555 |

- (3) If required, the prospective Investors may be requested by the Trustee to directly make payment of the Subscription Amounts to the Seller and the same shall be deemed to be a payment of the Purchase Consideration by the Trust to the Seller for acquiring the Assets.

4.5 FICTITIOUS APPLICATIONS

Any person who makes an application in a fictitious name for subscribing to the Certificates or otherwise induces a body corporate to allot or register any transfer of the Certificates therein to them or any other person in a fictitious name shall be liable for legal consequences of such action in addition to cancellation of the application.

4.6 DEEMED DATE OF ALLOTMENT

The Deemed Date of Allotment would be January 31, 2025.

4.7 BASIS OF ALLOTMENT

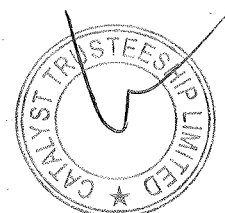
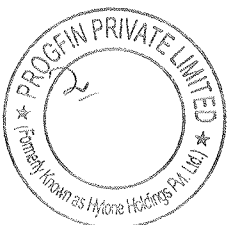
The basis of allotment will be determined by the Issuer at its discretion. Issuer reserves the right to accept or reject any application in full or in part without assigning any reason. In any event, an application, not being in conformity with the provisions set out herein or by a person from whom the application has not been sought for, shall be liable for rejection *prima facie*.

4.8 ALLOTMENT ADVICES / PASS THROUGH CERTIFICATES

For successful applicants, an Allotment Advice will be issued on the Deemed Date of Allotment. Subsequently the PTCs shall be issued in dematerialised form within a period of 7 (Seven) Business Days from the Deemed Date of Allotment. The Allotment Advices are not negotiable.

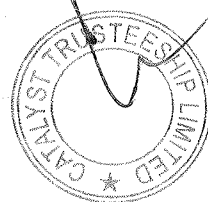
4.9 CERTIFICATE REGISTER & TRANSFER OF CERTIFICATES

The Registrar and Transfer Agent shall maintain Certificate Register issued and transfers registered from time to time. The Certificates will be transferable in dematerialised form in accordance with Applicable Laws.



4.10 ISSUE PROCEEDS / SUBSCRIPTION AMOUNTS

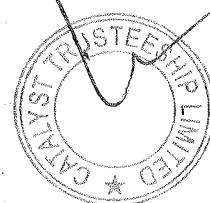
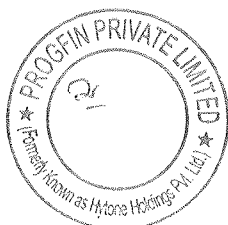
The amounts raised from the Investors shall be paid into the Collection and Payout Account. The issue proceeds would subsequently be transferred to the Originator towards payment of Purchase Consideration for the Assets.



CHAPTER 5: THE RECEIVABLES

5.1 POOL SELECTION CRITERIA

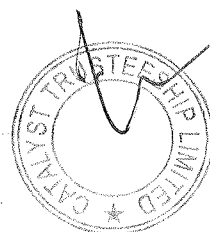
1. All the Loans whether under Initial Identified Receivables or Additional Identified Receivables have a Due Date of at least 120 (One Hundred Twenty) days prior to the Series A1 Final Maturity Date;
2. The Loans and receivables arising therefrom are unencumbered;
3. The Loans pertain to the Dealer / sub-dealer Financing Program of the Seller;
4. All Invoice provided in connection with Loans are 'Accepted Invoices' of the Obligors and none of the Obligors are subject to pending disputes or legal proceedings with respect to Invoices;
5. Each Invoice raised in connection with the Loans has been financed by the Seller only once;
6. As on the Cut-off Date in respect of the Identified Receivables, the balance tenor of the Identified Receivables is not more than 120 (One Hundred Twenty) days;
7. No Obligor shall have exposure of more than Rs. 40,00,000/- (Rupees Forty Lakhs Only) in the pool of Identified Receivables until the maturity of instrument;
8. Identified Receivables in the pool that represent Receivables from Obligors who are Dealers and the Seller has recourse to Anchors in form of margin (owing to primary i.e. Anchor-Dealer relationship) shall constitute atleast 30% of the pool of Receivables;
9. Identified Receivables in the pool that represent Receivables from Obligors who are Sub-dealers and the Seller has recourse to Dealers in the form of margin (owing to secondary i.e. Dealer-Sub-dealer relationship) shall constitute atleast 5% of the pool of Receivables;
10. Identified Receivables in the pool that represent Receivables from Obligors pertaining to either primary (Anchor-dealer) financing with no additional recourse on Anchor or pertaining to the secondary i.e. Dealer-Sub-dealer financing with no additional recourse shall not constitute more than 60% of the pool of Receivables;
11. Minimum vintage between the Obligors (dealers/sub-dealers) and Anchor, who are part of the respective Dealer Financing Program of the Seller is 3 (Three) months;
12. As on the Cut-off Date or Effective Date, the minimum vintage of the Seller with the respective Obligor is 3 (Three) months;
13. The Obligors should have a CIBIL score of 701 or more;
14. The pool of Identified Receivables shall not include Loans or Receivables from Obligor who are new to credit (NTC) or have CIBIL score of "0" or "-1";
15. The MHP as prescribed under the RBI Securitisation Guidelines has been met by the Seller with respect to each Loan and each relevant Obligor has fully repaid the entire amount of last 2 (two) trade receivables within 90 (Ninety) days of the due date;
16. There are no outstanding obligations, on the part of Seller, to be performed under the Loan Agreements;
17. The Seller has complied with all the extant guidelines issued by RBI pertaining to 'know your customer' (KYC), with respect to each of the Obligors;
18. All Loans have been fully disbursed by the Seller in accordance with Underlying Documents and the Seller is the sole lender in respect of each Loan and no Person (other than the Seller) has claim over the Loan amounts by virtue of any co-lending arrangement;
19. None of the Loans are classified as a non-performing assets (as specified by RBI) in the books of the Seller as on the Cut-off Date;
20. All the Loans are 0 (Zero) DPD as on the Effective Date of the respective Deed of Assignment, existing and have not been terminated or prepaid by the Obligors, as on the Cut-off Date;
21. None of the Loans have been rescheduled or restructured (determined in accordance with the



- criteria prescribed by the RBI) as on Cut-off Date;
22. None of the loans are part of any other securitisation transaction;
 23. Each of the Underlying Documents are governed by Indian law and each Loan has been made available in Indian rupee;
 24. Each Loan is truly, legally and effectively owned by the Seller and as on Effective Date, and there are no mortgage rights, pledge rights and/or any other third-party rights in respect of the said Loan;
 25. None of the Loans are purchased from other entities;
 26. None of the Loans are in the nature of revolving credit facilities (e.g. cash credit accounts, credit card receivables etc.);
 27. As on the Cut-off Date, there are no overdues in relation to any Loan and all Loans are classified as standard assets in the books of the Seller as per the norms specified by RBI;
 28. None of the Loans arise from securitisation exposures;
 29. Each Loan has been granted in compliance with applicable laws and regulations (including the regulations issued by the RBI) and meets RBI requirements under the RBI Securitisation Guidelines;
 30. As on Cut-off Date or Effective Date, none of the Obligors appear in the RBI's list of defaulters, the 'ECGC's list of defaulters and/or the RBI wilful defaulters list;
 31. As on the Cut-off Date, no material adverse change ("MAC") or cross-default (howsoever defined) event has occurred under the Underlying Documents;
 32. None of the Underlying Documents contain any clause which provides for 'force majeure' event and / or consequences thereof;
 33. As on the Cut-off Date, there has not been any instance of fraud or misrepresentation in respect of any Loan;
 34. Pool of Identified Receivables shall be assigned during the Replenishment Period on a first-in-first-out (FIFO) basis i.e. older Invoices out of the total available Invoices of the borrowers in Seller's portfolio shall be assigned first as compared to the newer Invoices in Seller's portfolio.
 35. The Seller has not initiated any legal or repossession action against any of the Obligors or in respect of any of the Loans;
 36. The mode of repayment in respect of each Loan is by way of normal banking channels, and additionally a mandate setting out National Automated Clearing House ("NACH") instructions or by way of Electronic Clearance Services ("ECS"), or by way of direct debit has been set-up by the Seller in relation to 100% of the Loans from the operative account of the Obligors;
 37. None of the Obligors are delinquent on (or have defaulted on) any other financial obligations with the Seller or to the knowledge of the Seller, to any other financial creditor (as defined under IBC) or operational creditor (as defined under IBC) of such Obligor;
 38. Each Obligor has accepted to fulfil its obligations under the respective Invoice(s);
 39. No Obligor has peak days past due greater than 30 (Thirty) days during the vintage with the Seller;
 40. Minimum 30% of the pool principal outstanding should be from Obligors with peak days past dues at 0 including during replenishment pools;
 41. Pool to contain at least 175 Obligors during the Replenishment Period.

5.2 POOL CHARACTERISTICS

The characteristics of the pool is as described under the Rating Rationale issued by Rating Agency and annexed as **Annexure 3** hereto.



CHAPTER 6: PARTIES TO THE TRANSACTION AND RESPECTIVE ROLES (gathered from publicly available information)

6.1 PROFILE OF THE SELLER / ORIGINATOR / SERVICER

Progcap is a pioneer in corporate-led financing solutions for small and mid-size businesses (SMBs) in India. This 5-year-old company is solving for the credit, technology, operational and financial gaps in the \$800 Bn general trade channel and is systematically addressing all the banking needs of the distributor-retailer segment by offering them well-structured financing products akin to their business needs. Progcap is backed by Sequoia, Tiger Global, Google, Creation Investment, Beams and GrowX. The Company has disbursed over 12,000 Cr in working capital loans till date and has over 800K retailers on its platform. Progcap envisions itself as the operating system at the intersection between the Distributors and Retailers, providing an end-to-end platform that powers finance and technology solutions. Established in 2017, Desiderata Impact Ventures Private Limited (commonly known as Progcap) is a fintech platform which facilitates collateral-free working capital loans to retailers of large corporate anchors. These loans are in the nature of invoice discounting under supply chain finance through Co-lending arrangements with banks/NBFCs.

Company's target lending segment comprises the last strata of the supply chain i.e. last mile retailers (LMRs) based in Tier II, III, and IV cities. Typical sectors served by the company include white goods (electronic products), 2 wheelers, consumer durables, agri inputs, construction material, textiles/apparels, steel, and cement.

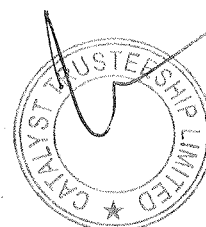
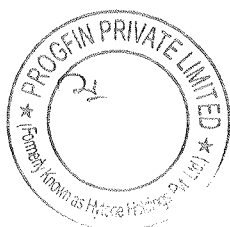
The lending is facilitated through company's in-house tech platform & a proprietary risk scoring model. Co. relies upon both transactional data & alternate sources of data of endusers (LMRs) based on which score is assigned for determining credit requirement and funding limits.

Progfin Private Limited (Progfin):

Progfin Private Limited is a non-deposit taking NBFC providing SME lending in India. The company is a wholly owned subsidiary of Desiderata Impact Ventures Private Limited (Progcap). Progfin aims to transform small business' lending by making it convenient for the last mile retailers (LMRs) to access credit easily. The Company uses technology and analytics tools to underwrite & onboard such MSME LMRs in India and provide them with collateral free working capital finance for growth. Progfin works across a multitude of industries through its tailored products and solutions. The directors in the Company are Pallavi and Himanshu. Progfin was previously called Hytone Holdings Private Limited. Hytone Holdings Private Limited is a Private incorporated on 25 August 1992. The Company was acquired by Desiderata and later renamed to Progfin Private Limited. The customer segments and Product offered under Progfin would be same as Desiderata Impact Ventures Private Limited.

6.2 ROLE OF THE SERVICER

(1) Duties



ProgFin Private Limited as the Servicer shall *inter alia*:

- (a) make all reasonable endeavours to collect the amounts due from the Loans and enforce the Obligors' obligations and the Underlying Security in accordance with the Loan Agreements;
- (b) continue to administer and service the Loans and undertake to devote such time and to exercise such skill, due care and diligence in the administration and enforcement of the rights, powers, privileges and securities in respect of the contracts as it would have exercised, had the entire interest in such contracts been retained by it;
- (c) maintain with itself the Underlying Documents for and on behalf of the Trust at such other offices of the Servicer from time to time;
- (d) comply in all respects (as and when required), with the requirements and obligations contained in the business continuity plan and disaster recovery plan, if applicable.
- (e) perform such other duties as more particularly set out in the Transaction Documents.
- (f) hold in trust and for the benefit of the Trust all the Security Deposits and shall either return the same to the Obligors once the Obligors have made all payments due in relation to the Loans availed of by the said Obligors or adjust the same towards last instalments due and payable by the Obligors in relation to the Loans availed by the said Obligors;
- (g) take all precautions to preserve the Security Deposit held in trust by the Servicer for and on behalf of the Beneficiaries from any theft / burglary / damage and the Servicer shall indemnify the Beneficiaries in case of such theft / burglary / damage

Notwithstanding the appointment of the Servicer, the Trustee shall always have the right of collecting and enforcing payment of all the Identified Receivables including the Underlying Security in whatever manner it may consider necessary and prudent in its absolute discretion

(2) Delegation

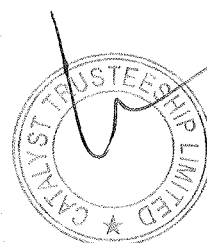
The Servicer shall, only with the consent on Trustee (acting on the instructions of Beneficiaries holding Majority Interest), be entitled to appoint agents at its cost, to perform the functions of the Servicer, in accordance with the terms herein; provided that the agents so appointed shall be appointed at the sole risk and consequence of the Servicer and the Servicer shall be liable for their acts and omissions. Further, the Servicer shall and its representative or agents or contractors appointed to assist it in the process of collection shall follow the rules set out in this behalf by RBI, while collecting the Identified Receivables. Except as stated hereinabove, the Servicer shall not delegate any of its duties to any third party without prior written consent of the Trustee except those pertaining to possession / repossession of the Underlying Assets.

(3) Replacement of the servicer, particulars about whether any backup servicer exists

- (a) Upon occurrence of one or more Servicer's Event of Default or Trigger Event, the Trustee (acting on the instructions of Beneficiaries holding Majority Interest) shall be entitled to :



- (i) terminate the services of the Servicer with immediate effect by providing a written notice in this regard to the Servicer; provided however the Rating Agency shall be provided with prior intimation of the termination of the services of the Servicer; and / or
 - (ii) appoint an alternate / successor servicer within a period of 15 (Fifteen) calendar days from termination;
 - (iii) enforce the indemnities provided by the Servicer pursuant to Clause 8.1 of the Agreement to Assign;
- (b) Further, following the occurrence of a Servicer's Event of Default or Trigger Event:
- (i) the Servicer shall pay amount equivalent to 2% (Two percent) of the principal portion of the Initial Identified Receivables, as liquidated damages, in the event appointment of the Servicer is terminated; and/or
 - (ii) Carryforward Charges shall be payable in the manner specified in the Agreement to Assign; and / or
 - (iii) the Servicer shall, within such time period as may be prescribed by the Trustee (acting on the instructions of Beneficiaries holding Majority Interest), transfer the automatic debit mandates, including any National Automated Clearing House (NACH) mandates in respect of such Obligor as are prescribed by the Trustee (acting on the instructions of Beneficiaries holding Majority Interest) from the Servicer's / Seller's account to the Collection and Payout Account (or such other account as may be prescribed by the Trustee). In the event amounts that are in excess of the amounts due and payable to the Trust are received in the Collection and Payout Account from any of such Obligor, the relevant excess amounts shall be transferred by the Trustee to the Seller.
- (c) In case of a change in the Servicer, the Servicer shall:
- (i) Provide all such assistance and support, including but not limited to transfer/revise the NACH mandates (including, executing such documents/instruments as may be required in respect of the foregoing), as is required by the Trustee or the alternate servicer, for a period of 6 (six) months or such other period as may be mutually agreed between the Servicer and the Trustee, to ensure that there is no interruption in the servicing of the Loans for the time period between the Servicer being changed, and the time when the Servicer is replaced in accordance with the Transaction Documents;
 - (ii) Transfer to the alternate servicer or Trustee or Designated Agent (in the event that no alternate servicer is appointed), the access and control of all Underlying Documents, correspondence, records (including electronic records/ data with respect to the Loans as may be acceptable to the Trustee), information and monies held by the Servicer with respect to the Assets;



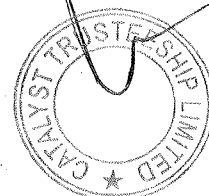
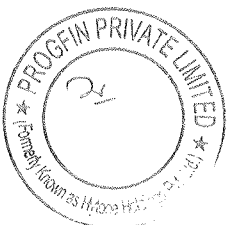
- (iii) together with Trustee, notify the Obligors and direct them to make payments to the alternate servicer or to directly credit to the Collection and Payout Account (in the event no such alternate servicer is appointed); provided that in the event the Servicer fails to notify the Obligors about the termination of Servicer's appointment within 7 (Seven) Business Days or such time period as may be prescribed by the Trustee, of the said termination, the Trustee shall notify the Obligors of the same and direct them to make payments to the alternate servicer or to directly by credit to the Collection and Payout Account (in the event no alternate servicer is appointed);
 - (iv) bear costs, charges and expenses incurred (on actuals) in relation to appointment of new servicer;
 - (v) ensure that any Identified Receivables coming into the hands of the Servicer after termination shall be deposited by the Servicer into the Collection and Payout Account on an immediate basis.
- (d) Notwithstanding such termination of the Servicer:
- (i) The Trustee shall be entitled to claim damages from the outgoing Servicer for losses sustained by the Trust on account of any act of negligence or fraud committed by the outgoing Servicer and detrimental to the interest of the Trust or Beneficiaries;
 - (ii) Rights and / or obligations which have accrued or arisen under the Transaction Documents prior to termination shall not be affected or prejudiced and such rights and obligations shall survive the termination of the Transaction Documents.
- (e) Termination by Servicer

Notwithstanding anything to the contrary set out in the Agreement to Assign, the Servicer shall not have the right to terminate its appointment as 'Servicer' in respect of the Identified Receivables pursuant to Transaction Documents without the consent of Trustee (acting on behalf of Beneficiaries holding Majority Interest).

(4) Reports

The Servicer is required to prepare a Monthly Report at least 4 (Four) calendar days prior to each Payout Date, in relation to the collections for the previous month setting forth *inter alia* the following information, which report shall be circulated to the Trustee, Rating Agency and any third parties providing the Cash Collateral or any part thereof. The Monthly Report shall, *inter alia*, include the following information:

- (a) Level of MRR being maintained by the Seller with respect to the Assets including by way of subscription to the Equity Tranche PTCs and the Credit Enhancement made available by the Seller;
- (b) billed amount to the Obligors during the Collection Month;
- (c) actual collections from Obligors towards this billed amount;



- (d) aging analysis of overdues and of principal outstanding;
- (e) any defaults, and Prepayment from Obligors and the number of Loan Agreements prepaid and amounts obtained therefrom;
- (f) revised cashflow schedule(s);
- (g) report regarding the NPAs as per Clause 5.4(d) of the Agreement to Assign;
- (h) details of Identified Receivables which are overdue for more than 90 (Ninety) days;
- (i) contract level data;
- (j) revised cashflow schedule(s); details of enforcement of Underlying Security, including number and value of Underlying Assets sold;
- (k) details of the sale proceeds from sold Underlying Assets, if any;
- (l) any other information relating to the Identified Receivables that the Trustee may reasonably request; and
- (m) any other detail as requested for by the Trustee (acting for and on behalf of and on the instructions of Beneficiaries holding Majority Interest)

(5) Semi-Annual Reports

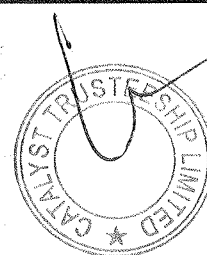
The Servicer shall as on the Deemed Date of Allotment and every 6 (six) months thereafter (end-September and March), submit a report to the Trustee which shall contain all the information required under the Annex 2 of the RBI Securitisation Guidelines (prepared in the format set out in the said Annexure, which format has been reproduced in **Annexure 3** herein).

(6) Audit of Monthly Reports

The Servicer shall deliver to the Trustee and the Rating Agency, within 30 (Thirty) days from the date of finalization of the audit report prepared by the Due Diligence Auditor, the said report. The Due Diligence Auditor shall examine the correctness of the Monthly Reports on a test check basis for the preceding 6 (Six) months and report on any exception by way of short or excess payment payable/paid to the Beneficiaries. Such excess/shortfall shall be adjusted in the scheduled Investor Payouts to be made on the Payout Date, immediately after the audit of the Monthly Reports and the audit report has been received by the Trustee.

6.3 THE ISSUER/ SPV

- (1) The SPV and issuer for the transaction shall be a Trust settled by Catalyst Trusteeship Limited under a Declaration of Trust. The SPV shall be called InvoiceX 7 Trust.
- (2) The Trust has been established with the following objects:
 - (a) to acquire, receive and hold the Identified Receivables together with rights in Underlying Security from the Seller for and on behalf and in trust for and for the benefit of the Beneficiaries for the purpose of carrying on the activity of securitization by way of assignment of Assets.
 - (b) to offer the beneficial interest in the Assets so acquired to the Beneficiaries, which beneficial interest shall be offered in accordance with the terms and conditions of the Trust Deed and the Trustee shall issue an Information Memorandum to the Prospective



Investors in this regard;

- (c) to receive monies in the form of Subscription Amount from the various Investors being their contributions to the Trust Fund and to make payment of the Purchase Consideration to the Seller from and out of such contributions or request the Investors to directly make payment of the contributions to the Seller, for the purchase of the Assets;
- (d) to utilise the cashflows realised from the Identified Receivables, in accordance with the Waterfall Mechanism;
- (e) to invest the surplus amounts of the Trust Fund, if any, in investments permitted by the Trust Deed or as may be specified in the Agreement to Assign or any other agreement or arrangement entered into by the Trustee or in any other related deeds or documents;
- (f) to obtain credit rating on the Series A1 PTCs and ensure that the Series A1 PTCs continue to be rated during the tenure of the Series A1 PTCs;
- (g) to do all such things as are mentioned in the Trust Deed; and
- (h) such other activities as may be decided by the Trust with the prior written consent of all the Beneficiaries holding a Majority Interest or as directed by the Beneficiaries holding Majority Interest.

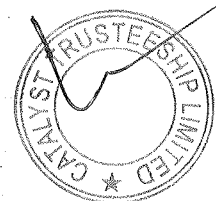
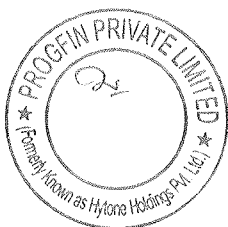
(3) Restrictions on the Trust

- (a) The Trust shall not raise any amounts in the form of debt or issue any debt securities other than through issue of the PTCs.
- (b) The Trust shall not make or guarantee loans or take up any activity which is not a permitted activity in terms of the other Transaction Documents.
- (c) The Trust shall not engage in activities of an asset management company or portfolio manager or a mutual fund; provided that any Permitted Investments made by the Trustee in respect of the Accumulated Amounts or EIS Cash Reserve shall not be considered to be any activity amounting to asset management, portfolio manager, or mutual fund.

6.4 THE TRUSTEE

(1) Primary Duties of Trustee

- (a) The Trustee shall ensure that all investments of the Trust Fund are made in accordance with the Declaration of Trust.
- (b) The Trustee shall, at all times, ensure that the Trust Fund is kept segregated from the assets of the Trustee and any other asset for which the Trustee is or may be responsible.
- (c) The Trustee shall exercise due diligence in carrying out its duties and shall take all action



whatsoever necessary for protecting the interest of the Beneficiaries and once the PTCs are redeemed in accordance with the Transaction Documents, for protecting the interest of the Residual Beneficiary.

(2) Remuneration of Trustees

The Trustee shall be entitled to a fee as mutually agreed between the Trustee and the Seller, as and by way of its remuneration for acting as the Trustee and the said fee shall be paid by the Seller. Further, Trustee shall be entitled to reimburse itself from or out of the Trust Fund and shall be entitled to charge the said portion of the Trust Fund with, and shall be entitled to withhold such amounts from the Trust Fund for satisfaction of the actual expenses in accordance with the Trust Deed.

(3) Retirement of the Trustee

The Trustee may retire as the Trustee at any time without assigning any reason provided that they shall have given at least 3 (three) months' previous notice in writing to the Beneficiaries in that behalf and the Beneficiaries shall have found a suitable trustee to replace the Trustee. In the event the Beneficiaries do not find such a suitable trustee to replace the Trustee or SEBI has not consented to such retirement (applicable only where SEBI's consent is required for such retirement), the Trustee shall not be entitled to retire from its responsibilities.

(4) Discharge of Trustee

(a) The Trustee shall stand discharged from its office if:

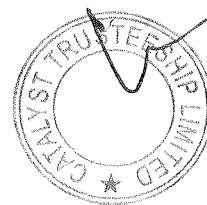
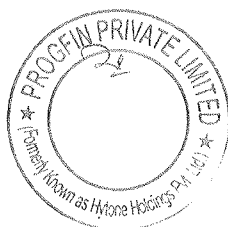
(i) Beneficiaries holding Majority Interest pass a resolution for the removal of the Trustee; or

(ii) any Trustee's Events of Default (as set out hereinbelow) shall have occurred.

(b) If any of the events specified above in paragraph 6.4(4)(a) occurs, the Beneficiaries holding Majority Interest shall be entitled to remove the Trustee and appoint any other bank, financial institution, company or a body corporate registered with SEBI and acceptable to the Beneficiaries holding Majority Interest as a successor trustee, to act as the trustee of the Trust, upon such remuneration and upon such terms and conditions as may be decided by the Beneficiaries holding Majority Interest, provided that the Beneficiaries have provided prior notice of such appointment to the Rating Agency.

(c) Each of the following events shall constitute an event of default in respect of the Trustee ("Trustee's Events of Default"):

(i) Any failure by Trustee to distribute to the PTC Holders the payments required to be made under the terms of the Trust Deed and/or the PTCs despite availability of amounts in the Collection and Payout Account, which continues unremedied for a period of 10 (ten) days after a written notice of such failure requiring the same to



be remedied is given by the Beneficiaries holding Majority Interest to the Trustee;
or

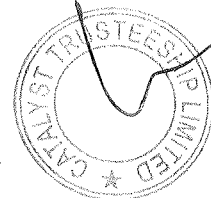
- (ii) Failure on the part of the Trustee in duly observing or performing any covenant in the Trust Deed which continues unremedied for a period of 3 (three) days after a written notice of such failure requiring the same to be remedied is given to the Trustee by the PTC Holders holding Majority Interest; or
- (iii) The Trustee commits any act of default or breach of any of its obligations under the Trust Deed; or
- (iv) If an application is made for the commencement of any insolvency resolution process under the Insolvency and Bankruptcy Code 2016 or equivalent application to the National Company Law Tribunal in respect of the Trustee or if a resolution is passed by the shareholders of the Trustee for voluntary winding up or if there is a petition admitted for the winding up of the Trustee; or
- (v) If any insolvency professional, receiver, liquidator, trustee or a similar other body is appointed by any court, tribunal or any other competent authority in any insolvency, winding up, execution or distress proceedings against the Trustee; or
- (vi) Any breach of Trustee representations and warranties.

It is clarified that if an event as set out in sub-paragraph 6.4 (4)(c)(iv) above occurs the Identified Receivables shall not be deemed to a property of the Trustee.

(5) Appointment of a new Trustee

- (a) In the event of retirement of the Trustee the new trustee shall be appointed by the Beneficiaries holding Majority Interest in accordance with terms of the Trust Deed.
- (b) Provided however that no Person shall be appointed a trustee if:
 - (i) Such Person is not registered with the Securities Exchange Board of India;
 - (ii) such Person has been found to be insolvent;
 - (iii) such Person has voluntarily filed for bankruptcy/ insolvency proceedings with appropriate authorities;
 - (iv) if any insolvency, winding up or similar proceedings has been initiated against such Person by any third party, which proceeding has been continuing for a period beyond one year from the date of such proceeding being admitted into a court of law or any other appropriate authority.
- (c) On such appointment, the Trust Fund shall be handed over to the new trustee so as to legally vest the Trust Fund in such new trustee. All costs, charges and expense incurred/to be incurred in vesting the Trust Fund in favour of the new trustee shall be reimbursed from the Trust Fund.

(6) Management of the Trustee



The Trustee's present Board comprises of five Directors who are responsible for formulating broad policies. They are supported by a team of well qualified and experienced professionals drawn from various fields of expertise viz. management, legal, secretarial, accounts etc. to facilitate trustworthy quality services

6.5 LEGAL COUNSEL

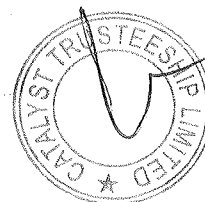
- (1) Wadia Ghandy & Co. has been appointed as the legal counsel for the securitisation transaction and shall prepare and finalise the Transaction Documents and shall provide a legal opinion covering, *inter alia*, the following issues:
- (a) Whether the transfer of the Assets from the Seller to the Trust constitutes an absolute and valid sale and is bankruptcy remote from the Originator;
 - (b) In the event of the winding up of the Originator, would the Assets form part of the estate of the Originator and vest in the liquidator of the Originator;
 - (c) The adequacy of the stamp duty paid on the Transaction Documents; and
 - (d) Provide the required confirmations as required under the RBI Securitisation Guidelines from the legal counsel for the transaction.

6.6 REGISTRAR AND TRANSFER AGENT

NSDL Database Management Limited will act as the Registrar and Transfer Agent for the PTCs to be issued to Investors. The Registrar and Transfer Agent shall maintain a Certificate Register for the PTCs issued and transferred and registered from time to time. The Certificates will be transferable only in dematerialised form.

6.7 DESIGNATED BANK

ICICI Bank Limited shall be the Designated Bank. Accordingly, the Collection and Payout Account shall be maintained with the Designated Bank at ICICI Bank Towers, Ground Floor, South Towers, East Wing, Bandra-Kurla Complex, Bandra (East), Mumbai, Maharashtra, 400051 branch.



CHAPTER 7: LEGAL AND TAX ISSUES

7.1 LEGAL DOCUMENTS

- (1) Legal documents for the Transaction i.e. the Transaction Documents have been finalised in consultation with Legal Counsel, Wadia Ghandy & Co.
- (2) The following legal documents shall be executed for the proposed assignment:
 - (a) Trust Deed;
 - (b) Agreement to Assign;
 - (c) Deed(s) of Assignment;
 - (d) this Information Memorandum;
 - (e) the Pass Through Certificates;
 - (f) documents executed in relation to the Credit Enhancement;
 - (g) Power of Attorney by the Seller in favour of the Trustee; and
 - (h) Any other document as may be advised by legal counsel.

7.2 STAMP DUTY

- (1) Transaction Documents

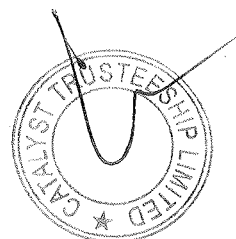
The Transaction Documents are required to be stamped at the rate of stamp duty applicable in relation to such instruments in the State in which such documents are executed. In the event that the Transaction Documents are taken outside the state in which it is executed for any purpose, including for the purposes of taking any enforcement action, additional stamp duty will have to be paid on the Transaction Documents, in the event that the stamp duty payable on the Transaction Documents in the State in which it is taken to, is higher than the stamp duty payable on the Transaction Documents in the State in which it has been executed.

- (2) Pass Through Certificates

As per the provisions of the Finance Act, 2019: (i) issue of PTCs through a depository or otherwise will constitute issue of debentures and will require payment of stamp duty at the rate specified in Schedule I of the Indian Stamp Act, 1899, which is currently specified as 0.005% of the consideration amount; and (ii) transfer of PTCs made through a stock exchange or by a depository or otherwise will constitute transfer of a debenture and will require payment of stamp duty at the rate specified in **Schedule I** of the Indian Stamp Act, 1899, which is currently specified as 0.0001% of the consideration amount.

7.3 RIGHTS IN THE CONTRACT

The Seller will sell, assign and convey to the Issuer, in trust for and for the benefit of the Investors, except as otherwise provided in Transaction Documents, without recourse to the Seller all the rights, title and interest of the Seller in and to the Loan Agreements and the Identified Receivables and Underlying Security (together with all corresponding rights and interests in relation thereto) in return for the payment of the Purchase Consideration. Consequentially these contracts will be marked as sold in the records of the Seller and hence will not form part of the properties or the assets of the Seller. The Issuer, in turn, will transfer



undivided beneficial interest in the Assets on the Deemed Date of Allotment to the Investors by issuing the Certificates.

7.4 SECURITY INTEREST

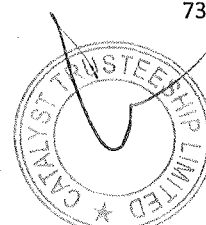
The Seller's name in the relevant documents/ certificate shall indicate that the Security Interest over the relevant Underlying Asset is being held by Seller in trust for and on behalf of the Issuer and for the benefit of the Beneficiaries and that Seller, in its capacity as Servicer shall enforce such Security Interest for and on behalf of the Trust and for the Beneficiaries, in accordance with the Terms of the Underlying Documents.

In the absence of fraud or forgery by the Obligor and administrative error by authorities, the notation of Seller's interest on the certificate will be sufficient to protect the Issuer/Investors against subsequent purchasers of an Underlying Asset or subsequent lenders who take any Security Interest in the Underlying Asset. If there were any Underlying Asset for which the Seller has failed to perfect the Security Interest, its Security Interest would be subordinate to the subsequent purchaser of the Underlying Asset(s) and holders of the perfected Security Interest over such Underlying Asset(s). Such a failure, however, would constitute a breach of the representations and warranties of the Seller and would create an obligation to repurchase the related contract or alternatively rectify the breach by substitution of a similar contract; provided however, that such failure is identified and the Seller is notified of the same within 120 days from the date of execution of the Deed of Assignment or within such other time as may be set out under RBI Securitisation Guidelines as amended from time to time or any other Applicable Law in this regard. By not identifying the Issuer as a secured party on the certificate of title, the Security Interest of the Issuer may be defeated through fraud or negligence.

7.5 POSSESSION

In the event of default in making payments by an Obligor, the Servicer is required to intimate the occurrence of such default to the Obligor and follow a due process of serving of notice for repossession. On the expiry of the notice period, the Servicer has a right to take possession of the Underlying Asset, unless such an act would constitute a breach of any law or regulation. In a case where the Obligor objects or raises a defence to repossession, a court order may be obtained from the appropriate court and the Underlying Asset (if any) in that case may be repossessed in accordance with that order. The court may also prevent the Servicer from taking possession of an Underlying Asset or as a part of a rehabilitation or settlement plan, reduce the amount of indebtedness or reduce any payment due or reduce the interest and/or extend the time for payment of amount by the Obligor. Any such directions of the court may affect the payments made to the Investor.

The sale proceeds of an Underlying Asset (if any) are first applied towards the expenses of taking possession and resale - then to recovery of overdues and then to satisfaction of the balance amounts outstanding. While the Obligor is still obliged to repay the outstanding loan amounts after adjustment of the sale price of the Underlying Asset, in practice, a defaulting Obligor has very little capital or source of income available. Therefore, in many cases, it may not be useful to seek a deficiency judgement or, where a decree is obtained; it may have to be settled at a significant discount.



7.6 WITHHOLDING TAXES

The Issuer or the Seller will not be obliged to pay additional amount if the Investor Payouts on the Investors are subject to withholding taxes.

7.7 TAX DEDUCTED AT SOURCE

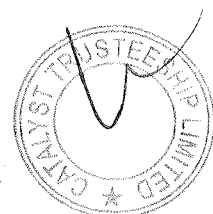
The Finance Act, 2016 which has come into effect from June 01, 2016 has replaced previous special regime for the levy of distribution tax by a new regime for the "securitisation trusts" wherein, though the income of the "securitisation trust" would continue to remain exempt: (i) the income of an investor from the "securitisation trust" would not be exempt and any income from a "securitisation trust" would be taxable in the hands of an investor in the same manner and to the same extent as it would have happened had the investor made the investment directly and not through the "securitisation trust"; and (ii) the "securitisation trust" will have to deduct tax at source while making payments to the investors. The tax deduction at source shall be effected by the securitisation trust at the rate of 25% (Twenty Five Percent) in case of payment to resident investors which are individuals or HUF and at the rate of 30% (Thirty Percent) in case of others. In case of payments to non-resident investors, the deduction at source shall be at rates in force. In case of those investors to whom payments are to be made without deducting tax at source or after deducting tax at a lower rate, either pursuant to the provisions of the Income Tax Act, 1961 or pursuant to a certificate obtained in this regard from the tax department, the said investors should inform the Trustee of the same so that the Trustee can take appropriate steps in this regard. It is clarified that pursuant to the provisions of Section 10(23D) read with the provisions of Section 194LBC, 196 and 197(1) of the Income Tax Act, 1961 date hereof, there is no incidence of tax deducted at source in relation to income distributed by the Trust to mutual funds.

7.8 TAXATION OF TRUST

Pursuant to Section 115TCA of the Income Tax Act, 1961, any securitisation trust set up under the Reserve Bank of India guidelines on securitization of standard assets shall be a 'securitisation trust' for the purposes of the Income Tax Act, 1961. As per Section 10(23DA) of the Income Tax Act, 1961, any income of the securitisation trust shall be exempt from taxation.

However, as per Section 115TCA of the Income Tax Act, 1961, any income accruing or arising to, or received by, a person, being an investor of a securitisation trust, out of investments made in the securitisation trust, shall be chargeable to income-tax in the same manner as if it were the income accruing or arising to, or received by, such person, had the investments by the securitisation trust been made directly by him. Therefore, the income earned in the hands of the investors in the PTCs would be subject to taxation which would normally be applicable to their income.

Further, as per Section 194LBC of the Income Tax Act, 1961, income payable by the securitisation trust to the investors, shall be paid subject to deduction of tax at source at the rates stipulated therein.



7.9 LEGAL STATUS OF THE TRUST

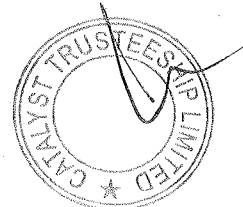
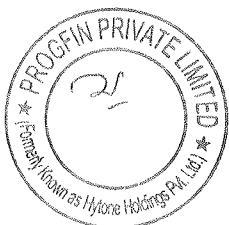
The Trust shall be settled under the provisions of the Indian Trust Act, 1882 by way of the Trust Deed. The Trust shall be entitled to carry on the business as set out in the objects of the Trust under the Trust Deed.

7.10 APPLICABILITY OF THE SECURITISATION ACT

Legal Counsel has advised the Originator and the Issuer that the proposed Securitisation of loan Identified Receivables would fall outside the purview of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ('the Securitisation Act') as the proposed transaction envisages transfer of receivables to a trust and does not involve sale of receivables to a Securitisation company as provided in the Securitisation Act. The legal opinion to be issued by Legal Counsel would also cover this.

7.11 NEW RBI SECURITISATION GUIDELINES

The Reserve Bank of India has introduced new guidelines governing Securitisation of standard assets in terms of the Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 issued by RBI vide DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021. There could be certain issues that may arise in connection with the interpretation of the said directions.



CHAPTER 8: SPECIAL CONSIDERATIONS AND RISK FACTORS

The Series A1 PTCs have been given a provisional rating of CRISIL A1+ (SO) by CRISIL Ratings Limited. However, holding of the PTCs is not free of risk. The Issuer believes that the risks described below are the principal ones inherent in this transaction for prospective investors and does not represent that the statement of risks set out hereunder is exhaustive.

8.1 RISKS IN RELATION TO IDENTIFIED RECEIVABLES AND OBLIGORS

The Investor Payouts are dependent on the timely payments of the amounts due under the Loan Agreements and in the event the Obligor defaults to make such payments, the Investor Payouts may get delayed or considerably reduced or become NIL. However, the Seller is of the opinion that the Identified Receivables upon realisation are sufficient to meet the Investor Payouts.

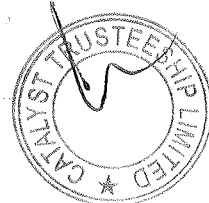
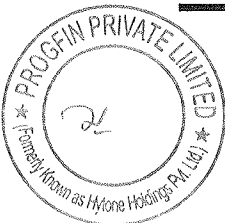
8.2 MATERIAL CHANGES IN REGULATIONS TO WHICH THE OBLIGOR IS SUBJECT COULD IMPAIR THE OBLIGOR'S ABILITY TO MEET PAYMENTS OR OTHER OBLIGATIONS.

The Obligor is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Obligor or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

8.3 GENERAL ECONOMIC CONDITIONS

The Obligor operates within India and, accordingly, its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any negative growth of sectors where the Obligor has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition. Currently, the spread of COVID-19 virus has affected millions across the globe and has not only affected day to day lives of people but has also given a hard blow to the supply chain of factories, with trade routes being disturbed and slowing down of the industry, trade, commerce and business activities across all sectors economically. Further, the loan repayment capacity of the Obligors may be impacted because of the factors such as pay cuts, lay-offs or complete shut-down /disruption of their businesses caused due to the COVID-19 virus.

Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the fluctuations in the stock markets in the global stock markets on account of geopolitical tensions or other



events, could also have a negative impact on the Indian economy. Our performance and the growth of our business depend on the overall performance of the Indian economy as well as the economies of the regional markets in which we operate.

8.4 POTENTIAL LIABILITIES OF TRUST

There could be certain liabilities that may arise during the tenor of the PTCs which will have to be discharged by the Trust utilising the Trust Fund and which may impact the cashflows to the Investors. These liabilities may include the costs to be incurred in relacing the Servicer in terms of the Transaction Documents, it should however be noted that the Transaction Documents do provide that the outgoing Servicer would be liable to pay all the costs and expenses incurred by the Trust in replacing the Servicer. Further, currently the cost of servicing is being borne by the Servicer. However, upon change in servicer, such servicing costs may fall on the Trust to be discharged from the Trust Fund if the new servicer does not undertake to bear the same. Other potential liabilities that may arise to the Trust which will have to be discharge by the Trust from the Trust Fund may include fees of third party service providers, expenses in connection with any disputes with the Servicer, audit of the Servicer, costs and expenses for any additional documents to be executed pursuant to any change in law etc.

8.5 LIMITED LIQUIDITY & PRICE RISK

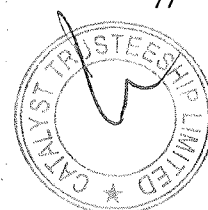
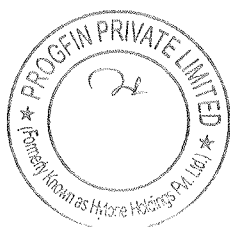
There is no assurance that a deep secondary market will develop for the Certificates. This could limit the ability of the Investor to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.

8.6 LIMITED RECOURSE, DELINQUENCY AND CREDIT RISK

The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the Assets and do not represent an obligation of either the Issuer or the Seller or the Originator, or the parent of the Seller, Issuer and Originator (other than to the limited extent of the Credit Enhancement provided herein). No financial recourse is available to the Certificate Holders against the Trustee. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the monthly Investor Payouts to the PTC Holders may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall.

8.7 SERVICER RISK

ProgFin Private Limited shall act as Servicer for the assigned contracts and continue to monitor the pool and make collections of the Identified Receivables. In the unlikely event that ProgFin Private Limited is unable to perform its functions as a Servicer satisfactorily, the appointment of ProgFin Private Limited as the Servicer may be terminated under the circumstances set out in the Agreement to Assign. In such an eventuality, the Trustee is required to appoint an alternate Servicer or to function as the back-up Servicer. The cost of servicing in that case may be recovered from the Identified Receivables, which may cause a shortfall in the monthly Investor Payouts to Investors. Such shortfalls shall however be



recovered from the Credit Enhancement subject to the maximum limit specified herein.

8.8 RISKS DUE TO POSSIBLE PREPAYMENTS

There could be Prepayments and foreclosures under any of the Loan Agreements. The Investors are subject to the risk of changes in the average tenor of the respective Identified Receivables on account of prepayments and foreclosures.

8.9 CLEAN-UP CALL

The Seller will have the option to repurchase the Identified Receivables pertaining to the performing contracts any time after the outstanding principal of pool of Identified Receivables declines below 10% (Ten Percent) of the aggregate principal of the pool of Identified Receivables on Cut-off Date under first Deed of Assignment, at a purchase consideration equal to the outstanding amount of such fully performing Identified Receivables as of the date of exercising the Clean Up Call Option, in terms of the RBI Securitisation Guidelines. An exercise of such a clean up call will be treated as a Prepayment for the purposes of making payouts to the Beneficiaries under the Agreement to Assign.

Such re-purchase shall be conducted at arm's length, on market terms and conditions (including price/ fee) and shall be subject to the Seller's normal credit approval and review processes. The right of the Seller to repurchase such fully performing Assets shall be exercised at its sole discretion. However, this option can be exercised only if: (i) the Credit Enhancement (comprising the Cash Collateral) available at such time is more than the amount of non-performing facilities so that the said part of the Credit Enhancement shall be used to make payment to the Trust with respect to the non-performing facilities to the full extent; and (ii) 7 (Seven) days' prior intimation of the same has been provided by the Seller to the Trustee.

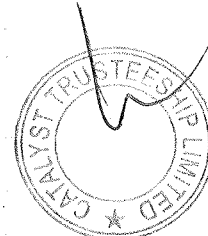
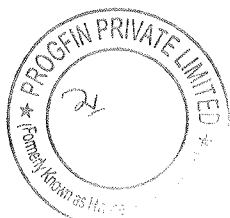
8.10 BANKRUPTCY

(1) Bankruptcy of the Originator / Seller

If ProgFin Private Limited (in its capacity as the Seller) becomes subject to bankruptcy or insolvency proceedings and the court or tribunal in the insolvency or bankruptcy proceedings concludes that the sale from ProgFin Private Limited to the Trust was not a valid and absolute sale, then an Investor could experience losses or delays in the payments. All possible care has been taken in structuring the Transaction so as to minimise the risk that the sale to the Trust will not be construed as confirming to the 'True Sale' criteria. The legal counsel to the Issuer has agreed to opine that the assignment of Identified Receivables to Trust in trust for and for the benefit of the Investors, as envisaged herein, would constitute an absolute and valid sale.

(2) Bankruptcy of the Servicer

In the event the Servicer becomes subject to bankruptcy proceedings, given that the Servicer has been specifically permitted to retain the Identified Receivables collected by the Servicer till the date by which the Servicer is required to deposit such amounts in the Collection and Payout Account in accordance with the Transaction Documents, the creditors of the Servicer



may lay claim over the said Identified Receivables on the grounds that the Servicer has been permitted to service the Identified Receivables till such date and the obligation of the Servicer to make payment of the Identified Receivables is a normal contractual obligation. However, such claim may be countered by the fact that the Agreement to Assign provides that the Identified Receivables collected by the Servicer are to be held by the Servicer in trust for the Trust, for the benefit of the Beneficiaries, till deposited in the Collection and Payout Account.

There might however be delays in recovering any such Identified Receivables which are retained by the Servicer till the time that any such claim by the Servicer's creditor is not dismissed by a court/tribunal given that the court may issue moratorium/injunction with respect to the said Identified Receivables.

The bankruptcy of the Servicer is a ground for termination of the services of the Servicer and the Trustee (acting on the instructions of the Beneficiaries holding Majority Interest) may terminate the services of the Servicer as per the terms of the Transaction Documents.

(3) Bankruptcy of the Trust

The acquirer of the Identified Receivables is a Special Purpose Vehicle (SPV) set up in the form of the Trust. The Trust does not have any creditors and is not permitted to take any additional liabilities without consent of the Investors, and hence it is unlikely that the Trust would be subjected to voluntary or involuntary bankruptcy proceedings.

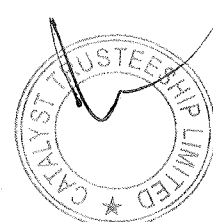
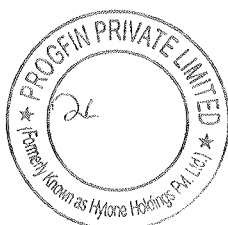
(4) Bankruptcy of the Trustee

For creation of any trust while there is transfer of ownership of the trust property to the trustee. The trustee's ownership however is qualified by the annexed obligation and is not absolute ownership under law. The Trustee is placed under an obligation to use the ownership rights for the benefit of the Beneficiaries. Thus, the Identified Receivables acquired by the Trust will be bankruptcy remote from the properties of the Trustee. Bankruptcy of the Trustee may however affect the administration of the Trust till the time a new trustee is appointed which may take some time.

The Beneficiaries holding Majority Interest shall be entitled to remove the Trustee in accordance with the Trust Deed by passing a resolution for the same at any time.

8.11 RATING OF THE CERTIFICATE

The rating is not a recommendation to purchase, hold or sell the Identified Receivables in as much as the credit opinion does not comment on the market price of the Certificate or its suitability to a particular Investor. There is no assurance either that the rating will remain at the same level for any given period of time or that the rating will not be lowered or withdrawn entirely by the Rating Agency. In the event of deterioration in the financial health of the Obligor, there is a possibility that the Rating Agency may downgrade the rating given to the PTCs. In such cases, the Investor may have to take loss on re-valuation of their assets or make provision towards sub-standard/ non-performing assets as per their usual norms.



8.12 RISK OF CO-MINGLING

The Servicer will deposit all payments received from the Obligor into the Collection and Payout Account. However so long as ProgFin Private Limited is the Servicer of the Loan Agreements, there could be a time gap between collection by the Servicer and depositing the same into the Collection and Payout Account especially considering that some of the collections may be in the form of cash. Moreover, the pool consists of a large number of retail contracts which are generated all over the country and in this interim period, collections from the Loan Agreements may not be segregated from other funds of ProgFin Private Limited. If ProgFin Private Limited in its capacity as Servicer fails to remit such funds into the Collection and Payout Account, the Series A1 Investors may be exposed to a potential loss. However, under the Transaction Documents, ProgFin Private Limited as the Servicer would be providing an express undertaking that all collections received / realised by it would be held by ProgFin Private Limited in trust for and on behalf of the Trust and for the benefit of the Beneficiaries.

8.13 RISK RELATING TO SECURITY CREATIONS

In case the Obligors are Companies within the meaning of the Companies Act, 2013, then in such an event, the Seller or relevant Obligor does not do any separate recording of the hypothecation with the concerned Registrar of Companies. Further, when the Seller has assigned the Assets to the Trust, the transfer of the Security Interest in such Underlying Assets of the Obligors who are companies, would amount to a 'modification of charge' for the purposes of the Companies Act, 2013 and therefore if such modification is not recorded, the charge of the Trust in relation to such Underlying Assets would not be perfected against creditors and liquidators of the Obligors which are companies.

8.14 ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Prospective investors are urged to consult with their own accounting advisors to determine implications of this investment.

8.15 LEGALITY OF PURCHASE

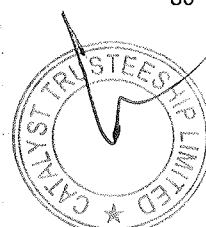
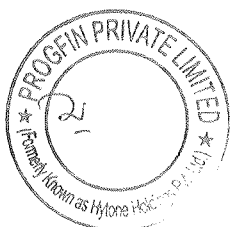
Prospective investors will be responsible for the lawfulness of the acquisition of the PTCs, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

8.16 LEGAL AND TAX ISSUES

For Legal and Tax Issues please refer to Chapter 7 of the Information Memorandum.

8.17 CURRENCY, INTEREST AND OTHER RISKS

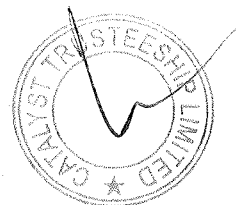
The functional currency of the Obligor and/or the Servicer is the Indian rupee. The Obligor and/or the Servicer may be incurring expenses and sell its products and services in various countries outside India. Moreover, it may have outstanding foreign currency-denominated



debt and credit facilities in a few jurisdictions. Hence, they may be sensitive to fluctuations in foreign currency exchange rates. Adverse changes in exchange rates may have a material adverse effect on its revenue, other income and cost of services sold, gross margin and net income, and hence may have an impact on the Obligor and/or the Servicer's business, operating results and financial condition. Therefore, the Obligor and/or the Servicer expects to continue to experience foreign exchange losses and gains on transactions denominated in foreign currencies in respect of its foreign currency assets and liabilities due to currency fluctuations in the future as well. Derivative financial instruments aimed at reducing the risk of losses from foreign exchange fluctuations may not be able to offset in full the foreign exchange losses, if at all. In addition, the Obligor and/or the Servicer's hedging activities may also result in losses due to volatility in foreign currency markets and the timing of hedging activity. These fluctuations may have an impact on the Obligor and/or the Servicer's business, operating results and financial condition. All fixed income securities, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of the PTCs.

8.18 DILUTION RISK

The PTCs are backed by Identified Receivables which are to be repaid in relation to the Loans taken by the Obligors. Most dilution risks are caused by future claims that are yet to emerge at the moment of purchase. This means that various factors can decrease the original volume of the claim, including rebates, bonuses or objections raised by the customers of the Originator. In the event of any insolvency of the Obligor or on the wilful default by the Obligor, the credit strength of the pool would get diluted and therefore there is a dilution risk attached to the PTCs.



CHAPTER 9: MISCELLANEOUS

9.1 JURISDICTION

The Certificates are governed by and will be construed in accordance with existing Indian laws and will be subject to the non-exclusive jurisdiction of the courts and tribunals at New Delhi.

9.2 TERMINATION OF THE OBLIGATION OF THE PARTIES

The respective obligations and responsibilities of the Seller, the Issuer, the Servicer and the Trustee created by the Transaction Documents shall terminate upon payment of all the scheduled Investor Payouts payable to the Investors. Upon payment of the final Investor Payout, the Certificates shall stand cancelled. If the Investor has not collected any monthly Investor Payout for more than 3 (Three) years after the same shall have become due and payable, the Servicer shall open an account in the name and style of **"Unpaid Investor Payout Account"** with the Designated Bank and the Designated Bank may, after making such investigation and after calling for such information as it may consider appropriate, make payment of that monthly Investor Payout to the person entitled thereto, with or without indemnity, as may then be considered appropriate by the Designated Bank.

9.3 LIABILITY OF THE SELLER LIMITED

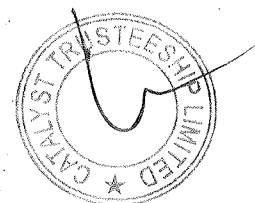
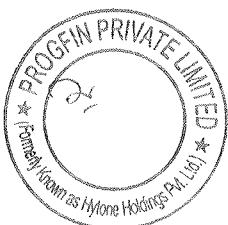
All acts required to be performed under the Transaction Documents by the Seller shall be performed in the city of New Delhi and the courts and tribunal in the city of New Delhi shall have non-exclusive jurisdiction. Performance of the Seller's obligations is subject to the laws of India, and shall also be excused by laws, acts or war or civil strife, or similar events beyond the control of Seller, any of which may prevent its performance, in which circumstances no other branch, subsidiary or affiliate of the Seller shall be responsible thereof.

9.4 AMENDMENT

The Transaction Documents may be amended by the Seller, the Issuer, the Servicer and the Trustee only with the consent of the Beneficiaries holding Majority Interest and notification to the Rating Agency.

9.5 SUPERSESSION

In the event of any discrepancy, inconsistency or contradiction in terms of this Information Memorandum and those contained in the Trust Deed, the terms of the Trust Deed shall override and supersede the terms of this Information Memorandum to the extent of such contradiction, inconsistency and contradiction.



ANNEXURE 1: INVESTOR PAYOUT SCHEDULE FOR PTCs

Cashflows to Series A1 PTCs

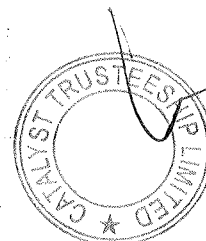
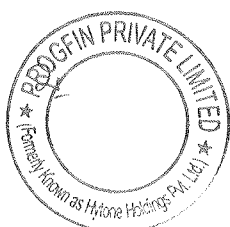
Scheduled Series A1 Investor Payouts*

Collection Start Date	Collection End Date	Pay in Date	Payout Date	Series A1 Principal***	Series A1 Yield**	Series A1 Investor Payouts
1/Jan/25	31/Jan/25	19/Feb/25	20/Feb/25	-	1,206,142	1,206,142
1/Feb/25	28/Feb/25	19/Mar/25	20/Mar/25	-	1,688,599	1,688,599
1/Mar/25	31/Mar/25	19/Apr/25	20/Apr/25	-	1,869,521	1,869,521
1/Apr/25	30/Apr/25	19/May/25	20/May/25	-	1,809,214	1,809,214
1/May/25	31/May/25	19/Jun/25	20/Jun/25	-	1,869,521	1,869,521
1/Jun/25	30/Jun/25	19/Jul/25	20/Jul/25	-	1,809,214	1,809,214
1/Jul/25	31/Jul/25	19/Aug/25	20/Aug/25	107,049,195	1,869,521	108,918,716
1/Aug/25	31/Aug/25	19/Sep/25	20/Sep/25	93,060,805	869,417	74,573,316

*the amounts indicated herein are the scheduled payouts in relation to Series A1 PTCs and the actual amounts to be paid to the Series A1 PTC Holders shall be net of tax deducted at source in accordance with the provisions of the Income Tax Act, 1961, and such deduction shall not be considered as a default in making payment on the Series A1 PTCs. Further, the actual cash-flows will change when additional loans have been assigned to the Trust and the same will be set out in each Deed of Assignment.

**the expected Series A1 Principal and promised Series A1 Yield will be re-drawn by the Servicer for each Payout Date after taking into consideration any Prepayments, delays and overdues, replenishment during Replenishment Period, occurrence of Trigger Event etc.

***the principal payments of Series A1 PTCs are not promised on every Payout Date and they are only expected, and accordingly Credit Enhancement shall be drawn upon on the Series A1 Maturity Date to meet any shortfall in making payment due on Series A1 Investors vis-à-vis the outstanding principal amount.

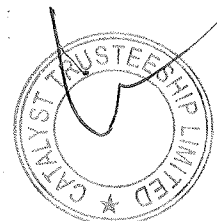


(Not for Circulation)
For specific use of addressee only

Cashflows to Equity Tranche PTCs*

Collection Start Date	Collection End Date	Pay in Date	Payout Date	Equity Tranche Principal	Equity Tranche Yield	Equity Tranche Investor Payouts
1/Jan/25	31/Jan/25	19/Feb/25	20/Feb/25	-	-	-
1/Feb/25	28/Feb/25	19/Mar/25	20/Mar/25	-	-	-
1/Mar/25	31/Mar/25	19/Apr/25	20/Apr/25	-	-	-
1/Apr/25	30/Apr/25	19/May/25	20/May/25	-	-	-
1/May/25	31/May/25	19/Jun/25	20/Jun/25	-	-	-
1/Jun/25	30/Jun/25	19/Jul/25	20/Jul/25	-	-	-
1/Jul/25	31/Jul/25	19/Aug/25	20/Aug/25	-	-	-
1/Aug/25	31/Aug/25	19/Sep/25	20/Sep/25	-	-	-
1/Sep/25	30/Sep/25	19/Oct/25	20/Oct/25	32,576,083	-	32,576,083

**the amounts indicated herein are the scheduled payouts in relation to Equity Tranche PTCs and the actual amounts to be paid to the Equity Tranche PTC Holders shall be net of tax deducted at source in accordance with the provisions of the Income Tax Act, 1961, and such deduction shall not be considered as a default in making payment on the Equity Tranche PTCs.*



ANNEXURE 2: APPLICATION FORM

Serial No.01

Date: ____/____/____

To,

Catalyst Trusteeship Limited

9th Floor, Office No. 910-911, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi –110001

Kind Attn: Mr. Umesh Salvi

Ref: Application for / ____/ number of Series ____ PTCs

Dear Sirs,

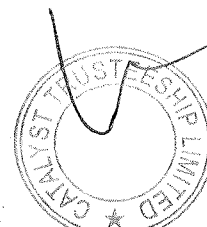
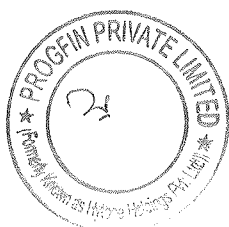
In connection with our application for the Series ____ PTCs, we confirm that (a) we have received and reviewed a copy of the Information Memorandum dated _____, relating to the said Certificates and reviewed the documents referred to therein (b) we have had the opportunity to ask question of and receive answers from Catalyst Trusteeship Limited, the trustee (the "Trustee") of InvoiceX 7 Trust (the "Trust") concerning the Series ____ Certificates and all matters relating thereto and such additional information as deemed necessary by us to take the decision to apply for the Series ____ Certificates, and (c) we have not relied upon Trust or the Trustee or upon any information or materials prepared or furnished by Trustee or the Trust or its agents or counsel in determining whether our investment in the Series ____ Certificates is permissible under applicable law.

On the basis of the Information Memorandum, I/we hereby apply to you for such number of Series ____ PTCs as identified in this Application. I/We hereby agree to accept the Certificates applied for or such smaller number as may be allotted to me/us, subject to the terms of the said Information Memorandum and this Application Form. I/we undertake that I/we will sign all such other documents and do all such other acts, if any, necessary on my/our part to enable me/us to be registered as the holder(s) of the Certificates which may be allotted to me/us. I/we authorise you to place my/our name(s) on the register of certificate Holders of the Trust that may be so allotted and to register my/our address (es) as given below. I/we note that the Trust is entitled in their absolute discretion to accept or reject this Application in whole or in part without assigning any reason whatsoever.

I/We confirm that we have understood and we accept:

- (a) that our investments do not represent deposits or other liabilities of the Originator, the Trustee or the Issuer, and that the same are not insured;
- (b) that the Originator, the Trustee, the Issuer do not guarantee the capital value of the securities and performance of the securities to be issued, or the collectability of Identified Receivables pool; and
- (c) that our investments can be subject to investment risk, including interest rate risk, credit risk, possible delays in repayment and loss of income and principal invested.

THE INVESTORS HAVE IRREVOCABLY AGREED THAT EACH OF THEM WOULD GET THEIR INCOME FROM PAYOUT UNDER THE CERTIFICATE ASSESSED BY INCOME TAX AUTHORITIES AND SUBMIT



EVIDENCE THEREOF WHENEVER SO REQUIRED BY THE TRUST.

Yours faithfully,
For

(Name and Signature of authorised signatory)

Series Of PTCs	PTCs		
	No. of PTCs	Investment Amount per PTC (Rs.)	Total Amount (Rs.)
Series _____			

(Application must be made for a minimum of One Certificate only and in multiples of one thereof.)

We are applying as (Tick (✓) whichever is applicable)

1	Body Corporate	2	Commercial Bank	3	Financial Institution
4	Insurance Company	5	Mutual fund	6	Others

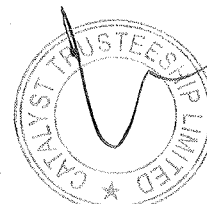
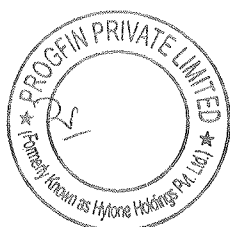
Applicants Details

SOLE/FIRST APPLICANTS'S NAME IN FULL																		AUTHORISED SIGNATURE																										
SECOND APPLICANT'S NAME																		AUTHORISED SIGNATURE																										
THIRD APPLICANT'S NAME																		AUTHORISED SIGNATURE																										
ADDRESS (Do not repeat name) (Post Box No alone is not sufficient)																																												
																		PINCODE									PHONE									FAX								
																		E-mail:																										

Details Of Bank Account

Bank	
Branch	
Account No	
Nature of Account	
IFSC Code	

Dematerialisation Details



(Not for Circulation)
For specific use of addressee only

Depository Name	
Depository Participant Name	
DP ID No	
Client ID No	
Beneficiary Account Name	

Tax Deduction Status: (Please Specify)

Tax Payer's PAN or GIR		IT Circle / Ward/ District	
------------------------	--	----------------------------	--

Fully Exempt (Please furnish exemption certificate):
Rate of Tax to be deducted at source:

TO BE FILLED IN ONLY IF THE APPLICANT IS AN INSTITUTION		
Name of the Authorised Signatory(ies)	Designation	Signature
1	1	1
2	2	2

ACKNOWLEDGEMENT SLIP

(TO BE FILLED IN BY THE APPLICANT)

Date: / /

Serial No.

Received from (Investor Name) :						
				Number of Certificates applied for		Amount In Rs
		No. of PTCs	Issue Price per PTC (a)	In figures: (b)	In words:	(a) x (b)
I	Series					

An application for ___ PTCs along with Cheque/Demand Draft No. _____ dated _____

Drawn on _____ for Rs _____

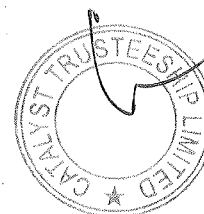
Rupees (in words)

Note: Cheques & Drafts are subject to realisation

All future communication in connection with the Application should be addressed to _____
(quoting full name of the Applicant, Serial Number of the Application Form, Number of Certificates applied for date of application) at the following address: _____.

INSTRUCTIONS:

1. Application Form must be completed in full in block letters in English. Applications, which

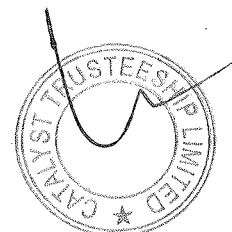


are not complete in all respects or are, made otherwise than as herein required are liable to be rejected.

2. An applicant should submit only one application (and not more than one) for the total number of Certificates required.
3. The applicant should mention the Permanent Account Number (PAN) allotted under the Income Tax Act, 1961 or where the same has not been allotted, the GIR Number and the Income-Tax Circle/Ward/District. In case neither the PAN nor the GIR Numbers has been allotted, the fact of non-allotment should be mentioned in the Application Form. Applications without this will be treated as incomplete and will be liable to be rejected.
4. In case of applications under Power of Attorney or by Limited Companies or Bodies Corporate, the relevant Power of Attorney or the relevant Resolution or Authority as the case may be, to make the application together with a duly certified copy thereof must be lodged separately quoting the Serial Number of the Application Form at _____ simultaneously with the submission of the Application Form failing which the application made is liable to be rejected.
5. Payment should be made by Cheques or Bank Draft drawn on any Bank which is situated at and is a member or sub-member of the Banker's Clearing House located at the place where the application is submitted.
6. All Cheques/Drafts must be crossed "A/c Payee only" and made payable to "_____".
7. Application Forms duly completed along with the cheques/demand draft payable high value on the Issue Closing Date must be delivered on the Issue Closing Date to _____.
8. In case of payments through RTGS, the payments may be made as follows, and such payment will have to reach the Collection and Payout Account at least by 4.00 pm on the Issue Closing Date:

Beneficiary Name : InvoiceX 7 Trust
Account No. : _____
Bank Details : _____
Branch : _____
IFS Code : _____

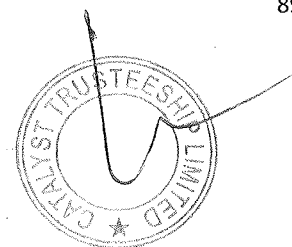
9. The Trustee's reserve their full, unqualified and absolute right to accept or to reject any application in whole or in part and in either case without assigning any reasons therefore.



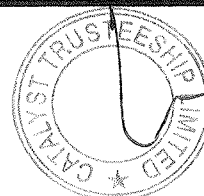
ANNEXURE 3: FORMAT OF SEMI – ANNUAL REPORT

Name/Identification No. of securitisation transaction:

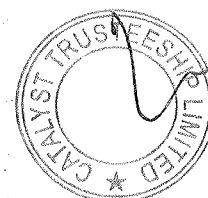
	Nature of disclosure	Details		Amount / percentage / years
1.	Maturity characteristics of the underlying assets (on the date of disclosure)	i)	Weighted average maturity of the underlying assets (in years)	
		ii)	Maturity-wise distribution of underlying assets	
			a) Percentage of assets maturing within one year	
			b) Percentage of assets maturing within one to three year	
			c) Percentage of assets maturing within three to five years	
			d) Percentage of assets maturing after five years	
2.	Minimum Holding Period (MHP) of securitised assets	i)	MHP required as per RBI guidelines (years / months)	
		ii)	a) Weighted average holding period of securitised assets at the time of securitization (years / months)	
			b) Minimum and maximum holding period of the securitised assets	
3.	Minimum Retention Requirement (MRR) on the date of disclosure	i)	MRR as per RBI guidelines as a percentage of book value of assets securitised and outstanding on the date of disclosure	
		ii)	Actual retention as a percentage of book value of assets securitised and outstanding on the date of disclosure	
		iii)	Types of retained exposure constituting MRR in percentage of book value of assets securitised (percentage of book value of assets securitised and outstanding on the date of disclosure)	
		a)	Credit Enhancement (i.e. whether investment in equity / subordinate tranches, first / second loss guarantees, cash collateral, over collateralisation	
		b)	Investment in senior tranches	
		c)	Liquidity support	



	Nature of disclosure	Details			Amount / percentage / years
			d)	Any other (pl. specify)	
		iv)	Breaches, if any, and reasons there for		
4.	Credit quality of the underlying loans	i)	Distribution of overdue loans (post securitisation)		
		a)	Percentage of loans overdue up to 30 days		
		b)	Percentage of loans overdue between 31-60 days		
		c)	Percentage of loans overdue between 61-90 days		
		d)	Percentage of loans overdue more than 90 days		
		ii)	Details of tangible security available for the portfolio of underlying loans (vehicles, mortgages, etc.)		
		a)	Security 1 (to be named) (% loans covered)		
		b)	Security 2.....		
		c)	Security 'n'		
		iii)	Extent of security cover available for the underlying loans		
		a)	Percentage of loans fully secured included in the pool (%)		
		b)	Percentage of partly secured loans included in the pool (%)		
		c)	Percentage of unsecured loans included in the pool (%)		
		iv)	Rating-wise distribution of underlying loans (if these loans are rated)		
		a)	Internal grade of the bank / external grade (highest quality internal grade may be indicated as 1)		
			1/AAA or equivalent		
			2		
			3		
			4.....		
			N		

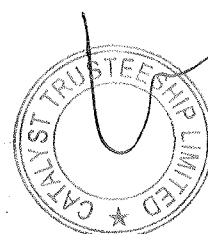


	Nature of disclosure	Details			Amount / percentage / years
			b)	Weighted average rating of the pool	
		v)		Default rates of similar portfolios observed in the past	
			a)	Average default rate per annum during last five years	
			b)	Average default rate per annum during last year	
		vi)		Upgradation / Recovery / Loss Rates of similar portfolios	
			a)	Percentage of NPAs upgraded (average of the last five years)	
			b)	Amount written-off as a percentage of NPAs in the beginning of the year (average of last five years)	
			c)	Amount recovered during the year as a percentage of incremental NPAs during the year (average of last five year)	
		vii)		Frequency distribution of LTV ratios, in case of housing loans and commercial real estate loans)	
			a)	Percentage of loans with LTV ratio less than 60%	
			b)	Percentage of loans with LTV ratio between 60-75%	
			c)	Percentage of loans with LTV ratio greater than 75%	
			d)	Weighted average LTV ratio of the underlying loans (%)	
		viii)		Frequency distribution of Debt-to-Income (DTI) ratios, as per applicable and/or available	
			a)	Percentage of loans with DTI ratio less than 60%	
			b)	Percentage of loans with DTI ratio between 60-75%	
			c)	Percentage of loans with DTI ratio greater than 75%	
			d)	Weighted average DTI ratio of the underlying loans (%)	



(Not for Circulation)
For specific use of addressee only

	Nature of disclosure	Details		Amount / percentage / years
		ix)	Prepayment Rates	
		a)	Prepayment rate observed in the current portfolio	
		b)	Prepayment rate observed of similar portfolio in the past	
5	Other characteristics of the loan pool	i)	Industry-wise breakup of the loans in case of mixed pools (%)	
			Industry 1	
			Industry 2	
			Industry 3....	
			Industry n	
		ii)	Geographical distribution of loan pools (state-wise) (%)	
			State 1	
			State 2	
			State 3	
			State 4	



ANNEXURE 3: RATING RATIONALE

(attached separately)

