

**Green Trust 2022  
Information Memorandum  
Axis Trustee Services Limited**

19,80,16,885 (Nineteen Crore Eighty Lakh Sixteen Thousand Eight Hundred and Eighty Five) Series A1 PTCs/Senior Tranche PTCs aggregating to INR 19,80,16,885 /- (Indian Rupees Nineteen Crore Eighty Lakh Sixteen Thousand Eight Hundred and Eighty Five) having a rating of CARE A- (SO) (CARE A Minus) by CARE Ratings Limited and offering a yield as more particularly set out in Annexure 1 hereto, maturing on the dates identified under Annexure 1 hereto, price identified under Annexure 1 hereto, evidencing beneficial interest in loan receivables originated by Svasti Microfinance Private Limited and issued pursuant to the terms of the Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended/supplemented/replaced from time to time.

Indicative Issue Schedule	
Issue Opening Date	December 30, 2022
Issue Closing Date	December 30, 2022
Deemed Date of Allotment	December 30, 2022
Issue Size (Senior Tranche PTCs)	INR 19,80,16,885/- (Indian Rupees Nineteen Crore Eighty Lakh Sixteen Thousand Eight Hundred and Eighty Five)

**SELLER & SERVICER**

Svasti Microfinance Private Limited  
6, First Floor, First Street,  
Kalakshetra Colony, Tiger  
Varadachari Road, Besant Nagar,  
Chennai Tamil Nadu -  
600090  
Tel: 9840099120

Website: [www.svasti.in](http://www.svasti.in)  
Contact Person: Bhagavathi  
Subramaniam Narayanan  
Email ID: [narayanan@svasti.in](mailto:narayanan@svasti.in)

**STOCK EXCHANGE**

NSE Limited  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex Bandra,  
East, Mumbai – 400051.  
Tel: 022 - 2659 8100

Website: [www.nseindia.com](http://www.nseindia.com)

**TRUSTEE**

Axis Trustee Services Limited  
The Ruby, 2<sup>nd</sup> Floor, SW, Senapati  
Bapat Marg, Dadar West, Mumbai –  
400028  
Tel: 022 - 62300451

Website: [www.axistrustee.in](http://www.axistrustee.in)  
Contact Person: Anil Grover  
Email ID: [anil.grover@axistrustee.in](mailto:anil.grover@axistrustee.in)

**RATING AGENCY**

CARE Ratings Limited  
4th Floor, Godrej Coliseum,  
Somaia Hospital Road, Off Eastern  
Express Highway,  
Sion (East), Mumbai – 400022

**LEGAL COUNSEL**

Phoenix Legal  
Vaswani Mansion, Office No.  
17 & 18, 3rd Floor, 120  
Dinshaw Vachha Road  
Churchgate, Mumbai –  
400020

**REGISTRAR & TRANSFER AGENT**

Link Intime India Private Limited  
C-101, 1st Floor, 247 Park, Lal  
Bahadur Shastri Marg, Vikhroli  
(West) Mumbai – 400083

The Pass Through Certificate (PTC) represents a proportionate undivided beneficial interest in the underlying pool of receivables arising from loans extended by Svasti Microfinance Private Limited, in the ordinary course of business. It does not represent an interest or obligation of Green Trust 2022 trust or Axis Trustee Services Limited nor are the underlying loan contracts insured or guaranteed by Svasti Microfinance Private Limited save to the extent of credit enhancement provided by Svasti Microfinance Private Limited as described herein. Further all the concerned are hereby informed that the PTCs do not represent deposit liabilities of the Originator, the Servicer, the Trust or the Trustee and that they are not insured. The Trustee/ Originator/ Servicer/Trust does not guarantee the capital value of PTCs and the performance of PTC issued, or collectability of receivables pool and the investments in the PTCs are subject to prepayment risk, interest rate risk, credit risk, possible delays in repayment and loss of income and principal invested.



## Disclaimer

***All the expressions used in this disclaimer shall unless repugnant to the context or meaning thereof carry the same meanings herein as assigned to them in the paragraph under the heading "Definitions and Glossary of Terms"***

This Information Memorandum of Private Placement ("**this Information Memorandum / this Offer Document/ this IM**") is neither a prospectus nor a statement in lieu of a prospectus. This document does not constitute an offer or an invitation for offer by or on behalf of Svasti Microfinance Private Limited ("**Seller / Originator / Assignor**") or Axis Trustee Services Limited ("**Trustee**") to subscribe to, or purchase senior pass through certificates ("**Series A1 PTCs**" / "**Senior Tranche PTCs**" / "**Senior Tranche Certificates**"), to be issued by the **Green Trust 2022** trust ("**Trust**" / "**Issuer**" / "**Assignee**"). This Information Memorandum seeks to provide relevant details of the proposed securitisation of loan receivables arising from the loans provided by the Originator in the ordinary course of business through finance extended by the Originator to the borrowers for various business activities ("**Loans**" or "**Facilities**"). Apart from this Information Memorandum, no other document has been prepared in connection with the proposed securitisation of loan receivables and the Information Memorandum is not required to be registered under any applicable law. Accordingly, this Information Memorandum has neither been delivered for registration nor is it intended to be registered. Prospective investors must make their own assessment as to the suitability of investing in these Senior Tranche Pass Through Certificates.

Information in this Information Memorandum has been compiled by the Trustee on the basis of information provided *inter alia* by the Seller. To the best of its knowledge and belief the information as contained in this Information Memorandum is in conformity with the facts as available on the date of this Information Memorandum.

Any re-schedulement, restructuring or re-negotiation of the terms of the Underlying Document/s effected after the transfer of assets to the Trust, shall be binding on the Trust and not on the Seller and shall be done only with the express prior written consent of the Investors holding Majority Interest and the providers of credit enhancement. However, for resolution of any Loan by the Trustee which has become a stressed asset, no consent of providers of credit enhancement, the Servicer or the other service providers would be required to be obtained.

Further, the Seller and the Issuer has not authorised any other person to provide any information or make any representations other than those contained in this document. Further, the information contained in this document may undergo changes with time.

Each copy of this Information Memorandum is serially numbered and the person to whom a copy of the Information Memorandum is sent, is alone entitled to apply for the Senior Tranche PTCs. Any application by a person to whom this Information Memorandum has not been sent by the Issuer shall be liable to be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum shall maintain utmost confidentiality regarding the contents of this Information Memorandum and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents without the prior written consent of the Issuer.

The rating is not a recommendation to purchase, hold or sell the Senior Tranche PTCs in as much as the ratings do not comment on the market price of the Senior Tranche PTCs or its suitability to a particular Investor. The ratings currently are provisional ratings and final ratings are contingent upon the receipt of final documents conforming to information already received by the Rating Agency. There is no assurance either that the rating will remain at the same level for any given period or that the rating will not be lowered or withdrawn entirely by the Rating Agency.



The Senior Tranche PTCs represent an undivided beneficial interest in the underlying loan assets and do not represent an obligation of the Trustee, or the Seller (other than to the extent of the credit enhancement provided, if any), or any affiliate of the Trustee.

This Information Memorandum is not intended to form the sole basis of evaluation for the potential investors to whom it is addressed and who are willing and eligible to subscribe to Senior Tranche PTCs. This Information Memorandum has been prepared to give general information regarding the Seller and the Transaction, to parties proposing to invest in this issue of Senior Tranche PTCs and it does not purport to contain all the information that any such party may require. This Information Memorandum and the other Deeds of Securitisation reflect only the future cash flows arising from the Receivables. Cash flows received prior to the Transfer Date and which are not intended to be assigned by the Originator to the Trust, irrespective of whether the same constitute advance or upfront payments, or otherwise, are not reflected in the Information Memorandum and the other Deeds of Securitisation and are not being considered for arriving at the Purchase Consideration payable by the Trust for the Receivables. The Investor Payouts payable to the Investors shall be as per the payout schedule set out in **Annexure 2** hereto and in the applicable Deeds of Securitisation.

For preparing this Information Memorandum, the Trustee has relied upon the information supplied by the Seller. The Trustee neither has verified independently, nor assumes responsibility for the accuracy and completeness of this Information Memorandum, or any other information or documents supplied or approved by the Seller. The Trustee holds no responsibility for any mis-statement in or omission from the Trustee in publicly available information or any other information about the Trustee available in the market. The Seller and the Trustee do not undertake to update this Information Memorandum to reflect subsequent events and thus it should not be relied upon without first confirming its accuracy with the Seller.

Potential investors are required to make their own independent evaluation and judgment before making the purchase and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in the Senior Tranche PTCs. It is the responsibility of potential investors to obtain all consents, approvals or authorisations required by them to make an offer to subscribe for and purchase the Senior Tranche PTCs. Potential investors should not rely solely on this Information Memorandum or any other information given by the Seller nor would providing of such information by the Seller be construed as advice or recommendation by the Seller to subscribe to and purchase the Senior Tranche PTCs. The potential investors acknowledge that the Seller does not owe the Investors any duty of care in respect of this offer/invitation to subscribe for and purchase of the Senior Tranche PTCs. It is the responsibility of potential investors to also ensure that they will sell these Senior Tranche PTCs in strict accordance with this Information Memorandum and other applicable laws, so that the sale does not constitute an offer to the public. Potential investors should also consult their own tax advisors on the tax implications of the acquisitions, ownership, sale and redemption of the Senior Tranche PTCs and income arising thereon.

This Information Memorandum is a medium of sharing information to potential investors with an objective to provide an investment opportunity in the Senior Tranche PTCs outline the transaction structure. This IM may also contain information about parties to the transaction, which are of confidential nature and not publicly available. Any dissemination of this Information Memorandum to a party other than to whom it has been sent and use of the information contained in this Information Memorandum for purposes other than of a potential investor for this issue is strictly prohibited.

#### **GENERAL RISK**

Investment in structured products or structured obligations (SO) and such related securities involve a degree of risk and investors should not invest any funds in such instruments, unless they can afford to take the risks attached to such investments. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. Specific attention of investors is invited to statement of Risk Factors contained in Chapter 9 of this Offer Document. These risks are not, and are not intended to be, a



complete list of all risks and considerations relevant to the Senior Tranche PTCs or investor's decision to purchase the Senior Tranche PTCs. Please be advised that the relevant Receivables will be assigned to the Issuer by the Originator on a no-recourse basis (save for the Credit Enhancement provided by the Originator) and any investor shall carefully assess the risks associated with such assignment before proceeding with a decision to make an investment in the Senior Tranche PTCs.

#### **DISCLAIMER CLAUSE OF SEBI**

As per the provisions of the SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008, as amended/ supplemented/ replaced from time to time and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended/ supplemented/ replaced from time to time, it is not stipulated that a copy of this Offer Document has to be filed with or submitted to SEBI for its review/approval. It is to be distinctly understood that this Offer Document should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI nor does SEBI guarantee the adequacy and accuracy of this Offer Document. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Senior Tranche PTCs issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Offer Document.

The Senior Tranche PTCs have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

#### **DISCLAIMER CLAUSE OF THE STOCK EXCHANGE**

As required, a copy of this Offer Document has been filed with Stock Exchange in terms of the SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008, as amended/ supplemented/ replaced from time to time and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended/ supplemented/ replaced from time to time. It is to be distinctly understood that submission of this Offer Document to the Stock Exchange should not in any way be deemed or construed to mean that this Offer Document has been reviewed, cleared or approved by the Stock Exchange, nor does the Stock Exchange in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document. The Stock Exchange does not warrant that the Senior Tranche PTCs will be listed or will continue to be listed on the Stock Exchange nor does the Stock Exchange take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

Issue of the Senior Tranche PTCs have been/ will be made in India to investors as specified under clause "**Who Can Apply**" in this Offer Document, who have been/shall be specifically approached by the Issuer. This Offer Document is not to be construed or constituted as an offer to sell or an invitation to subscribe to Senior Tranche PTCs offered hereby to any person to whom it is not specifically addressed. This Offer Document does not constitute an offer to sell or an invitation to subscribe to the Senior Tranche PTCs herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. The Senior Tranche PTCs are governed by and shall be construed in accordance with the laws of India, and all disputes thereof shall be subject to the jurisdiction of the courts and tribunal set out in the Deeds of Securitisation.

#### **DISCLAIMER IN RESPECT OF RATING AGENCY**

Rating is an opinion on the credit quality and is not a recommendation to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its rating on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any





errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

#### ISSUE OF PTCs IN DEMATERIALISED FORM

The Senior Tranche PTCs will be issued in dematerialised form. The Issuer has made arrangements with National Securities Depositories Limited and Central Depository Services (India) Limited for the issue of the Senior Tranche PTCs in dematerialised form. The investor will have to hold the Senior Tranche PTCs in dematerialised form as per the provisions of the Depositories Act, 1996. The Issuer shall take necessary steps to credit the Senior Tranche PTCs allotted to the beneficiary account maintained by the investor with its depository participant. The Issuer will make the allotment to Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

#### DISCLAIMER IN RESPECT OF ARRANGER

It is advised that the Issuer has exercised self-due diligence to ensure complete compliance of prescribed disclosure norms etc. in this IM. The role of the Northern Arc Capital Limited ("**Sole Arranger**") in the assignment is confined to marketing and placement of the PTCs on the basis of this IM as prepared by the Issuer. The Sole Arranger has neither scrutinized/vetted nor have they done any due-diligence for verification of the contents of this IM. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Sole Arranger or any of their officers as to the adequacy, completeness or reasonableness of the information contained herein or of any further information, statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto.

The Sole Arranger shall use this IM for the purpose of soliciting subscription from eligible investors for the PTCs to be issued by the Issuer on a private placement basis. It is to be distinctly understood that the aforesaid use of this IM by the Sole Arranger should not in any way be deemed or construed that the IM has been prepared, cleared, approved or vetted by the Sole Arranger; nor do they in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this IM; nor do they take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Sole Arranger. The Sole Arranger or any of their directors, employees, affiliates or representatives do not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this IM.

Please note that:

- (a) The Sole Arranger and/or their affiliates may, now and/or in the future, have other investment and commercial banking, trust and other relationships with the Issuer and with other persons ("**Other Persons**");
- (b) As a result of those other relationships, the Sole Arranger and/or their affiliates may get information about Other Persons, the Issuer and/or the Issue or that may be relevant to any of them. Despite this, the Sole Arranger and/or their affiliates will not be required to disclose such information, or the fact that it is in possession of such information, to any recipient of this IM;
- (c) The Sole Arranger and/or their affiliates may, now and in the future, have fiduciary or other relationships under which it, or they, may exercise voting power over securities of various persons. Those securities may, from time to time, include PTCs of the Issuer; and
- (d) Each of the Sole Arranger and/or their affiliates may exercise such voting powers, and otherwise perform its functions in connection with such fiduciary or other relationships, without regard to its relationship to the Issuer and/or the PTCs.



#### **ADDITIONAL ASSUMPTIONS**

Each subscriber, by subscribing to the Senior Tranche PTCs, and any subsequent purchaser, by purchasing the Senior Tranche PTCs, shall be deemed to have agreed that and accordingly the Issuer and the Trustee shall be entitled to presume that each of the Investors:

- (a) has reviewed the terms and conditions applicable to the Senior Tranche PTCs as contained in the Offer Document and has understood the same, and, on an independent assessment thereof, found the same acceptable for the investment made and has also reviewed the risk disclosures contained herein and has understood the risks, and determined that the investment in the Senior Tranche PTCs are a suitable investment and that the Investors can bear the economic risk of that investment;
- (b) has received all the material information provided by the Originator to the Issuer in connection with, and for investment in the Senior Tranche PTCs;
- (c) has understood that information contained in this Offer Document is not to be constructed as business or investment advice;
- (d) has legal ability to invest in the Senior Tranche PTCs and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Investors or its assets.

**Attention of the persons interested in subscribing to the Certificates is specifically drawn to the section titled Special Considerations and Risk Factors.**

**For Axis Trustee Services Limited,  
Trustee for Green Trust 2022 trust**

**Authorised Signatory**

**Date: December 30, 2022**



List of Contact Persons

With regard to this Information Memorandum, the following people at the Trustee and the Seller can be contacted:

Originator/ Seller/ Servicer: Svasti Microfinance Private Limited				
Location	Contact Person	Tel. No.	E-mail	Fax No.
Chennai	Mr. B Narayanan	+91 9840099120	<a href="mailto:narayanan@svasti.in">narayanan@svasti.in</a> accounts@svasti.in	N.A.

Trustee: Axis Trustee Services Limited				
Location	Contact Person	Tel. No.	E-mail	Fax No.
Mumbai	Jagruti Patil	022 62300451	<a href="mailto:Jagruti.patil@axis-trustee.in">Jagruti.patil@axis-trustee.in</a>	N.A.



## TABLE OF CONTENTS

<b>CHAPTER 1: DEFINITIONS AND GLOSSARY OF TERMS .....</b>	<b>10</b>
<b>CHAPTER 2: EXECUTIVE SUMMARY .....</b>	<b>18</b>
2.1 INTRODUCTION TO SECURITISATION .....	18
2.2 BRIEF DESCRIPTION OF THE TRANSACTION .....	18
2.3 PRINCIPAL TERMS OF THE SECURITISATION TRANSACTION .....	19
2.4 PRINCIPAL TERMS OF THE SENIOR TRANCHE PTCs .....	24
2.5 RATING .....	24
2.6 APPLICATION FOR CERTIFICATES .....	24
<b>CHAPTER 3: THE TRANSACTION STRUCTURE .....</b>	<b>25</b>
3.1 TRANSACTION STRUCTURE .....	25
3.2 RECEIVABLES .....	26
3.3 INSTRUMENTS ON OFFER .....	27
3.4 INVESTOR PAYOUT DATES .....	27
3.5 PAYMENT OF YIELD .....	27
3.6 PREPAYMENT AMOUNTS .....	27
3.7 CREDIT ENHANCEMENT .....	28
3.8 IMPORTANT STRUCTURAL TRIGGERS .....	29
3.9 MATERIAL CONTRACTS .....	30
3.10 NO RECOURSE .....	30
3.11 CASH FLOW APPROPRIATION AND DISTRIBUTION .....	30
3.12 WATERFALL MECHANISM .....	30
3.13 METHOD OF PAYMENT .....	30
3.14 WITHHOLDING TAXES .....	30
3.15 DUE DILIGENCE AUDIT .....	31
3.16 REPRESENTATIONS AND WARRANTIES .....	31
3.17 EFFECT OF DELINQUENCIES .....	31
3.18 EFFECT OF PREPAYMENTS .....	ERROR! BOOKMARK NOT DEFINED.
3.19 EFFECTS OF RE-SCHEDULEMENTS .....	ERROR! BOOKMARK NOT DEFINED.
3.20 MONTHLY REPORTS TO INVESTORS .....	36
IN ADDITION, THE SERVICER SHALL ALSO SUBMIT DISCLOSURES AS REQUIRED UNDER RBI SECURITISATION GUIDELINES ISSUED BY RBI FROM TIME TO TIME .....	ERROR! BOOKMARK NOT DEFINED.
3.21 SEMI ANNUAL REPORTS .....	37
3.22 DISCLOSURES PURSUANT TO THE RBI GUIDELINES .....	37
3.23 LISTING ON THE STOCK EXCHANGE .....	39
3.24 CLEAN UP CALL .....	39
3.25 TRUST DEED TO PREVAIL .....	40
<b>CHAPTER 4: APPLICATION / ALLOTMENT PROCEDURE .....</b>	<b>40</b>
4.1 WHO CAN APPLY .....	40
4.2 OFFER PROGRAM .....	40
4.3 SUBMISSION OF APPLICATIONS .....	40
4.4 TERMS OF PAYMENT .....	40
4.5 FICTITIOUS APPLICATIONS .....	41
4.6 DEEMED DATE OF ALLOTMENT .....	41
4.7 BASIS OF ALLOTMENT .....	41
4.8 ALLOTMENT ADVICES / PASS THROUGH CERTIFICATES .....	41
4.9 CERTIFICATE REGISTER & TRANSFER OF CERTIFICATES .....	41
4.10 ISSUE PROCEEDS / SUBSCRIPTION AMOUNTS .....	41
4.11 MINIMUM SUBSCRIPTION .....	41
4.12 REJECTION OF THE LISTING OF PTCs .....	42
4.13 REFUND OF SUBSCRIPTION MONIES .....	42





<b>CHAPTER 5: SPECIFIC DISCLOSURES UNDER THE SEBI PTC REGULATIONS .....</b>	<b>43</b>
5.1 DETAILS OF UNDERLYING ASSETS .....	43
5.2 SUMMARY TERM SHEET .....	47
5.3 OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS .....	51
5.5 FEES PAID.....	51
5.6 TAXES PAID .....	51
5.7 MATERIAL DOCUMENTS .....	51
5.8 LIQUIDITY SHORTFALLS.....	52
5.9 ACCUMULATION OF SURPLUSES.....	52
5.10 DETAILS OF ANY OTHER ARRANGEMENTS UPON WHICH PAYMENTS OF INTEREST AND PRINCIPAL TO THE INVESTORS ARE DEPENDENT.....	52
5.11 MATERIAL FEATURES OF THE ASSET POOL SUCH AS DEFAULT RATE, LOSS RATE, RECOVERY RATE, DELINQUENCY RATE (BY BUCKETS SUCH AS 30 DPD; 60 DPD; 90 DPD, ETC), PREPAYMENT RATE, ETC.....	52
5.12 SENSITIVITY OF THE CASH FLOWS AND YIELDS ON DIFFERENT CLASSES TO THE CHANGES IN THE ABOVE ASSUMPTIONS, INCLUDING EXPECTED MATURITY.....	52
5.13 MAJOR REPRESENTATIONS AND WARRANTIES CONTAINED IN THE DOCUMENT WHEREBY THE DEBT OR RECEIVABLES HAVE BEEN ASSIGNED.....	52
5.14 DECLARATION ABOUT THE POSSIBILITY OF PREMATURE WINDING UP OF THE SCHEME IN CASE OF PREPAYMENTS.....	54
5.15 TERMS OF PAYMENT AND CASHFLOW, DISTINGUISHING, WHERE APPROPRIATE, ALLOCATION OF REVENUE RECEIPTS AND PRINCIPAL RECEIPTS .....	54
<b>CHAPTER 6: THE RECEIVABLES .....</b>	<b>55</b>
6.1 POOL SELECTION CRITERIA.....	55
6.2 POOL CHARACTERISTICS .....	56
<b>CHAPTER 7: PARTIES TO THE TRANSACTION AND RESPECTIVE ROLES .....</b>	<b>57</b>
7.1 PROFILE OF THE SELLER / ORIGINATOR / SERVICER.....	57
7.2 THE ISSUER/ SPV.....	66
7.3 THE TRUSTEE .....	68
7.4 LEGAL COUNSEL.....	ERROR! BOOKMARK NOT DEFINED.
7.5 REGISTRAR AND TRANSFER AGENT .....	75
7.6 DESIGNATED BANK.....	75
<b>CHAPTER 8: LEGAL AND TAX ISSUES .....</b>	<b>76</b>
8.1 LEGAL DOCUMENTS .....	76
8.2 STAMP DUTY .....	76
8.3 RIGHTS IN THE CONTRACT.....	76
8.4 REPOSSESSION .....	76
8.5 WITHHOLDING TAXES.....	77
8.6 TAX DEDUCTED AT SOURCE .....	77
8.7 TAXATION OF TRUST.....	77
8.8 LEGAL STATUS OF THE TRUST .....	78
8.9 APPLICABILITY OF THE SECURITISATION ACT .....	78
8.10 NEW RBI SECURITISATION GUIDELINES .....	78
<b>CHAPTER 9: SPECIAL CONSIDERATIONS AND RISK FACTORS.....</b>	<b>79</b>
9.1 RISKS IN RELATION TO RECEIVABLES AND BORROWERS .....	79
9.2 MATERIAL CHANGES IN REGULATIONS TO WHICH THE BORROWER IS SUBJECT COULD IMPAIR THE BORROWER'S ABILITY TO MEET PAYMENTS OR OTHER OBLIGATIONS. ....	79
9.3 GENERAL ECONOMIC CONDITIONS .....	79
9.4 POTENTIAL LIABILITIES OF TRUST.....	79
9.5 RISKS IN RELATION TO RECEIVABLES AND BORROWERS .....	79
9.6 LIMITED LIQUIDITY & PRICE RISK .....	80
9.7 LIMITED RECOURSE, DELINQUENCY AND CREDIT RISK.....	80
9.8 SERVICER RISK .....	80
9.9 RISKS DUE TO POSSIBLE PREPAYMENTS .....	80



9.10	CLEAN-UP CALL .....	80
9.11	BANKRUPTCY .....	81
9.12	RATING OF THE CERTIFICATE .....	82
9.13	RISK OF CO-MINGLING .....	82
9.14	LEGAL AND TAX ISSUES.....	82
7.7	RISK RELATING TO SECURITY CREATIONS .....	82
9.15	ACCOUNTING CONSIDERATIONS.....	82
9.16	MATERIAL CHANGES IN REGULATIONS TO WHICH THE BORROWER IS SUBJECT COULD IMPAIR THE BORROWER'S ABILITY TO MEET PAYMENTS OR OTHER OBLIGATIONS. ....	82
9.17	INDUSTRY RISK: GENERAL ECONOMIC CONDITIONS.....	83
9.18	CURRENCY, INTEREST AND OTHER RISKS.....	83
9.19	DILUTION RISK .....	83
9.20	LEGALITY OF PURCHASE .....	83
<b>CHAPTER 10: MISCELLANEOUS .....</b>		<b>84</b>
10.1	JURISDICTION.....	84
10.2	TERMINATION OF THE OBLIGATION OF THE PARTIES .....	84
10.3	AMENDMENT .....	84
<b>CHAPTER 11: DECLARATION .....</b>		<b>85</b>
<b>ANNEXURE 1: TERMS OF THE SENIOR TRANCHE PTCS .....</b>		<b>87</b>
<b>ANNEXURE 2: INVESTOR PAYOUTS.....</b>		<b>88</b>
<b>ANNEXURE 3: APPLICATION FORM.....</b>		<b>90</b>
<b>ANNEXURE 4: RATING RATIONALE .....</b>		<b>94</b>
<b>ANNEXURE 5: FORMAT OF SEMI – ANNUAL REPORT .....</b>		<b>95</b>
<b>ANNEXURE 6: DETAILS OF THE RECEIVABLES .....</b>		<b>98</b>
<b>ANNEXURE 7: CHARTERED ACCOUNTANT CERTIFICATE .....</b>		<b>99</b>
<b>ANNEXURE 8: FORMAT OF THE MONTHLY REPORT .....</b>		<b>100</b>



## CHAPTER 1: DEFINITIONS AND GLOSSARY OF TERMS

For the purposes of this Offer Document, except as otherwise expressly provided or as the context or meaning thereof otherwise requires, the following expressions shall have the meanings assigned to them respectively hereinafter:

- (1) **"Allottee"** means any PTC Applicant who has received an Allotment Advice
- (2) **"Allotment Advice"** means the advice issued by the Trust confirming that the subscription by any potential investor in the PTCs, has been accepted.
- (3) **"Applicant"** or **"Subscriber"** means an applicant who has made an Application for subscribing to the Certificate.
- (4) **"Application"** means the submission of a duly filled up and signed Application Form by a prospective investor to the Trustee.
- (5) **"Application Form"** means the form annexed hereto and marked as Annexure 3
- (6) **"Application Money"** means the monies paid by any potential investor to the Trust for the purposes of subscribing to the Senior Tranche PTCs
- (7) **"Accounts"** means and includes the Cash Collateral and the Collection and Payout Account.
- (8) **"Accounts Agreement"** means the accounts agreement executed on or around the date of the Trust 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.
- (9) **"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.
- (10) **"Approved Bank"** 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.
- (11) **"Assigned Assets"** has the meaning given to it in the Assignment Agreement.
- (12) **"Assignment Agreement"** means the assignment agreement executed on or about the date of the Trust 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.
- (13) **"Auditor"** 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, *inter alia*, whether these exist, whether these meet with the eligibility criteria mentioned in Section 6.1 and whether these are supported by adequate and appropriate documentation.
- (14) **"Beneficiaries"** means the beneficiaries of the Trust that 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 the Trust Deed.



- (15) **"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.
- (16) **"Cash Collateral"** 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.
- (17) **"Clean Up Call Option"** has the meaning given to it in the Assignment Agreement.
- (18) **"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.
- (19) **"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 the Trust Deed.
- (20) **"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.
- (21) **"Collection Period"** means each period between a collections start date and the immediately succeeding collections end date as specified in Annexure 2.
- (22) **"Commencement Date"** means December 1, 2022, being the date following the Pool Cut Off Date.
- (23) **"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.
- (24) **"Credit Enhancement"** means the First Loss Credit Enhancement.
- (25) **"Credit Enhancement Documents"** means and includes the Accounts Agreement.
- (26) **"Credit Enhancer(s)"** means Svasti Microfinance Private Limited.
- (27) **"Deeds of Securitisation"** means the Trust 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.
- (28) **"Default"** means any amount(s) due, but not received, from any Obligor in respect of the Facilities comprising the Pool.
- (29) **"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.





- (30) **"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 December 30, 2022.
- (31) **"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.
- (32) **"Facilities" or "Loans"** mean the financial assistances provided by way of loans by the Seller to the Obligors pursuant to the Facility Agreements, and **"Facility" or "Loan"** shall be construed accordingly.
- (33) **"Facility Agreements" or "Loan 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" or "Loan Agreement"** shall be construed accordingly.
- (34) **"First Loss Credit Enhancement"** means, collectively, the Funded FLCE.
- (35) **"Funded FLCE"** shall comprise of the Cash Collateral.
- (36) **"Information Memorandum" or "Offer Document" or "IM"** means this information memorandum dated December 30, 2022 issued by the Trustee providing information of the transaction contemplated for issuance of PTCs.
- (37) **"Interest"** means the interest payable on the PTCs.
- (38) **"Investor Payouts"** means distribution by the Trustee of the Trust Property following the priority of payments as set out in the Waterfall Mechanism.
- (39) **"Investor Payout Dates"** means the dates set out in in Annexure 2 on which Investor Payouts are due or expected to be paid (as the case may be) to the PTC Holders.
- (40) **"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.
- (41) **"Last Maturity Date"** means August 17, 2024.
- (42) **"Location of Dispute Resolution"** means Mumbai.
- (43) **"Majority Consent"** means the decision taken by one or more of the Members holding Majority Interest, which decision will be binding on the Trustee.
- (44) **"Majority Interest"** means the Members collectively constituting 75% (seventy five percent) of the aggregate of all amounts outstanding under the PTCs.
- (45) **"Maturity Date"** means the Series A1 Final Maturity Date.
- (46) **"Members"** means the PTC Holders.
- (47) **"Monitoring Reports"** means the detailed reports on, *inter alia*, the realisation of the Receivables to



be submitted by Servicer to the Trustee in accordance with the Servicing Agreement.

- (48) **"Obligors" or "Borrowers"** 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.
- (49) **"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 Obligors, due to delay or Default on the part of such Obligors.
- (50) **"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.
- (51) **"Pass Through Certificate(s)" or "PTC(s)" or "Certificate(s)" or "SN(s)" or "Securitisation Note(s)" or "SDI(s)" or "Securitized 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 Waterfall Mechanism.
- (52) **"Payin Dates"** means the dates set out in in Annexure 2 on which Receivables collected during a Collection Period are deposited into the Collection and Payout Account by the Servicer.
- (53) **"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).
- (54) **"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 in Annexure 2.
- (55) **"Pool Cut Off Date"** means November 30, 2022.
- (56) **"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.
- (57) **"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).
- (58) **"Principal"** means the principal payable on the PTCs.
- (59) **"Prospective Investor"** means a person eligible to be an Investor and to whom a PTC Holder wishes to



transfer any PTC held by it.

- (60) **"PTC Register"** means the register of PTC Holders maintained in accordance with the Trust Deed.
- (61) **"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.
- (62) **"Rating Agency"** means CARE Ratings Limited, which has been appointed for the purpose of rating the PTCs.
- (63) **"RBI"** means the Reserve Bank of India.
- (64) **"Receivables"** means the aggregate of all amounts payable by its Obligor from the Commencement Date in respect of such Facilities that have been (a) selected based on the eligibility criteria mentioned in Section 6.1 hereof, and (b) granted pursuant to the Facility Agreements, including all principal amounts, interest (both accrued and unpaid interest as at the Commencement Date and all future interest), additional interest, Overdues, overdue charges, liquidated damages, premium on Prepayment, Prepayment Proceeds, all amounts due and payable in respect of the Facilities (including on account of delayed payments), any penal charges, any costs, charges, expenses, fees and any other amounts stipulated under the aforesaid Facility Agreements and the relevant Underlying Documents.
- (65) **"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.
- (66) **"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.
- (67) **"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.
- (68) **"Residual Beneficiary"** means the Seller.
- (69) **"SEBI"** means the Securities and Exchange Board of India.
- (70) **"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).
- (71) **"Securitisation Listing Framework"** means the Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 read 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).

- (72) **"Seller" or "Originator"** means Svasti Microfinance Private Limited, a company incorporated under the Companies Act, 1956, and a non-banking financial company - microfinance institution registered with the Reserve Bank of India, having its registered office at 6, First Floor, First Street, Tiger Varadachari Road, Kalakshetra Colony, Besant Nagar, Chennai - 600090, Tamil Nadu, India.
- (73) **"Seller/Facility Provider"** means Svasti Microfinance Private Limited, a company incorporated under the Companies Act, 1956, and a non-banking financial company - microfinance institution registered with the Reserve Bank of India, having its registered office at 6, First Floor, First Street, Tiger Varadachari Road, Kalakshetra Colony, Besant Nagar, Chennai - 600090, Tamil Nadu, India.
- (74) **"Seller's Credit Enhancement" or "Seller's Funded Credit Enhancement"** means the Cash Collateral.
- (75) **"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 of the Trust Deed and not forming part of (a) or (b) above.
- (76) **"Series A1 Final Maturity Date"** means August 17, 2024.
- (77) **"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 in Annexure 2.
- (78) **"Series A1 Interest Rate"** means 11% (eleven percent) per annum.
- (79) **"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 in Annexure 2, 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.

- (80) **"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.
- (81) **"Series A1 PTC Holder(s)" or "Series A1 Investor(s)" or "Senior Tranche Investor"** means the Investors holding the Series A1 PTCs from time to time.
- (82) **"Series A1 PTCs" or "Senior Tranche PTCs"** 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.
- (83) **"Servicer"** means Svasti Microfinance Private Limited, a company incorporated under the Companies Act, 1956, and a non-banking financial company - microfinance institution registered with the Reserve Bank of India, having its registered office at 6, First Floor, First Street, Tiger Varadachari Road, Kalakshetra Colony, Besant Nagar, Chennai - 600 090, Tamil Nadu, India.
- (84) **"Servicer Event of Default"** has the meaning given to it in Section 7.10.
- (85) **"Servicing Agreement"** means the servicing agreement executed on or about the date of the Trust 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.
- (86) **"Servicing Fee"** has the fee paid or to be paid to the Servicer as more particularly set out in the Servicing Agreement.
- (87) **"Settlement Date"** means December 22, 2022.
- (88) **"Settlor" or "Sponsor"** means Axis Trustee Services Limited, 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.
- (89) **"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.
- (90) **"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.
- (91) **"Trust"** means the Green Trust 2022 trust, a private trust settled in India in accordance with the Indian Trusts Act, 1882 by the Settlor under the terms of the Trust Deed.
- (92) **"Trust Deed"** means the declaration of trust entered or to be entered into by Axis Trustee Services Limited (in its capacity as the settlor of the Trust) and the Trustee, declaring that the Trustee will hold the Trust Property (as defined therein) in trust and for the benefit of the Beneficiaries.
- (93) **"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.

- (94) **"Waterfall Mechanism"** means the fund flow priorities as more particularly detailed in Section 2.3 of Chapter 2 below.



## CHAPTER 2: EXECUTIVE SUMMARY

This Information Memorandum seeks to provide relevant details of securitisation of certain loan assets together with all other present and future rights and benefits arising there from. The Assigned Assets (as defined hereinafter) comprise of *inter alia* loan receivables arising from the loan facilities extended by the Originator, in the ordinary course of business extended by the Seller to the Obligor for various business activities.

***All the expressions used in this document shall unless repugnant to the context or meaning thereof carry the same meanings herein as assigned to them in the paragraph under the heading "Definitions and Glossary of Terms".***

### 2.1 INTRODUCTION TO SECURITISATION

Securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments. A typical process of asset securitisation involves sale of specific receivables to a Special Purpose Vehicle (SPV) set up in the form of a trust or a company. The SPV in turn issues financial instruments (promissory notes, participation certificates or other debt instruments) to the investors evidencing the beneficial ownership of the investors in the receivables. The financial instruments are rated by an independent credit rating agency. Additional credit support is provided in order that the instrument may receive the desired level of rating. Typically, the servicing of the receivables is continued by the seller. Cash flows as and when they are received are passed on to the investors. Features of securitisation transactions include:

- (a) Absolute and valid sale of assets to an SPV (with defined purposes and activities) in trust for the investors;
- (b) Reliance by the investors on the performance of the assets for repayment - rather than the credit of their originator (the seller) or the issuer (the SPV);
- (c) Consequent to the above, "bankruptcy remoteness" of the SPV from the originator;
- (d) Support for timely payments, *inter-alia*, in the form of suitable credit enhancements;
- (e) Securitised debt paper usually achieves a high investment grade credit rating.

### 2.2 BRIEF DESCRIPTION OF THE TRANSACTION

- (a) Green Trust 2022 trust ("Trust") is proposed to be set up as a special purpose trust, settled by Axis Trustee Services Limited under a Trust Deed for acquiring the Receivables in the nature of principal amount of the certain loan facilities together with interest thereon along with the rights and interest of the Originator in relation thereto (collectively the "Assigned Assets"), as property of the Trust in trust for and for the benefit of the certain investors, who subscribe to the pass through certificates issued by the Trust.
- (b) The objectives and permitted activities of the SPV are as laid out in the section "The Issuer" of this Information Memorandum.
- (c) The issue proceeds received from the Investors for subscribing to the PTCs, will be used by the Trust to pay to the Seller consideration for the Assigned Assets.
- (d) After acquiring the aforesaid Assets, the Issuer will issue Pass Through Certificates (PTCs) to the Investors. The Senior Tranche PTCs shall be listed in terms of the Securitisation Listing Framework.



- (e) The Senior Tranche Investor shall be entitled to obtain the Senior Tranche Yield together with the principal amount of the Senior Tranche PTCs. The Senior Tranche PTCs would be issued in dematerialised form and shall be listed on NSE as securitised debt instruments under the Securitisation Listing Framework, within the time period prescribed therein.
- (f) The Originator will provide or cause to be provided certain credit enhancement in relation to the Assigned Assets which will be in line with the recommendations set out by the Rating Agency for achieving the rating for the Senior Tranche PTCs.
- (g) To meet the minimum retention requirement ("MRR") stipulated by the Reserve Bank of India ("RBI"), in relation to the Assigned Assets being sold, the Originator is providing Cash Collateral which amounts to 10% (ten percent) of the principal portion of the Receivables.
- (h) Svasti Microfinance Private Limited will be appointed as the servicer in relation to the Assigned Assets and in that capacity the Servicer shall be entitled to enforce the Receivables for and on behalf of the Trust.
- (i) Claims or rights of the Investors of a particular series or tranche to receive payment of the Receivables shall rank *pari passu* inter-se and there shall be no difference in the rights, title and interest between the Investors vis-à-vis that particular series or tranche, irrespective of the date on which the Application Money shall have been paid by them.
- (j) The PTC of a Senior Tranche PTC, will evidence the Investor's *pro-rata* share and undivided beneficial interest in the Assigned Assets on a *pari-passu* basis.
- (k) The Senior Tranche PTCs have been assigned a provisional rating of CARE A- (SO) by the Rating Agency. The rating rationale of the Rating Agency is annexed to this Information Memorandum and marked as **Annexure 4**. However, this is an indicative rating and is contingent upon the receipt of final documents conforming to information already received.
- (l) The Seller will have the option to repurchase the Receivables pertaining to the performing contracts any time after the outstanding Receivables decline to 10% (ten percent) or below of the initial pool balance, at a purchase consideration equal to the outstanding principal amount. The exercise of this option would have the same effect as prepayments for the purposes of making Investor Payouts to the Investors under the Assignment Agreement.

### 2.3 PRINCIPAL TERMS OF THE SECURITISATION TRANSACTION

Nature of Instrument	Securitised Debt Instruments being Pass Through Certificates evidencing undivided beneficial interest in the Receivables and bearing Senior Tranche Yield as more particularly set out under <b>Annexure 2</b> hereto.
Issuer	Green Trust 2022
Originator / Seller	Svasti Microfinance Private Limited
Trustee	Axis Trustee Services Limited
Credit Enhancement Provider	Svasti Microfinance Private Limited
Collection Bank	SBM Bank (India) Limited acting through its branch located at Nariman Point, Mumbai
Servicer	Svasti Microfinance Private Limited
Rating Agency	CARE Ratings Limited
Legal Counsel	Phoenix Legal
Obligors	the borrower(s) who have taken loans for various business activities.
Receivables	the Pool of Receivables pertaining to the Facilities originated by Svasti Microfinance



		Private Limited, the principal outstanding of which aggregates to INR 22,00,18,761 (Indian Rupees Twenty Two Crore Eighteen Thousand Seven Hundred and Sixty One) as on the Pool Cut-Off Date. The details of the Receivables are more particularly provided in <b>Annexure 6</b> herein;
<b>Structure</b>		Par
<b>Aggregate Principal</b>	<b>Pool</b>	INR 22,00,18,761 (Indian Rupees Twenty Two Crore Eighteen Thousand Seven Hundred and Sixty One) as on the Pool Cut-Off Date
<b>Aggregate Cashflows</b>	<b>Pool</b>	INR 25,92,85,405 (Indian Rupees Twenty Five Crore Ninety Two Lakh Eighty Five Thousand Four Hundred and Five) as on the Pool Cut-Off Date.
<b>Aggregate Interest Spread</b>	<b>Excess</b>	INR 2,49,80,804 (Indian Rupees Two Crore Forty Nine Lakh Eighty Thousand Eight Hundred and Four) as on the Pool Cut-Off Date.
<b>PTC Subscription Amount</b>	<b>Subscription</b>	INR 19,80,16,885 (Indian Rupees Nineteen Crore Eighty Lakh Sixteen Thousand Eight Hundred and Eighty Five)
<b>Pool Cut-off Date</b>		November 30, 2022
<b>Transfer Date/Commencement Date</b>		December 1, 2022
<b>PTCs</b>		Series A1 PTCs
<b>Purchase Consideration</b>		INR 19,80,16,885/- (Indian Rupees Nineteen Crore Eighty Lakh Sixteen Thousand Eight Hundred and Eighty Five)
<b>Rating of Senior Tranche PTCs</b>		CARE A- (SO) by CARE Ratings Limited
<b>Servicer Fee</b>		INR 1,00,000 (Indian Rupees One Lakh), plus applicable tax and cess
<b>Series A1 Interest Rate</b>		11% (eleven percent) per annum payable monthly on the Investor Payout Dates.
<b>Face Value of Series A1 PTCs</b>		As set out in the <b>Annexure 1</b> .
<b>Series A1 Investor Payouts</b>		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 in Annexure 2, 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.
<b>Yield/Interest Type</b>		Fixed
<b>Default Interest Rate</b>		means the aggregate of the Series A1 Interest Rate and 2% (two percent) per annum.
<b>Aggregate Cashflows</b>		As set out in <b>Annexure 2</b> .
<b>Form of Credit Enhancement</b>		The Credit Enhancement would comprise of: <ul style="list-style-type: none"> <li>➤ The Excess Interest Spread (internal credit enhancement); and</li> <li>➤ Cash Collateral (external credit enhancement)</li> </ul>
<b>Utilisation of Credit Enhancement</b>		The Credit Enhancement will be utilized to meet shortages in Investor Payouts on account of credit losses as per the Waterfall Mechanism.  It is hereby clarified that the amount of Credit Enhancement extended at the initiation of the securitisation transaction shall be available to the Trust during the entire life of the PTCs issued by the Trust.
<b>Payment Mechanism</b>		Svasti Microfinance Private Limited will continue to service the pool as the Servicer.



	<p>The payments from the collections of month (M) deposited in the Collection and Payout Account, from the collections of the month (M) will be made to the Investors in month (M+1), on the relevant Investor Payout Date.</p> <p>If the amount that will be made available in the CPA is insufficient for making any payments as per the Waterfall Mechanism, the Credit Enhancement will be drawn to the extent of shortfall.</p>
<b>Collection &amp; Payout Account / CPA</b>	<p>The Collection &amp; Payout Account / CPA refers to the current account maintained with the Collection Bank and operated solely by the Trustee.</p> <p>The Servicer shall deposit all collections from the Receivables in the CPA and the amounts available in the CPA shall be utilized by the Trustee for making the payments due in terms of the Waterfall Mechanism.</p>
<b>Payment Waterfall / Waterfall Mechanism</b>	<p>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 Section 3.7 and subject to such conditions as may be prescribed therein and the Credit Enhancement Documents), will be utilised in the following order of priority:</p> <ol style="list-style-type: none"> <li>(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: <ol style="list-style-type: none"> <li>(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);</li> <li>(b) payment of Overdue Series A1 Interest;</li> <li>(c) payment of Series A1 Interest due;</li> <li>(d) payment of expected Series A1 Principal (including any unpaid expected Series A1 Principal pertaining to earlier Collection Periods);</li> <li>(e) any Prepayment Proceeds will be utilized for pre-payment of Series A1 Principal;</li> <li>(f) replenishment/reimbursement of the Cash Collateral, to the extent drawn on any Investor Payout Date and not replenished/reimbursed already; and</li> <li>(g) for payment to the Residual Beneficiary.</li> </ol> </li> <li>(2) On full redemption of the Series A1 PTCs, the Trustee shall apply the Total Collections, the Clean Up Purchase Consideration, and any amounts</li> </ol>



	<p>recovered pursuant to legal proceedings (if such amounts have been received) in the following order of priority:</p> <ul style="list-style-type: none"> <li>(a) for payment of Senior Costs; and</li> <li>(b) for payment to the Residual Beneficiary.</li> </ul> <p>(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:</p> <ul style="list-style-type: none"> <li>(a) for application towards payments in respect of the Series A1 PTCs in accordance with paragraph (1) above; and</li> <li>(b) following complete redemption of the Series A1 PTCs, for payment to the Residual Beneficiary.</li> </ul>
<b>Prepayments</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(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</li> <li>(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.</li> </ul>
<b>Prepayment Proceeds</b>	<p>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).</p>
<b>Clean-up Call Option</b>	<ul style="list-style-type: none"> <li>(a) Subject to Applicable Law, at any time after the residual value i.e., value of outstanding principal of the Facilities comprising the Pool, falls below 10% (ten percent) of the aggregate principal of the Facilities comprising the Pool on the Pool Cut Off Date, the Seller will have the option to buy fully performing Facilities, exercisable by the Seller in its sole discretion ("<b>Clean Up Call Option</b>"). This option may be exercised only if, at the time of exercise of the Clean Up Call Option by the Seller, the amount available under the Seller's Funded Credit Enhancement is greater than the principal balance of non-performing Facilities belonging to the Pool.</li> <li>(b) Upon exercise of the Clean Up Call Option by the Seller, the price payable by the Seller will be an amount arrived at on the basis of net present value of the outstanding amounts of such fully performing Facilities as of the date of exercising the Clean Up Call Option ("<b>Clean Up Purchase Consideration</b>"). The Clean Up Call Option shall be conducted at arm's length, on market terms and conditions and shall be exercised by the Seller after its normal credit approval and review processes.</li> <li>(c) It is clarified that pursuant to the Clean Up Call Option, the Seller only has an option (and not an obligation) to re-purchase the Receivables that are</li> </ul>



	performing and that the Clean Up Call Option is to be exercised in accordance with the Securitisation Directions. The Clean Up Call Option is exercisable at its sole discretion at the thresholds prescribed under the Securitisation Directions, only if, at the time of exercise of the Clean Up Call Option, the amount available under the Cash Collateral is greater than the principal balance of non-performing Facilities belonging to the Pool. Therefore, the Clean Up Call Option is not structured to avoid allocating losses to credit enhancements or positions held by the Investors or structured to provide any credit enhancements.
Any class or tranche not being offered to public	The PTCs are privately placed and are not offered to the public.
Interest Payment Date	On the relevant Investor Payout Date as set out in <b>Annexure 2</b> hereto.
Principal Payment Date	On the relevant Investor Payout Date as set out in <b>Annexure 2</b> hereto.
Optional Redemption	Not Applicable
Possibility of extension or shortening of period of PTC	Upon the delay in payments by the Obligor, the tenor of the PTCs may be increased.
Risk of prepayment in respect of the PTCs	Upon any prepayment by any Obligor and/or any foreclosure, the Prepayment Proceeds collected shall be paid to the Investors on the immediately succeeding Payout Date in accordance with the provisions of the Deeds of Securitisation. Therefore, the PTC may be prepaid on account of the any Prepayment and/or foreclosure of the Facilities.
First Payout Date	As set out in <b>Annexure 1</b> .
Last Payout Date/Maturity Date	As set out in <b>Annexure 1</b> .





## 2.4 PRINCIPAL TERMS OF THE SENIOR TRANCHE PTCs

Issue Opening Date	December 30, 2022
Issue Closing Date	December 30, 2022
Deemed Date of Allotment	December 30, 2022
First Payout Date	January 17, 2023
Last Payout Date	August 17, 2024
Legal Final Maturity (in months)	20 (twenty) months
No. of Series A1 PTCs	19,80,16,885 (Nineteen Crore Eighty Lakh Sixteen Thousand Eight Hundred and Eighty Five)
Price Per Series A1 PTC	INR 1 (Indian Rupee One)
Minimum Subscription / Minimum Ticket Size	INR 19,80,16,885/- (Indian Rupees Nineteen Crore Eighty Lakh Sixteen Thousand Eight Hundred and Eighty Five) (i.e., Series A1 Investor (or transferee of a Series A1 Investor) has to acquire at least 19,80,16,885 number of PTCs and multiples of 1 thereafter.

## 2.5 RATING

The Rating Agency has given a provisional rating of CARE A- (SO) for Series A1 PTCs. However, this is an indicative rating and is contingent upon the receipt of final documents conforming to information already received in relation to the Certificates. The ratings are not a recommendation to subscribe to or purchase, hold or sell or redeem the Series A1 PTCs in as much as the ratings do not comment on its suitability to a particular Investor. There is no assurance either that the rating will remain at the same level for any given period of time or that the credit rating will not be lowered or withdrawn entirely by the Rating Agency. Also, the Rating Agency will issue the final ratings after the compliance with the terms of the provisional rating.

## 2.6 APPLICATION FOR CERTIFICATES

The subscription period will open on December 30, 2022 and close on a date not later than December 30, 2022. The investors have to submit applications (by submitting the duly filled up and signed form annexed hereto and marked as **Annexure 3**) and make payment of the subscription amounts by a cheque/ demand draft payable high value in Mumbai, India by RTGS such that the credit is received no later than 4.00 p.m. on or prior to the day of closure of issue. The Deemed Date of Allotment for the Certificates shall be December 30, 2022 ("**Deemed Date of Allotment**").



### CHAPTER 3: THE TRANSACTION STRUCTURE

#### 3.1 TRANSACTION STRUCTURE

- (a) Svasti Microfinance Private Limited is the Originator/Seller/Service of the Assigned Assets. Each of the Loans and the Receivables under which have been identified for assignment, have a monthly/weekly frequency and:
- (i) all Loans which have an original tenure of up to 24 (twenty four) months have been held by the Seller in its books for at least 3 (three) months from the date on which the first instalment of the relevant Loan has been repaid; and
  - (ii) all Loans which have an original tenure exceeding 24 (twenty four) months have been held in the books of the Seller for at least 6 (six) months from the date on which the first instalment of the relevant Loan has been repaid,
- as the case may be and therefore these Loans have been held on the books of the Seller for the minimum holding period as stipulated under the Securitisation Directions.
- (b) The Originator shall assign and sell the Receivables to a Special Purpose Vehicle (SPV), which is a Trust, namely "Green Trust 2022" trust settled by Axis Trustee Services Limited under the Trust Deed for acquiring the Assigned Assets as property of the Trust in trust for and for the benefit of the Investors.
- (c) The Trust will purchase the Assigned Assets from the Originator, by using the amounts received from the Investors as advances for issuing the PTCs, and upon acquisition of the Assigned Assets issue the Series A1 PTCs to the Series A1 Investor.
- (d) To meet the minimum retention requirement ("MRR") stipulated by the Reserve Bank of India ("RBI"), in relation to the Assigned Assets being sold, the Seller shall provide Cash Collateral of INR 2,20,01,876 /- (Indian Rupees Two Crore Twenty Lakh One Thousand Eight Hundred and Seventy Six only) which constitutes 10% (ten percent) of the principal portion of the Receivables.
- (e) The Seller shall maintain the MRR as a percentage of the unamortised principal on an ongoing basis.
- (f) The PTCs issued by the Trust shall represent the undivided beneficial interest of the holder thereof in the Assigned Assets.
- (g) The Senior Tranche PTCs have been given a provisional rating of CARE A- (SO) by the Rating Agency. The provisional ratings shall be confirmed by the Rating Agency after the compliance with all the terms for the issue of the provisional ratings.
- (h) Axis Trustee Services Limited acting as the Trustee shall monitor the overall transaction on behalf of the beneficiaries of the Trust (being the investors in the PTCs) and shall be responsible for performing various actions to protect their interests.
- (i) The Trustee will open and operate the Collection and Payout Account ("CPA"). The Cash Collateral which has been made available in the form of fixed deposits, will be lien marked in favour of the Trustee.



- (j) The Cash Collateral shall be available to the Trust for the benefit of the Investors at all times until the final scheduled Investor Payout is made to the Investors.
- (k) The Seller shall be responsible for bearing all initial costs in relation to the securitisation transaction, including but not limited to the fees of the Trustee, the Rating Agency, the Collection Bank, the stamp duty payable on the Transaction Documents, the fees of the legal counsel and the fees of any auditors appointed for inspecting the pool of Loans.
- (l) The Credit Enhancement for the PTCs will comprise of the Cash Collateral, which shall be provided by the Originator in such manner and to such extent as is required to ensure that the provisional rating of the Senior Tranche PTCs is confirmed by the Rating Agency. In addition, internal credit enhancement by way of the Excess Interest Spread, and the overcollateralin respect of the Facilities, shall also be available to the Trust, and shall be utilized in accordance with the Waterfall Mechanism.
- (m) The Seller will be appointed as the Servicer in relation to the Assigned Assets. The Servicer shall collect the Receivables from the Obligors, and deposit all the collections realised therefrom into the CPA as per the terms of the Transaction Documents. The Servicer shall prepare the Monitoring Reports in relation to the collections and the outstanding dues, and make the same available to the Trustee on each Payin Date.
- (n) The Servicer shall not be entitled to any fees for the performance of various functions and activities as the Servicer other than as specifically set out in the Deeds of Securitisation and shall act as the Servicer in accordance with the provisions thereof.
- (o) Out of the daily / weekly / monthly / fortnightly instalments expected from the Obligors, the Investor Payouts have been arrived at and the same shall be paid to the Investor(s) on the specified Investor Payout Dates.
- (p) The Investor Payouts for the PTCs has been detailed in **Annexure 2**.
- (q) The Seller will have the option to repurchase the Receivables pertaining to the performing contracts any time after the outstanding balance on the Receivables declines to 10% (ten percent) or below of the initial pool balance, at market terms and conditions. The exercise of this option would have the same effect as prepayments. Such re-purchase shall be conducted at arm's length, on market terms and conditions (including price / fee) and shall be subject to the Seller's normal credit approval and review processes. The right of the Seller to repurchase such fully performing Assets shall be exercised at its sole discretion. This option can be exercised only if the Credit Enhancement available at such time is more than the amount of non-performing facilities so that the said part of the Credit Enhancement shall be used to make payment with respect to the non-performing facilities to the full extent.
- (r) After all the Investor Payouts are made to the Investors, the balance amounts lying in the CPA as well as the outstanding Receivables and all right title and interest in relation thereto shall belong to the Seller.

### 3.2 RECEIVABLES

The aggregate of all amounts payable by the Obligors from the Commencement Date in respect of such Facilities that have been (a) selected based on the eligibility criteria mentioned in in Section 6.1 hereof, and (b) granted pursuant to the Facility Agreements, including all principal amounts, interest (both accrued and unpaid interest as at the Commencement Date and all future interest), additional interest, Overdues, overdue charges, liquidated damages, premium on Prepayment, Prepayment Proceeds, all amounts due and payable in respect



of the Facilities (including on account of delayed payments), any penal charges, any costs, charges, expenses, fees and any other amounts stipulated under the aforesaid Facility Agreements and the relevant Underlying Documents.

### 3.3 INSTRUMENTS ON OFFER

Series A1 PTCS issued by Green Trust 2022 trust:

The Series A1 PTCs having a rating of CARE A- (SO) by the Rating Agency.

Each Senior A1 PTC represents a proportionate undivided beneficial interest in the Assigned Assets as specified in this Information Memorandum and will be issued pursuant to the various Deeds of Securitisation entered into by and between different parties to this transaction of securitisation. The Series A1 PTCs do not represent an interest or obligation of the Trustee, the Originator/ Seller (other than to the limited extent of the Credit Enhancement provided by the Seller), the Servicer or any of their respective affiliates nor are the Series A1 PTCs or the underlying Receivables insured or guaranteed by the Trustee, the Originator/ Seller (other than to the limited extent of the Credit Enhancement provided by the Seller) the Servicer or any of their respective affiliates.

### 3.4 INVESTOR PAYOUT DATES

- (a) The payments from the Collection and Payout Account, from the collections of the month (M) will be made to the Investors in month (M+1), on the relevant Investor Payout Date.
- (b) From the amounts credited to the Collection and Payout Account as above, payments as specified hereinafter (Investor Payouts) are payable to the Investors on various dates as specified in **Annexure 2** (Investor Payout Dates). If an Investor Payout Date or a Maturity Date falls on a day which is not a Business Day, then the Investor Payouts shall be made to Investor on the immediately preceding Business Day.

### 3.5 PAYMENT OF INTEREST

The Series A1 PTCs shall carry a fixed rate interest of 11% (eleven percent) per annum payable monthly on the Investor Payout Dates as specified in **Annexure 2**.

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 in Annexure 2.

### 3.6 PREPAYMENT AMOUNTS

Prepayment includes:

- (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.





### 3.7 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 the Trust Deed and the other Transaction Documents, and is subject to revisions/reset only in accordance with the Securitisation Directions; and
  - (b) the Trust 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 the Trust 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.
  - (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 of 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) above.
- (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) above.
- (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 the Trust 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 the Trust Deed, and in accordance with the Securitisation Directions and the Securitisation Listing Framework.

### 3.8 IMPORTANT STRUCTURAL TRIGGERS

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 the Trust Deed and the other Deeds of Securitisation will be updated by the Trustee in accordance with the Trust 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.

### **3.9 MATERIAL CONTRACTS**

The Originator has entered into the Facility Agreements with the Obligor under the terms of which the Facilities have been advanced by the Originator to the Obligor.

### **3.10 NO RECOURSE**

- (a) Subject to the terms and provisions of the Deeds of Securitisation, the Parties hereby agree and confirm that in respect of the Assigned Assets, the Trustee will not have any recourse against the Seller on account of any reason whatsoever.
- (b) Further, it is expressly agreed that the Seller shall not be required to make good any losses suffered by the Trustee, on behalf of the Trust, and/or the Beneficiaries due to the non-receipt of the Receivables except to the extent of the Seller's Credit Enhancement. Any re-scheduling, restructuring or re-negotiation of the terms of the Underlying Documents after the transfer of the Receivables to the Trustee will be done only with the consent of the Trustee and shall be binding on the Trustee and not on the Seller.

### **3.11 CASH FLOW APPROPRIATION AND DISTRIBUTION**

#### **(a) Collection of Instalment**

The Trustee shall open the CPA with the Collection Bank. The Originator shall instruct the Servicer upfront to remit all collections on the pools pertaining to the CPA.

#### **(b) Investor Payouts determination**

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 Section 3.7 to make good such shortfall subject to the terms of the Trust Deed and the other Deeds of Securitisation.

### **3.12 WATERFALL MECHANISM**

The Waterfall mechanism shall be as set out under the entry *Payment Waterfall/Waterfall Mechanism* in Section 2.3 of Chapter 2 of this Information Memorandum.

### **3.13 METHOD OF PAYMENT**

All payments by the Trustee to the Investors shall be made by a RTGS/NEFT/Funds Transfer and payable in Mumbai, India.

### **3.14 WITHHOLDING TAXES**

It is agreed, understood and acknowledged that (a) on deduction of tax at source (TDS) from the payment of the Receivables made by the Obligor 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 Obligor 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 Obligor default in making payments or make payment without TDS.

### 3.15 AUDIT

The Auditor shall facilitate any audit of the Receivables constituting the Pool to verify, *inter alia*, whether these exist, whether these meet with the eligibility criteria mentioned in Section 6.1 and whether these are supported by adequate and appropriate documentation.

### 3.16 REPRESENTATIONS AND WARRANTIES

I. The Seller hereby represents and warrants that:

- (1) it (a) is duly organised and validly existing under law and it is duly qualified and authorised to do and carry on its business, (b) has obtained all corporate and other Authorisations required for the execution, delivery and performance by it of the Assignment Agreement and the assignment and transfer of the Assigned Assets, and (c) all Authorisations referred in (b) above are valid and effective and have not been amended, modified, replaced or substituted by any other Authorisation;
- (2) it is eligible under the Securitisation Directions to enter into the transactions contemplated in the Deeds of Securitisation. It has obtained all corporate and other Authorisations required for the execution, delivery and performance by it of the Assignment Agreement and the assignment and transfer of the Assigned Assets, and all such Authorisations are valid and effective and have not been amended, modified, replaced or substituted by in any manner;
- (3) the Assignment Agreement has been duly and validly executed and delivered by it and constitutes a legal and binding obligation on its part and is enforceable against it in accordance with its terms;
- (4) the execution, delivery and performance by it of the Assignment Agreement, the assignment and transfer of the Assigned Assets on the terms contained herein, and the acts and transactions contemplated hereby do not and will not, with or without the giving of notice and/or lapse of time, violate, conflict with, require any Authorisation under or result in a breach of or default under:
  - (a) any Applicable Law (including the Securitisation Directions and the Securitisation Listing Framework);
  - (b) any order or decree or award of any court or tribunal or quasi-judicial body or any Competent Authority, in any jurisdiction applicable to or binding on the Seller, or which has the effect of making unlawful, or otherwise prohibiting the transactions contemplated in terms of the Assignment Agreement or in terms of the issue documents or any aspect thereof;
  - (c) any term, condition, covenant, undertaking, agreement or other instrument which the Seller is a party to or is binding on the Seller; or
  - (d) its Constitutional Documents;
- (5) it is the full and absolute legal and beneficial owner of its Receivables and has a clear and marketable title thereto free and clear from any and all encumbrances, set-off, counter-claims, impediments,





- charges or claims and it has not created any Security Interest of any nature whatsoever whether by way of sale, transfer, assignment or otherwise in or upon such Receivables;
- (6) it has full and absolute right to sell, transfer and assign such Receivables to the Trustee without any impediment, restriction, limitation of any nature whatsoever, and the assignment and transfer of the Assigned Assets in accordance with the terms herein is valid, effective, and enforceable;
- (7) the securitisation of the Facilities in accordance with the Deeds of Securitisation does not contravene the rights of the Obligors;
- (8) (to the extent applicable) all required consents from the Obligors, if so required under the Underlying Documents, have been obtained;
- (9) no Facility comprising the Pool is encumbered, hypothecated, charged or secured in favour of any other bank or financial institution, and to the extent applicable, where any Facility comprising the Pool was, prior to the Pool Cut Off Date, the subject matter of any prior encumbrance, hypothecation, charge or security in favour of any other bank or financial institution, such encumbrance, hypothecation, charge or security has been released prior to the Pool Cut Off Date;
- (10) each of the concerned Underlying Documents is genuine and has been duly executed in compliance with Applicable Law. Each Underlying Document is legally valid and binding and enforceable against the parties to such Underlying Documents in accordance with the terms thereof except to the extent such enforcement is limited by the operation of law and the Underlying Documents enable the sale, transfer, assignment, conveyance, release of its rights, title and interest thereunder and none of the Underlying Documents restrict, limit or otherwise prevent it from transferring, assigning or otherwise disposing of, whether absolutely, contingently or otherwise, any of its rights, title or interest thereunder;
- (11) there are no legal, quasi-legal, administrative, arbitration, mediation, conciliation or other proceedings, claims, actions, governmental investigations, orders, judgements or decrees of any nature made, existing, threatened, anticipated or pending in respect of its Receivables including any counterclaims or claims by the Obligor or any Competent Authority which may prejudicially affect the due performance or enforceability of the Assignment Agreement or any obligation, act, omission or transaction contemplated in the Deeds of Securitisation;
- (12) it has complied with all the applicable "know your customer" requirements prescribed by the RBI, with respect to each of the Obligors;
- (13) none of the Obligors appear on the RBI's list of defaulters;
- (14) it is in a position to observe, comply with and perform all its obligations to be observed, complied with and/or performed by it under the Assignment Agreement;
- (15) all information set out in the Assignment Agreement and all information furnished by it to the Trustee is true and correct and is not misleading whether by reason of omission to state a material fact or otherwise;
- (16) it is aware and acknowledges that the Trustee has entered into the Assignment Agreement and the Trustee has agreed to purchase its Receivables on the basis of and relying upon the representations, warranties, statements, covenants, agreements and undertakings on its part contained in the Assignment Agreement, and that the Trustee would not have done so in the absence of such representations, warranties, statements, covenants, agreements and undertakings by it;



- (17) the signatories of all the legal documentation on its behalf has/have been duly empowered and authorised to execute such documentation and to perform all the obligations in accordance with the terms set out in the Assignment Agreement;
- (18) all the required amounts of stamp duty and all other dues, duties, taxes and charges payable in respect of each of the concerned Underlying Documents and the delivery thereunder and all documents connected therewith have been paid and each of them is thus legally binding and enforceable against the parties thereto in accordance with the terms thereof;
- (19) all the Underlying Documents have been executed in the ordinary course of its business and each Facility granted by it under any Facility Agreement conforms to the credit criteria adopted by it in its ordinary course of business at the time of its sanction, subject to its own management discretion or judgment to override or deviate therefrom, where it considered appropriate. Further, the Underlying Documents have a fixed repayment schedule and the expected cash flows (as stated in Annexure 2 hereof) are based on such repayment schedule;
- (20) there is only one set of original Underlying Documents in its possession and these will be handed over to the Trustee/Servicer as and when instructed;
- (21) no Obligor was delinquent under any of the respective Underlying Documents and none of the Facilities comprising the Pool are classified as "non-performing assets" (determined in accordance with the criteria prescribed by the RBI) in the books of the Seller;
- (22) each Facility is classified as a "standard asset" (determined in accordance with the criteria prescribed by the RBI) in the books of the Seller;
- (23) there are no defaults in payment or other defaults or anticipated defaults by the Obligors under any of the Underlying Documents;
- (24) none of the Obligors are entitled to any right of set-off, counterclaim, deduction, recoupment, recovery, recourse or revision under the concerned Facility Agreement(s) and the Underlying Documents. It has not done or omitted to do anything which enables any of its debtors to exercise the right of set-off in relation to the Assigned Assets;
- (25) each Facility granted by it under the Facility Agreements it has executed as identified in Schedule V of the Assignment Agreement is in conformity with the eligibility criteria set out in Section 6.2 herein;
- (26) each Facility granted by it under the Facility Agreements it has executed as identified in Schedule V of the Assignment Agreement has been held by it for a minimum period in its books, and in compliance with the minimum holding period requirements stated in the Securitisation Directions and has also complied with all the regulatory requirements for securitisation of loans the requirements pertaining to the accounting of profit/ loss on the securitisation of loans as stipulated in the Securitisation Directions;
- (27) the Receivables have been transferred by it to the Trustee under the Assignment Agreement at a price arrived at on an arm's length basis and solely on commercial considerations and such transfer will not cause it to breach its obligations under the Securitisation Directions;
- (28) none of the Facilities granted by it under the Facility Agreements as identified in Schedule V of the Assignment Agreement have been "rescheduled" or "restructured" (determined in accordance with the criteria prescribed by the RBI) in the books of the Seller as of the Pool Cut Off Date. As of the Pool Cut Off Date, none of the Obligors have sought for re-schedulement of the principal amount due un-



- der any Facility Agreement(s) or restructuring of principal payments on any Facility(ies) granted by the Seller;
- (29) the Seller is entitled to transfer and assign the receivables based on the Facility Agreements or the individual consent of the relevant Obligors (if so required);
- (30) all Facilities comprising the Assigned Assets have been originated by the Seller and are fully disbursed;
- (31) the Seller has provided Prospective Investors access to all materially relevant data on the credit quality and performance of the individual underlying exposures, cash flows and collateral supporting the securitisation exposures underlying the PTCs, as well as such information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures;
- (32) other than for the limited purposes of the Seller's Credit Enhancement provided in accordance with the Securitisation Directions, the Seller is not required to support the losses of the Trust and is not liable to meet the recurring expenses of the Trust;
- (33) the Seller does not maintain direct or indirect control over the Receivables, as (a) pursuant to the Clean Up Call Option to be exercised in accordance with the Securitisation Directions, the Seller only has an option (and not an obligation) to re-purchase the Receivables; and (b) the Seller is providing certain servicing obligations pursuant to the Servicing Agreement in accordance with the Securitisation Directions;
- (34) the Seller cannot repurchase the Receivables other than pursuant to the Clean Up Call Option to be exercised in accordance with the Securitisation Directions;
- (35) with respect to the Seller's Credit Enhancement, the Seller confirms that:
- (a) the Cash Collateral is fully provided at the initiation of the securitisation transaction contemplated under the Trust Deed and the other Transaction Documents, and is subject to revisions/reset only in accordance with the Securitisation Directions; and
- (b) the Trust 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 the Trust Deed and the other Transaction Documents;
- (36) the Seller has adhered to the pricing guidelines prescribed by the RBI;
- (37) in respect of any securitisation transaction(s) entered into by the Seller prior to the Effective Date, the Seller confirms that:
- (a) the underlying facilities comprising the pool therein are in compliance with the minimum holding period and the minimum retention requirements prescribed under the Securitisation Directions;
- (b) there is fairness in selecting the facilities comprising the pool;
- (c) it has disclosed all losses in earlier securitisations of the Seller in the relevant exposure classes underlying the securitisation position and incidence of any frauds committed by the underlying borrowers;



- (d) the representations and warranties made by the Seller in the documents pertained to such previous securitisations are true and correct; and
  - (e) the statements and disclosures made by the Seller, or its agents or advisors, in relation to the due diligence conducted by them in respect to such previous securitisations are true and correct;
- (38) the Seller confirms that:
- (a) no Obligor underlying any Facility comprising the Pool has been subject to any insolvency proceeding (including pursuant to the (Indian) Insolvency and Bankruptcy Code, 2016, the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder) in the preceding 3 (three) years prior to the Pool Cut Off Date;
  - (b) at the time of origination of each Facility comprising the Pool, no Obligor was recorded with an adverse credit history of 90 (ninety) days past due or higher on any database maintained by any credit information bureaus accredited with the RBI (including but not limited to TransUnion CIBIL Limited, CRIF Highmark Credit Information Services Private Limited, Equifax Credit Information Services Private Limited);
  - (c) the Seller does not have a credit assessment by a credit rating agency or a credit score indicating a significant risk of default; and
  - (d) no Facility comprising the Pool is subject to any dispute between the Seller and the relevant Obligor(s); and
- (39) the transactions contemplated under the Transaction Documents comply with Applicable Law (including the Securitisation Directions).
- II. Subject to III below, if any representation or warranty set forth in the Assignment Agreement by the Seller is found to be incorrect and if such misrepresentation has not been rectified by the Seller within 15 (fifteen) days after a notice for rectification with respect thereto has been given to the Seller by the Trustee, the Seller will, at the option of the Trustee acting as per the instructions of the Members holding Majority Interest, either:
- (a) substitute the Receivables in respect of which there is a misrepresentation with any other receivables, which, in the opinion of the Trustee, are on same terms to the substituted Receivables as to the principal amount, maturity, interest and frequency of payments. PROVIDED THAT any substitution of receivables pursuant to this sub-Clause (a) must be done with prior approval of the Rating Agency; or
  - (b) repurchase the Receivables in respect of which there is a misrepresentation by credit to the Collection and Payout Account of an amount equal to the principal amount of such Receivables. However, if the Seller is unable to substitute the Receivables with receivables as contemplated in sub-Clause (a) above, it may instead elect to repurchase such Receivables in the manner set out in this sub-Clause (b).
- III. The Seller's obligation under II above is subject to the breach of representation and warranty being exercised no later than 120 (one hundred and twenty) days from the Effective Date and any subsequent assignment will be deemed to be on the same terms and conditions as applicable to the original assignment under the Deeds of Securitisation. It is also agreed and acknowledged that this is





an additional remedy for the stipulated period and other remedies as set out in the Assignment Agreement continue to be available to the Trustee irrespective of the terms of this Section 3.16 till all the Investor Payouts have been made in full to the Investors.

- IV. The Trustee acknowledges that save as set out in this Section 3.16, the Seller is not under any obligation to re-purchase or fund the re-payment of the Assigned Assets (or any part thereof) or, substitute or provide additional Assigned Assets to the Trust. However, other remedies as set out in the Assignment Agreement continue to be available to the Trustee irrespective of the terms of this Section 3.16 till all the Investor Payouts have been made in full to the Investors.

### 3.17 EFFECT OF DELINQUENCIES

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

### 3.18 MONTHLY REPORTS TO INVESTORS

- (a) The Servicer shall monitor the performance of the Obligors in respect of their obligations under the Underlying Documents and submit to the Trustee, on each Payin Date, the Monitoring Report(s) for the preceding Collection Period, *inter alia*, setting out the details mentioned in Annexure 8 and the following details:
- (i) billed amount to the Obligors during such Collection Period;
  - (ii) actual collections from Obligors towards such billed amounts (including any summary thereof in the form and manner prescribed by the Trustee);
  - (iii) collections from Obligors towards Overdues (including any summary thereof in the form and manner prescribed by the Trustee);
  - (iv) advance payments made by Obligors;
  - (v) aging analysis of Overdues;
  - (vi) any Prepayment Proceeds received from the Obligors including the number of Facility Agreements under which such amounts are received and the amounts obtained;
  - (vii) details of the exercise of any right of set-off, counter claim or adjustment against the Seller;
  - (viii) revisions to the future cash flow schedule of the Pool, and the various series of the PTCs, if any;
  - (ix) utilisation (including replenishment/reimbursement) of the Credit Enhancement, if any;
  - (x) details of any delinquencies and losses (if any); and
  - (xi) any other information relating to the Assigned Assets that the Trustee may reason-



ably request.

- (b) The Monitoring Reports will, if so requested by the Trustee, be audited by the Auditor on a semi-annual basis. If any discrepancies are observed in payments of any amounts to the Investors as a result of this audit, the Servicer will make good such discrepancies on the Investor Payout Date immediately following such audit. Any payment shortfalls will be treated as payment in arrears and will be paid to the Investors in accordance with the Deeds of Securitisation.

### 3.19 SEMI ANNUAL REPORTS

The Servicer shall as on the Deemed Date of Allotment and every 6 (six) months thereafter submit a report to the Trustee in the format required under the Securitisation Directions (specifically Annex 2 of the Securitisation Directions, which format has been reproduced in **Annexure 5** herein).

### 3.20 DISCLOSURES PURSUANT TO THE SECURITISATION DIRECTIONS

#### 1. Other disclosures and confirmations

The following disclosures and confirmations are made/provided pursuant to:

- (a) **Clause 18 of the Securitisation Directions:** There have been no changes in the underwriting standards between the date of origination of the Facilities comprising the Pool until the date of this Information Memorandum. If the underwriting standards change between the date of origination of the Facilities comprising the Pool and till all the claims associated with PTCs are paid-off, the Seller will disclose to the Investors and the Trustee, the timing and purpose of such changes.
- (b) **Clause 21 of the Securitisation Directions:** It is declared that:
  - (i) the cash flow schedules set out in the Trust Deed and the other Deeds of Securitisation have been prepared on the basis of expected cash flow projections assuming that (A) there are no Defaults or Prepayments, and (B) there is no change in the Effective Date pursuant to the terms of the Deeds of Securitisation; and
  - (ii) 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 the Trust 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 the Trust Deed and the other Deeds of Securitisation, wherein the Trustee shall (acting on the instructions of the Investors 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 (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.
- (c) **Clause 22 of the Securitisation Directions:** The legal and financial risk factors are set out in Section 8 of this Information Memorandum.
- (d) **Clause 24 of the Securitisation Directions:** In the event the actions of any of the counterparties or institutional intermediaries associated with the transactions contemplated under the Deeds of Securitisation (including without limitation, the Seller, the Trustee and/or the



Trust, the Servicer, and the providers of any credit enhancement), result in, at any point, a material alteration of the risk profile of the PTCs, the Seller shall ensure that adequate details about such occurrence are provided to the PTC Holders, the Rating Agency and any other service providers, promptly, and in no case later than within 14 (fourteen) calendar days of occurrence.

- (e) **Clause 30(g) of the Securitisation Directions:** 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.
- (f) **Chapter III of the Securitisation Directions:** The securitisation transaction entered into/to be entered into pursuant to this Information Memorandum and the other Deeds of Securitisation is not a simple, transparent and comparable (STC) transaction for the purposes of the Securitisation Directions.
- (g) **Clause 45(a) of the Securitisation Directions:** The PTCs are credit enhanced by way of the Cash Collateral provided/to be provided by the Seller pursuant to the Accounts Agreement and the other Deeds of Securitisation. Please refer to Section 3.7 above for the nature, purpose, extent of the Cash Collateral and all required standards of performance.
- (h) **Clause 61 of the Securitisation Directions:** The Seller is in compliance with the minimum holding period and the minimum retention requirements prescribed in the Securitisation Directions.
- (i) **Clause 63 of the Securitisation Directions:** The Seller has complied with the applicable provisions of the Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016.
- (j) **Clause 112 of the Securitisation Directions:** The Seller hereby confirms and declares as follows:
  - (A) weighted average holding period of the Facilities comprising the Pool is 5.62 (five decimal six two) months. Where the original tenure of the Facilities comprising the Pool is less than 24 (twenty four) months, the minimum holding period in respect of each of the Facilities comprising the Pool has been calculated as 3 (three) months from the date of first repayment, and where the original tenure of the Facilities comprising the Pool is more than 24 (twenty four) months, the minimum holding period in respect of each of the Facilities comprising the Pool has been calculated as 6 (six) months from the date of first repayment; and
  - (B) the minimum retention requirements applicable to the Facilities comprising the Pool is 5% (five percent) of the book value of the Facilities being securitised (as prescribed in Clause 12 of the Securitisation Directions) and the MRR is being maintained by way of the Credit Enhancement.
- (k) **Clause 114 and Clause 115 of the Securitisation Directions:** On September 30 and March 31 of each calendar year, it shall provide such disclosures and confirmations that may be required in the format prescribed in the Securitisation Directions (including Annex 2 of the Securitisation Directions) confirming that it is in compliance with the minimum holding period and the minimum retention requirements prescribed in the Securitisation Directions.

To meet the minimum retention requirement stipulated by the Reserve Bank of India, in relation to the Assigned Assets being sold, the Seller is providing Cash Collateral which amounts to 10% (ten percent) of the principal portion of the Receivables.



- (l) **Clause 116 and Clause 117 of the Securitisation Directions:** The Seller will make the disclosures with respect to notes to accounts in the format set out in Annex 3 of the Securitisation Directions.
- (m) **Clause 118 of the Securitisation Directions:** (if applicable) The Seller will submit the details of the securitisation transaction undertaken, including the details of the PTCs issued by the Trust to the RBI on a quarterly basis in the format prescribed by the RBI.
- (n) Please find annexed hereto and numbered as **Annexure 5**, the format in which Svasti Microfinance Private Limited shall set out the disclosures required under Annex 2 of the Securitisation Directions.

### 3.21 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 within the time period prescribed in the Securitisation Listing Framework.
- (b) If the PTCs are not listed in accordance and within the time period set out in (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.

### 3.22 CLEAN UP CALL

- (a) Subject to Applicable Law, at any time after the residual value i.e., value of outstanding principal of the Facilities comprising the Pool, falls below 10% (ten percent) of the aggregate principal of the Facilities comprising the Pool on the Pool Cut Off Date, the Seller will have the option to buy fully performing Facilities, exercisable by the Seller in its sole discretion ("**Clean Up Call Option**"). This option may be exercised only if, at the time of exercise of the Clean Up Call Option by the Seller, the amount available under the Seller's Funded Credit Enhancement is greater than the principal balance of non-performing Facilities belonging to the Pool.
- (b) Upon exercise of the Clean Up Call Option by the Seller, the price payable by the Seller will be an amount arrived at on the basis of net present value of the outstanding amounts of such fully performing Facilities as of the date of exercising the Clean Up Call Option ("**Clean Up Purchase Consideration**"). The Clean Up Call Option shall be conducted at arm's length, on market terms and conditions and shall be exercised by the Seller after its normal credit approval and review processes.
- (c) It is clarified that pursuant to the Clean Up Call Option, the Seller only has an option (and not an obligation) to re-purchase the Receivables that are performing and that the Clean Up Call Option is to be exercised in accordance with the Securitisation Directions. The Clean Up Call Option is exercisable at its sole discretion at the thresholds prescribed under the Securitisation Directions, only if, at the





time of exercise of the Clean Up Call Option, the amount available under the Cash Collateral is greater than the principal balance of non-performing Facilities belonging to the Pool. Therefore, the Clean Up Call Option is not structured to avoid allocating losses to credit enhancements or positions held by the Investors or structured to provide any credit enhancements.

### 3.23 TRUST DEED TO PREVAIL

In the event of any inconsistency between the provisions as set out in this Information Memorandum and the Trust Deed, the provisions as set out in the Trust Deed shall prevail.

## CHAPTER 4: APPLICATION / ALLOTMENT PROCEDURE

### 4.1 WHO CAN APPLY

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

### 4.2 OFFER PROGRAM

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

Issue Opening Date	December 30, 2022
Issue Closing Date	December 30, 2022
Deemed Date of Allotment	December 30, 2022

### 4.3 SUBMISSION OF APPLICATIONS

- (a) Investors are required to subscribe by submitting a completed Application Form, in the format as annexed to this Memorandum, along with the subscription amounts for the PTCs applied for.
- (b) All applications for the PTCs must be in the prescribed application forms and must be completed in BLOCK LETTERS in English. Application forms, duly completed, must be delivered together with the cheque / demand draft payable high value at least on the Issue Closing Date no later than 4 p.m. on that date at the offices of the Trustee. The investors must make such payment by RTGS such that the credit is received no later than 4 p.m. on the Issue Closing Date.
- (c) All application forms must be accompanied by duly attested / certified true copies of the following:
  - (i) Memorandum and Articles of Association / Trust Deed / Byelaws / other documents of constitution, as the case may be of the investing entity;
  - (ii) Resolution of the appropriate authority of the investing entity, authorising the investment;
  - (iii) Names and specimen signatures of authorised signatories;
  - (iv) Power of attorney where applicable (Modifications / additions should be notified to the Registrar and Transfer Agent); and
  - (v) Tax exemption certificate for non-deduction of tax at source if exemption is sought.

### 4.4 TERMS OF PAYMENT



- (a) The full amount due should be paid along with the completed application at least on the Issue Closing Date. All such investors, who are desirous of making payment through RTGS, would have to remit the subscription amount by way of RTGS transfer such that the credit is received no later than 4.00 p.m. at Mumbai, India on the Issue Closing Date.
- (b) In case of payments by RTGS or NEFT the same can be made as per the details mentioned below:
- |       |                  |                            |
|-------|------------------|----------------------------|
| (i)   | Beneficiary Name | : Green Trust 2022         |
| (ii)  | Account No.      | : 20012210511546           |
| (iii) | Bank Details     | : SBM Bank (India) Limited |
| (iv)  | Branch           | : Mumbai                   |
| (v)   | IFSC Code        | : STCB0000065              |
- (c) If required, the prospective investors may be requested by the Trustee to directly make payment of the subscription amounts to the Seller and the same shall be deemed to be a payment of the Purchase Consideration by the Trust to the Seller for acquiring the Assigned Assets.

#### 4.5 FICTITIOUS APPLICATIONS

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

#### 4.6 DEEMED DATE OF ALLOTMENT

The Deemed Date of Allotment would be December 30, 2022.

#### 4.7 BASIS OF ALLOTMENT

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

#### 4.8 ALLOTMENT ADVICES / PASS THROUGH CERTIFICATES

For successful applicants, an Allotment Advice will be issued within 7 (seven) Business Days of the Deemed Date of Allotment. Subsequently the PTCs shall be issued in dematerialised form within a period of 15 (fifteen) Business Days from the Deemed Date of Allotment. The Allotment Advice is not negotiable.

#### 4.9 CERTIFICATE REGISTER & TRANSFER OF CERTIFICATES

The Registrar and Transfer Agent shall maintain a register of certificates issued and transfers registered from time to time. The Certificates will be transferable in dematerialised form in accordance with applicable laws.

#### 4.10 ISSUE PROCEEDS / SUBSCRIPTION AMOUNTS

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

#### 4.11 MINIMUM SUBSCRIPTION



There is no minimum subscription and the entire PTCs have to be subscribed to for this Issue to be closed. In the event that the Issue is not fully subscribed to before the Issue Closing Date, all application monies shall be returned as set out below.

#### **4.12 REJECTION OF THE LISTING OF PTCs**

The Trustee hereby undertakes that in the event any stock exchange to which an application for listing is made under sub-section (2) of Section 17A of the Securities Contracts (Regulation) Act, 1956 rejects listing permission or the PTCs are not listed on any recognized stock exchange within a period of 4 (four) Business Days from the Issue Closing Date, the Issuer and, if necessary, its directors or Trustee, shall refund application amounts forthwith in terms of sub-section (3) thereof by crediting the subscription amounts to the respective bank accounts of the prospective investors.

#### **4.13 REFUND OF SUBSCRIPTION AMOUNTS**

The Trustee confirms that in the event the Assignment Agreement is not executed for any reason whatsoever, post the deposit of the subscription amounts, the Trustee shall refund such subscription amounts to the respective Investors to the extent of their entitlement, within 3 (three) Business Days and in the event of delay beyond 8 (eight) days from closure of the offer in making such refund, the SPV and its directors or Trustee shall be liable jointly and severally to repay the application moneys together with interest at 15% (fifteen percent) per annum.



## Chapter 5: SPECIFIC DISCLOSURES UNDER THE SECURITISATION LISTING FRAMEWORK

### 5.1 DETAILS OF UNDERLYING ASSETS

#### (a) Legal jurisdiction(s) where the assets are located

Maharashtra, Gujarat, Uttar Pradesh, Madhya Pradesh, Goa, Chhattisgarh, and Rajasthan.

#### (b) Nature and Title of Assets

Product	No. of contracts	Principal (in INR)	Interest (in INR)	Total Cashflow (in INR)
Joint Liability Group (JLG)	6,574	22,00,18,761	3,92,66,644	25,92,85,405

#### (c) Expiry/Maturity Date of the Assets

The Receivables are due and payable by the Obligor over a period of 24 (twenty four) months. The cashflows to the Investors have been matched with the payments due and payable by the Obligor under the Loan Agreements.

Residual Tenure (in months)*	Principal (in INR)	Interest (in INR)	Total Cashflow (in INR)
12-15	5,69,94,816	93,89,524	6,63,84,340
15-18	10,66,32,558	1,80,20,555	12,46,53,113
18-21	5,63,91,387	1,18,56,565	6,82,47,952
<b>Grand Total</b>	<b>22,00,18,761</b>	<b>3,92,66,644</b>	<b>25,92,85,405</b>

\*as on November 30, 2022

#### (d) Rate of return from the Assigned Assets

The pool yield of the underlying assets is 23.84% (twenty three decimal eight four percent).

#### (e) Selection Criteria of the Pool

The pool assigned shall have the characteristics identified in Section 6.1 herein.

#### (f) Number and value of the assets in the pool:

The Receivables selected for securitisation arise from 6,574 (six thousand five hundred and seventy four) Loan Agreements. The value of the Receivables is equal to INR 22,00,18,761 (Indian Rupees Twenty Two Crore Eighteen Thousand Seven Hundred and Sixty One).

#### (g) Method of origination or creation of the Assets

##### Origination Process

- The origination process involves the following stages:
  - o Group Formation
  - o Training Meetings
  - o Residence Verification
  - o Sanction
  - o Disbursement





- The typical origination time for a group is around 7 – 10 days

### Process

Customer Relationship Manager (CRM) conducts the GFM and is supervised by Branch Manager (BM) or Assistant Branch Manager (ABM)

If the customers provide Aadhar Card, the CRM scans the same on the Svasti CB App and gets an evaluation of the Credit Bureau (CB) status of the Customer. The CRM communicates the result of the same to the customers and takes up further processing only when all 5 members have passed CB check

Where the identity proof is not Aadhar Card, the CB processing is done after entry of the details in to the ERP and results communicated to the Customers on the next day.

Supervisor reviews the information provided by the customers and collected by the CRM and confirms that the Criteria laid out has been met Customer Information is reported in the ERP under the scheduled GFM. Details of the GFM are reported and next meeting is scheduled in the ERP for the Group

### Training Meetings

Training Meeting is conducted by the CRMs at the field.

The objective of the training meeting is to help the customers gain an understanding the financial terms and conditions of the product origination, disbursement, collection and prepayment processes documentation requirements, rights and responsibilities of the group leader and other members

Details of the training meeting is reported in the ERP and next meeting is scheduled in the ERP for the Group.

### Residence Verification (RV)

CRM and a supervisor will conduct RVs at each individual customer's house

The objective of the RV is to:

Confirm the residential location of the customer, Corroborate the information provided by the customer by observation and discussion with family members

Meet the husband / father / other relevant family member and communicate key terms of the loan, guarantee obligations and obtain consent

Information collected from customers during RV is reported in the ERP and next meeting is scheduled in the ERP

- (h) **Rights of recourse against the Originator to the extent allowed in law, including a list of material representations and warranties given to the Issuer relating to the assets**



The Receivables are being transferred to the Issuer on a non-recourse basis to achieve derecognition treatment under the terms of the Securitisation Directions and the relevant accounting standards in accordance with the terms of the Assignment Agreement. For the limited right of recourse available against the Originator, please refer to Section 3.10 of this Offer Document. The representations being provided by the Originator are as set out in Section 3.16 above.

(i) **Rights to substitute the Assigned Assets and the qualifying criteria**

The Receivables are being assigned on a non-recourse basis to Originator. However, in the event of any breach of representations and warranties of the Originator, the Trust may require the Originator to substitute the Assigned Assets in accordance with the provisions as set out in Securitisation Directions and as set out in Section 3.10 above.

(j) **Any prepayment right including prepayment penalties available to the Obligor**

Any repayment penalty as per the loan agreement on the Loans outstanding at the time of prepayment as per the terms of the Underlying Documents.

(k) **Level of concentration of the Obligor in the asset pool, identifying obligors that account for ten per cent or more of the asset value:**

The pool is well diversified with none of the Obligor accounting for more than 0.03% (zero decimal zero three percent) of the asset value.

(l) **Where there is no concentration of Obligor above ten per cent, the general characteristics and descriptions of the Obligor:**

No concentration of Obligor is above 10% (ten percent). All Obligor are JLG borrowers with individual loan ranging from 25,000 to 85,000. All loans are unsecured loans.

(m) **Outstanding principal balance/anticipated collections over a definite period from the eligible assets**

The anticipated collections from the Receivables is identified in **Annexure 6** of this Offer Document

(n) **Outstanding principal balance/anticipated collections over a definite period from the eligible assets as a percentage of the total amount of asset-backed securities being offered:**

The anticipated collections from the Receivables is identified in **Annexure 6** of this Offer Document

(o) **Cash generated by the eligible assets in the last financial year as a percentage of the total amount of securitised debt instruments being offered**

No cash generated by the eligible assets in the last financial year, as the cashflow from the eligible assets starts only from current financial year.

(p) **Amount of eligible assets in default of pool**

Nil

(q) **Amount of eligible assets in default as a percentage of the total amount of securitised debt instruments being offered and the amount of eligible assets in default as a percentage of the credit enhancement**



Nil

- (r) **Explanatory notes where there is expected material difference between actual and projected cash flows and any actions being taken to correct the situation**

The Credit Enhancement will be utilised to meet any shortfall in making the Investor Payouts in accordance with the Waterfall Mechanism.

- (s) **Description of what constitutes a default**

As per the terms of the relevant Loan Agreements.

- (t) **CA Report on the cash flow projections arising from the eligible assets which are the basis of the securitisation together with the basis of the projection.**

CA Report attached herewith in **Annexure 7**

- (u) **Static Pool Information**

The following information shall be provided for static pools of similar assets of all past securitisation transactions done with reference to the same originator:

- (i) Information regarding delinquencies, cumulative losses and prepayments information for the past 5 years of the Originator's portfolio, including the build up of such delinquencies, losses and prepayments over time:

As described under the Rating Rationale issued by CARE Ratings Limited and annexed as **Annexure 4** hereto.

- (ii) Factors relevant to the transaction such as asset term, asset type, yield, payment rates, the erosion of credit enhancements, any allocation of losses to any class of investors, etc:

As described under the Rating Rationale issued by CARE Ratings Limited and annexed as **Annexure 4** hereto.



5.2 SUMMARY TERM SHEET

Issuer	Green Trust 2022					
Originator / Seller	Svasti Microfinance Private Limited					
Trustee	Axis Trustee Services Limited					
Trust Property	The initial contribution of INR 1000/- (Indian Rupees One Thousand) and 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					
Initial Contribution to set up the Trust	INR 1000/- (Indian Rupees One Thousand)					
Transaction Size	INR 19,80,16,885/- (Indian Rupees Nineteen Crore Eighty Lakh Sixteen Thousand Eight Hundred and Eighty Five)					
Pool Principal as on Cut-Off Date	INR 22,00,18,761/- (Indian Rupees Twenty Two Crore Eighteen Thousand Seven Hundred and Sixty One) as on Cut-Off Date					
Pool Cut-off Date	November 30, 2022					
Settlement Date	December 30, 2022					
Record Date/Determination Date	means the date for determination of the registered Investors with the Registrar and Transfer Agent, being the day that occurs 7 (seven) Business Days prior to each Investor Payout Date.					
Investor Payout Dates	As set out in <b>Annexure 2</b>					
Transaction Structure	As set out under Section 3.1					
Receivables	The aggregate of all amounts payable by the Obligors from the Commencement Date in respect of such Facilities that have been (a) selected based on the eligibility criteria mentioned in in Section 6.1 hereof, and (b) granted pursuant to the Facility Agreements, including all principal amounts, interest (both accrued and unpaid interest as at the Commencement Date and all future interest), additional interest, Overdues, overdue charges, liquidated damages, premium on Prepayment, Prepayment Proceeds, all amounts due and payable in respect of the Facilities (including on account of delayed payments), any penal charges, any costs, charges, expenses, fees and any other amounts stipulated under the aforesaid Facility Agreements and the relevant Underlying Documents.					
Disclosures on key pool features and composition	As per the Pool Selection Criteria set out in the rating rationale issued by the Rating Agency, annexed hereto as <b>Annexure 4</b> and more particularly set out in Paragraph 6.1 below.					
Collection Period	means each period between a collections start date and the immediately succeeding collections end date as specified in <b>Annexure 2</b> .					
Servicer	Svasti Microfinance Private Limited					
Servicer Fee	means the fee to be paid by the Trustee to the Servicer, exclusive of applicable taxes and cess, on the date as set out below.					
	<table><tr><th>SERVICER</th><th>FEE AMOUNT</th></tr><tr><td>Svasti Microfinance Private Limited</td><td>INR 1,00,000 (Indian Rupees One Lakh)</td></tr></table>	SERVICER	FEE AMOUNT	Svasti Microfinance Private Limited	INR 1,00,000 (Indian Rupees One Lakh)	
SERVICER	FEE AMOUNT					
Svasti Microfinance Private Limited	INR 1,00,000 (Indian Rupees One Lakh)					
Legal Counsel	Phoenix Legal					
Credit Enhancement for the Transaction	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.
<b>Utilisation process and conditions for utilisation of credit enhancement</b>	<p>The Credit Enhancement will be utilized to meet shortages in making payments on account of credit losses as per Waterfall Mechanism.</p> <p>It is hereby clarified that the amount of Credit Enhancement extended at the initiation of the securitisation transaction shall be available to the Trust during the entire life of the PTCs issued by the Trust.</p>
<b>Reset of Credit Enhancement Facility</b>	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.
<b>Name of the Collection Bank</b>	SBM Bank (India) Limited
<b>Swap</b>	N.A.
<b>Refund / top up of Credit Enhancement</b>	Please refer the Waterfall Mechanism.
<b>Clean-Up Call Option</b>	As set out under Section 9.10
<b>Details of Listing</b>	<p>(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 the time period prescribed in the Securitisation Listing Framework.</p> <p>(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.</p> <p>(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.</p> <p>(d) The Trustee shall ensure and procure that the PTCs are in compliance with the Securitisation Listing Framework until the Last Maturity Date.</p> <p>(e) The Trustee shall ensure that payments are made to the PTC Holders in accordance with the Waterfall Mechanism.</p>
<b>Rating Agency</b>	CARE Ratings Limited
<b>Series of securitised debt instruments</b>	Senior Tranche PTCs/Series A1 PTCs



<b>Day Count Convention</b>	Actual/ 365
	<b>Senior Tranche PTC</b>
<b>Seniority</b>	Senior
<b>Face Value of each PTC</b>	INR 1 (Indian Rupee One)
<b>Initial Rating</b>	CARE A- (SO)
<b>Senior Tranche Final Maturity Date</b>	August 17, 2024
<b>Senior Tranche Expected Maturity Date</b>	April 17, 2024
<b>Expected Yield</b>	11 (eleven) per annum
<b>Payment Schedule</b>	As set out in <b>Annexure 2</b> hereto.
<b>Expected Payment Schedule</b>	As set out in <b>Annexure 2</b> hereto.
<b>Promised Payment Schedule</b>	As set out in <b>Annexure 2</b> hereto.
<b>First Payout Date</b>	January 17, 2023
<b>Portfolio Audit</b>	All the necessary documents for a sample audit would be available to the independent auditor for KYC verification and the costs would be borne by the Seller.
<b>Eligibility Criteria for the Receivables</b>	As set out in the rating rationale issued by the Rating Agency, annexed hereto as <b>Annexure 4</b> and as set out in Section 6.1 below.
<b>Minimum Holding Period</b>	As the Facilities comprising the Pool are unsecured Facilities, the minimum holding period in respect of each of the Facilities comprising the Pool has been calculated as 3 (three) months from the date of first repayment for loans with tenor of up to 24 (twenty four) months and 6 (six) months from the date of first repayment for loans with tenor more than 24 (twenty four) months
<b>Minimum Retention Requirement</b>	The minimum retention requirements applicable to the Facilities comprising the Pool is 5% (five percent) of the book value of the Facilities being securitised (as prescribed in Clause 12 of the Securitisation Directions) and the MRR is being maintained by way of the Seller's Credit Enhancement
<b>Details of Transaction Documents</b>	For the purposes of the Transaction, the following documents shall be considered to be material and may be inspected during the normal business hours at the registered offices of the Trustee during the offer period:  (a) Trust Deed (b) Assignment Agreement (c) Servicing Agreement (d) Accounts Agreement (e) Power of Attorney
<b>Applicable Law and Jurisdiction</b>	The Certificates are governed by and will be construed in accordance with existing Indian laws and will be subject to the non-exclusive jurisdiction of the courts and tribunals at Mumbai.
<b>Waterfall Mechanism</b>	As set out under the entry <i>Payment Waterfall</i> in Section 2.3 of Chapter 2 of this Information Memorandum.



### 5.3 OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

No outstanding litigation ongoing which has any material impact on the Company.

### 5.4 OTHER REGULATORY AND STATUTORY DISCLOSURES.

All material regulatory and statutory obligations have been or shall be fulfilled within the required time frame.

### 5.5 FEES PAID

The Assignor shall pay to the Trustee a one-time fee, on the date of execution of the Assignment Agreement, as mutually agreed. Subsequent fees of the Trustee shall be borne out of the Trust.

The servicing fee to be paid to the Servicer on each Payout Date is the servicing fee being INR 1,00,000 (Indian Rupees One Lakh), plus applicable goods and services tax.

### 5.6 TAXES PAID

Stamp duty and all statutory taxes duly paid.

### 5.7 MATERIAL DOCUMENTS

For the purposes of the Transaction, the following documents shall be considered to be material and may be inspected during the normal business hours at the registered offices of the Trustee during the offer period:

- (a) Trust Deed
- (b) Assignment Agreement
- (c) Servicing Agreement
- (d) Accounts Agreement
- (e) the Power of Attorney
- (f) the PTCs
- (g) Constitutional documents of the Trustee
- (h) Board and shareholders Resolutions of the Originator
- (i) The audited accounts of the Originator or, where it has subsidiaries, the consolidated audited accounts of the Originator and its subsidiaries for each of the 3 (three) financial years preceding the publication of the offer document, including, all notes, reports or information required by the Companies Act, 2013 to be annexed or attached thereto.
- (j) Agreement with Depositories (NSDL & CDSL)

### 5.8 LIQUIDITY SHORTFALLS

If there are defaults in the pool, any liquidity shortfalls below the scheduled Investor Payouts, to the extent of shortfall, EIS amount shall be utilized first and then Cash Collateral will be utilized.

### 5.9 ACCUMULATION OF SURPLUSES

If there are no defaults in pool, any surpluses over and above scheduled Investor Payout amount will be transferred to the Seller on a monthly basis in accordance with the Waterfall Mechanism as set out in the Assignment Agreement. After all the Investor Payouts are made to the Investors and all



amounts drawn from the external Credit Enhancement has been repaid in full, the balance amounts lying in the Collection and Payout Account as well as the outstanding Receivables and all right title and interest in relation thereto shall belong to the Seller.

**5.10 DETAILS OF ANY OTHER ARRANGEMENTS UPON WHICH PAYMENTS OF INTEREST AND PRINCIPAL TO THE INVESTORS ARE DEPENDENT**

If there are defaults in the pool, any liquidity shortfalls below the scheduled Investor Payout, to the extent of shortfall, EIS shall be utilised first and then Cash Collateral will be utilized. In such cases, the principal and interest payments on the PTCs shall be supplemented through the Credit Enhancement arrangement put in place by the Seller.

**5.11 MATERIAL FEATURES OF THE ASSET POOL SUCH AS DEFAULT RATE, LOSS RATE, RECOVERY RATE, DELINQUENCY RATE (BY BUCKETS SUCH AS 30 DPD; 60 DPD; 90 DPD, ETC), PREPAYMENT RATE, ETC.**

Nil

**5.12 SENSITIVITY OF THE CASH FLOWS AND YIELDS ON DIFFERENT CLASSES TO THE CHANGES IN THE ABOVE ASSUMPTIONS, INCLUDING EXPECTED MATURITY.**

Nil

**5.13 MAJOR REPRESENTATIONS AND WARRANTIES CONTAINED IN THE DOCUMENT WHEREBY THE DEBT OR RECEIVABLES HAVE BEEN ASSIGNED.**

**Representations and Warranties of the Seller**

Please refer Section 3.16.

**Representations and Warranties of the Trustee**

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 the Trust Deed and to take any action and execute any documents required by the terms hereof including the Deeds of Securitisation and the execution of the Trust 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 the Trust Deed;
- (e) neither the execution and delivery of the Trust Deed nor the fulfilment of or compliance with the terms and conditions thereof, conflict with or result in a breach of or a default un-





der 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) the provisions of the Trust Deed prescribe the functions to be performed by the Trustee, and their rights and obligations;
- (t) the Trust Deed, generally, together with the other Deeds of Securitisation prescribes the rights and obligations of the Members in relation to the Assigned Assets;
- (u) the Trust 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 the Trust 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.

**5.14 DECLARATION ABOUT THE POSSIBILITY OF PREMATURE WINDING UP OF THE SCHEME IN CASE OF PREPAYMENTS**

Upon full prepayment of the Loans by Obligors and relevant amounts being deposited into the CPA and then paid to the Investor on the succeeding Investor Payout Date, the scheme shall be prematurely terminated.

**5.15 TERMS OF PAYMENT AND CASHFLOW, DISTINGUISHING, WHERE APPROPRIATE, ALLOCATION OF REVENUE RECEIPTS AND PRINCIPAL RECEIPTS**

Please refer to **Annexure 2** hereto



## Chapter 6: THE RECEIVABLES

### 6.1 POOL SELECTION CRITERIA

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).

## 6.2 POOL CHARACTERISTICS

The characteristics of the pool is as described under the rating rationale issued by CARE Ratings Limited and annexed as **Annexure 4** hereto.





**Chapter 7: PARTIES TO THE TRANSACTION AND RESPECTIVE ROLES**  
(gathered from publicly available information)

**7.1 PROFILE OF THE SELLER / ORIGINATOR / SERVICER**

Svasti Microfinance limited is non-banking finance company registered with and regulated by the Reserve Bank of India. They are engaged in providing microfinance services to economically backward women borrowers;

Svasti Microfinance Private Limited (SMPL) is a non-deposit taking NBFC-MFI registered with the Reserve Bank of India. Svasti primary JLG product follows the Grameen model of lending.

**7.2 NAME, DESCRIPTION, PRINCIPAL BUSINESS ACTIVITIES AND BRIEF HISTORY OF OPERATION OF THE ORIGINATOR**

Svasti was started in October 2008 as Svasti Foundation by the two promoters Arun and Narayanan. During its inception, each of the promoters brought in equity of Rs. 2.5 million each. In 2008, Svasti foundation received initial funding from Michael Susan dell foundation of Rs. 17 million. In Mar 2010, Svasti bought over an existing, NBFC Easy Housing and Finance Limited and renamed it Svasti Microfinance Private Limited with relevant approvals. The microfinance business was transitioned from Svasti Foundation to Svasti Microfinance Private Limited in Oct 2010.

**7.3 PRINCIPAL BUSINESS SEGMENTS IN WHICH THE ORIGINATOR OPERATES**

Joint Liability Group Loans

**7.4 DESCRIPTION OF THE ORIGINATOR'S BUSINESS, MARKET PRESENCE, MARKET SHARE, IF ANY, EXPERIENCE ETC. IN RELATION TO THE ASSET CLASS PROPOSED TO BE SECURITIZED**

Outreach & Portfolio Summary	Sep'22
Number of States Served	8
Number of Districts Served	88
Number of Branches	129
Number of Customers	3,21,885
Amount Disbursed FY 23 (In cr)	352.16
Assets Under Management (In cr) Crores)	737.58

**7.5 FINANCIAL INFORMATION CONCERNING THE ORIGINATOR'S ASSETS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES, FOR THE PURPOSE OF WHICH THE ORIGINATOR SHALL PROVIDE A COMPLETE AUDITED FINANCIAL STATEMENTS FOR PAST 3 YEARS AND, IF NECESSARY, UNAUDITED FINANCIAL STATEMENTS PREPARED WITHIN 120 DAYS FROM THE DATE OF THE APPLICATION FOR REGISTRATION OF THE ASSET BACKED SECURITIES IS MADE EFFECTIVE.**

Profit and Loss Statement (INR)	31.03.2020	31.03.2021	31.03.2022	30.09.2022
	Audited	Audited	Audited	Unaudited
Interest Income	71,16,64,56 4	80,54,67,05 6	88,75,99,09 1	70,50,29,81 2
Less: Interest Expenses	29,06,13,13 2	37,87,29,27 9	46,21,82,28 8	34,13,99,43 2
Net Interest Income	42,10,51,43	42,67,37,77	42,54,16,80	36,36,30,38



	2	7	3	0
Other Income	2,67,35,55	2,98,82,42	5,54,47,44	4,23,99,85
	0	2	8	6
Total Income	44,77,86,98	45,66,20,19	48,08,64,25	40,60,30,23
	2	9	1	6
Operating Expenses	28,97,33,35	32,49,60,92	41,75,75,01	31,37,53,30
	6	3	7	5
Provisions & Write Offs	2,31,28,10	9,56,77,11	2,07,36,60	3,50,00,00
	3	5	5	0
Operating Profit	13,49,25,52	3,59,82,16	4,25,52,62	5,72,76,93
	3	1	9	1
Depreciation	1,35,84,36	1,30,79,05	1,26,65,94	71,90,60
	8	4	1	3
Profit Before Tax	12,13,41,15	2,29,03,10	2,98,86,68	5,00,86,32
	5	7	8	8
Provisions for tax	3,36,13,76	25,62,61	59,97,69	1,35,23,30
	7	8	6	9
Other Comprehensive Income (As per IND AS)	-	-	-	-
	8,77,27,38	2,03,40,48	2,38,88,99	3,65,63,01
	8	9	2	9

Balance Sheet (INR)	31.03.2020	31.03.2021	31.03.2022	30.09.2022
Equity capital	3,87,08,05	4,55,76,08	4,55,76,08	4,55,76,08
	0	0	0	0
Reserve & Surplus	1,00,42,49,79	1,30,89,43,18	1,32,73,53,30	1,33,52,53,33
	4	8	8	1
TNW ( A )	1,04,29,57,84	1,35,45,19,26	1,37,29,29,38	1,38,08,29,41
	4	8	8	1
Total Non-Current Liabilities				
Current Liabilities+ Provisions	1,53,91,18	3,50,22,48	3,78,34,21	4,26,55,79
	9	2	7	3
Total Financial Liabilities	2,60,28,36,06	3,29,11,79,06	4,98,90,14,54	5,39,00,39,36
	3	2	4	1
Total Non-Financial Liabilities including provisions	13,12,43,58	10,84,04,43	12,33,01,18	32,74,28,30
	9	8	6	7
Total Outside Liabilities ( B )	2,74,94,70,84	3,43,46,05,98	5,15,01,49,94	5,76,01,23,46
	1	2	7	1
<b>Total Liabilities ( A + B )</b>	<b>3,79,24,28,68</b>	<b>4,78,91,25,25</b>	<b>6,52,30,79,33</b>	<b>7,14,09,52,87</b>
	<b>5</b>	<b>0</b>	<b>5</b>	<b>2</b>
Fixed assets (Net)	1,51,72,69	1,36,24,78	2,36,65,41	2,77,26,66
	2	5	1	3
Investments	15,00,00	6,00,00,00	-	-
	0	0		
Gross Advances	3,02,11,54,67	3,37,01,85,16	5,47,81,81,25	5,77,56,73,85
	4	4	8	6
Less : Loan Loss Reserve	4,31,54,21	13,86,58,97	15,93,95,58	19,44,13,59
	4	9	4	0
<b>Net Loan Outstanding</b>	<b>2,97,80,00,46</b>	<b>3,23,15,26,18</b>	<b>5,31,87,85,67</b>	<b>5,58,12,60,26</b>
	<b>0</b>	<b>5</b>	<b>4</b>	<b>6</b>



Cash / Liquid Investments	6	47,28,18,15	6	92,41,85,36	3	68,07,61,47	0	81,23,55,67
Other Financial assets*	0	18,55,69,40	6	35,59,73,57	9	34,55,09,92	6	55,64,74,05
Deferred Tax Assets	6	92,47,75	2	3,40,48,06	8	4,01,38,49	8	4,01,38,49
Intangible Assets	2	4,15,71,55	5	3,56,28,07	9	2,89,18,35	8	2,54,06,48
Right of use Assets								
Other Non-financial Assets	9	8,85,48,66	0	13,41,39,20	2	8,52,99,99	0	9,75,91,23
<b>Total Assets</b>	5	3,79,24,28,68	0	4,78,91,25,25	5	6,52,30,79,33	2	7,14,09,52,87

#### CASH FLOW:

Estimated Cashflow from Oct 22 to Mar 23		(In cr)
Amounts in Rs. crore	Oct 22 to Mar-23	
Free Cash and bank balance	81.2	4
Estimated Borrowings	466.41	
Debt obligations (incl. interest)	256.3	7
Opex	42.0	0
Collections	377.0	8
Planned disbursements	548.1	7
Planned equity infusion, if any	30.0	0
	108.1	
Closing Balance	8	

#### 7.6 OVERVIEW OF THE PROCESS OF ORIGINATION OF THE ASSET BEING SECURITISED

##### Sourcing

##### Origination Process

- The origination process involves the following stages:
  - o Group Formation
  - o Training Meetings
  - o Residence Verification
  - o Sanction
  - o Disbursement
- The typical origination time for a group is around 7 – 10 days.

##### Group Formation (GFM)



#### **Criteria**

- o Groups are formed / selected by customers themselves
- o Groups consist of 5 women members between 18-60 years
- o Of the 5 members, atleast 4 need to borrow for productive purpose.
- o All members have to extend guarantee for each other's loans
- o Customer need to produce one approved Identity Proof

#### **Process**

Customer Relationship Manager (CRM) conducts the GFM and is supervised by Branch Manager (BM) or Assistant Branch Manager (ABM)

If the customers provide Aadhar Card, the CRM scans the same on the Svasti CB App and gets an evaluation of the Credit Bureau (CB) status of the Customer. The CRM communicates the result of the same to the customers and takes up further processing only when all 5 members have passed CB check

Where the identity proof is not Aadhar Card, the CB processing is done after entry of the details in to the ERP and results communicated to the Customers on the next day.

Supervisor reviews the information provided by the customers and collected by the CRM and confirms that the Criteria laid out has been met Customer Information is reported in the ERP under the scheduled GFM. Details of the GFM are reported and next meeting is scheduled in the ERP for the Group

#### **Training Meetings**

Training Meeting is conducted by the CRMs at the field.

The objective of the training meeting is to help the customers gain an understanding the financial terms and conditions of the product origination, disbursement, collection and prepayment processes documentation requirements, rights and responsibilities of the group leader and other members

Details of the training meeting is reported in the ERP and next meeting is scheduled in the ERP for the Group.

#### **Residence Verification (RV)**

CRM and a supervisor will conduct RVs at each individual customer's house

The objective of the RV is to:

Confirm the residential location of the customer, Corroborate the information provided by the customer by observation and discussion with family members

Meet the husband / father / other relevant family member and communicate key terms of the loan, guarantee obligations and obtain consent

Information collected from customers during RV is reported in the ERP and next meeting is scheduled in the ERP



## **7.7 MAJOR UNDERWRITING PRACTICES CONCERNING THE ASSET BEING SECURITISED.**

Branch Manager reviews the following:

Each customer's eligibility under criteria defined including KYC  
Each customer's financial ability to repay the loans borrowed  
Conduct of meetings by CRM as per the rules defined in the Operations Manual  
Choice of loan products where relevant  
Information provided by the customers and reported by the CRM with the physical records

On gaining comfort over the disbursements, the BM approves the loan for disbursement in the ERP and schedules the disbursement at the Centralised Disbursement Location.

## **7.8 POLICIES FOR COLLECTION AND SERVICING**

Collections are done at logistical units called Centre's. Each center hosts around 4 – 6 groups and is the house of one of the customers. Collections are done in cash and as per the schedule provided in the loan card.

CRMs are provided with a demand sheet generated from the ERP that contains the list of members, amounts to be collected and collection times. CRMs are expected to record collection details, attendance and group guarantee invocation against this list and in Svasti Home App.

CRMs are to return to the branch with the collection sheet and the cash. Cash is to be deposited with the Cashier and the Collections are to be reported in the ERP

## **7.9 ROLE OF THE SERVICER**

### **Representations and Warranties of the Servicer**

The Servicer hereby represents and warrants that:

- (a) it is a limited liability company duly organised, validly existing and in good standing under the laws of India;
- (b) it has full corporate power and authority to enter into the Servicing Agreement and to take any action and execute any documents required by the terms hereof, and that the Servicing Agreement has been duly authorised by all necessary corporate proceedings, and has been duly and validly executed and delivered by it, and constitutes its legal, valid and binding obligations, enforceable in accordance with the terms hereof; and
- (c) the signatory(ies) to the Servicing Agreement on behalf of it has/have been duly empowered and authorised to execute the Servicing Agreement and to perform all its obligations in accordance with the terms set out herein.

In addition to the above representations, the Servicer represents, warrants and undertakes:

- (a) to exercise due diligence and the same degree of care while facilitating the administration of, monitoring and collection of the Receivables as it does with respect to its own receivables, if any;
- (b) to keep proper accounts in respect of the activities delegated to it; and





- (c) that it has and shall maintain adequate operational systems and resources to administer the Receivables and the transactions contemplated in the Deeds of Securitisation.

#### Undertakings of the Servicer

Svasti Microfinance Private Limited as the Servicer shall *inter alia*:

- (a) collect and facilitate the collection of, the amounts constituting such Receivables (including through its branch network) and deposit such amounts into the Collection and Payout Account;
- (b) do all such acts, deeds and things as may be necessary to collect such Receivables from the Obligors as and when these become due in any Collection Period together with any advance payments, Overdues and Prepayment Proceeds and deposit such amounts into the Collection and Payout Account;
- (c) suitably monitor, in relation to such Receivables, the payments to be made by the Obligors in respect of the Facility Agreements and if on the relevant Payin Date, the Servicer determines that the Collections are less than the Receivables expected to be collected during the Collection Period to which the Payin Date relates, the Servicer will inform the Trustee of such shortfall immediately;
- (d) submit to the Trustee all statements, opinions, reports, updates, documents, orders or other instruments with respect to the Receivables, required to be furnished pursuant to any provision of the Servicing Agreement or any other Transaction Document, to determine whether any of the above are in accordance with the requirements stipulated in respect thereof, herein or in any Transaction Document;
- (e) hold all the Underlying Documents and other documents, writings, agreements, cheques, drafts and instruments received from the Obligors including post-dated cheques, demand promissory notes, correspondence and records relating to the Receivables, on behalf of the Trustee and in compliance with instructions of the Trustee, if any, in this regard;
- (f) immediately hand over to the Trustee, all such documents held by it in its capacity as a Servicer with respect to or relating to such Receivables, on demand by the Trustee;
- (g) maintain and provide to the Trustee such records as may be required by the Trustee for the purpose of:
  - (i) complying with Applicable Law, including filing of returns with any Competent Authority or matters incidental/connected thereto;
  - (ii) any requirements laid down in the Servicing Agreement and make such records available to the Trustee at any time during normal working hours and with reasonable prior notice; and
  - (iii) following the listing of the PTCs, furnishing statements on a periodic basis in the format specified in Annexure 8 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, within 7 (seven) days from the end of the month or the Investor Payout Date, as the case may be;
- (h) collect goods and services tax, if applicable, from the Obligors and remit such amounts to the relevant Competent Authorities;



- (i) for all payments collected by the Servicer, ensure that proper receipts are given to the Obligors if required and in the manner provided in the Facility Agreements. Such receipts may be on the letterhead of the Servicer and need not make reference to the Trustee;
- (j) monitor the performance of the Obligors in respect of their obligations under the Underlying Documents and submit to the Trustee, on each Payin Date, the Monitoring Report(s) for the preceding Collection Period, *inter alia*, setting out the details mentioned in Annexure 8 and the following details:
  - (i) billed amount to the Obligors during such Collection Period;
  - (ii) actual collections from Obligors towards such billed amounts (including any summary thereof in the form and manner prescribed by the Trustee);
  - (iii) collections from Obligors towards Overdues (including any summary thereof in the form and manner prescribed by the Trustee);
  - (iv) advance payments made by Obligors;
  - (v) aging analysis of Overdues;
  - (vi) any Prepayment Proceeds received from the Obligors including the number of Facility Agreements under which such amounts are received and the amounts obtained;
  - (vii) details of the exercise of any right of set-off, counter claim or adjustment against the Seller;
  - (viii) revisions to the future cash flow schedule of the Pool, and the various series of the PTCs, if any;
  - (ix) utilisation (including replenishment/reimbursement) of the Credit Enhancement, if any;
  - (x) details of any delinquencies and losses (if any); and
  - (xi) any other information relating to the Assigned Assets that the Trustee may reasonably request;
- (k) the Monitoring Reports will, if so requested by the Trustee, be audited by the Auditor on a semi-annual basis. If any discrepancies are observed in payments of any amounts to the Investors as a result of this audit, the Servicer will make good such discrepancies on the Investor Payout Date immediately following such audit. Any payment shortfalls will be treated as payment in arrears and will be paid to the Investors in accordance with the Deeds of Securitisation;
- (l) assist an independent auditor, as may be appointed by the Trustee or the Investor and at a periodicity as may be decided by the Trustee in performing an audit on the collections made by the Servicer. The Servicer shall provide all assistance that may be required for the purposes of such audit, and shall also bear the costs associated with such audit (including cost of travel, boarding and lodging);
- (m) assist in the performance of the Discretionary Audits, as may be required by the Trustee, on a quarterly basis or such other periodicity as may be prescribed by the Trustee (acting on the instructions of the Investors holding Majority Interest);



- (n) assist the Investors and their agents in the performance of audits of the Servicer or of any of the assets comprising the Pool, as may be required by the Investors from time to time;
- (o) initiate, commence, institute or defend any proceedings, legal or judicial and take any and all actions as and when required for enforcing any of the rights of the Trustee in the Underlying Documents including the right to receive the Receivables; and
- (p) comply with the additional obligations set out in the Schedule of Details as set out in the Servicing Agreement, if any;
- (q) inform the Trustee and the Investors of the occurrence of any event likely to have a substantial effect on its profit(s) or business, along with explanations and remedial steps proposed to be taken by the Servicer to address such event; and
- (r) generally, to take such steps and actions as may be necessary to protect the interests of the Trustee.

#### 7.10 SERVICER'S EVENT OF DEFAULT

"Servicer's Event of Default" shall mean the occurrence of any or all of the following events:

- (a) inability to pay its debts within the meaning of Applicable Law or the filing of a petition/application for insolvency/bankruptcy or the occurrence of any event analogous to the above;
- (b) any resolution is passed resolving or to consider resolving that the Servicer be wound up voluntarily;
- (c) an order for its winding up or insolvency or bankruptcy is made by any competent court or tribunal, including under the (Indian) Insolvency and Bankruptcy Code, 2016 and any rules and regulations made thereunder;
- (d) a moratorium or an interim moratorium is declared in respect of the Servicer under the (Indian) Insolvency and Bankruptcy Code, 2016 and any rules and regulations made thereunder;
- (e) a receiver, a liquidator, an administrator or a resolution professional has been appointed or allowed to be appointed for all or substantial part of its undertaking, including under the (Indian) Insolvency and Bankruptcy Code, 2016 and any rules and regulations made thereunder;
- (f) an order for suspension of business or winding up or liquidation of the Servicer is made by any Competent Authority or any default or negligence on its part as a result of which the Trustee is prevented from or is unable to enforce any proceedings for recovery of any Receivables;
- (g) any breach of the Servicing Agreement or any other Deeds of Securitisation by it or any other failure on its part to observe or perform in any respect any covenant or obligation or undertaking under the Transaction Documents that has a material adverse effect on its ability to continue to perform its obligations under the Transaction Documents or is likely to be prejudicial to the Receivables in any way, including the collection of the Receivables and/or commencement of enforcement proceedings in respect of Receivables;
- (h) any delay or default by the Servicer in payment/deposit of any amounts received/collected



by the Servicer and which are required to be deposited/paid-out (including into the Collection and Payout Account) in accordance with the terms of the Servicing Agreement and the other Deeds of Securitisation;

- (i) any Underlying Document becoming unenforceable due to the failure on its part to obtain any Authorisation required by or from any Competent Authority; or
- (j) the failure of 2 (two) successive Discretionary Audits testing the ability of the Servicer to meet the standards with respect to collection standards, management, governance, internal systems and processes, and data integrity as may be required by the Trustee. The Trustee may authorize an independent entity to conduct such Discretionary Audits on its behalf on a quarterly basis or such other periodicity as may be prescribed by the Trustee (acting on the instructions of the Investors holding Majority Interest).

#### **7.11 REPLACEMENT OF THE SERVICER**

- (a) In the event of the occurrence of one or more Servicer Events of Default, the Trustee will, upon receipt of written instructions from the Members holding Majority Interest, serve a notice upon the Servicer calling it to remedy such Servicer Event(s) of Default. If the Servicer fails to remedy such Servicer Event(s) of Default within a period of 10 (ten) days from the date of receipt of the aforesaid notice, all functions of the defaulting Servicer will stand transferred to such other servicer, acceptable to the Rating Agency, who may be appointed by the Trustee upon receipt of written instructions from the Members holding Majority Interest. The cost of appointment of such new servicer will be borne by the defaulting Servicer. The defaulting Servicer will transfer to such new servicer the custody of all the Underlying Documents and all such documents held by it with respect to or relating to the Receivables in its capacity as the servicer.
- (b) the Trustee will on receipt of a written request from the Members holding Majority Interest, terminate the appointment of the Servicer and appoint in accordance with the written instructions of the Members holding Majority Interest, any other body corporate or a company which is a bank or a financial institution, acceptable to the Rating Agency, to act as the servicer. The terms of appointment of the new servicer will be determined by the Trustee in accordance with the instructions of the Members holding Majority Interest. The cost of appointment of such new servicer will be borne by the Members. It is agreed that the Servicer whose services are terminated will have no further responsibility or liability towards any Party following the termination of its appointment as a servicer.

PROVIDED THAT if a new servicer is appointed, the Trustee shall intimate the Rating Agency..

- (c) Other than as set out in the Servicing Agreement, neither the Servicer nor any of its directors, officers, employees or agents will be liable to the Investors or the Trustee for taking any action or for refraining from taking any action pursuant to the Servicing Agreement, or for errors in judgment. The Servicer will act solely on the instructions of the Trustee.

#### **7.12 MONITORING OF SERVICER**

- (a) The performance of the Servicer in respect of its obligations hereunder will be monitored by the Trustee. The Trustee may appoint an independent entity on its behalf, to conduct Discretionary Audits on the Servicer on a quarterly basis or such other periodicity as may be prescribed by the Trustee (acting on the instructions of the Investors holding Majority Interest).



- (b) Without prejudice to Clause 6.1 above, the Trustee and/or the Investors (which may include any staff of the Investor and/or an auditor or external auditor appointed by any of them) may visit the head office or the relevant branch office (as the case may be) of the Servicer, on a half yearly basis (i.e., at least once in 6 (six) months) commencing from the Effective Date, or such other frequency as may be agreed between the Trustee (acting on the instructions of the Investors holding Majority Interest) and the Servicer, to, as part of their monitoring and inspection requirements, verify the details set out in Annexure 9.
- (c) Notwithstanding anything contained herein:
  - (i) the Trustee may call for information from the Servicer with regard to the Receivables and/or the concerned Underlying Documents as and when required for the performance of their duties mentioned hereunder;
  - (ii) the Trustee may enforce the indemnities provided by the Servicer;
  - (iii) the Trustee may take custody of all the Underlying Documents from the Servicer and hold such Underlying Documents in trust for the Investors; and
  - (iv) the Trustee will not be charged with knowledge of any failure by the Servicer to comply with its obligations.
- (d) The Trustee will not have any obligation to take any action or commence, conduct, defend any litigation/proceedings to recover any Receivables or to enforce any rights or remedies of the Trustee, except as provided in the Servicing Agreement and any other Transaction Document to which the Trustee is a party unless the Members holding Majority Interest request the Trustee to initiate such action in writing and Members have offered to the Trustee reasonable security or an indemnity against costs, expenses and liabilities which are likely to be incurred therein or thereby to the satisfaction of the Trustee. The Trustee will on behalf of the Investors act in accordance with prudent business practices and co-operate with Servicer for the enforcement of the rights and remedies in respect of the Receivables.
- (e) None of the provisions contained herein or in the Transaction Documents will in any event require the Trustee to perform, or be responsible for the manner of performance of any of the obligations of Servicer under the Servicing Agreement.

#### **7.13 SEMI-ANNUAL REPORTS**

The Servicer shall as on the Deemed Date of Allotment and every 6 (six) months thereafter submit a report to the Trustee (with a copy marked to the Investors) in the format required under the Securitisation Directions (specifically Annex 2 of the Securitisation Directions which is reproduced herein as **Annexure 4**).

#### **7.14 THE ISSUER/ SPV**

(a) **A brief description of the Issuer along with its history**

The SPV and issuer for the transaction shall be a Trust settled by Axis Trustee Services Limited under a Declaration of Trust. The SPV shall be called "Green Trust 2022" trust. The Trust is a special purpose distinct entity within the meaning of Securitisation Listing Framework.

(b) **Objects of the Trust**





The Trust has been established 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 the Trust 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 the Trust 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 Water-fall 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.

(c) **Details of the settlor, initial corpus, place of registration, if any, along with any identification number**

The Trust has been settled by Axis Trustee Services Limited with a corpus of Rs. 1,000/- (Rupees One Thousand Only).

(d) **Name of the person(s) who directly or indirectly controls the Issuer, along with the nature of such control and the measures in place to ensure that such control is not abused.**

The Issuer is established as a special purpose entity and is managed by Axis Trustee Services Limited which is an independent corporate entity as a trustee and the Issuer is bound to follow the applicable SEBI regulations, provisions of the Indian Trusts Act, 1882 and the provisions of the Trust Deed.

(e) **Person(s) holding residual beneficial interest in the trust.**

Upon the redemption of the PTCs in full and all amounts drawn from the external Credit Enhancement has been repaid in full, in the event any surplus amounts are available in the Collection and Payout Account, shall belong to the Originator.

(f) **Financial Information concerning the Issuer's assets and liabilities, financial position, and profits and losses, if any.**

There is no other financial information other than those mentioned in Section 7.5

(g) **Names, address, nationality, professional experience, other directorships and academic qualifications of the trustees.**

Sr. No	Name of Director and Address	Designation
1.	Mrs. Deepa Rath – Sky Flama Awing, Flat No .704, Dosti Flamingos, TJ Road Sewri, Mumbai 400015	MD & CEO
2.	Mr. Rajesh Kumar Dahiya – 20A Vaibhav, Modern Breach Candy Apt.,80 Bhulabhai Desai Road, Cumballa Hil, Breach Candy, Mumbai 400026	Non-Executive Director
3.	Mr. Ganesh Sankaran – 25th Floor, Ekta Invictus, Plot No 802/A, Dr B A Road, Dadar East, Mumbai 400014	Non-Executive Director

(h) **Management of the Issuer**

The Issuer is established as a special purpose entity and is managed by Axis Trustee Services Limited which is an independent corporate entity as a trustee.

**7.15 THE TRUSTEE**

(a) **Primary Duties of Trustee**

**Duties and Obligations of the Trustee**



- (a) The Trustee will ensure that all investments of the Trust Property are in accordance with the Trust 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 the Trust 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 realised;
  - (ii) the amount of the Receivables outstanding;
  - (iii) the details of any Defaults including aging of such Defaults;
  - (iv) details of any utilisation (including replenishment/reimbursement) of the Credit Enhancement;
  - (v) the details of any Prepayments; and
  - (vi) a new Annexure 2 (i.e., a schedule of payment of the Investor Payouts on all subsequent Investor Payout Dates and/or 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 Cash Collateral.
- (i) The Trustee shall monitor the internal processes of the Servicer and ensure that they are de-



signed 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 reasonably 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, after a period of 7 (seven) years, be transferred to the Investor Protection and Education Fund set up as per 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 Section 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 report(s) about the Pool performance and the Investor servicing to the Investors.
- (gg) The Trustee shall ensure that the covenants in the Trust 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 .

---

#### **Powers of the Trustee**





Without prejudice to the generality of the powers, authorities and discretions conferred under the Deeds of Securitisation, the Trustee has the following powers:

- (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 utilise the Trust Property, in accordance with the provisions of the Trust Deed and the other Deeds of Securitisation;
- (c) to issue (in dematerialised form or otherwise), redeem, consolidate, sub-divide, re-issue 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 utilise such issue proceeds in the manner provided herein and the other Deeds of Securitisation;
- (f) to make Investor Payouts and payments to the Residual Beneficiary, if any, in accordance with the Trust Deed;
- (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 Collection and Payout Account;



- (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 Investors 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 Investors 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 are 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 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 the Trust Deed and the other Deeds of Securitisation subject to compliance with Applicable Law;
- (ee) to make available, a copy of the Trust 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 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 power of the Trustee under the Trust Deed.



(b) **Remuneration of Trustee**

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 the Trust Deed.

(c) **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 the Trust Deed 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.

(d) **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 is passed against the Trustee 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 or insolvency proceedings.

(e) **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.

(f) **Appointment of a new Trustee**

- (i) In the event of termination of the services of the Trustee, the new trustee will be appointed by the Members holding Majority Interest. PROVIDED THAT no person will be appointed as a trustee if:
- (A) such person has been found to be insolvent;
  - (B) such person has voluntarily filed for bankruptcy proceedings with appropriate authorities; and
  - (C) 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.
- (ii) 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.

(g) **Management of the Trustee**



Axis Trustee Services Ltd., a SEBI registered trusteeship company, is an independent service provider, engaged in providing corporate trusteeship services including trusteeship for bonds/ debenture issues. Axis Trustee Services Ltd. is a company incorporated under the Companies Act, 1956 and was incorporated on May 16, 2008. Axis Trustee Services Ltd. obtained registration under the SEBI (Debenture Trustees) Regulations, 1993 in the year 2014.

**Infrastructure & Manpower:**

- Professionally Qualified Employees comprising of MBA's, Lawyers, Chartered Accountants, Company Secretaries and Senior Bankers.
- In house Legal Department
- Documents Storage Facility across various states.

The expert and experienced professionals work in complete synchrony to deliver solutions that add value to the clientele.

**Board of Directors of the Trustee**

Sr. No	Name of Director and Address	Designation
1.	Mrs. Deepa Rath – Sky Flama Awing, Flat No .704, Dosti Flamingos, TJ Road Sewri, Mumbai 400015	MD & CEO
2.	Mr. Rajesh Kumar Dahiya – 20A Vaibhav, Modern Breach Candy Apt.,80 Bhulabhai Desai Road, Cumballa Hil, Breach Candy, Mumbai 400026	Non-Executive Director
3.	Mr. Ganesh Sankaran – 25th Floor, Ekta Invictus, Plot No 802/A, Dr B A Road, Dadar East, Mumbai 400014	Non-Executive Director

(h) **Name of the Compliance Officer of the Trustee**

Mrs. Ketki Joshi

**7.16 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 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.

**7.17 COLLECTION BANK**

SBM Bank (India) Limited acting through its branch located at Nariman Point, Mumbai shall be the Collection Bank. Accordingly, the Collection and Payout Account shall be maintained with the Collection Bank at its branch at Nariman Point, Mumbai.



## Chapter 8: LEGAL AND TAX ISSUES

### 8.1 LEGAL DOCUMENTS

Legal documents for the Transaction i.e. the Transaction Documents have been finalised in consultation with Legal Counsel, Phoenix Legal.

The following legal documents shall be executed for the proposed assignment:

- (a) the Trust Deed;
- (b) the Assignment Agreement;
- (c) the Servicing Agreement;
- (d) the Accounts Agreement
- (e) this Information Memorandum;
- (f) the Pass Through Certificates; and
- (g) Power of Attorney by the Seller in favour of the Trustee.

### 8.2 STAMP DUTY

- (a) Deeds of Securitisation

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

- (b) Pass Through Certificates

The issue of PTCs through a depository or otherwise will require payment of stamp duty at the rate specified in Schedule I of the Indian Stamp Act, 1899, which is currently specified as 0.005% of the issuance amount. Further, any transfer of PTCs made through a stock exchange or by a depository or otherwise will require payment of stamp duty at the rate specified in Schedule I of the Indian Stamp Act, 1899, which is currently specified as 0.0001% of the consideration amount.

### 8.3 RIGHTS IN THE CONTRACT

The Seller will sell, assign and convey to the Issuer, in trust for and for the benefit of the Investors, except as otherwise provided in Deeds of Securitisation, without recourse to the Seller all the rights, title and interest of the Seller in and to the Facility Agreements and the Receivables in return for the payment of the Purchase Consideration. Consequentially these contracts will be marked as sold in the records of the Seller and hence will not form part of the properties or the assets of the Seller. The Issuer, in turn, will transfer undivided beneficial interest in the Assigned Assets on the Deemed Date of Allotment to the Investors by issuing the Certificates.

### 8.4 REPOSSESSION

In the event of default in making payments by an Obligor, the Servicer is required to intimate the occurrence of such default to the Obligor and follow a due process of serving of notice for repossession. On the expiry of the notice period, the Servicer has a right to take possession the underlying assets, unless such an act would constitute a breach of any law or regulation. In a case where the Obligor objects or raises a defence to





possession, a court order may be obtained from the appropriate court and possession of the underlying assets may be taken in accordance with that order. The court may also prevent the Servicer from taking possession of an underlying assets or as a part of a rehabilitation or settlement plan, reduce the amount of indebtedness or reduce any payment due or reduce the interest and/or extend the time for payment of amount by the Obligor. Any such directions of the court may affect the payments made to the Investor.

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

#### 8.5 WITHHOLDING TAXES

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

#### 8.6 TAX DEDUCTED AT SOURCE

The tax regime for the "securitisation trusts" is such that, though the income of the "securitisation trust" would be exempt: (i) the income of an investor from the "securitisation trust" would not be exempt and any income from a "securitisation trust" would be taxable in the hands of an investor in the same manner and to the same extent as it would have happened had the investor made the investment directly and not through the "securitisation trust"; and (ii) the "securitisation trust" will have to deduct tax at source while making payments to the investors. The tax deduction at source shall be effected by the securitisation trust at the rate of 25% in case of payment to resident investors which are individuals or HUF and at the rate of 30% in case of others. In case of payments to non-resident investors, the deduction at source shall be at rates in force. In case of those investors to whom payments are to be made without deducting tax at source or after deducting tax at a lower rate, either pursuant to the provisions of the Income Tax Act, 1961 or pursuant to a certificate obtained in this regard from the tax department, the said investors should inform the Trustee of the same so that the Trustee can take appropriate steps in this regard.

#### 8.7 TAXATION OF TRUST

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

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

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



#### 8.8 LEGAL STATUS OF THE TRUST

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

#### 8.9 APPLICABILITY OF THE SECURITISATION ACT

The proposed securitisation of loan Receivables would fall outside the purview of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ('the **Securitisation Act**') as the proposed transaction envisages transfer of standard receivables to a trust and does not involve sale of receivables to a securitisation company as provided in the Securitisation Act.

#### 8.10 NEW SECURITISATION DIRECTIONS

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



## Chapter 9: SPECIAL CONSIDERATIONS AND RISK FACTORS

The Senior Tranche PTCs have been given a provisional rating of CARE A- (SO) by the Rating Agency. However, holding of the Senior Tranche PTCs is not free of risk. The Issuer believes that the risks described below are the principal ones inherent in this transaction for prospective investors and does not represent that the statement of risks set out hereunder is exhaustive.

### 9.1 RISKS IN RELATION TO RECEIVABLES AND BORROWERS

The Investor Payouts are dependent on the timely payments of the amounts due under the Loan Agreements and in the event the Borrower defaults to make such payments, the Investor Payouts may get delayed or considerably reduced or become NIL.

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

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

### 9.3 GENERAL ECONOMIC CONDITIONS

The Borrower operates within India and, accordingly, its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Borrower has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

### 9.4 POTENTIAL LIABILITIES OF TRUST

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

### 9.5 RISKS IN RELATION TO RECEIVABLES AND BORROWERS

The Investor Payouts are dependent on the timely payments of the amounts due under the Loan Agreements and in the event the Borrower defaults to make such payments, the Investor Payouts may get delayed or considerably reduced or become nil. However, the Originator is of the opinion that the Receivables upon realisation are sufficient to meet the repayments of the Senior Tranche PTCs.



#### 9.6 LIMITED LIQUIDITY & PRICE RISK

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

#### 9.7 LIMITED RECOURSE, DELINQUENCY AND CREDIT RISK

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

#### 9.8 SERVICER RISK

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

#### 9.9 RISKS DUE TO POSSIBLE PREPAYMENTS

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

#### 9.10 CLEAN-UP CALL

- (a) Subject to Applicable Law, at any time after the residual value i.e., value of outstanding principal of the Facilities comprising the Pool, falls below 10% (ten percent) of the aggregate principal of the Facilities comprising the Pool on the Pool Cut Off Date, the Seller will have the option to buy fully performing Facilities, exercisable by the Seller in its sole discretion (**Clean Up Call Option**). This option may be exercised only if, at the time of exercise of the Clean Up Call Option by the Seller, the amount available under the Seller's Funded Credit Enhancement is greater than the principal balance of non-performing Facilities belonging to the Pool.
- (b) Upon exercise of the Clean Up Call Option by the Seller, the price payable by the Seller will be an amount arrived at on the basis of net present value of the outstanding amounts of such fully performing Facilities as of the date of exercising the Clean Up Call Option (**Clean Up Purchase Consideration**). The Clean Up Call Option shall be conducted at arm's length, on market terms and conditions and shall be exercised by the Seller after its normal credit approval and review processes.
- (c) It is clarified that pursuant to the Clean Up Call Option, the Seller only has an option (and not an obligation) to re-purchase the Receivables that are performing and that the Clean Up Call Option is to be exercised in accordance with the Securitisation Directions. The Clean Up Call Option is exercisable at its sole discretion at the thresholds prescribed under the Securitisation Directions, only if, at the time of exercise of the Clean Up Call Option, the amount available under the Cash Collateral is



18

greater than the principal balance of non-performing Facilities belonging to the Pool. Therefore, the Clean Up Call Option is not structured to avoid allocating losses to credit enhancements or positions held by the Investors or structured to provide any credit enhancements.

#### 9.11 BANKRUPTCY

##### (a) Bankruptcy of the Originator / Seller

If Svasti Microfinance Private Limited becomes subject to bankruptcy proceedings and the court or tribunal in the bankruptcy proceedings concludes that the sale from Svasti Microfinance Private Limited to the Trust was not a valid and absolute sale, then an Investor could experience losses or delays in the payments. All possible care has been taken in structuring the Transaction so as to minimise the risk such that the sale to the Trust will be construed as confirming to the sale that complies with the requirements prescribed under Clause 81 and Clause 82 of the Securitisation Directions. The legal counsel to the Issuer has agreed to opine that the assignment of Receivables to Trust in trust for and for the benefit of the Investors, as envisaged herein, would constitute an absolute and valid sale.

##### (b) Bankruptcy of the Servicer

In the event the Servicer becomes subject to bankruptcy proceedings, given that the Servicer has been specifically permitted to retain the Receivables collected by the Servicer till the date by which the Servicer is required to deposit such amounts in the Collection and Payout Account in accordance with the Transaction Documents, the creditors of the Servicer may lay claim over the said Receivables on the grounds that the Servicer has been permitted to utilise the Receivables till such date and the obligation of the Servicer to make payment of the Receivables is a normal contractual obligation. However, such claim may be countered by the fact that the Assignment Agreement provides that the Receivables collected by the Servicer are to be held by the Servicer in trust for the Trust, for the benefit of the Beneficiaries, till deposited in the Collection and Payout Account.

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

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

##### (c) Bankruptcy of the Trust

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

##### (d) Bankruptcy of the Trustee

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





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

#### 9.12 RATING OF THE CERTIFICATE

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

#### 9.13 RISK OF CO-MINGLING

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

#### 9.14 LEGAL AND TAX ISSUES

For Legal and Tax Issues please refer to Chapter 8 of the Information Memorandum.

#### 8.1 RISK RELATING TO SECURITY CREATIONS

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

#### 9.15 ACCOUNTING CONSIDERATIONS

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

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

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



increasing costs or otherwise.

#### 9.17 INDUSTRY RISK: GENERAL ECONOMIC CONDITIONS

The Borrower operates within India and, accordingly, its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Borrower has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

#### 9.18 CURRENCY, INTEREST AND OTHER RISKS

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

#### 9.19 DILUTION RISK

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

#### 9.20 LEGALITY OF PURCHASE

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



## Chapter 10: MISCELLANEOUS

### 10.1 JURISDICTION

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

### 10.2 TERMINATION OF THE OBLIGATION OF THE PARTIES

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

### 10.3 AMENDMENTS TO THE DEEDS OF SECURITISATION

The Deeds of Securitisation may be amended by the relevant parties in accordance with the terms thereof.



## Chapter 11: DECLARATION

### A. By the Trustee

We Axis Trustee Services Limited being the trustees of the issuer namely: Green Trust 2022 trust accept responsibility for the information contained in this offer document, which is to the best of our knowledge and belief. We have taken all reasonable care to ensure that the information contained in this document is in accordance with facts which are true, fair and adequate and does not omit anything likely to affect the import of such information. In our opinion, the issuer does not have any debts, liabilities or other claims which may increase the likelihood of the issuer being subjected to dissolution, voluntary or compulsory winding up or insolvency proceedings. In our opinion, the expected cash flow from the asset pool is sufficient to meet the obligations on the securitised debt instruments.

**For Axis Trustee Services Limited,  
Trustee for Green Trust 2022 trust.**

**Authorised Signatory**

**Date:** \_\_\_\_\_

**Place:** \_\_\_\_\_



**B. By the Originator**

I, Varsha Waghela <sup>Company Secretary</sup>, being the ~~Director~~ of the Originator namely: Svasti Microfinance Private Limited accept responsibility for the information contained in this offer document. To the best of our knowledge and belief and we have taken all reasonable care to ensure that the said information contained in this document is in accordance with facts which are true, fair and adequate and does not omit anything likely to affect the import of such information. In our opinion, the Originator is a going concern. In our opinion, the expected cash flow from the asset pool is sufficient to meet the obligations on the securitised debt instruments.-

For Svasti Microfinance Private Limited

Varsha Waghela  
<sup>Company Secretary</sup>  
Director: Varsha Waghela  
Date: 30-Dec-2022  
Place: Mumbai





**ANNEXURE 1: TERMS OF THE SENIOR TRANCHE PTCs**

Issue Opening Date	December 30, 2022
Issue Closing Date	December 30, 2022
Deemed Date of Allotment	December 30, 2022
First Payout Date	January 17, 2023
Last Payout Date (Expected) in relation to Senior Tranche PTCs	April 17, 2024
Expected Maturity in relation to Senior Tranche PTCs	16 (sixteen) months
Final Maturity in relation to Senior Tranche PTCs	20 (twenty) months
No. of Senior Tranche PTCs	19,80,16,885 (nineteen crore eighty lakh sixteen thousand eight hundred and eighty five)
Price Per Senior Tranche PTC	INR 1 (Indian Rupee One)
Senior Tranche Yield	11% (eleven percent) per annum
Cut-off Date	November 30, 2022
Transfer Date	December 1, 2022
Expected Yield in relation to Senior Tranche PTCs	11% (eleven percent) per annum
Redemption Value per Senior Tranche PTC	INR 1 (Indian Rupee One)



## ANNEXURE 2: INVESTOR PAYOUTS

### Pool Cashflows

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 the Trust 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

### Cashflows on Senior Tranche PTCs

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 the Trust Deed.

<b>COLLECTION START DATE</b>	<b>COLLECTION END DATE</b>	<b>PAY IN DATE</b>	<b>PAY OUT DATE</b>	<b>INTEREST (in INR)</b>	<b>PRINCIPAL (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



COLLECTION START DATE	COLLECTION END DATE	PAY IN DATE	PAY OUT DATE	INTEREST (in INR)	PRINCIPAL (in INR)	CASHFLOWS (in INR)
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



**'ANNEXURE 3: APPLICATION FORM**

**Serial No.01**

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

To,

[insert address of the Trustee]

Kind Attn: \_\_\_\_\_

**Ref: Application for / \_\_\_\_/ number of PTCs**

Dear Sirs,

In connection with our application for the [-] Senior A1 PTCs, we confirm that (a) we have received and reviewed a copy of the Information Memorandum dated December 30, 2022 relating to the said Certificates and reviewed the documents referred to therein (b) we have had the opportunity to ask question of and receive answers from Axis Trustee Services Limited, the trustee (the "**Trustee**") of Green Trust 2022 (the "**Trust**") concerning the [-]Certificates and all matters relating thereto and such additional information as deemed necessary by us to take the decision to apply for the [-]Certificates, and (c) we have not relied upon Trust or the Trustee or upon any information or materials prepared or furnished by Trustee or the Trust or its agents or counsel in determining whether our investment in the [-]Certificates is permissible under applicable law.

On the basis of the Information Memorandum, I/we hereby apply to you for such number of [-] Senior A1 PTCs as identified in this Application. I/We hereby agree to accept the Certificates applied for or such smaller number as may be allotted to me/us, subject to the terms of the said Information Memorandum and this Application Form. I/we undertake that I/we will sign all such other documents and do all such other acts, if any, necessary on my/our part to enable me/us to be registered as the holder(s) of the Certificates which may be allotted to me/us. I/we authorise you to place my/our name(s) on the register of Investors of The Trust that may be so allotted and to register my/our address(es) as given below. I/we note that the Trust is entitled in their absolute discretion to accept or reject this Application in whole or in part without assigning any reason whatsoever.

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

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

**THE INVESTORS HAVE IRREVOCABLY AGREED THAT EACH OF THEM WOULD GET THEIR INCOME FROM PAYOUT UNDER THE CERTIFICATE ASSESSED BY INCOME TAX AUTHORITIES AND SUBMIT EVIDENCE THEREOF WHENEVER SO REQUIRED BY THE TRUST.**

Yours faithfully,

For

(Name and Signature of authorised signatory)



PTCs	PTCs		
	No. of PTCs	Investment Amount per PTC (INR)	Total Amount (INR)
PTCs			





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

**We are applying as (Tick (√) whichever is applicable)**

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



**Applicants Details**

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



**Details Of Bank Account**

Bank	
Branch	
Account No	
Nature of Account	
IFSC Code	



**Dematerialisation Details**

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



**Tax Deduction Status: (Please Specify)**

Tax Payer's PAN or GIR		IT Circle / Ward/ District	
<b>TO BE FILLED IN ONLY IF THE APPLICANT IS AN INSTITUTION</b>			
Fully Exempt (Please furnish exemption certificate):			
Rate of Tax to be deducted at source:			
1	1	1	
2	2	2	





**ACKNOWLEDGEMENT SLIP**

(TO BE FILLED IN BY THE APPLICANT)

Date: / /

Serial No.

Received from (Investor Name):						
				Number of Certificates applied for		Amount In Rs
		No. of PTCs	Issue Price per PTC (a)	In figures: (b)	In words:	(a) x (b)
I	PTCS					
An application for ____ PTCs alongwith Cheque/Demand Draft No. _____ dated _____ Drawn on _____ for Rs _____ Rupees (in words)						



**Note:** Cheques & Drafts are subject to realisation

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

**INSTRUCTIONS:**

1. Application Form must be completed in full in block letters in English. Applications, which are not complete in all respects or are made otherwise than as herein required are liable to be rejected.
2. An applicant should submit only one application (and not more than one) for the total number of Certificates required.
3. The applicant should mention the Permanent Account Number (PAN) allotted under the Income Tax Act, 1961 or where the same has not been allotted, the GIR Number and the Income-Tax Circle/Ward/District. In case neither the PAN nor the GIR Numbers has been allotted, the fact of non-allotment should be mentioned in the Application Form. Applications without this will be treated as incomplete and will be liable to be rejected.
4. In case of applications under Power of Attorney or by Limited Companies or Bodies Corporate, the relevant Power of Attorney or the relevant Resolution or Authority as the case may be, to make the application together with a duly certified copy thereof must be lodged separately quoting the Serial Number of the Application Form at \_\_\_\_\_ simultaneously with the submission of the Application Form failing which the application made is liable to be rejected.
5. Payment should be made by Cheques or Bank Draft drawn on any Bank which is situated at and is a member or sub-member of the Banker's Clearing House located at the place where the application is submitted.
6. All Cheques/Drafts must be crossed "A/c Payee only" and made payable to " \_\_\_\_\_".
7. Application Forms duly completed along with the cheques/demand draft payable high value on the Issue Closing Date must be delivered before 10.00 a.m. on the Issue Closing Date to \_\_\_\_\_.
8. In case of payments through RTGS, the payments may be made as follows, and such payment will have to reach the CPA at least by 2.00 pm on the Issue Closing Date:

Beneficiary Name: [-]

Account No: [-]

Bank Details: [-]

Branch: [-]

IFSC Code: [-]

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



**ANNEXURE 4: RATING RATIONALE**

*(Annexed separately)*



### ANNEXURE 5: FORMAT OF SEMI – ANNUAL REPORT

Name/Identification No. of securitisation transaction:

	Nature of disclosure	Details	Amount / percentage / years
1.	Maturity characteristics of the underlying assets (on the date of disclosure)	i) Weighted average maturity of the underlying assets (in years) ii) Maturity-wise distribution of underlying assets a) Percentage of assets maturing within one year b) Percentage of assets maturing within one to three year c) Percentage of assets maturing within three to five years d) Percentage of assets maturing after five years	
2.	Minimum Holding Period (MHP) of securitised assets	i) MHP required as per RBI guidelines (years / months) ii) a) Weighted average holding period of securitised assets at the time of securitization (years / months) b) Minimum and maximum holding period of the securitised assets	
3.	Minimum Retention Requirement (MRR) on the date of disclosure	i) MRR as per RBI guidelines as a percentage of book value of assets securitised and outstanding on the date of disclosure ii) Actual retention as a percentage of book value of assets securitised and outstanding on the date of disclosure iii) Types of retained exposure constituting MRR in percentage of book value of assets securitised (percentage of book value of assets securitised and outstanding on the date of disclosure) a) Credit Enhancement (i.e. whether investment in equity / subordinate tranches, first / second loss guarantees, cash collateral, over collateralisation b) Investment in senior tranches c) Liquidity support d) Any other (pl. specify) iv) Breaches, if any, and reasons there for	
4.	Credit quality of the underlying loans	i) Distribution of overdue loans (post securitisation) a) Percentage of loans overdue up to 30 days b) Percentage of loans overdue between 31-60 days c) Percentage of loans overdue between 61-90 days d) Percentage of loans overdue more than 90 days ii) Details of tangible security available for the	



	Nature of disclosure	Details	Amount / percentage / years
		<div>portfolio of underlying loans (vehicles, mortgages, etc.)</div> <div>a) Security 1 (to be named) (% loans covered)</div> <div>b) Security 2.....</div> <div>c) Security 'n'</div> <div>iii) Extent of security cover available for the underlying loans</div> <div>a) Percentage of loans fully secured included in the pool (%)</div> <div>b) Percentage of partly secured loans included in the pool (%)</div> <div>c) Percentage of unsecured loans included in the pool (%)</div> <div>iv) Rating-wise distribution of underlying loans( if these loans are rated)</div> <div>a) Internal grade of the bank / external grade (highest quality internal grade may be indicated as 1)</div> <div>1/AAA or equivalent</div> <div>2</div> <div>3</div> <div>4.....</div> <div>N</div> <div>b) Weighted average rating of the pool</div> <div>v) Default rates of similar portfolios observed in the past</div> <div>a) Average default rate per annum during last five years</div> <div>b) Average default rate per annum during last year</div> <div>vi) Upgradation / Recovery / Loss Rates of similar portfolios</div> <div>a) Percentage of NPAs upgraded (average of the last five years)</div> <div>b) Amount written-off as a percentage of NPAs in the beginning of the year (average of last five years)</div> <div>c) Amount recovered during the year as a percentage of incremental NPAs during the year (average of last five year)</div>	
		<div>vii) Frequency distribution of LTV ratios, in case of housing loans and commercial real estate loans)</div> <div>a) Percentage of loans with LTV ratio less than 60%</div> <div>b) Percentage of loans with LTV ratio between 60-75%</div> <div>c) Percentage of loans with LTV ratio greater than 75%</div> <div>d) Weighted average LTV ratio of the</div>	





	Nature of disclosure	Details		Amount / percentage / years
			underlying loans (%)	
		viii)	Frequency distribution of Debt-to-Income (DTI) ratios, as per applicable and/or available	
		a)	Percentage of loans with DTI ratio less than 60%	
		b)	Percentage of loans with DTI ratio between 60-75%	
		c)	Percentage of loans with DTI ratio greater than 75%	
		d)	Weighted average DTI ratio of the underlying loans (%)	
		ix)	Prepayment Rates	
		a)	Prepayment rate observed in the current portfolio	
		b)	Prepayment rate observed of similar portfolio in the past	
5	Other characteristics of the loan pool	i)	Industry-wise breakup of the loans in case of mixed pools (%)	
			Industry 1	
			Industry 2	
			Industry 3....	
			Industry n	
		ii)	Geographical distribution of loan pools (state-wise) (%)	
			State 1	
			State 2	
			State 3	
			State 4	

\* The above format should be considered as a baseline disclosure. Based on the product characteristics and market expectation, adequate disclosure, in addition to items mentioned above, must be made to reflect the true picture of securitised pools at all times.



**ANNEXURE 6: DETAILS OF THE RECEIVABLES**

*(Annexed separately)*



**ANNEXURE 7: CHARTERED ACCOUNTANT CERTIFICATE**

*(Annexed separately)*



The report to be submitted by the Servicer on each Payin Date will, *inter alia*, contain:

[illegible]

#### ANNEXURE 9: INDICATIVE DETAILS FOR VERIFICATION

The indicative (but not exhaustive) details to be verified by the Trustee and/or the Investors will, *inter alia*, include:

- (a) Total portfolio of the Pool, the type of exposure, split of the Facility comprising the Pool as per the relevant sector and geography
- (b) Updated and revised cash flow of the pool
- (c) DPD and its ageing, default rates
- (d) Loans in foreclosure, prepayment rates
- (e) Roll forward and roll back of delinquencies bucket
- (f) Maintenance of MRR
- (g) Any others that may be prescribed

