



महाराष्ट्र MAHARASHTRA

2022

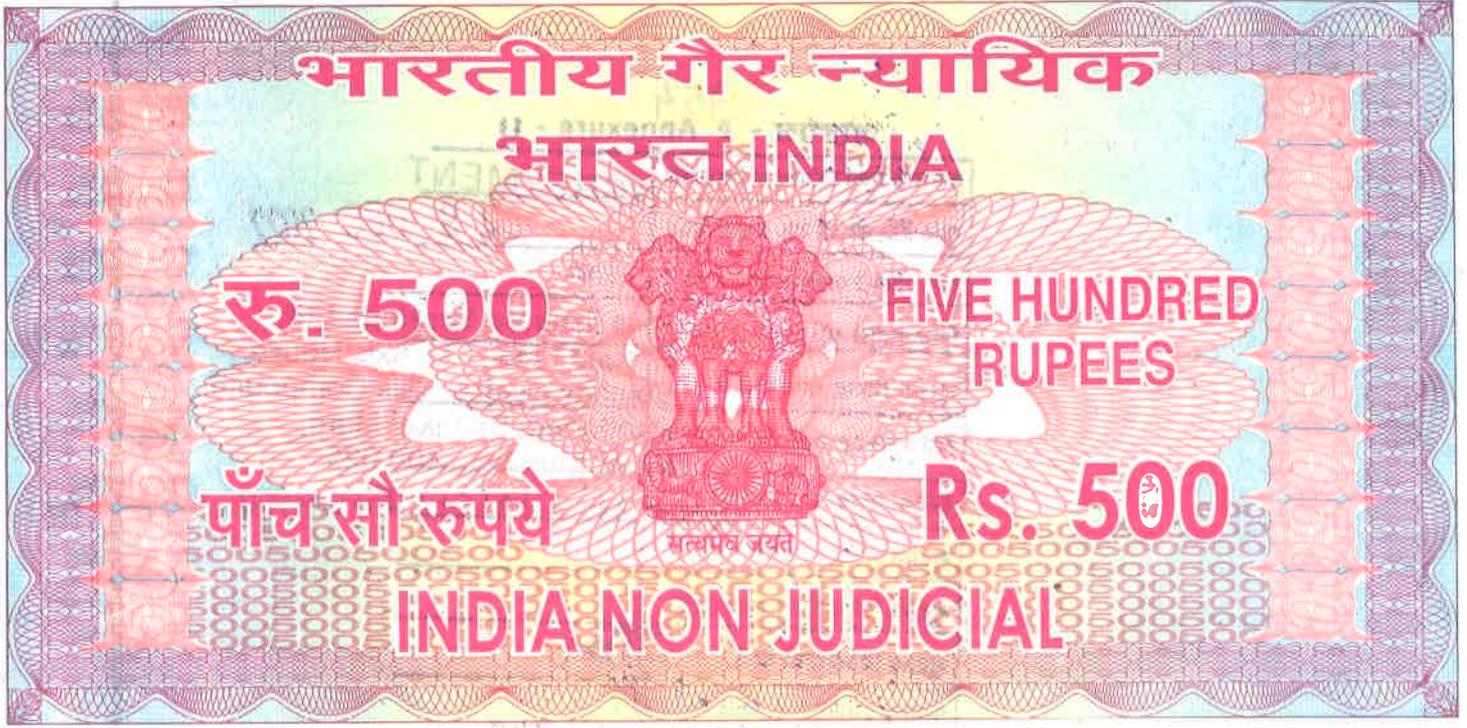
BU 797221

प्रधान मुद्रांक कार्यालय, मुंबई  
प.मु.वि.क. ८००००९  
27 DEC 2022  
सक्षम अधिकारी

श्रीमती सिध्दी राणे

This stamp paper forms an integral part of Declaration of  
Trust executed by Axis Trustee Services Limited on  
30<sup>th</sup> December, 2022





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30<sup>th</sup> December 2022



## DECLARATION OF TRUST

This declaration of trust (**Deed or Trust Deed**) is made at the place and on the date specified in Schedule I (**Schedule of Details**) hereto

### BY

The **Settlor** or the **Sponsor** specified in the Schedule of Details (which expression shall, unless repugnant to the context, mean and include its successors and assigns);

### IN FAVOUR OF

The **Trustee** specified in the Schedule of Details (which expression shall, unless repugnant to the context, mean and include its successors and assigns).

### WHEREAS:

- A. The Seller specified in the Schedule of Details is a non-banking financial company - microfinance institution registered with the RBI (as defined hereinafter) and is, *inter alia*, engaged in the business of granting financial assistance to various borrowers in the form of microfinance loans.
- B. The Seller has, during the course of its business, granted Facilities (as defined hereinafter) to various Obligors (as defined hereinafter) on the terms and conditions contained in the relevant Facility Agreements (as defined hereinafter) and the Underlying Documents (as defined hereinafter) entered into with such Obligors.
- C. The Seller, with respect to each of the Facilities granted by it, is entitled to receive from the Obligors and such Obligors are liable to pay the Seller, *inter alia*, instalments towards repayment of principal, interest, additional interest, liquidated damages, amounts received on Prepayment (as defined hereinafter), costs, charges, expenses, fees and all amounts due and payable in respect of the Facilities (including on account of delayed



payments), as more particularly set out in the relevant Facility Agreements and the relevant Underlying Documents.

- D. The Seller is desirous of securitising its Receivables (as defined hereinafter) by way of assignment, with effect from the Effective Date (as defined hereinafter), to the Trust (as defined hereinafter) to be held by the Trustee in trust for the benefit of the Beneficiaries (as defined hereinafter).
- E. The Seller has requested the Settlor to settle the Trust for the purposes of securitisation of the Receivables.
- F. In view of the above, the Settlor has agreed to declare the Trust and the Trustee has agreed to act as the trustee in respect of the securitisation of the Receivables.

**NOW ACCORDINGLY, THIS DEED HEREBY WITNESSES AS FOLLOWS:**

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

Unless otherwise defined and unless the context otherwise requires, capitalized terms in this Deed have the meanings set out in Schedule II (**Schedule of Definitions**) hereto.

**1.2 Interpretation**

In this Deed:

- (a) references to any statute or statutory provision or order or rule or regulation made there under include references to that statute, provision, order or rule or regulation as amended, modified, re-enacted or replaced from time to time whether before or after the date hereof;
- (b) references to person(s) include references to bodies corporate, unincorporated associations, partnerships and any organisation or entity having legal capacity;
- (c) headings to Clauses and/or paragraphs are for information only and do not form part of the operative provisions of this Deed and cannot be taken into consideration in its interpretation or construction;
- (d) references to Recitals, Clauses, Schedules or Annexures, unless the context otherwise requires, are references to recitals to, clauses of, schedules to or annexures to this Deed (and shall be deemed to include a reference to any Annexures or Schedules amended, modified, updated or restated in accordance with the provisions of the Deeds of Securitisation);



- (e) unless the context otherwise requires, reference to one gender includes a reference to the other, and words importing the singular include the plural and *vice versa*;
- (f) references to the words "include" or "including" will be construed without limitation;
- (g) reference to any agreement, document or instrument is a reference to that agreement, document or instrument as amended or novated from time to time;
- (h) a reference to "Schedule V" or "Schedule VIII" includes any amendments, modifications and restatements thereto in accordance with the Deeds of Securitisation;
- (i) a reference to a year means a calendar year, calculated on an actual number of days in the given year/365 (three hundred and sixty five) day basis;
- (j) other than as specifically set out in this Deed, all references to the consent, discretion, agreement, instruction or determination of the Trustee means the Trustee acting on the directions of the Members holding Majority Interest (in accordance with the Deeds of Securitisation); and
- (k) all calculations for interest and any other amounts will be done on an actual/actual basis for a year comprising 365 (three hundred and sixty five) days.

### 1.3 Effective Date

- (a) The transfer and assignment of the Assigned Assets from the Seller to the Trust (acting through the Trustee) on the terms of the Deeds of Securitisation, and the rights and obligations contained in this Deed and the other Deeds of Securitisation, shall become effective on and from the Effective Date, subject to the Seller receiving the Purchase Consideration on or prior to December 30, 2022.
- (b) Where the transactions contemplated in the Deeds of Securitisation cannot be consummated by December 30, 2022 (for any reasons whatsoever), the Trustee may (acting on the directions of the Investors holding Majority Interest), in accordance with the Deeds of Securitisation, amend/modify this Deed and the other Deeds of Securitisation on such terms as may be mutually agreed between the relevant parties thereto so as to consummate the transactions contemplated in the Deeds of Securitisation on such date as may be mutually agreed between the Trustee (acting on the directions of the Investors holding Majority Interest) and the Seller.

## 2. CONSTITUTION OF THE TRUST

### 2.1 Creation of the Trust



The Settlor hereby establishes, constitutes, settles and sets up, declares and confirms the establishment, constituting, settlement, and setting up of the Trust and that it has, simultaneously with the execution of this Deed, settled and kept apart a sum of INR 1,000 (Indian Rupees One Thousand), being the initial corpus (hereinafter referred to as the **Initial Contribution**) of the Trust to have and hold such amounts together with all additions or accretions thereto including the investments, if any, subject to the powers, provisions, agreements and declarations herein contained.

## 2.2 Acceptance of Trust

The Settlor hereby appoints the Trustee as the initial/first trustee of the Trust and the Trustee hereby accepts the appointment as the trustee of the Trust in accordance with the terms of this Deed. The Trustee hereby declares and confirms that:

- (a) it will hold and stand possessed of the Trust Property upon trust exclusively for the benefit of the Beneficiaries in accordance with and subject to the powers, provisions, agreements and declarations contained herein. It is hereby clarified that on the Settlement Date, the Trustee is also the Settlor of the Trust; and
- (b) it shall always act in accordance with the terms of this Deed and shall not put itself in a position which may result in a conflict of interest or which may be detrimental to the interests of the Beneficiaries.

## 2.3 Beneficiaries

The beneficiaries of the Trust will be the PTC Holders from time to time, the Credit Enhancers (if any), the Residual Beneficiary and such other persons who have any right over the Trust Property at any time in terms of this Deed (collectively, the **Beneficiaries**). Once a person ceases to have any rights over the Trust Property in terms of this Deed, they shall cease to be the Beneficiaries. The acceptance of a PTC by any Investor or Prospective Investor will be deemed as an acceptance of the terms of the Deeds of Securitisation. The details of the proposed first subscribers to the PTCs i.e., the PTC Holders as on the Effective Date are set out in Schedule VI.

## 2.4 Name of the Trust

The name of the Trust hereby created shall be as specified in the Schedule of Details.

## 2.5 Date of Commencement of the Trust

The Trust hereby created commences from the Settlement Date.

## 2.6 Date of Termination of the Trust

- (a) The Trust will continue to exist until the objects of the Trust are fulfilled and specifically until the Trust Property is fully distributed to the Beneficiaries in the



manner provided in this Deed and the other Deeds of Securitisation and the PTCs are fully redeemed in accordance with this Deed.

- (b) Upon the fulfilment of the objects of the Trust as stated in Clause 2.7, the Trustee will be entitled to dissolve the Trust, at the request of all the Beneficiaries.
- (c) The Trust may be wound up and/or dissolved on the Last Maturity Date. If any Receivables are outstanding on the Last Maturity Date, the Trustee shall discuss and agree with the Members (in the manner provided in the Deeds of Securitisation) and the Settlor, the manner of recovery and distribution of such proceeds, including without limitation, extending the Series A1 Final Maturity Date.

## 2.7 Objects of the Trust

- (a) The Trust has been created with the following objects:
  - (i) to consider the Information Memorandum prepared by the Seller for the Investors pertaining to the securitisation of the Receivables and to discuss and finalise the Information Memorandum with the Rating Agency and the Seller;
  - (ii) to purchase the Receivables from the Seller and utilize the Credit Enhancement for the benefit of the Beneficiaries. For this purpose, the Trustee will be empowered to execute such deeds, documents, agreements and writings as may be required to acquire the complete right, title and interest in respect of the Assigned Assets (as defined in the Assignment Agreement);
  - (iii) to receive subscription amounts from the Investors desirous of subscribing to the PTCs;
  - (iv) to make payment of the Purchase Consideration to the Seller for the purchase of Receivables from and out of the subscription amounts received from the Investors. PROVIDED THAT nothing in this Deed will make the Trustee liable for making payment of the Purchase Consideration, until and unless the Trustee receives adequate subscription amounts from the Investors;
  - (v) to hold the Trust Property for the benefit of the Beneficiaries in accordance with the terms and conditions of this Deed;
  - (vi) to issue PTCs to the Investors evidencing their undivided beneficial right, title and interest in the Trust Property;



- (vii) to keep the amounts and assets representing the Trust Property with the Collection Bank, if any, and to deposit and withdraw such amounts and assets as may be required from time to time;
  - (viii) to open and operate the Accounts and supervise the credits into and debits from the Accounts;
  - (ix) to execute the Credit Enhancement Documents;
  - (x) to make Investor Payouts to the Investors from time to time in accordance with the Waterfall Mechanism;
  - (xi) [INTENTIONALLY LEFT BLANK];
  - (xii) to appoint the Servicer and monitor the responsibilities of the Servicer or other servicer(s) (appointed in accordance with the Servicing Agreement) for the servicing of the Receivables and execute any and all documents and instruments for this purpose and in such event, to require such person to deposit the collections of the Receivables, prepare reports and take such other actions, on such terms and conditions as may be decided by the Members holding Majority Interest;
  - (xiii) to appoint the Registrar and Transfer Agent;
  - (xiv) to direct the performance of Discretionary Audits on the Servicer, as and when required; and
  - (xv) to do all such other activities that may be incidental or ancillary to the objects set out above and as may reasonably be required for the purpose of securitisation of the Receivables in the manner contemplated in the Deeds of Securitisation. PROVIDED THAT the Trust will not carry out any other commercial activity (other than that permitted above) for the purpose of securitisation of the Receivables.
- (b) The objects of the Trust as stated in Clause 2.7(a) will be implemented in accordance with terms of this Deed and the other Deeds of Securitisation.

### 3. TRUST PROPERTY

#### 3.1 Trust Property

- (a) The Trustee will stand possessed of the Initial Contribution, all other contributions received by the Trustee including contributions received from the Investors towards subscription amounts for the PTCs, the Receivables and all amounts deposited with the Trust on realization of the Receivables from time to time in accordance with the Deeds of Securitisation, the Underlying Documents and the Credit Enhancement (collectively referred to as the **Trust Property**).



- (b) All such Trust Property will be held in trust and is subject to the powers, declarations, directions, conditions and provisions herein declared, expressed and contained.
- (c) The PTCs issued by the Trust are not insured and the PTCs do not represent deposit liabilities of the Seller, the Servicer or the Trustee.

### 3.2 Vesting of Trust Property

Pursuant to the declaration made by the Trustee under this Deed, the Trust Property will vest in the Trustee and the Trustee will hold the Trust Property upon trust and for the benefit of the Beneficiaries subject to the powers, provisions, agreements and declarations herein contained to be utilised in accordance with the Deeds of Securitisation.

### 3.3 Expenses chargeable to the Trust Property

In addition to the costs, charges, fees and expenses expressly provided herein and subject to the terms of this Deed, the Trustee will be entitled to reimburse itself and defray expenses in accordance with Clause 4.6 and satisfy out of the Trust Property all expenses which the Trustee may reasonably have to incur pursuant to the exercise of its powers contained in this Deed. Further, any expense exceeding INR 10,000 (Indian Rupees Ten Thousand) can only be incurred with Majority Consent.

### 3.4 Waterfall and Priority of Payments

For the purposes of Clause 21 and Clause 22 of the Securitisation Directions, it is declared that:

- (a) the cash flow schedules set out in this Deed and the other Deeds of Securitisation have been prepared on the basis of expected cash flow projections assuming that (i) there are no Defaults or Prepayments, and (ii) there is no change in the Effective Date pursuant to the terms of the Deeds of Securitisation; and
- (b) in the event of any Prepayments or Defaults or any change in the Effective Date pursuant to the terms of the Deeds of Securitisation, the cash flow schedules set out in this Deed and the other Deeds of Securitisation will be updated by the Trustee (acting on the instructions of the Members holding Majority Interest) in accordance with this Deed and the other Deeds of Securitisation, wherein the Trustee shall (acting on the instructions of the Members holding Majority Interest) prescribe a new schedule of payment of the Investor Payouts on all subsequent Investor Payout Dates and/or a new schedule of expected cash flows from the Receivables comprising the Pool, each adjusted for (i) the impact of Prepayments/Defaults and the expected cash flows from the Pool, or (ii) any change in the Effective Date pursuant to the terms of the Deeds of Securitisation.



#### 4. PROVISIONS RELATING TO THE TRUSTEE

##### 4.1 General

The Trustee is, subject to the directions and instructions to be provided by the Members in accordance with the provisions of this Deed and the other Deeds of Securitisation, absolutely vested with the general superintendence, direction and management of the affairs of the Trust, and, subject to the provisions of this Deed, has all powers, authorities, authorisations (including consents) and discretion to perform the objects of the Trust and all objects appurtenant to or incidental to the purpose of the Trust.

##### 4.2 Powers of the Trustee

Without prejudice to the generality of the powers, authorities and discretions conferred under Clause 4.1, and any other provision(s) in the Deeds of Securitisation, it is hereby declared that the Trustee has the following powers to further the objects of the Trust:

- (a) to accept the subscription amounts (including advances thereon) from the Investors and pay the Purchase Consideration to the Seller towards the purchase of Receivables on the Effective Date;
- (b) to utilize the Trust Property, in accordance with the provisions of this Deed and the other Deeds of Securitisation;
- (c) to issue (in dematerialized form or otherwise), redeem, consolidate, sub-divide, reissue or cancel the PTCs, in accordance with the provisions of the Deeds of Securitisation;
- (d) to acquire, hold, deal with and manage the Trust Property in accordance with the Deeds of Securitisation;
- (e) to open the Collection and Payout Account with the Collection Bank for the deposit of the issue proceeds and utilize such issue proceeds in the manner provided herein and the other Deeds of Securitisation;
- (f) to make payments to the Beneficiaries and payment of other costs, in accordance with this Deed and the other Deeds of Securitisation;
- (g) to keep the amounts representing the Trust Property in the Collection and Payout Account and to deposit and withdraw such amounts as may be required from time to time in accordance with the Deeds of Securitisation;
- (h) to collect all amounts due to the Trust and acknowledge and give effectual and valid receipts and discharges for such amounts;
- (i) to obtain listing of the PTCs on one or more stock exchanges (in accordance with the Deeds of Securitisation, and in accordance with Applicable Law);



- (j) to exercise all rights and remedies and take all consequential action under the Transaction Documents;
- (k) to grant consents and approvals as may be required under any Facility Agreement to enable the Servicer to carry out its functions in accordance with the Deeds of Securitisation;
- (l) to institute, conduct, defend, compound, settle, withdraw or abandon any legal proceedings in the name of the Trust or the Trustee together with the Seller if so required, and to submit any proceedings or differences for settlement by arbitration, if required;
- (m) to request withdrawals from and make refunds/reimbursements in respect of the Credit Enhancement in accordance with the Deeds of Securitisation;
- (n) to compromise, settle or abandon any debt or claim due to the Trust unless the Investors have otherwise required the Trust to take actions to recover the debts or claims in the manner provided in the Deeds of Securitisation;
- (o) to open one or more accounts, including the Collection and Payout Account, for the purpose set out in the Deeds of Securitisation and to operate such accounts;
- (p) to monitor the cash flows into and from the Accounts;
- (q) to execute and perform the Deeds of Securitisation;
- (r) to keep all Underlying Documents as handed over to it by the Seller and the Deeds of Securitisation in safe custody for the benefit of the Investors;
- (s) to enter into all arrangements and contracts in relation to the objects of the Trust;
- (t) to appoint and employ agents and other persons to assist the Trustee in the administration of the Trust and to determine their fees and emoluments and at its discretion, to remove such agents and persons and appoint others in their place;
- (u) to appoint any third party service providers such as brokers, advocates, auditors, credit rating agencies, registrars, agents, valuers and other persons for the purpose of fulfilling any of the objectives of the Trust, after obtaining Majority Consent;
- (v) to incur and pay all reasonable costs, charges and expenses incidental to the management, administration and execution of the Trust, including the registration of the Trust with any Competent Authority;



- (w) to sign, seal, execute, deliver and register all deeds, documents and assurances in respect of or relating to the Trust and the due performance and execution of the purpose and objects hereof;
- (x) to constitute committees consisting of such persons as may be approved by the Members holding Majority Interest, to guide and advise the Trust and to delegate suitable powers to them and impose appropriate regulations on them as approved by the Members holding Majority Interest;
- (y) to review the reports prepared/certifications provided pursuant to the Discretionary Audits and take any action(s) thereon;
- (z) to review the reports prepared by the Auditor and take any action(s) thereon. The Trustee shall ensure that the reports from the Auditor is obtained within 30 (thirty) days from the Effective Date;
- (aa) to compromise or settle any dispute in relation to or pertaining to the Trust Property, as approved by all Investors;
- (bb) to modify, alter, add to or amend any of the provisions of the Deeds of Securitisation and the Underlying Documents with the consent of all the Investors;
- (cc) to enable and assist any Investor in conducting any due diligence of the Servicer or of any of the Facilities comprising the Pool;
- (dd) to accept the Clean Up Purchase Consideration in terms of this Deed and the provisions of the other Deeds of Securitisation subject to compliance with Applicable Law;
- (ee) to make available, a copy of this Deed and the accounts and statement of affairs of the Trust to the RBI, if required to do so; and
- (ff) to generally, do all such acts, deeds, matters and things which are necessary for the objects or purpose of or in relation to the Trust or are incidental or conducive to the proper exercise of the powers of the Trustee under this Deed.

#### 4.3 Power to delegate

The Trustee may, from time to time, delegate to any committee of the Trustee or to any of its employees of reasonable seniority, any of its powers and duties under this Deed.

#### 4.4 Representations and Warranties

The Trustee hereby represents and warrants as follows:



- (a) the Trustee is a limited liability company duly organised, validly existing and in good standing under Applicable Law and is duly qualified and licensed to do business in each jurisdiction in which the character of its properties or the nature of its activities requires such qualifications;
- (b) the Trustee is registered with SEBI and is eligible to act as the trustee of the Trust for the purposes of the Securitisation Listing Framework;
- (c) the Trustee has full corporate power and authority to enter into this Deed and to take any action and execute any documents required by the terms hereof including the Deeds of Securitisation and the execution of this Deed has been duly authorised by all necessary corporate proceedings;
- (d) there exists no consent, approval, order, registration or qualification of or with, any court, tribunal or any other Competent Authority having jurisdiction over the Trustee, the absence whereof would adversely affect the legal and valid execution, delivery and performance by the Trustee of its obligations under this Deed;
- (e) neither the execution and delivery of this Deed nor the fulfilment of or compliance with the terms and conditions thereof, conflict with or result in a breach of or a default under Applicable Law or any covenant or agreement or instrument to which the Trustee is now a party, or by which the Trustee or any of the Trustee's property is bound, nor does such execution, delivery, consummation of, or compliance with, violate or result in the violation of the memorandum of association and articles of association of the Trustee;
- (f) the Trustee shall comply with all obligations and conditions stipulated under Applicable Law;
- (g) the Trustee shall execute/has executed a listing agreement (as specified by the SEBI pursuant to the circular dated October 13, 2015 or as may be prescribed from time to time) with a recognised stock exchange for listing of the PTCs on a recognised stock exchange;
- (h) the Trustee does not have any beneficial interest in the Receivables;
- (i) the Seller or any of its associates do not exercise control over the Trustee;
- (j) all transactions between the Trustee/Trust and the Seller are on an arm's length basis;
- (k) neither the Trust nor the Trustee resembles in name or implies any connection or relationship with the Seller in its title or name;
- (l) the Seller does not have any ownership, proprietary or beneficial interest in the Trust;



- (m) the Seller has no representatives on the board of the Trust and/or the Trustee;
- (n) neither the Seller nor any of its associates exercises control, directly or indirectly, over the Trust and/or the Trustee;
- (o) the Seller has not settled the Trust;
- (p) the Seller does not have any ownership, proprietary or beneficial interest in the Trustee;
- (q) the Trust is a non-discretionary trust established under the Indian Trust Act, 1882;
- (r) the Trust is bankruptcy remote and shall not be affected by the bankruptcy of the Seller or the Trustee;
- (s) Clause 4 and the other provisions of this Deed prescribe the functions to be performed by the Trustee, and their rights and obligations;
- (t) this Deed, generally, together with the other Deeds of Securitisation prescribes the rights and obligations of the Members in relation to the Assigned Assets;
- (u) this Deed does not prescribe for any discretion to the Trustee as to the manner of disposal and management or application of the Trust Property;
- (v) the Members are empowered to change the Trustee at any time in accordance with the provisions of this Deed;
- (w) the Trustee only performs trusteeship functions in relation to the Trust and has not undertaken any other business with the Trust;
- (x) the PTCs issued by the Trust do not represent the obligations of the Seller and only represent the claim of the Investors in respect of the Assigned Assets; and
- (y) the PTCs issued by the Trust are not insured and these do not represent deposit liabilities of the Seller, the Servicer or the Trustee.

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#### 4.5 **Trustee's remuneration**

The Trustee is entitled to the fee payable as mutually agreed between the Trustee and the Seller in writing as remuneration for it providing services as the trustee under this Deed.



#### 4.6 Right to reimbursement of expenses

The Trustee is entitled to reimburse itself from or out of the Trust Property in accordance with the Waterfall Mechanism as the Trustee may determine necessary for satisfaction of the following expenses:

- (a) all reasonable costs, charges and expenses incurred in the operation and execution of the Trust (including all acts, deeds and things done/to be done incidental or ancillary to the objects of the Trust) in particular, realization of the Receivables and the distribution thereof, preservation and administration of the investments and assets comprising the Trust Property and for the protection of the interests of the Investors;
- (b) all reasonable legal costs and expenses in connection with any legal proceedings by or against the Trust or concerning the affairs of the Trust including professional fees of any legal adviser;
- (c) all reasonable legal and statutory expenses incurred in the operation and execution of the Trust including registration of the Deeds of Securitisation with the registrar of assurances (if required) or any other Competent Authority, taxes, duties and other charges payable in connection with the issue of PTCs and the transaction contemplated herein and the Deeds of Securitisation;
- (d) taxes and duties, cess and levies, if any, levied on or recovered from the Trustee relating to the amounts constituting the Receivables received by the Trustee; and
- (e) all actions, proceedings, costs, charges, expenses, claims and demands whatsoever which may be brought or made against or incurred by the Trustee in respect of any matters or things done or omitted to be done in respect of or in relation to the Trust Property.

#### 4.7 Indemnity

- (a) The Trustee is not responsible for any loss resulting to the Trust, on account of insufficiency or deficiency of the value of the Trust Property including on account of the insolvency or the wrongful act of any Obligor or any other person under obligation to the Trust or anything done in good faith in the execution of the duties of their office or in relation thereto.

However, the Trustee will be liable and will not be entitled to be indemnified for all loss, damages or costs incurred by the Trust or any PTC Holder on account of the Trustee's negligence, misconduct, fraud or breach of the terms and conditions of any of the Deeds of Securitisation.

- (b) The Trustee will not be liable, for any tax liability under the Income Tax Act, 1961 and any rules made thereunder, arising in respect of the Trust Property. In the



event that the Trustee is made liable for payment of any tax whether as a representative assessee or otherwise, the Trustee will be reimbursed in accordance with the Waterfall Mechanism the amount paid by it towards such tax liability and the Investors agree to indemnify and hold harmless the Trustee towards any cost borne and paid by the Trustee towards the payment of the aforementioned tax liability. Subject to the aforesaid, the Trustee will be responsible for the performance of tax obligations, if any, with respect to the Trust. The Trustee and/or the Seller will not be obliged to pay additional amount if the gross Investor Payouts on the PTCs are subject to taxes.

#### 4.8 Duties of Trustee

- (a) The Trustee will ensure that all investments of the Trust Property are in accordance with this Deed.
- (b) The Trustee will, at all times, ensure that the Trust Property 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 will exercise due diligence in carrying out its duties and will take all action whatsoever necessary for protecting the interest of the Investors.
- (d) The Trustee will ensure that all transactions are properly entered into and performed in accordance with this Deed.
- (e) The Trustee will fulfil all its obligations under the agreements, deeds and writings executed by the Trustee in relation to the Trust Property.
- (f) Based on the reports given by the Servicer, the Trustee will, within a period of 3 (three) Business Days from each Investor Payout Date, prepare and provide to each Investor, a new statement including:
  - (i) the amount of the Receivables realized;
  - (ii) the amount of the Receivables outstanding;
  - (iii) the details of any Defaults including aging of such Defaults;
  - (iv) details of any utilization (including replenishment/reimbursement) of the Credit Enhancement;
  - (v) the details of any Prepayments; and
  - (vi) a new Schedule V (i.e., a schedule of payment of the Investor Payouts on all subsequent Investor Payout Dates) and a new Schedule VIII (i.e., a schedule of expected cash flows from the Receivables comprising the Pool), each adjusted for (A) the impact of Prepayments/Defaults and the



expected cash flows from the Pool, or (B) any change in the Effective Date pursuant to the terms of the Deeds of Securitisation.

- (g) The Trustee agrees that it shall either by itself or through the Servicer:
- (i) ensure timely Investor Payouts;
  - (ii) make the Credit Enhancement available for the PTCs at all times in accordance with the Schedule of Credit Enhancement; and
  - (iii) ensure that services of ECS (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer) are used for payment of the Investor Payouts as per applicable norms of the RBI. Where it is not possible to make payment through electronic means, the Trustee shall issue "payable at par" warrants/cheques for payment of Investor Payouts.
- (h) The Trustee shall ensure timely payment of interest and redemption amounts to the Investors in terms of issue of the PTCs out of the realisations from the Pool or Credit Enhancement.
- (i) The Trustee shall monitor the internal processes of the Servicer and ensure that they are designed to avoid a conflict of interest.
- (j) The Trustee shall file such tax returns as may be required by Applicable Law in relation to the income arising from the Trust Property.
- (k) The Trustee shall take all reasonable steps to realise the amounts due to the Trust.
- (l) If required to close transfers of the PTCs, for such purposes as the recognised stock exchange may agree to or require, the Trustee shall give to such stock exchange a notice in advance of at least 7 (seven) Business Days, or as many days as such exchange may from time to time prescribe, stating the dates of closure of transfers and specifying the purpose or purposes for which the transfers are to be closed.
- (m) The Trustee shall submit such information, including financial information relating to the Trust, to the stock exchanges and the Investors and comply with such other continuing obligations as may be stipulated in the listing agreement entered into with a recognised stock exchange.
- (n) Every rating obtained by the Trustee in relation to the PTCs shall be periodically (not later than 1 (one) year) reviewed by the Rating Agency and any revision in the rating shall be promptly disclosed by the Trustee to the recognised stock exchanges where the PTCs are listed.



- (o) The Trustee agrees that it will not forfeit unclaimed Investor Payouts and such unclaimed Investor Payouts shall be, after a period of 7 (seven) years, transferred to Investor Protection and Education Fund set up in accordance with the Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009 or any successor fund specified by the regulator.
- (p) Where it proposes to change its management or, control, the Trustee shall obtain prior approval of the SEBI for continuing to act as such after the change.
- (q) The Trustee shall pay, from the Trust Property, the registration fees and annual fees with respect to the Trust under the Securitisation Listing Framework.
- (r) The Trustee shall take adequate steps for redressal of grievances of the Investors within 1 (one) month of the date of the receipt of the complaint and keep the SEBI informed about the number, nature and other particulars of the complaints received.
- (s) The Trustee shall abide by the provisions of the Securities Contracts (Regulations) Act, 1956 and the Securitisation Listing Framework in respect of the regulated activities carried on by the Trustee.
- (t) The Trustee shall forthwith inform the SEBI, if any information or particulars previously submitted to the SEBI is found to be misleading in any material respect or false.
- (u) The Trustee shall forthwith inform the SEBI, of any material change in the information or particulars furnished, which may have a bearing on the certificate of registration granted to it.
- (v) The Trustee shall abide by the Code of Conduct specified in Schedule III of the Securitisation Listing Framework.
- (w) The Trustee agrees that credit to demat accounts of the Investors shall be made within 2 (two) Business Days from the date of allotment.
- (x) The terms of issue of the PTCs shall not be varied without the consent of all the Investors. The Investors shall be deemed to have given their consent to any variation only if 21 (twenty one) days' notice is given to them of the proposed variation and it is approved by each Investor.
- (y) The Trustee agrees that no material modification shall be made to the structure of the PTCs in terms of coupon, conversion, redemption, or otherwise without prior approval of the recognized stock exchange where the PTCs are listed. The Trust shall make an application to such exchange only after the approval of the Investors as required herein.



- (z) The Trustee agrees that unless the terms of issue provide otherwise, the Trustee shall not select any of its listed PTCs for redemption other than on a pro rata basis or by lot and shall promptly furnish to the recognized stock exchange (where the PTCs are listed) the details thereof.
- (aa) The Trustee shall adopt internal procedures designed to avoid conflict of interest.
- (bb) Without prejudice to any Applicable Law, the Trustee shall maintain or cause to be maintained proper accounts and records to enable a true and fair view to be formed of its assets, liabilities, income and expenditure. The Trustee shall maintain the accounts in such a manner so as to disclose as and when requested, the financial position of the Trust as of the last occurring Investor Payout Date. The Trustee shall maintain the accounts of the Trust in accordance with generally accepted accounting principles and having regard to the guidance issued by the Institute of Chartered Accountants of India or as may be specified by the SEBI in respect of accounting for securitisation trusts.
- (cc) The Trustee shall maintain or cause to be maintained other records and documents, including a register of the Investors, for the Trust so as to explain its transactions and its accounts. PROVIDED THAT the register of Investors maintained by a depository in respect of the PTCs held in dematerialised form with it shall be deemed to be a register of Investors of the PTCs.
- (dd) The Trustee shall intimate to the SEBI the places where the records and documents maintained under this Clause 4.8 are kept.
- (ee) The Trustee shall maintain its books of account, records and other documents in respect of the Trust for a minimum period of 8 (eight) years from the redemption of all the PTCs issued under the Trust.
- (ff) Until the Last Maturity Date, the Trustee shall furnish annual reports about the Pool performance and the Investor servicing to the Investors.
- (gg) The Trustee shall ensure that the covenants in this Deed and any other Securitisation Document are complied with by the relevant parties.
- (hh) The Trustee shall act in the interest of the Beneficiaries and shall provide or cause to provide such information and disclosures to Beneficiaries and SEBI as may be specified by SEBI.
- (ii) The Trustee shall take reasonable and due care to ensure that the funds raised through the issue of the PTCs by the Trust are in accordance with the provisions of the Securities and Exchange Board of India Act, 1992 and the Securitisation Listing Framework.

4.9 [INTENTIONALLY LEFT BLANK]

4.10 **Contracts with the Seller**



Neither the Trustee nor any agent of the Trustee is precluded from entering into any transactions or contracts with the Seller or being concerned or interested in any such contract or transaction which any other company or person would be entitled to enter into with the Seller, including but not limited to:

- (a) undertaking any banking, financial or agency services;
- (b) underwriting or guaranteeing the subscription of or placing or subscribing for or otherwise acquiring, holding or dealing with any stocks, shares, debentures or any other securities whatsoever of the Seller, whether with or without a commission or other remuneration; and
- (c) entering into any contract of loan or deposit or any other similar contract, arrangement or transaction with the Seller.

It is agreed, acknowledged and understood that the Trustee will not in any way be liable to account to the Seller or any Investor, details of any profits made by the Trustee or any agent of the Trustee pursuant to such contracts and the Trustee will be entitled to retain for its benefit any customary share of brokerage, fee, commission, interest, discount or other compensation or remuneration received by the Trustee pursuant to such contract or transaction.

#### 4.11 Custody of Documents

- (a) The Trustee will keep all the Underlying Documents as handed over to it by the Seller and the other Deeds of Securitisation in safe custody for the benefit of the Investors.
- (b) The Trustee is at liberty to keep this Deed and the other Deeds of Securitisation at its registered office or regional/branch/zonal office or elsewhere, or if the Trustee so decides, with any banker, company, any advocate or firm of solicitors whose business includes undertaking the safe custody of documents so long as keeping the documents at any other place does not attract additional material stamping.

PROVIDED THAT the Trustee is responsible to the Investors and shall indemnify the Investors for any loss incurred/damage caused to any such deeds or documents during any such custody/deposit.

PROVIDED FURTHER THAT the Trustee will pay all sums required to be paid on account of or in respect of any such deposit, which will be reimbursed by the Investors to the Trustee.

#### 4.12 Restrictions on the Trust

- (a) The Trust shall not raise any amounts 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 Securitisation Listing Framework, this Deed and the other Deeds of Securitisation.
- (c) The Trust shall not engage in activities of an asset management company or portfolio manager or a mutual fund.

#### 4.13 Exclusion of Applicability of Section 20 of the Indian Trusts Act, 1882

Subject to the limitations and restrictions, if any, contained in this Deed, the powers conferred on the Trustee by this Deed are absolute and will not be deemed to be curtailed, restricted or otherwise limited by, under or in pursuance of the provisions of Section 20 or any other provision of the Indian Trust Act, 1882, in regard to investment of any Trust Property.

#### 4.14 Limitation of Liability of the Trustee

Without prejudice to the other provisions of this Deed, the other Deeds of Securitisation and any statutory provision limiting the liability of the Trustee, it is expressly declared as follows:

- (a) the Trustee may, in relation to these presents, act on the opinion or advice of any professional advisor or expert such as a solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant etc. whether such opinion or advice is obtained by the Seller, the Trustee or otherwise and will not be responsible for any loss occasioned by acting on the basis of and in accordance with any such advice or opinion unless such loss is occasioned by the negligence, fraud, default or misconduct of the Trustee;
- (b) the Trustee is not bound to give notice to any person of the execution hereof or to ensure the performance or observance of any of the obligations hereby imposed on the Seller or in any way to interfere with the conduct of its business unless and until the rights under the various Deeds of Securitisation come into force;
- (c) the Trustee is at liberty to keep this Deed and all other Transaction Documents at its registered office or such other place as the Trustee deems fit including any advocates or other person whose business includes undertaking the safe custody of documents and the Trustee is entitled to incur reasonable expenses on behalf of the Trust towards the costs incurred in respect of such custody;
- (d) the Trustee will, as regards all trusts, powers, authorities and discretion hereby vested in them, have the absolute discretion, as to the exercise (including the mode and time of exercise) of such trusts, powers, authorities and discretion and in the absence of any fraud, negligence, misconduct and wilful default on the part of the Trustee, the Trustee will not be responsible for any loss, costs, charges,



expenses or inconvenience that may result from the exercise or non-exercise thereof.

- (e) the Trustee is not responsible for any loss caused from any act or omission pursuant to and in accordance with any resolution validly passed at any meeting of the Investors, as the case may be, in respect whereof minutes have been made and signed, where such action has been made in good faith and there is no negligence, fraud, wilful default or misconduct attributable to the Trustee;
- (f) the Trustee is not personally liable for an error of judgement made in good faith by any officer or employee of the Trustee; and
- (g) save as provided elsewhere in this Deed and the other Deeds of Securitisation, the Trustee has full power to determine all questions and doubts arising in relation to any of the provisions hereof and every such determination made bona fide (in the absence of prima facie error and negligence) is conclusive and binding upon all persons interested hereunder.

PROVIDED THAT nothing contained in this Clause 4.14 exempts the Trustee from, or indemnifies it against, any liability for breach of trust or any liability by virtue of which any Applicable Law would otherwise attach to it where such liability is on account of any negligence, wilful default, fraud, or misconduct attributable to the Trustee in respect of its duties hereunder.

PROVIDED FURTHER THAT nothing contained in this Clause 4.14 shall have the effect of:

- (i) limiting or extinguishing the obligations and liabilities of the Trustee or the Trust in relation to the transaction contemplated or the rights or interests of Investors;
- (ii) limiting or restricting or waiving the provisions under Applicable Law; or
- (iii) indemnifying the Trustee or the Trust for loss or damage caused to the Investors by its act of negligence or commission or omission.

#### 4.15 No recourse against the Trustee

- (a) The Trustee has not, nor will it be deemed to have made any representation or warranty whatsoever, whether express or implied in relation to the Receivables or the Obligors, including as to the financial condition or creditworthiness of the Obligors.
- (b) Without limiting the generality of the foregoing, and without prejudice to the Trustee's duties and obligations under this Deed and the other Deeds of Securitisation, the Trustee has not and will not be deemed to have made any representation or warranty of any kind to the Investors with respect to:



- (i) the due execution of the Facility Agreements;
  - (ii) any representation, warranty or statement made by the Seller or any other person;
  - (iii) inspection of any of the property, books or records of the Seller or any other person; and
  - (iv) realisation of the Receivables.
- (c) The Investors have no recourse against the Trustee, save and except to the extent of the Trust Property realised and in possession of the Trustee to be distributed by the Trustee amongst the Investors in accordance with the terms herein contained and any other duties and obligations of the Trustee under this Deed, on account of any reason including:
- (i) breach of any covenant (including the representations, warranties and indemnities) by the Seller or the Obligors under the Facility Agreements and/or by any of the other parties to the Deeds of Securitisation and pursuant to the objects of the Trust and/or any Default or non-payment of any amount constituting the Receivables;
  - (ii) any cost, charge and expense incurred (including stamp duty and/or registration fees, if any) payable in relation to any underlying documentation;
  - (iii) the financial condition or credit worthiness of the Seller, the Obligors or any other person;
  - (iv) any shortfall in the Receivables whether arising out of inadequate recovery or realization of the Receivables, or otherwise; and
  - (v) any of the obligations of the Seller or any Obligor under or pursuant to any of the provisions of the Facility Agreements being or becoming void, voidable, unenforceable or ineffective for any reason whatsoever.

**4.16 Term of the Trustee**

The Trustee will hold office as the trustee of the Trust until the termination or discharge of the Trustee, whichever is earlier, save and except as may be provided in this Deed.

The Trustee agrees not to vacate its office unless another Trustee is appointed in its place, including in the event of the termination of the Trustee under Clause 4.17.

**4.17 Discharge of the Trustee**



The Trustee will stand discharged from its office if the Trustee passes a resolution to be wound up or any order of winding up or insolvency against the Trustee is passed by any court or tribunal. PROVIDED THAT the Trust Property will not be deemed to be the property of the Trustee in any such winding up proceedings.

#### 4.18 Substitution of the Trustee

The Members holding Majority Interest may at any time during the term of the Trust, substitute the Trustee with another trustee. If so required by Applicable Law, the consent of the Competent Authorities (including the SEBI) shall be obtained prior to any such removal and substitution.

#### 4.19 Resignation of the Trustee

The Trustee may voluntarily resign from its office of Trustee hereunder at any time without assigning any reason and without being responsible for any loss or costs occasioned by such resignation. PROVIDED THAT the Trustee will have given at least 3 (three) months prior written notice to the Investors in that regard and the Investors have found a suitable trustee to replace the Trustee. Until the Investors do not find such a suitable trustee to replace the Trustee, the Trustee will not be entitled to resign from its responsibilities. In the event of such resignation from its office by the Trustee, the Trustee will forthwith return to the Investors or the Seller, as the case may be, on a *pro-rata* basis, the remuneration received under the fee mentioned in Clause 4.5 for the period of services remaining. If so required by Applicable Law, the consent of the Competent Authorities (including the SEBI) shall be obtained prior to any such resignation.

#### 4.20 Appointment of new trustee

- (a) In the event of termination of the services of the Trustee under Clauses 4.17, 4.18, or 4.19, a new trustee will be appointed by the Members holding Majority Interest. PROVIDED THAT no person will be appointed as a trustee if:
- (i) such person has been found to be insolvent;
  - (ii) such person has voluntarily filed for bankruptcy proceedings with appropriate authorities; and
  - (iii) if any winding up, insolvency or similar proceedings has been initiated against such person by any third party, which proceeding has been continuing for a period beyond 1 (one) year from the date of such proceeding being admitted into a court of law or any other appropriate authority.
- (b) On such appointment, all actions will be taken as are required to vest the legal ownership in the Trust Property with the new trustee. All costs, charges and expenses incurred/to be incurred in vesting the Trust Property in favour of the new trustee will be reimbursed from the Trust Property.



#### 4.21 Powers of the new trustee

The new trustee will have the same powers, authorities and discretion and will in all respects act and be liable as if originally appointed as the trustee under this Deed and the new trustee will sign a deed of adherence in a suitable form and such other documents that may be required in that behalf.

### 5. PROVISIONS RELATING TO INVESTORS

#### 5.1 Contributions

- (a) Upon receiving the subscription amounts from the Investors, which amounts will be paid by the Investors to the Trustee on or before the Effective Date, the Trustee will, where any Investor has requested the issuance of the PTCs in a dematerialised format, credit the demat account of such Investor with PTCs as applied for by the Investors, which will be credited as fully paid, and the Trustee will enter the concerned depository's name in the PTC Register as the holder of these PTCs. Where any Investor has requested for the issue of the PTCs in a physical format, the relevant PTCs will be issued in a physical format. The PTCs will be issued to the Investors within 7 (seven) Business Days of the Trustee receiving the subscription amounts from the Investors.
- (b) Upon the Investor (or the depository as the case may be) having its name entered in the PTC Register, each Investor will be entitled to the undivided beneficial interest in the Trust Property as evidenced by PTCs purchased by such Investor. Where the PTCs are in a dematerialised format, although the name of the depository would be entered into the PTC Register, based on the statements provided from time to time by the depository/depository participant, the Investor so named in such statements will be entitled to the undivided beneficial interest in the Trust Property as evidenced by the PTCs purchased by such Investor.
- (c) In order to enable the Investors to hold the PTCs in a dematerialised form, if permitted, the Trustee will enter into such deeds, documents and writings with any depository participants as may be required in order to dematerialise all the certificates.

#### 5.2 No right of revocation available to the PTC Holders

The PTC Holders will not be entitled to revoke the contributions made by them under any circumstances. PROVIDED THAT nothing in the foregoing will prevent the refund of the contributions to the Investors in the event of termination of the transaction as provided for in the Deeds of Securitisation.

#### 5.3 Listing on the Stock Exchange

- (a) The Trustee will procure listing of the PTCs on one or more stock exchanges after



due compliance with all prescriptions as laid down by the respective regulatory mechanism and/or the Competent Authority no later than 4 (four) Business Days from the date of issuance of the PTCs.

- (b) If the PTCs are not listed in accordance and within the time period set out in sub-Clause (a) above, a penal interest calculated on the outstanding principal amounts of the PTC at the rate of 1% (one percent) per annum, which shall be payable until the date of listing of the PTCs.
- (c) In the event the PTCs are delisted by the relevant stock exchange for any reason whatsoever until the Series A1 Final Maturity Date, the Trustee shall ensure that the PTCs are re-listed within 2 (two) Business Days from the date of such delisting.
- (d) The Trustee shall ensure and procure that the PTCs are in compliance with the Securitisation Listing Framework until the Last Maturity Date.
- (e) The Trustee shall ensure that payments are made to the PTC Holders in accordance with the Waterfall Mechanism.

#### 5.4 Meeting of the Members

- (a) The Trustee will, on a requisition by the Members holding Majority Interest, convene a meeting of the Members. PROVIDED THAT the Trustee will hold such meeting at a date not more than 30 (thirty) days after it receives the requisition for convening such meeting. The meeting will be held at such location as may be determined by the Trustee.
- (b) The Trustee may, at its discretion, convene a meeting of the Members to discuss any matter relating to the transactions contemplated in the Deeds of Securitisation as it deems expedient. The Trustee will give each Investor at least 15 (fifteen) days' notice of such a meeting. Without prejudice to the foregoing, a meeting may be called with shorter notice, if Majority Consent is accorded thereto. Every notice of a meeting will specify the place, date and hour of the meeting and will contain a statement of the business to be transacted at such meeting.
- (c) The duly authorised representative of each Member will be entitled to duly nominate or appoint a proxy (in writing) to attend meetings and vote on behalf of such Member.
- (d) The nominee of the Trustee will be the chairman of the meeting and in his absence, the Investors present at the meeting will elect one of themselves to be the chairman thereof on a show of hands.
- (e) The Trustee and the Seller and their respective solicitors/advocates may attend any meeting but will not be entitled to vote thereat.



- (f) At any meeting, a resolution put to the vote of the meeting will be decided on a poll.
- (g) Any decision requiring the consent/approval of the Members will be deemed to have been taken if the Members present and voting at such general meeting, and holding Majority Interest, vote in favour of such decision. PROVIDED THAT the Trustee may instead of calling a meeting, obtain all such approvals through letter or letters signed by the Members holding Majority Interest and such letter or letters will constitute a resolution passed or decision taken at a meeting duly convened and held as aforesaid and will have effect accordingly.
- (h) **Rights of the PTC Holders:**
- (i) In the event of failure of the Trustee to redeem the PTCs under this Deed, within the time and in accordance with the terms of issue, the Investors holding not less than 10% (ten percent) in nominal value of the PTCs shall be entitled to call a meeting of all such Members.
- (ii) In such meeting, the Members may move a motion to:
- (A) call upon the Trustee to wind up the Trust and distribute the realisations;
- (B) remove the Trustee; and
- (C) appoint a new trustee in place of the one removed under sub-Clause (B) above.
- PROVIDED THAT any such decision shall be taken by Majority Consent or means of a special resolution of the Investors and Sections 109 and 114 of the Companies Act, 2013 shall *mutatis mutandis* apply to such special resolution.
- PROVIDED FURTHER THAT the new trustee appointed under sub-Clause (C) above is registered with the SEBI or is exempted from such registration.
- (iii) The Trustee shall take all reasonable steps to carry out the resolutions passed by the Members under sub-Clause (ii) above.
- (iv) Any reasonable expenses incurred in calling and holding a meeting under sub-Clause (i) above and any reasonable expenses incurred by the Trustee or the new trustee, as the case may be, in winding up the scheme and incidental activities shall be met from or reimbursed out of realisations from the Pool.

## 5.5 Majority Consent



- (a) The Trustee shall request the Members to confirm, within no more than 3 (three) Business Days from the date of such request, if the Members require a consultative period for decisions that require Majority Consent or consent of all the Members. If one or more Investors require a consultative period, the Trustee shall facilitate a consultative process involving all the Members to arrive at consensus between all the Members. Such process shall last for a period of 30 (thirty) days, or a shorter period, as agreed to by all the Members.
- (b) At the end of such period, the Members holding Majority Interest shall communicate their decisions in writing to the Trustee and such approval shall be binding on the Trustee. It is agreed and understood that the Members holding Majority Interest may take a decision on such issues without reference to the other Investors after the completion of such consultation period except for cases requiring consent of all Members, in which cases the consent of all Members shall be required.
- (c) The Trustee shall communicate the decision of the Members holding Majority Interest to the Rating Agency.
- (d) The process set out in this Clause 5.5 shall apply to all instances requiring Majority Consent or consent of all the Members as the case may be, in this Deed and the other Deeds of Securitisation.
- (e) In case of any conflict between this Deed and the other Deeds of Securitisation with respect to Majority Consent, the provisions of this Deed shall prevail.
- (f) After the Members holding Majority Interest have communicated their decision, the Trustee shall continue to assist further discussions amongst the Members and shall communicate with the Seller/Service in order to implement the decision.

#### 5.6 Transfer of PTCs by the Investors

- (a) There are no restrictions in respect of the transfer of the PTCs, and the PTCs are freely transferable. The holders of the PTCs issued by the Trust have the right to pledge or trade them without any restriction.
- (b) An Investor is entitled to transfer the PTC(s) held by such Investor to a Prospective Investor in such manner as it deems fit but subject to the conditions of transfer as may be applicable and the procedures that may be stipulated in this behalf by the Trustee from time to time.
- (c) The Trustee is entitled to appoint the Registrar and Transfer Agent to facilitate such transfers, if required. The fees of the Registrar and Transfer Agent is payable by the Seller.



- (d) In the event that the PTCs are in dematerialized form, the PTC Holder will be entitled to transfer any of the PTCs held by it to a Prospective Investor in accordance with the requirements of the relevant depository. Upon such transfer of the PTC, the transferring Investor will cease to have the beneficial interest in the Trust Property to the extent represented by the transferred PTC.
- (e) The PTCs listed on a recognised stock exchange in accordance with Applicable Law shall be freely transferable.

#### 5.7 Issue of Duplicate PTCs

If (a) any mutilated certificate is surrendered to the Trustee, or if the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any PTC, and (b) there is delivered to the Trustee such security or an indemnity, in a form acceptable to the Trustee, the Trustee will execute and deliver or request the Registrar and Transfer Agent to execute and deliver, in exchange for or in lieu of any mutilated, destroyed, lost or stolen PTC, a duplicate PTC of like tenor representing the undivided beneficial interest of the Investor in the Trust Property as evidenced by such mutilated, destroyed, lost or stolen PTC. The Investor will bear the costs to cover stamp duty, registration and all other costs, charges and expenses required to be defrayed in connection with the issue of such duplicate PTC. Any duplicate PTC issued pursuant to this Clause 5.7 constitutes complete and indefeasible evidence of the ownership of the interest of the holder of such PTC, as if originally issued, whether or not the mutilated, destroyed, lost or stolen PTC is found at any time thereafter. If thereafter any such PTC stated to have been mutilated, destroyed, lost or stolen is found, such PTC will be surrendered by the person who found such PTC to the Trustee or the Registrar and Transfer Agent, who in turn will destroy such surrendered PTC.

### 6. CERTIFICATES/PTCs

#### 6.1 Issue and Transfer of PTCs

- (a) The Trustee will, upon receipt in full of the subscription amounts, issue PTCs in favour of the Investor therein mentioned evidencing the absolute beneficial interest of that PTC Holder in the Trust Property, to the extent mentioned. Upon the Trustee issuing the PTCs, each Investor Payout will be paid to the PTC Holder in whose name such PTC has been issued or subsequently transferred to in accordance with Clause 6.3, and neither the Trustee nor the Seller will be entitled to any beneficial interest in such Receivables (except as permitted under the terms of the Deeds of Securitisation) and the Trustee will ensure that the Investor Payouts are paid on the relevant Investor Payout Dates set out in Schedule V to the PTC Holders in whose name the PTCs are registered on the Record Date. For the purposes of Clause 93 of the Securitisation Directions, it is declared that each PTC has a tenor of at least 1 (one) year from the date of issuance.
- (b) The Trustee will hold all amounts received in respect of any of the Facilities, in trust for and for the benefit of the Beneficiaries. The amounts collected in a



Collection Period, as and when received, will be deposited by the Servicer in the Collection and Payout Account on the Payin Date immediately following such Collection Period and the Trustee will deal with these only in accordance with this Deed.

- (c) The right of a PTC Holder to receive Investor Payouts will always be subject to there being adequate funds available in the Collection and Payout Account.

6.2 All PTCs shall be in dematerialised form.

6.3 The transfer and transmission of the PTCs shall be subject to the Depositories Act, 1996, the rules made thereunder, and the bye-laws, rules and regulations of the depository (each as amended, modified or restated from time to time).

6.4 The PTCs shall be freely transferable and transmittable by the PTC Holder(s) in whole or in part without the prior consent of the Trust. All costs (including stamp duty, if any) for such transfer will be borne by the PTC Holder and neither the Trustee nor the Seller will be liable for any such costs.

#### 6.5 **Registrar and Transfer Agent**

- (a) The Registrar and Transfer Agent will maintain a PTC Register wherein a record of PTCs issued and transfers made from time to time will be entered including relevant details such as the dates of such issue or transfer respectively.

- (b) It will be lawful for the Trustee to make payments of the amounts due and payable under the respective PTCs to the Investors whose name appears in the records of the Registrar and Transfer Agent as the Investor on the Record Date, notwithstanding that the said PTCs have already been transferred, assigned, sold or disposed of by such Investor unless the transferee/acquirer of such PTCs, who claims payments thereunder, appears as the Investor in the records of the Registrar and Transfer Agent.

6.6 In order to enable the Investors to hold the PTC in dematerialised form, the Trustee and the Registrar and Transfer Agent will execute such deeds, documents and writings with any depository participants as may be required in order to dematerialise all the PTCs. In addition to the foregoing, the Registrar and Transfer Agent will ensure that all transfers and other matters with respect to the PTCs are in accordance with the Depositories Act, 1996 and any applicable rules or regulations thereunder.

### 7. **INVESTOR PAYOUTS**

7.1 The Trustee will open the Collection and Payout Account with the Collection Bank, which account shall be operated and maintained by the Trustee for the purpose of depositing the Receivables collected by the Servicer and for distributing the Investor Payouts on the relevant Investor Payout Dates to the Investors.



- 7.2 All amounts constituting the Receivables, including any advance payments and Prepayments Proceeds, collected by the Servicer in a single Collection Period will be credited/deposited into the Collection and Payout Account on the Payin Date(s) following such Collection Period. In the event a Payin Date does not fall on a Business Day then the Total Collections from the previous Collection Period shall be credited/deposited into the Collection and Payout Account on the preceding Business Day. In the event an Investor Payout Date or the Series A1 Final Maturity Date does not fall on a Business Day then the Investor Payouts will be made on the preceding Business Day. Such preceding Business Day will be considered the Payin Date, the Investor Payout Date or the Series A1 Final Maturity Date, as the case may be, for the purposes of this Deed.
- 7.3 On each Payin Date the Trustee will receive a statement from the Collection Bank which will, *inter alia*, set out the details of the deposits into the Collection and Payout Account.
- 7.4 It is agreed, understood and acknowledged that (a) on deduction of tax at source (TDS) from the payment of the Receivables made by the Obligors to the Seller, the Seller will, in consideration for subsequently availing of the benefit of the TDS credit, make payment of the amount of TDS into the Collection and Payout Account which will be used for distribution to the Investors. Such payment will be made by the Seller during the Collection Period preceding each Investor Payout Date; and (b) only against actual deduction of TDS by the Obligors on payments collected by the Seller would the Seller be required to make payment of the amount of TDS. The Seller has no obligation to make any such payment if the Obligors default in making payments or make payment without TDS.
- 7.5 On each Payin Date, the Trustee will determine the adequacy of the funds lying in the Collection and Payout Account to make the Investor Payouts to the Investors as per the Waterfall Mechanism. In the event that the funds in the Collection and Payout Account are inadequate or insufficient to make the Investor Payouts to the Investors as contemplated under the Waterfall Mechanism, the Trustee will utilise the Credit Enhancement in the manner provided in the Schedule of Credit Enhancement to this Deed and the Deeds of Securitisation to make good such shortfall subject to the terms of this Deed and the other Deeds of Securitisation.
- 7.6 It is confirmed and declared that:
- (a) this Deed does not contain any provisions that would result in a higher yield to be provided to the Investors or the providers of credit enhancements in case of deterioration of the credit quality of the Facilities comprising the Pool; and
  - (b) neither this Deed nor the Assignment Agreement contain any termination provisions or early amortisation provisions at the option of the Investors or the Seller.

## 8. CREDIT ENHANCEMENT

The Credit Enhancement shall be utilised in the manner set out in the Schedule of Credit Enhancement and the Credit Enhancement Documents in accordance with the



Securitisation Directions, the Securitisation Listing Framework, the terms of this Deed and the other Deeds of Securitisation.

**9. ACCOUNTS AND AUDIT**

The Trustee will maintain and/or cause to be maintained proper books of accounts, documents and records with respect to the Trust Property to give a true and fair view of the affairs of the Trust. Any Investor may examine such books of accounts, documents and records during reasonable working hours on any Business Day with prior written notice to the Trustee of 2 (two) Business Days.

**10. RATING**

10.1 The PTCs shall have the minimum credit rating specified in Schedule of Details to be issued by the Rating Agency.

10.2 The Trustee will procure that the Rating Agency will provide the final rating rationale within 60 (sixty) Business Days of the Trustee receiving the subscription amounts from the Investors.

10.3 The Trustee will provide the Rating Agency all relevant information as may be considered appropriate or required by the Rating Agency to enable the Rating Agency to update the rating on a quarterly basis. The Trustee will advise the PTC Holders of any revision in the rating assigned to the PTCs from time to time. The rating assigned to the PTC may be revised downwards at any time on the basis of new information, or unavailability of information or other circumstances, which the Rating Agency believes may have an impact on the rating.

**11. MISCELLANEOUS**

**11.1 Amendments**

The Trustee may modify, supplement or amend any of the provisions of this Deed with the consent of all the Investors by way of an instrument in writing.

**11.2 Severability**

(a) If any provision of this Deed or the application thereof to any person or circumstance is held to be invalid or unenforceable to any extent, the remainder of this Deed and the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable will not be affected thereby, and each provision of this Deed will be valid and enforceable to the fullest extent permitted by Applicable Law.

(b) Any invalid or unenforceable provision of this Deed will be replaced with a provision, which is valid and enforceable and most nearly reflects the original intent of the unenforceable provision.



### 11.3 Communications and Notices

- (a) Any notice or communication or other instruction to be given or issued under this Deed will be in writing and will be deemed duly served if delivered personally, or sent by fax, e-mail, mail or registered post with acknowledgement due, in the case of the Trustee or the Settlor, at the address set out in Schedule of Details and in the case of any other person, to the registered office of such person.
- (b) A notice or communication will be deemed to have been served as follows:
  - (i) if personally delivered, at the time of delivery;
  - (ii) if sent by mail, 5 (five) Business Days after the envelope containing the notice or communication is delivered into the custody of the postal authorities;
  - (iii) if sent by registered post acknowledgment due, on expiration of 5 (five) Business Days after posting such notice or communication; and
  - (iv) if sent by fax or e-mail, at the time of transmission.

### 11.4 Authorised Signatories

The Trustee may authorise its officials from time to time for the management, operation and administration of the affairs of the Trust including providing notices, instructions, requests, directions and other communications and for opening, maintaining and operating the necessary bank accounts.

### 11.5 Governing Law and Jurisdiction

This Deed is governed and construed in accordance with the laws of India. The Settlor and the Trustee irrevocably agree that the courts and tribunals in the Location of Dispute Resolution have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed.

### 11.6 Counterparts

This Deed may be executed in any number of counterparts and all counterparts together shall constitute one and the same instrument.

*[Intentionally left blank]*



**SCHEDULE OF DETAILS**

<b>Location of Dispute Resolution</b>	Mumbai, India
<b>Commencement Date</b>	December 1, 2022, being the date following the Pool Cut Off Date.
<b>Accounts</b>	Means and includes the Cash Collateral and the Collection and Payout Account.
<b>Approved Bank</b>	Means the bank with which the Cash Collateral is maintained as more particularly set out in the Accounts Agreement or any other scheduled commercial bank approved by the Trustee and the Rating Agency for such purpose.
<b>Pool Cut Off Date</b>	November 30, 2022
<b>Place of execution</b>	Mumbai, India
<b>Date of execution</b>	December 22, 2022
<b>Effective Date</b>	December 30, 2022
<b>Calculation Agent</b>	<b>NORTHERN ARC CAPITAL LIMITED</b> , a company incorporated under the Companies Act, 1956, having its registered office at 10 <sup>th</sup> Floor, IIT-M Research Park, No. 1, Kanagam Village, Taramani, Chennai, Tamil Nadu - 600113, India.
<b>Cash Collateral</b>	Means all the fixed deposit(s) aggregating to an amount of INR 2,20,01,876 (Indian Rupees Two Crore Twenty Lakh One Thousand Eight Hundred and Seventy Six) placed by the Seller with the Approved Bank, details whereof are more particularly set out in the Accounts Agreement, together with any replenishments and reimbursements thereto (excluding interest accrued thereon), available to meet any shortfall in payments which were due and payable and were scheduled to be made under the Waterfall Mechanism on each Investor Payout Date.
<b>Credit Enhancement</b>	Shall comprise of the First Loss Credit Enhancement and the Second Loss Credit Enhancement, if any.
<b>Credit Enhancement Documents</b>	Means and includes the Accounts Agreement.
<b>Credit Enhancers</b>	Svasti Microfinance Private Limited
<b>Auditor</b>	Means the chartered accountants appointed or to be appointed to facilitate any audit of the Receivables comprising the Pool assigned by the Seller to verify, <i>inter alia</i> , whether these exist, whether these meet with the eligibility criteria mentioned in Schedule VII and whether these are supported by adequate and appropriate documentation.
<b>First Loss Credit Enhancement</b>	Means collectively, the Funded FLCE and the Unfunded FLCE (if any).
<b>Funded FLCE</b>	Shall comprise of the Cash Collateral.
<b>Unfunded FLCE</b>	None
<b>Last Maturity Date</b>	August 17, 2024



<b>Members</b>	Means the PTC Holders.
<b>Majority Interest</b>	The Members collectively constituting 75% (seventy five percent) of the aggregate of all amounts outstanding under the PTCs
<b>PTCs</b>	Means the Series A1 PTCs.
<b>Rating</b>	Minimum credit rating as on the Effective Date for the PTCs shall be: Series A1 PTCs: A- (SO)
<b>Rating Agency</b>	<b>CARE Ratings Limited</b> , which has been appointed for the purpose of rating the PTCs.
<b>Second Loss Credit Enhancement</b>	None
<b>Seller</b>	<b>SVASTI MICROFINANCE PRIVATE LIMITED</b> , a company incorporated under the Companies Act, 1956, having its registered office at 6, First Floor, First Street, Tiger Varadachari Road, Kalakshetra Colony, Besant Nagar, Chennai - 600 090, Tamil Nadu, India and acting through its office at 501-502, Opal Square, Opp. Rayaldevi talab, S G Barve Road, Wagle Estate, Thane west, Thane 400604, Maharashtra, India, and a non-banking financial company - microfinance institution registered with the RBI.
<b>Servicer</b>	<b>SVASTI MICROFINANCE PRIVATE LIMITED</b> , a company incorporated under the Companies Act, 1956, having its registered office at 6, First Floor, First Street, Tiger Varadachari Road, Kalakshetra Colony, Besant Nagar, Chennai - 600 090, Tamil Nadu, India and acting through its office at 501-502, Opal Square, Opp. Rayaldevi talab, S G Barve Road, Wagle Estate, Thane west, Thane 400604, Maharashtra, India, and a non-banking financial company - microfinance institution registered with the RBI.
<b>Settlement Date</b>	December 22, 2022
<b>Settlor or Sponsor</b>	<b>AXIS TRUSTEE SERVICES LIMITED</b> , a company incorporated under the Companies Act, 1956 and having its registered office at Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400025, Maharashtra, India, and acting through its office at The Ruby, 2nd Floor, SW, 29, Senapati Bapat Marg, Dadar West, Mumbai - 400028, Maharashtra, India.
<b>Trust</b>	The <b>Green Trust 2022</b> trust, declared by the Trustee under the terms of this Deed, being a private trust settled in India in accordance with the Indian Trusts Act, 1882.
<b>Trustee</b>	<b>AXIS TRUSTEE SERVICES LIMITED</b> , a company incorporated under the Companies Act, 1956 and having its registered office at Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400025, Maharashtra, India, and acting through its office at The Ruby, 2nd Floor, SW, 29, Senapati Bapat Marg, Dadar West, Mumbai - 400028, Maharashtra, India.
<b>Address for Notices</b>	<b>If to the Trustee</b>  Name : Axis Trustee Services Limited Address : The Ruby, 2nd Floor, SW, 29, Senapati Bapat Marg, Dadar West, Mumbai - 400028,



		Maharashtra, India
Tel. No.	:	022 6230 0451
E-mail	:	jagruti.patil@axistrustee.in
Attn.	:	Mr. Anil Grover
<b>If to the Settlor</b>		
Name	:	Axis Trustee Services Limited
Address	:	The Ruby, 2nd Floor, SW, 29, Senapati Bapat Marg, Dadar West, Mumbai - 400028, Maharashtra, India
Tel. No.	:	022 6230 0451
E-mail	:	jagruti.patil@axistrustee.in
Attn.	:	Mr. Anil Grover



**Schedule II**  
**Schedule of Definitions**

In this Deed, the following terms have the following meanings:

**Accounts** has the meaning given to it in the Schedule of Details.

**Accounts Agreement** means the accounts agreement executed on or around the date of this Deed, among the Seller, the Servicer and the Trustee setting out the terms and conditions for opening, operating and maintaining the Cash Collateral with the Approved Bank.

**Applicable Law** means any statute, law, regulation, ordinance, rule, judgment, order, decree, ruling, bye-law, approval of any Competent Authority, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any Competent Authority having jurisdiction over the matter in question, whether in effect as of the date of any of the Deeds of Securitisation or at any time thereafter.

**Assignment Agreement** means the assignment agreement executed on or about the date of this Deed by and between the Seller and Trustee setting out the detailed terms and conditions of the assignment of the Assigned Assets (as defined therein) to the Trustee by the Seller.

**Auditor** has the meaning given to it in the Schedule of Details.

**Authorisation** means any consent, license, approval, permit, ruling, exemption, order qualification or other authorisation of whatsoever nature which are required to be obtained under the Applicable Law from any Competent Authority and/or any registration or filing with a Competent Authority which is required from time to time.

**Business Day** means a day that is not a Saturday or a Sunday or a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881, and on which banks are open in the normal course of business in Mumbai, India.

**Calculation Agent** means the person specified as such in the Schedule of Details.

**Cash Collateral** has the meaning given to it in the Schedule of Details.

**Clean Up Purchase Consideration** means the price to be paid by the Seller to repurchase the Facilities, in the event of exercise of the Clean Up Call Option by the Seller, as contemplated in the Assignment Agreement.

**Clean Up Call Option** has the meaning given to it under the Assignment Agreement.

**Collection and Payout Account** means the account to be opened and maintained by the Trustee with the Collection Bank, in accordance with terms of the Servicing Agreement and this Deed.



**Collection Bank** means a scheduled commercial bank, which is approved by the Rating Agency and with which the Collection and Payout Account and other accounts as may be required in terms of the Deeds of Securitisation are maintained, as more particularly set out in the Servicing Agreement.

**Collection Period** means each period between a collections start date and the immediately succeeding collections end date as specified in Schedule V.

**Commencement Date** means the date specified as such in the Schedule of Details, being the day following the Pool Cut Off Date.

**Competent Authority** means the Government of India or the government of any state in India or any ministry, department, board, authority, instrumentality, agency, corporation (to the extent acting in a legislative, judicial or administrative capacity) or commission under the direct or indirect control of such government or any political subdivision of any of them or owned or controlled by the government or any of their subdivisions, or any court, tribunal, judicial or regulatory body within India or any other court, administrative agency or arbitrator.

**Credit Enhancement** has the meaning given to it in the Schedule of Details against the heading "Credit Enhancement", being made available to the Trustee in the form prescribed therein, to be utilised in the manner set out in the Schedule of Credit Enhancement, Schedule of Waterfall Mechanism and the Credit Enhancement Documents in accordance with the Securitisation Directions and the Deeds of Securitisation.

**Credit Enhancement Documents** means the documents referred as such in the Schedule of Details pursuant to which Credit Enhancement is made available to the Trust.

**Credit Enhancer(s)** mean(s) and include(s) person(s) identified as such in the Schedule of Details.

**Deeds of Securitisation** means this Deed, the Assignment Agreement, the Servicing Agreement, the Accounts Agreement, the Credit Enhancement Documents, the power(s) of attorney and all other instruments, deeds and documents executed or entered into by or between the Trustee, the Seller and/or the Servicer from time to time, for the purpose of securitising the Receivables.

**Default** means any amount(s) due, but not received, from any Obligor in respect of the Facilities comprising the Pool.

**Discretionary Audit** means an audit conducted by the Trustee on the processes relating to collections and data integrity, governance, management, systems and internal operations of the Servicer and the reports submitted to the Trustee by the Servicer.

**Effective Date** means the date on which the Assigned Assets are purchased/to be purchased by the Trust in consideration of the payment of the Purchase Consideration in accordance with the terms of the Assignment Agreement and the other Deeds of Securitisation, which shall be no later than the date set out in the Schedule of Details.



**Excess Interest Spread** or **EIS** means, for the purposes of the transactions contemplated under the Deeds of Securitisation, the excess spread arising due to the difference between the interest amounts on the Facilities comprising the Pool and the Interest payable to the PTC Holders.

**Facilities** means the financial assistances provided by way of loans by the Seller to the Obligors pursuant to the Facility Agreements, and **Facility** shall be construed accordingly.

**Facility Agreements** means all agreement(s), deed(s) and/or documents in respect of the Facilities comprising the Pool, entered into between the Seller and the Obligors setting out the terms and conditions on which the Seller has agreed to provide the Facilities by way of loan(s) to the Obligors, the details whereof are set out in the Assignment Agreement, and **Facility Agreement** shall be construed accordingly.

**First Loss Credit Enhancement** means, collectively, the Funded FLCE and Unfunded FLCE, details whereof are more particularly set out in the Schedule of Details.

**Funded FLCE** has the meaning given to it in the Schedule of Details.

**Information Memorandum** means the document dated on or before the date of this Deed, issued by the Trustee providing information of the transaction contemplated for issuance of PTCs.

**Interest** means the interest payable on the PTCs.

**Investors** or **PTC Holders** means the individuals, banking companies, financial institutions, mutual funds, insurance companies, companies and bodies corporate and primary dealers or any other person, who will subscribe to or be the holders of the PTCs from time to time. All Investors shall be residents of India.

**Investor Payouts** means distribution by the Trustee of the Trust Property following the priority of payments as set out in the Waterfall Mechanism.

**Investor Payout Dates** means the dates set out in Schedule V on which Investor Payouts are due or expected to be paid (as the case may be) to the PTC Holders.

**Last Maturity Date** has the meaning given to it in the Schedule of Details.

**Location of Dispute Resolution** means the place referred as such in the Schedule of Details.

**Majority Consent** means the decision taken by one or more of the Members holding Majority Interest, which decision will be binding on the Trustee.

**Majority Interest** has the meaning given to it in the Schedule of Details.

**Members** has the meaning given to it in the Schedule of Details.

**Obligors** means all the persons who have availed of the Facilities comprising the Pool, from the Seller under the terms of the Facility Agreements and the relevant Underlying Documents entered



into between such persons and the Seller under which such person is liable to make payments of amounts due to the Seller as stipulated thereunder and includes any guarantors, and **Obligor** shall be construed accordingly.

**Overdues** means the amounts constituting the Receivables received or receivable by the Servicer after the dates on which they were scheduled to have been paid by Obligor, due to delay or Default on the part of such Obligor.

**Pass Through Certificate(s) or PTC(s) or Certificate(s) or SDI(s) or Securitised Debt Instrument(s)** means a certificate, issued by the Trust to an Investor evidencing the undivided beneficial interest of such Investor and entitling such Investor to receive Investor Payouts in the manner specified in the Schedule of Waterfall Mechanism.

**Payin Dates** means the dates set out in Schedule V on which Receivables collected during a Collection Period are deposited into the Collection and Payout Account by the Servicer.

**Priority Sector Master Direction** means the RBI's master direction no. FIDD.CO.Plan.BC.5/04.09.01/2020-21 dated September 4, 2020 on "*Priority Sector Lending (PSL) - Targets and Classification*" (as may be amended, modified, or restated from time to time).

**Pool** means the Receivables assigned by the Seller to the Trust under the Assignment Agreement. The expected cash flows (prepared on the basis of the Effective Date being December 30, 2022 and assuming no Prepayments and/or Defaults) from the Pool as of the Commencement Date are set out in Schedule VIII.

**Pool Cut Off Date** has the meaning given to it in the Schedule of Details.

**Prepayment** means:

- (a) the early payment by any Obligor(s) of any principal instalments outstanding on any Facility Agreement(s) and balance interest thereon, where applicable (as per the provisions of such Facility Agreement(s)); or
- (b) the early payment by any Obligor(s) of any amounts, including balance interest, where applicable (as per the provisions of the Facility Agreement(s)), and principal instalments outstanding on such Facility Agreement(s) pursuant to the foreclosure of any Facility(ies) or the termination of any Facility Agreement(s), whether voluntary or pursuant to any order(s) from an appropriate court or tribunal.

**Prepayment Proceeds** means the amounts paid by any Obligor(s) to the Servicer on Prepayment, including pursuant to any legal proceedings instituted for the recovery of any amounts from any Obligor(s) under the relevant Underlying Document(s).

**Principal** shall mean the principal payable on the PTCs.

**Prospective Investor** means a person eligible to be an Investor and to whom a PTC Holder wishes to transfer any PTC held by it.



**PTC Register** means the register of PTC Holders maintained in accordance with this Deed.

**Purchase Consideration** means the amounts payable by the Trustee, from the subscription amounts paid by the Investors, to the Seller in consideration of the Seller assigning the Pool to the Trust, as more specifically set out in the Assignment Agreement.

**Rating Agency** means the company specified as such in the Schedule of Details, which has been appointed for the purpose of rating the PTCs.

**RBI** means the Reserve Bank of India.

**Receivables** has the meaning given to it in the Assignment Agreement.

**Record Date** means the date for determination of the registered Investors with the Registrar and Transfer Agent. The Record Date will be the day occurring 7 (seven) Business Days prior to each Investor Payout Date.

**Registrar and Transfer Agent** means a person who has agreed to act as the registrar and transfer agent for the PTCs or such other person who may be appointed as the registrar and transfer agent in its place by the Trustee.

**Regular Collections** in respect of any Collection Period, includes all amounts collected in such Collection Period, in respect of Facility Agreements relating to the Receivables, (including premium on Prepayment, if any) but excluding Prepayment Proceeds received in such Collection Period and any withdrawals from the Credit Enhancement.

**Residual Beneficiary** means the Seller.

**Schedule of Credit Enhancement** means Schedule IV of this Deed.

**Schedule of Definitions** means Schedule II of this Deed.

**Schedule of Details** means Schedule I of this Deed.

**Schedule of Waterfall Mechanism** means Schedule III of this Deed.

**SEBI** means the Securities and Exchange Board of India.

**Securitisation Directions** means the Master Direction bearing reference number DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 issued by the RBI on "*Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021*" (as amended, modified, supplemented or restated from time to time), read together with, to the extent applicable, the Master Direction bearing reference number DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 issued by the RBI on "*Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021*" (as amended, modified, supplemented or restated from time to time).



**Securitisation Listing Framework** means the Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 together with the circular issued by SEBI bearing the reference number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*", to the extent applicable in respect of the private placement of securitised debt instruments (each as amended, restated and modified from time to time).

**Seller** has the meaning given to it in the Schedule of Details.

**Senior Costs** means the costs incurred by the Trustee and which will be paid in the following order of priority:

- (a) all statutory and regulatory dues. However, if such statutory or regulatory dues relate to any Receivables on or prior to the Pool Cut Off Date and are due and unpaid by the Seller, the Trustee will call upon the Seller to reimburse such amounts;
- (b) any fees or expenses incurred or payable by the Trustee in relation to the obligations and duties contained in the Deeds of Securitisation, including any payments made to any service providers as may be required under the terms of the Deeds of Securitisation. This will include the costs relating to any legal advice, legal proceedings, Discretionary Audits, the cost of advocates, solicitors and counsel, any expenses incurred by the Trustee (including any brokerage charges, referral charges, financial advisor/agent charges, or any charges for liquidating any investments forming part of the Credit Enhancement) or any funds payable to the Rating Agency, the Auditor and/or the Collection Bank whether such expenses are payable by the Seller but have not been paid by the Seller or otherwise; and
- (c) all other expenses or costs enumerated in Clause 4.6 and not forming part of (a) or (b) above.

**Servicer** means the person(s) specified as such in the Schedule of Details.

**Servicing Agreement** means the servicing agreement executed on or about the date of this Deed between the Servicer and the Trustee, whereby, *inter alia*, the Servicer is appointed to manage the collection of the Receivables assigned by it to the Trustee under the Assignment Agreement, as per the Underlying Documents.

**Servicing Fee** means the fee paid or to be paid to the Servicer as more particularly set out in the Servicing Agreement.

**Settlement Date** means the date specified in the Schedule of Details.

**Total Collections** means, in respect of any Collection Period, the aggregate of the Regular Collections and the Prepayment Proceeds and withdrawals from the Credit Enhancement made in such Collection Period.



**Transaction Documents** means the Deeds of Securitisation and the Underlying Documents, or one or more of them, as the context may require, as amended and/or restated from time to time.

**Trust** means the trust specified in the Schedule of Details and declared by the Trustee under the terms of this Deed.

**Trust Property** means the property of the Trust as described in Clause 3.1.

**Underlying Documents** means all documents, instruments, records pertaining to the Facilities, including without limitation the Facility Agreements, demand promissory notes and other negotiable instruments, guarantees and all other underlying indemnities and correspondences including all records relating to the Assigned Assets which are in the possession of the Seller, as amended and/or restated from time to time.

**Unfunded FLCE** has the meaning given to it in the Schedule of Details.

**Waterfall Mechanism** means the fund flow priorities as more particularly detailed in the Schedule of Waterfall Mechanism.



## SCHEDULE OF WATERFALL MECHANISM

### I. Definitions

The following capitalised terms used in this Schedule of Waterfall Mechanism have the following meanings:

**Overdue Series A1 Interest** means the amount of the Series A1 Interest that is due and payable and is scheduled to be paid on any Investor Payout Date to the Series A1 Investors but not so paid.

**Series A1 Final Maturity Date** means August 17, 2024.

**Series A1 Interest** means the interest payable to the Series A1 Investors at the Series A1 Interest Rate, calculated as the product of the outstanding Series A1 Principal, the Series A1 Interest Rate and the actual number of days between 2 (two) consecutive Investor Payout Dates divided by 365 (three hundred and sixty five) days, and due and payable on the Investor Payout Dates as more particularly set out in Schedule V.

**Series A1 Interest Rate** means 11% (eleven percent) per annum.

**Series A1 Investor Payouts** means the amounts expected to be paid to the Series A1 Investors as per the Waterfall Mechanism, in the manner and on the relevant Investor Payout Dates set out in Schedule V, wherein: (a) the Series A1 Interest will be payable to the Series A1 Investor on each Investor Payout Date till the Investor Payout Date on which the Series A1 Principal is paid in full, (b) the Series A1 Principal is only expected to be paid on each Investor Payout Date and will be due and payable on the Series A1 Final Maturity Date, and (c) any shortfalls in the payment of the expected Series A1 Principal will be carried forward as payment in arrears and be paid out on a future Investor Payout Date as and when there are sufficient Total Collections to meet the shortfall, as per the Waterfall Mechanism.

**Series A1 PTC(s)** means a certificate, issued by the Trustee to an Investor evidencing the undivided beneficial interest of such Investor and entitling such Investor to receive Series A1 Investor Payouts in the manner specified herein.

**Series A1 PTC Holder(s)** or **Series A1 Investor(s)** means the Investors holding the Series A1 PTCs from time to time.

**Series A1 Principal** means the principal amounts aggregating to INR 19,80,16,885 (Indian Rupees Nineteen Crore Eighty Lakh Sixteen Thousand Eight Hundred and Eighty Five)



expected to be paid to the Series A1 Investors, and due and payable on the Series A1 Final Maturity Date.

## II. Waterfall Mechanism

On each Investor Payout Date, the proceeds realised and deposited in the Collection and Payout Account by the Servicer on the preceding Payin Date, along with any amounts withdrawn by the Trustee from the Credit Enhancement (as provided for in the Schedule of Credit Enhancement and subject to such conditions as may be prescribed therein and the Credit Enhancement Documents), will be utilised in the following order of priority:

- (1) Until such time the Series A1 PTCs have not been fully redeemed, the Total Collections, the Clean Up Purchase Consideration and any amounts recovered pursuant to legal proceedings (if such amounts have been received), shall be utilised by the Trustee in the following order of priority:
  - (a) payment of Senior Costs. PROVIDED THAT the Servicing Fee shall only be appropriated from the EIS component of the Total Collections, and if, in any Collection Period the EIS component of the Total Collections is insufficient to make a complete payment of the Servicing Fee, then the deficit portion of the Servicing Fee shall be paid out in the next occurring Collection Period(s);
  - (b) payment of Overdue Series A1 Interest;
  - (c) payment of Series A1 Interest due;
  - (d) payment of expected Series A1 Principal (including any unpaid expected Series A1 Principal pertaining to earlier Collection Periods);
  - (e) any Prepayment Proceeds will be utilized for pre-payment of Series A1 Principal;
  - (f) replenishment/reimbursement of the Cash Collateral, to the extent drawn on any Investor Payout Date and not replenished/reimbursed already; and
  - (g) for payment to the Residual Beneficiary.
- (2) On full redemption of the Series A1 PTCs, the Trustee shall apply the Total Collections, the Clean Up Purchase Consideration, and any amounts recovered pursuant to legal proceedings (if such amounts have been received), in the following order of priority:
  - (a) for payment of Senior Costs; and
  - (b) for payment to the Residual Beneficiary.



- (3) Any amounts recovered pursuant to any legal proceedings and the Clean Up Purchase Consideration (if such amounts have been received), shall be utilized by the Trustee in the following order of priority:
- (a) for application towards payments in respect of the Series A1 PTCs in accordance with paragraph (II)(1) above; and
  - (b) following complete redemption of the Series A1 PTCs, for payment to the Residual Beneficiary.



**SCHEDULE OF CREDIT ENHANCEMENT**

- I. The Credit Enhancement shall comprise of the Cash Collateral (external credit enhancement). In addition, internal credit enhancement by way of the Excess Interest Spread, and the overcollateral (being 10% (ten percent) of the principal amounts of the Facilities comprising the Pool) in respect of the Facilities, shall also be available to the Trust, and shall be utilized in accordance with the Waterfall Mechanism and the Securitisation Listing Framework as part of the Total Collections on a monthly basis. In this regard, it is confirmed that:
- (a) the Cash Collateral is fully provided at the initiation of the securitisation transaction contemplated under this Deed and the other Transaction Documents, and is subject to revisions/reset only in accordance with the Securitisation Directions; and
  - (b) this Deed and the Assignment Agreement do not contain any provisions that would require the amount of the Cash Collateral provided to be increased during the life of the securitisation transaction contemplated under this Deed and the other Transaction Documents.
- II. **First Loss Credit Enhancement**
- (1) The Seller shall, under the Assignment Agreement, assign to the Trustee, the Cash Collateral identified in the Schedule of Details.
  - (2) The Seller shall furnish a "no lien letter" issued by the Approved Bank with which the Cash Collateral is maintained in terms of the Deeds of Securitisation.
- III. **Utilisation of Cash Collateral**
- (1) The Cash Collateral shall amount to INR 2,20,01,876 (Indian Rupees Two Crore Twenty Lakh One Thousand Eight Hundred and Seventy Six) being 10% (ten percent) of the principal outstanding under the Receivables as of the Pool Cut Off Date. The Seller will transfer the Cash Collateral on the date as set out in the Assignment Agreement, in the form and manner provided under the Deeds of Securitisation, or in such other form and manner as may be acceptable to the Rating Agency and the Trustee.
  - (2) When the Cash Collateral is required to be utilized, the Trustee will:
    - (a) call upon the Approved Bank in writing, not later than 4:00 p.m. on such day which is 1 (one) Business Day prior to the relevant Investor Payout Date or the Series A1 Final Maturity Date (as the case may be), to remit



such amounts available under the Cash Collateral as are required to meet the shortfall into the Collection and Payout Account; and

- (b) on receiving the above written instructions, the Approved Bank will forthwith make the credit of the amount instructed by the Trustee into the Collection and Payout Account. In the event the intervening day between an Investor Payout Date and the preceding Payin Date is not a Business Day, then the Trustee will call upon the Approved Bank in writing, not later than 4:00 p.m. on such Payin Date, to remit such amounts available under the Cash Collateral as are required to meet the shortfall into the Collection and Payout Account.
- (3) On the Payin Date immediately preceding an Investor Payout Date, if there is a shortfall in the Total Collections in meeting the Series A1 Interest due to be paid (including any Overdue Series A1 Interest) to the Series A1 Investors on the Investor Payout Date in accordance with the Waterfall Mechanism then the Trustee will follow the procedure set out in Paragraph III(2) in this Schedule.
- (4) On the date falling 1 (one) Business Day prior to the Series A1 Final Maturity Date, if there is a shortfall in the amount required for the repayment of the Series A1 Principal to the Series A1 Investors, then the Trustee will follow the procedure set out in Paragraph III(2) in this Schedule.
- (5) The Cash Collateral provided by the Seller will be drawn down to the extent of any shortfall arising in the Pool due to Prepayments or Defaults, to make the Investor Payouts. The Cash Collateral will be replenished on every Investor Payout Date from amounts lying in the Collection and Payout Account in the manner set out in Waterfall Mechanism. However, replenishments to the Cash Collateral will be made only to the extent that the Cash Collateral was drawn upon to meet prior shortfalls.
- (6) Any interest that may accrue on the Cash Collateral shall be to the credit of the Seller and shall be remitted by the Approved Bank into the current account of the Seller in the manner set out in the Accounts Agreement.
- (7) All or part of the Cash Collateral may, at any time, be reset in accordance with the Securitisation Directions and with the consent of all the PTC Holders. Any reset of the Cash Collateral can take place only after at least 50% (fifty percent) of the aggregate principal amounts of the PTCs have been amortised and the credit enhancement reserves are fulfilled, and thereafter, at such steps/thresholds and with such minimum period between resets of credit enhancements as are prescribed in the Securitisation Directions.
- (8) After all amounts payable to the Investors in respect of the Receivables have been paid and there are no Defaults and/or Prepayments in respect of the Receivables, any unused Cash Collateral provided by the Seller in relation to the Receivables together with applicable interest thereon may be remitted back to the Seller with



the approval of all the Investors and subject to the Securitisation Directions and the Securitisation Listing Framework, which approval will be granted after consideration of the final accounts. If there are any Defaults and/or Prepayments, and amounts owed to the Investors are outstanding, then any unused Cash Collateral provided by the Seller in relation to the Pool together with applicable interest thereon will be remitted back to the Seller, after full repayment of all amounts payable to the Investors only with the approval of the Members holding Majority Interest.

- (9) Notwithstanding anything contained in this Deed and the other Deeds of Securitisation, the Cash Collateral shall only be used for covering any shortfalls in the Investor Payouts arising due to Prepayments and/or Defaults in the Pool as set out in this Deed, and in accordance with the Securitisation Directions and the Securitisation Listing Framework.



**Schedule V**  
**Schedule of Investor Payout Dates**

**SCHEDULE OF INVESTOR PAYOUT DATES**

Note: The below gives scheduled payments assuming (a) the Effective Date as December 30, 2022, and (b) that there are no Prepayments and/or Defaults. In the event of any change in the Effective Date or any Prepayment(s) or Default(s), the schedule of payments to Investors will be updated by the Trustee in accordance with this Deed.

**1. Series A1 Investor Payout Schedule**

<b>COLLECTION START DATE</b>	<b>COLLECTION END DATE</b>	<b>PAY IN DATE</b>	<b>PAY OUT DATE</b>	<b>PRINCIPAL (in INR)</b>	<b>INTEREST (in INR)</b>	<b>CASHFLOWS (in INR)</b>
1-Dec-22	31-Dec-22	15-Jan-23	17-Jan-23	1,15,74,539	10,74,174	1,26,48,713
1-Jan-23	31-Jan-23	15-Feb-23	17-Feb-23	1,27,19,959	17,41,831	1,44,61,790
1-Feb-23	28-Feb-23	15-Mar-23	17-Mar-23	1,17,56,177	14,65,931	1,32,22,108
1-Mar-23	31-Mar-23	15-Apr-23	17-Apr-23	1,19,48,100	15,13,164	1,34,61,264
1-Apr-23	30-Apr-23	15-May-23	17-May-23	1,21,76,068	13,56,328	1,35,32,396
1-May-23	31-May-23	15-Jun-23	17-Jun-23	1,35,84,146	12,87,785	1,48,71,931
1-Jun-23	30-Jun-23	15-Jul-23	17-Jul-23	1,25,49,158	11,23,428	1,36,72,586
1-Jul-23	31-Jul-23	15-Aug-23	17-Aug-23	1,40,54,436	10,43,635	1,50,98,071
1-Aug-23	31-Aug-23	15-Sep-23	17-Sep-23	1,30,06,701	9,12,332	1,39,19,033
1-Sep-23	30-Sep-23	15-Oct-23	17-Oct-23	1,32,43,143	7,65,307	1,40,08,450
1-Oct-23	31-Oct-23	15-Nov-23	17-Nov-23	1,47,69,400	6,67,094	1,54,36,494
1-Nov-23	30-Nov-23	15-Dec-23	17-Dec-23	1,36,72,117	5,12,043	1,41,84,160
1-Dec-23	31-Dec-23	15-Jan-24	17-Jan-24	1,39,19,068	4,01,380	1,43,20,448
1-Jan-24	31-Jan-24	15-Feb-24	17-Feb-24	1,51,29,046	2,71,341	1,54,00,387
1-Feb-24	29-Feb-24	15-Mar-24	17-Mar-24	1,08,68,940	1,21,612	1,09,90,552
1-Mar-24	31-Mar-24	15-Apr-24	17-Apr-24	30,45,887	28,456	30,74,343



**Schedule VI**  
**Details of PTC Holders and PTCs**

**DETAILS OF PTC HOLDERS, PTCs AND ALLOTMENT OF PTCs**

S. No.	Series	PTC Holder	No. of PTCs	Face Value of each PTC (in INR)
1.	Series A1 PTC	SBM Bank (India) Limited	19,80,16,885	1



**ELIGIBILITY CRITERIA FOR THE FACILITIES AND THE POOL**

Each Facility should have been identified on the basis of the criteria specified below, as on the Pool Cut Off Date:

- A. Each Facility:
- (a) must be existing at the time of selection, and must not have been terminated or prepaid;
  - (b) must be classified as "standard" (in accordance with the criteria prescribed by the RBI) in the books of the Seller;
  - (c) must comply with all applicable "know your customer" requirements prescribed by the RBI and the applicable provisions of the Reserve Bank of India (Know Your Customer (KYC) Directions, 2016;
  - (d) must comply with all applicable "anti-money laundering" requirements prescribed by the RBI;
  - (e) is unencumbered; and
  - (f) must be in the form of microfinance loans.
- B. The minimum holding period of each Facility should comply with the thresholds prescribed under the Securitisation Directions.
- C. The minimum retention requirements in respect of the Facilities comprising the Pool complies with the requirements prescribed under the Securitisation Directions.
- D. In the Pool:
- (a) the Seller is the sole legal and beneficial owner of each Facility comprising the Pool;
  - (b) no Facility is overdue;
  - (c) no Facility comprising the Pool has been overdue (i.e., 0 DPD ("zero days past due")) at any time after its disbursement;
  - (d) no Facility should have been "restructured" or "rescheduled" (determined in accordance with the criteria prescribed by the RBI) in the books of the Seller;
  - (e) no Facility should be classified as a "non-performing asset" (determined in



accordance with the criteria prescribed by the RBI) in the books of the Seller;

- (f) no Obligor has been classified as "delinquent" (determined in accordance with the criteria prescribed by the RBI) in the books of the Seller;
- (g) each Facility is eligible to be classified as/for "priority sector lending" (in accordance with the Priority Sector Master Direction);
- (h) each Facility comprising the Pool is payable/repayment in monthly equated monthly instalments;
- (i) each Facility comprising the Pool has an original maturity/tenor of 2 (two) years;
- (j) the maturity/tenor of each Facility comprising the Pool does not exceed the Last Maturity Date;
- (k) the Seller has not initiated, and does not propose to initiate, any legal proceedings against any Obligor or in respect of any Facility comprising the Pool; and
- (l) the aggregate value of all exposures to any single Obligor with respect to the aggregate outstanding value of the Facilities comprising the Pool does not exceed 1% (one percent).



**Schedule VIII**  
**Expected Cash Flows from Receivables Comprising the Pool**

**EXPECTED CASH FLOWS FROM RECEIVABLES COMPRISING THE POOL**  
**(as on the Investor Payout Dates)**

Note: The below gives the expected cash flow projections assuming (a) the Effective Date as December 30, 2022, and (b) that there are no Prepayments and/or Defaults. In the event of any change in the Effective Date or any Prepayment(s) or Default(s), the schedule of receivables will be updated by the Trustee in accordance with this Deed.

<b>COLLECTION START DATE</b>	<b>COLLECTION END DATE</b>	<b>PAY IN DATE</b>	<b>PAY OUT DATE</b>	<b>PRINCIPAL (in INR)</b>	<b>INTEREST (in INR)</b>	<b>CASHFLOWS (in INR)</b>
1-Dec-22	31-Dec-22	15-Jan-23	17-Jan-23	1,15,74,539	41,95,061	1,57,69,600
1-Jan-23	31-Jan-23	15-Feb-23	17-Feb-23	1,27,19,959	43,54,441	1,70,74,400
1-Feb-23	28-Feb-23	15-Mar-23	17-Mar-23	1,17,56,177	37,28,723	1,54,84,900
1-Mar-23	31-Mar-23	15-Apr-23	17-Apr-23	1,19,48,100	35,00,200	1,54,48,300
1-Apr-23	30-Apr-23	15-May-23	17-May-23	1,21,76,068	32,69,132	1,54,45,200
1-May-23	31-May-23	15-Jun-23	17-Jun-23	1,35,84,146	33,18,854	1,69,03,000
1-Jun-23	30-Jun-23	15-Jul-23	17-Jul-23	1,25,49,158	27,74,542	1,53,23,700
1-Jul-23	31-Jul-23	15-Aug-23	17-Aug-23	1,40,54,436	27,60,964	1,68,15,400
1-Aug-23	31-Aug-23	15-Sep-23	17-Sep-23	1,30,06,701	22,59,999	1,52,66,700
1-Sep-23	30-Sep-23	15-Oct-23	17-Oct-23	1,32,43,143	20,07,757	1,52,50,900
1-Oct-23	31-Oct-23	15-Nov-23	17-Nov-23	1,47,69,400	18,99,600	1,66,69,000
1-Nov-23	30-Nov-23	15-Dec-23	17-Dec-23	1,36,72,117	14,66,183	1,51,38,300
1-Dec-23	31-Dec-23	15-Jan-24	17-Jan-24	1,39,19,068	12,03,232	1,51,22,300
1-Jan-24	31-Jan-24	15-Feb-24	17-Feb-24	1,51,29,046	9,95,534	1,61,24,580
1-Feb-24	29-Feb-24	15-Mar-24	17-Mar-24	1,08,68,940	6,52,360	1,15,21,300
1-Mar-24	31-Mar-24	15-Apr-24	17-Apr-24	1,01,52,144	4,59,704	1,06,11,848
1-Apr-24	30-Apr-24	15-May-24	17-May-24	88,06,314	2,81,770	90,88,084
1-May-24	31-May-24	15-Jun-24	17-Jun-24	38,02,592	1,06,036	39,08,628
1-Jun-24	30-Jun-24	15-Jul-24	17-Jul-24	21,80,974	32,263	22,13,237
1-Jul-24	31-Jul-24	15-Aug-24	17-Aug-24	1,05,739	289	1,06,028





SIGNED AND DELIVERED on behalf of  
**AXIS TRUSTEE SERVICES LIMITED**  
the within named Trustee of  
the **Green Trust 2022** trust  
by its duly authorized signatory

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*Ashu Kohiya*

