

ARKA FINCAP LIMITED

(CIN: U65993MH2018PLC308329)

(the "Company" or the "Issuer") was incorporated under the Companies Act, 2013

Registered & Corporate Office: One India bulls Centre, Tower 2B, Floor 12B,

Senapati Bapat Marg, Mumbai – 400 013

Tel: +91 22 40471000; **Fax:** +91 22 40471010

Website: www.arkafincap.com; **Email:** arkainfo@arkafincap.com

Contact Person & Compliance Officer: Mr. Amit Bondre, Dy Company Secretary & Compliance Officer
Email: amit.bondre@arkafincap.com

ADDENDUM TO THE SHELF DISCLOSURE DOCUMENT DATED 01 June 2020

ISSUE OF UPTO 1,250 Units SERIES 1, AA- RATED SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 10,00,000 PER DEBENTURE AGGREGATING TO INR 125,00,00,000

This Addendum to Shelf Disclosure Document is issued in terms of and pursuant to the Shelf Disclosure Document dated 01 June 2020. All the terms, conditions and information as stipulated in the Shelf Disclosure Document are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the same. This Addendum to the Shelf Disclosure Document must be read in conjunction with the Shelf Disclosure Document.

This Issue Addendum is dated **01 July, 2020**

Broad Terms of the Issue

Security Name	9.75% Secured, Rated, Listed, Redeemable, Taxable, Non-Convertible Debentures
Type of Instrument	Secured Rated Listed Redeemable Non-Convertible Debentures (the "NCD")
Nature of Instrument	Secured
Seniority	Senior (Pari-passu)
Mode of Issuance	Private Placement
Issuer/ Borrower/ Company	Arka Fincap Limited

ARKA FINCAP LIMITED

REGD Office: One Indiabulls Centre, Tower 2B, Floor 12B
 Senapati Bapat Marg, Mumbai 400013, India
 (Formerly known as Kirloskar Capital Limited)


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Tranche	Series V
Face Value	INR 10 Lakhs per Debenture
Issue Price	INR 10 Lakhs per Debenture
Allotment Quantity	15 NCDS
Issue Size	INR 1.50 Crores (Rupees One Crore Fifty Lakhs Only)
Tenor	36 months from the Deemed date of Allotment
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	<ul style="list-style-type: none"> Proposed to be listed on the Wholesale Debt Market Segment of BSE Limited within 20 days from the Deemed Date of Allotment. In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Company will pay penal interest of 1% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of such Debentures to the Debenture Holder
Rating of the Instrument	"CRISIL AA-" by CRISIL Limited
Minimum Application and in multiples of 1 Debt securities thereafter	Minimum 10 Debentures and in multiples of 1 thereafter
Objects of the Issue	The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for our various financing activities, repay our existing loans and for our business operations.
Details of the utilization of the Proceeds	The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for our various financing activities, repay our existing loans and for our business operations.
Coupon Type	Fixed
Coupon Payment Frequency	Annually and at Maturity

Coupon Rate	9.75 % p.a.
Coupon Payment Dates	31 July 2021; 31 July 2022; 3 July 2023
Coupon Amount	Accrued Interest on the paid-up value of Debentures payable on Coupon Payment Date
Day Count Basis	Actual/ Actual
Interest on Application Money	At the Coupon Rate
Redemption	Principal Repayment at the end of 36 th Month from the Deemed Date of Allotment
Final Redemption Date	To be decided
Redemption Premium / Discount	NA
Security Cover	1.00x
Final Maturity Date	
Tenor	36 Months
Option to retain oversubscription (Amount)	NA
Default Coupon Rate	2% p.a. over and above the Coupon Rate on defaulted amounts for the defaulting period
Discount at which security is issued and the effective yield as a result of such discount	NA

Coupon Reset Process	
(including rates, spread, effective date, interest rate cap and floor etc)	NA
Redemption Amount	INR 10 Lakhs (Rupees Ten Lakhs Only) per Debenture.
Put Option	NA
Put Price	NA
Put Notification Time	NA
Call Option	NA
Call Price	NA
Call Notification Time	NA
Step Up/ Step Down Coupon Rate	NA
Issuance mode of the Instrument	Dematerialized only
Trading mode of the Instrument	Dematerialised only
Settlement mode of the Instrument	Cheque(s) / Direct Credit / Electronic Clearing Services / RTGS (Electronic mode) / Fund Transfer
Debt Equity Ratio (Including Current Issue)	0.49 : 1

Class / Classes of investors	Mutual Funds, NBFCs, Provident Funds and Pension Funds, Trust inclusive of public charitable trust subject to their investment guidelines, Corporates, Banks, Insurance Companies, Individual, Any other person eligible to invest in the Debentures subject the relevant prevalent guidelines and as permitted under Applicable Laws.
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	<p>To be created in favor of the Debenture Trustee, as follows:</p> <ul style="list-style-type: none"> First pari-passu charge (along with banks, financial institutions and other lenders which provide credit facilities to the Issuer) by way of hypothecation on Company's present and future receivables and book debts, cash and cash equivalents and liquid investments, as may be identified by the Company, with a Minimum Security Cover of minimum 1.00x
Security Creation	<p>The Issuer undertakes to create security within 3 months from the Issue Closure date.</p> <p>In case of delay in security creation the company will refund the subscription with agreed rate or will pay penal interest of 2% p.a. over and above the Coupon Rate for the delayed period till security creation is complete, at the option of the debenture holders.</p>
Non – maintenance of security cover	Penal interest of 1% p.a. over the coupon rate for the period of non – compliance
Record Date/ Shut Period	15 days prior to each Coupon Payment / Redemption Date
Business Day Convention	Other than the Deemed Date of Allotment and Coupon Payment Date, should any of the other date(s) fall on a day that is not a Business Day, then immediately preceding Business Day shall be considered as the effective Business Day.



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	<p>Should the Deemed Date of Allotment or any Coupon Payment Date fall on a day that is not a Business Day, then immediately succeeding Business Day shall be considered as the effective Business Day. However, the calculation of the said coupon payment would be as per the schedule originally stipulated at the time of issuing the security. Thus, the subsequent coupon schedule would not be disturbed.</p> <p>“Business Day” shall be a day on which Money Market is functioning in Mumbai, however shall exclude Saturday, Sunday or any other day on which banks are closed in Mumbai.</p>
Events of Default	<p>Events of default as stated in the Debenture Documentation, including but not limited to the following:</p> <ul style="list-style-type: none"> • Failure to pay amounts due under the Issue on the relevant due date by the Issuer; • Insolvency, reorganization, liquidation, suspension of payment of debts, winding up, illegality, cessation of business by the Issuer; • Illegality, cessation of business of the Issuer; • Security in jeopardy; • Bankruptcy, CDR proceedings filed with respect to the Issuer; • Breach of any of the terms of the Transaction Documents by the Issuer; • Breach of any covenants; • Breach of any Representations and Warranties; • Nationalization or expropriation of any of a substantial part of the assets of the Issuer; • Unlawfulness or moratorium
Consequences of Event of Default	<p>The consequences of default will, include but not be limited to the following:</p> <ul style="list-style-type: none"> • Acceleration of all outstanding dues, cancellation of total Issue and enforcement of Security; • To transfer assets of the Issuer comprised within the Security created in favour of Debenture Trustee or such other person



	<p>by way of lease, leave and license, sale or otherwise. Any surplus realized from the transfer of assets after fulfilment of all the obligations of the Issuer under the Issue shall be paid to the Issuer;</p> <ul style="list-style-type: none"> • Enforce its right under the Transaction Documents; • Appropriate any amount in the Accounts and utilize it for payment/repayment of any amount outstanding under the Issue; • Charge Default Interest. It is clarified that the default interest shall be charged from the date of occurrence of event of default irrespective of the same being declared by the Investor(s) till such date the default subsists; • Any cost incurred on any of the above shall be borne by the Issuer.
Additional Covenants	<ul style="list-style-type: none"> • If Rating goes down by "single" notch below "AA[-]", the rate of interest shall increase by 25 basis points for every notch downwards. • Capital adequacy of the company should not fall below 15% during entire tenor of debenture till maturity.
Transaction Documents	<ol style="list-style-type: none"> 1. Debenture Trustee Agreement; 2. Shelf Disclosure Document; 3. Addendum to Shelf Disclosure Document 4. PAS-4 5. Debenture Trust Deed, 6. Security Document if any 7. Such other documents as agreed between the Issuer and the Debenture Trustee.
Conditions Precedent	NA
Condition Subsequent to Disbursement	As per Debenture Trust Deed
EBP Process.	NA

Manner of Bidding	NA
Bid Timing	NA
Mode of Allotment / Allocation option	NA
Mode of Settlement	NA
Depository	NSDL
Settlement Through	NA
Settlement Cycle	NA
Indemnification	The Issuer will indemnify and hold harmless the Debenture Holders from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer.
Debenture Trustee to the Issue	Catalyst Trusteeship Limited
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders, as per the terms of the Transaction Documents
Governing Law and Jurisdiction	The Self Disclosure Document read with any Addendum thereto shall be governed by the laws of India. The Courts in Mumbai will have exclusive jurisdiction in relation to any dispute that may arise out of or in connection with any of the Debenture Documents.
Taxation	All the taxes as per law excluding Income tax, as and when applicable on the instrument from time to time shall be borne by the Company.
Issue Schedule	
Issue Opening date	3 rd July 2020

Issue Closing Date	3 rd July 2020
Pay in Date	3 rd July 2020
Deemed Date of Allotment	3 rd July 2020

Illustration of Cash Flows per Debenture

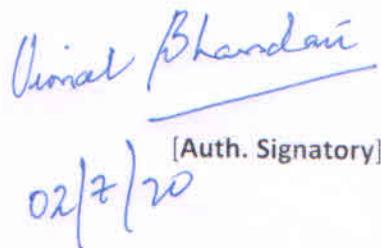
03 July 2020	-10,00,000.0
31 July 2021	1,04,979
31 July 2022	97,500
03 July 2023	90,021
03 July 2023	10,00,000

For Arka Fincap Limited

Agreed and Accepted by



Authorized Signatory



 [Auth. Signatory]

 02/7/20