

Private and Confidential - For Private Circulation only

Product Code - ARG19SUBNCD01

Offer Document Serial No.:

Addressed to:

PAN:

Dated: 07th August, 2018

DISCLOSURE DOCUMENT FOR ISSUE OF SUBORDINATED BONDS IN THE NATURE OF DEBT INSTRUMENT/NON CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS

(This Disclosure Document is neither a Prospectus nor a Statement in Lieu of Prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debt Instrument/Non Convertible Debentures to be issued by Issuer)

This Disclosures Document is as per Form no. PAS-4 pursuant to Section 42 of the Companies Act, 2013 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014

ANAND RATHI GLOBAL FINANCE LIMITED

CIN - U67190MH1982PLC140380

(Company was incorporated on February 3, 1982 as a Private limited company under the provisions of the Companies Act, 1956)

Registered office

4th Floor, Silver Metropolis, Jai Coach Compound,
Opposite Bimbisar Nagar, Goregaon (East),
Mumbai - 400 013
Maharashtra, India
Tel: +91 22 4001 3700; Fax: +91 22 4001 3770

Corporate Office

11th Floor, Times Tower, Kamala City,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 063
Maharashtra, India,
Tel: +91 22 4047 7000; Fax: +91 22 4047 7070

ISSUE BY WAY OF PRIVATE PLACEMENT BY ANAND RATHI GLOBAL FINANCE LIMITED (THE "ISSUER" OR THE "COMPANY") OF 1400 UNRATED, UNLISTED, UNSECURED, REDEEMABLE NON-CONVERTIBLE SUBORDINATED BONDS IN THE NATURE OF DEBT INSTRUMENT OF FACE VALUE OF RS 100,000/- EACH AGGREGATING TORS 14,00,00,000/- WITH A RIGHT TO RETAIN OVER SUBSCRIPTION AS MAY BE DECIDED BY THE BOARD (THE "ISSUE"). THE NCDS ARE IN THE NATURE OF SUBORDINATED DEBT AND WILL BE ELIGIBLE FOR TIER II CAPITAL.

GENERAL RISKS

Investment in Subordinated Bonds in the nature of Non Convertible Debentures which is a debt instrument involve a degree of risk and investors should not invest any funds in the aforesaid Subordinated Bonds in the nature of Non Convertible Debentures, unless they can afford to take the risks attached to such investments. Potential investors are advised to read the risk factors mentioned in this Disclosure Document carefully before making an investment decision in this Issue. For taking an investment decision, the investors must rely on their own examination of the Company and the Issue including the risks involved. The Subordinated Bonds in the nature of Debt Instrument have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document. These Subordinated Bonds in the nature of Non Convertible Debentures are not proposed to be listed on any stock exchange in India and shall not be rated by any credit rating agency.

GENERAL DISCLAIMER

This Disclosure Document is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued the Issuer. This Disclosure Document is not intended to be circulated to more than 49 persons and each copy is individually numbered. This Disclosure Document is for the exclusive private use of the intended recipient(s) to whom it is delivered and it should not be circulated or distributed to third parties and should not be construed to be an invitation to the public or a section of the public for subscription to the Debentures under any law for the time being in force. It cannot be acted upon by any person other than to whom it has been specifically addressed. Multiple copies hereof given to the same entity shall be deemed to be offered to the same person.



Product Code – ARG19SUBNCD01
Offer Document Serial No:
Addressed to:
PAN:



ANANDRATHI

ISSUE PROGRAMME*

ISSUE OPENS ON: 07th August, 2018

ISSUE CLOSES ON: 10th August, 2018

*The Company reserves the right to extend or close the Issue earlier from the aforesaid date or change the Issue time table including the Deemed Date of Allotment at its sole and absolute discretion, without giving any reasons or prior notice.

<p>DEBENTURE TRUSTEE</p>  <p>AXIS TRUSTEE</p> <p>Axis Trustee Services Limited Ground Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai 400 025 Tel: +91 22 6226 0054/0050 email: debenturetrustee@axistrustee.com</p>	<p>REGISTRAR TO ISSUE</p>  <p>Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai 400 078, India Tel: +91 22 2596 3838 Fax: +91 22 2594 6979</p>
---	--

IMPORTANT NOTICE

Apart from this Disclosure Document, no other offer document or prospectus has been prepared in connection with the offering of this Issue nor is such a prospectus required to be registered under applicable laws. Accordingly, this Disclosure Document has neither been delivered for registration nor is it intended to be registered.

All the information contained in this Disclosure Document has been supplied by or on behalf of the Company and the Company confirms that the Company has taken reasonable care to ensure that the information is true and accurate in all material respects as at the date shown on the cover of this Disclosure Document. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Disclosure Document or in any material made available by the Company to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Company.

The Company does not undertake to update the Disclosure Document to reflect subsequent events after the date of this Disclosure Document and thus it should not be relied upon with respect to any such subsequent events without first confirming its accuracy with the Company. Neither the delivery of this Disclosure Document nor any sale of the Subordinated Bonds in the nature of Debt Instrument made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof.

Each copy of this Disclosure Document is serially numbered and the recipient of the Disclosure Document is alone entitled to apply for the



Subordinated Bonds in the nature of Debt Instrument. No invitation is being made to any persons other than those to whom application forms along with this Disclosure Document is being sent. Any application by a person to whom the Disclosure Document and/or the application form has not been sent by the Company shall be rejected without assigning any reason. The person who is in receipt of this Disclosure Document shall maintain utmost confidentiality regarding the contents of this Disclosure Document and shall not reproduce or distribute in whole or in part or make any announcement in public or to any third party regarding its contents, without the prior written consent of the Issuer.

The purpose of this Disclosure Document is to provide general information about the Company and to assist recipients, who are willing and eligible to invest in the Subordinated Bonds in the nature of Debt Instrument. This Disclosure Document does not purport to contain all the information that any potential investor may require. This Disclosure Document is not intended to provide the basis of any credit decision or other evaluation and should not be regarded; firstly as a recommendation to any recipient to participate in the Subordinated Bonds in the nature of Debt Instrument and secondly any recipient of this Disclosure Document should not consider such receipt a recommendation to purchase any Subordinated Bonds in the nature of Debt Instrument. Each potential investor should perform his/ its own independent investigation of the financial condition and affairs of the Company, and his/its own appraisal of the creditworthiness of the Company.

Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Subordinated Bonds in the nature of Debt Instrument and such potential investors should possess the appropriate resources to analyse such investment and the suitability of such investment to their respective particular circumstances based upon whatever investigations it deems necessary. It is the responsibility of investors to also ensure that they will sell these Subordinated Bonds in the nature of Debt Instrument in future in strict accordance with this Disclosure Document and other applicable laws, so that the sale does not constitute an offer to the public within the meaning of the Companies Act, 2013.

Each person receiving this Disclosure Document acknowledges that:

- such person has been afforded an opportunity to request and to review and has received all additional information considered by an individual to be necessary to verify the accuracy of or to supplement the information herein;
- such person has not relied on the Banker and/or its affiliates that may be associated with the Subordinated Bonds in the nature of Debt Instrument in connection with its investigation of the accuracy of such information or its investment decision;

This Disclosure Document does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Subordinated Bonds in the nature of Debt Instrument or the distribution of this Disclosure Document in any jurisdiction where such action is required. The distribution of this Disclosure Document in certain jurisdictions may be restricted by law. Recipients of this Disclosure Document are required by the Company to inform themselves about and to observe any such restrictions.

The Disclosure Document is made available to the Investors to the Issue on the strict understanding that it is confidential.



TABLE OF CONTENTS

Sr. No.	Particulars
1	Definitions and Abbreviations
2	Debenture Trustee(s) to the Issue
3	The issuer information , Summary of Business
A	Name and address of the Registered Office & Corporate Office
B	Our Management
C	Brief summary of business/activities of the Issuer and its line of business
D	Brief history since incorporation
E	Shareholding Pattern
F	Details of Subsidiary
4	Summary of Financial Information
A	Capital Structure of The Company
B	Statement of Financial Position
5	Details of utilisation of issue proceeds
6	Servicing behavior on existing debt securities, payment on due dates on term loans and debt securities and statutory due(s)
7	Disclosure with regards to interest of Directors, litigation etc
8	Application Procedure and general information
9	Management Perception on Risk factors and Disclaimers
10	Declaration by Directors
11	Undertaking by the Investor
12	Detailed Term Sheet(s)
13	Declaration



1. DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Disclosure Document.

Term	Description
"Anand Rathi Global Finance Limited" or "ARGFL" or the "Company" or the "Issuer"	Anand Rathi Global Finance Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 4th Floor, Silver Metropolis, Jai Coach Compound, Opposite Bimbisar Nagar, Goregaon (East) Mumbai – 400063, Maharashtra.
"we", "us", "our", "Group", "Anand Rathi Group"	Unless the context otherwise requires, the Holding Company and its Subsidiaries.
Articles of Association	The Articles of association of the Company, as amended from time to time.
Board of Directors/Board	The board of directors of the Company or a committee constituted thereof.
Debenture Certificate	Certificate issued in registered form by the Company to the Debenture Holder in terms of the Debenture Trust Deed, evidencing ownership of the Subordinated Bonds in the nature of Debt Instrument.
Memorandum of Association	The memorandum of association of the Company, as amended from time to time.
Promoter(s) /Holding Company	Anand Rathi Financial Services Limited.

Issue Related Terms

Term	Description
Affiliate (s)	Affiliate (s) shall mean with respect to any person, any other person directly or indirectly Controlling, Controlled by, or under direct, indirect or common Control with, such person. For the purposes of this definition of "Affiliate", "Control", "Controlled" or "Controlling" shall mean, with respect to any person, any circumstance in which such person is controlled by any person by virtue of the latter person controlling the composition of the board of directors or managers or owning or controlling percentage of the voting securities or interests of such person or otherwise.
AGM	Annual General Meeting.
Application Form	The form in which an investor can apply for subscription to the Subordinated Bonds in the nature of Debt Instrument.
Bankers	The banker to the Issue, in this case being YES Bank Limited.
Beneficial Owner(s)	Holder(s) of the Subordinated Bonds in the nature of Debt Instrument in dematerialized form as defined under section 2 of the Depositories Act.
Calculation Agent	Anand Rathi Global Finance Limited or any person duly appointed by the Company.
CDSL	Central Depository Services (India) Limited.
Companies Act	Companies Act, 1956 and Companies Act, 2013 of India as may be applicable and shall include any statutory amendment or re-enactment thereof.
Non Convertible Debentures	1400 Unlisted, unrated, unsecured, redeemable non-convertible Subordinated Bonds in the nature of Debt Instrument of the face value of Rs. 100,000/- each aggregate to Rs. 14,00,00,000/- with a right to retain over subscription as may be decided by the Board.
Debenture Holder(s)	The holder(s) of the Subordinated Bonds in the nature of Debt Instrument(s) in dematerialized form.
Debenture Trustee/Trustee	Axis Trustee Services Limited.
Debenture Trust Deed	Debenture Trust Deed to be entered into between the Company and Axis Trustee Services Limited (the Debenture Trustees).
Depository(ies)	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL.



Depositories Act	The Depositories Act, 1996, as amended from time to time.
Disclosure Document	This disclosure document through which the Subordinated Bonds in the nature of Debt Instrument are offered on private placement basis.
DP-ID	Depository Participant Identification Number.
EGM	Extra –Ordinary General Meeting.
Equity Shares	Equity shares of the Company of face value of Rs. 10 each.
FII	Foreign Institutional Investor as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 and registered with the SEBI under applicable laws in India.
Issue	Issue by way of private placement of the Subordinated Bonds in the nature of Debt Instrument by the Issuer.
IISL	India Index Services and Products Limited.
NBFC	Non-Banking Financial Company.
NEFT	National Electronic Funds Transfer.
NIFTY	NIFTY 50 INDEX
NSDL	National Securities Depository Limited.
NRI	A NRI means a person resident outside India, who is a citizen of India or is a person of Indian origin (as defined under Foreign Exchange Management (Deposit) Regulations, 2000).
NSE	National Stock Exchange of India Limited.
NLD	Nifty Linked Debenture.
OCB	An overseas corporate body means company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly ((as defined under Foreign Exchange Management (Deposit) Regulations, 2000).
PAN	Permanent Account Number.
RBI	Reserve Bank of India.
RTGS	Real Time Gross Settlement.
ROC	Registrar of Companies.
Record Date	The date, as may be fixed by the Company, which may be on or prior to the Redemption Date on which the determination of the persons entitled to receive coupon/redemption amount in respect of the Subordinated Bonds in the nature of Debt Instrument (i.e., persons whose names are registered in the register of Debenture Holders or NSDL/CDSL record) shall be made.
Registered Debenture Holder(s)	The Debenture Holder whose name appears in the Register of Debenture Holders or in the beneficial ownership record furnished by NSDL/CDSL for this purpose.
Register of Debenture Holders	The register maintained by the Company containing the name of Debenture Holders entitled to receive coupon/ redemption amount in respect of the Subordinated Bonds in the nature of Debt Instrument on the Record Date, which shall be maintained at the Corporate Office.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
Subordinated Debt	<p>“Subordinated Debt” means an instrument, which is fully paid up, is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the non-banking financial company. The book value of such instrument shall be subjected to discounting as provided hereunder:</p> <p>Remaining Maturity of the instruments Rate of discount</p> <p>(a) Upto one year 100%</p> <p>(b) More than one year but upto two years 80%</p> <p>(c) More than two years but upto three years 60%</p> <p>(d) More than three years but upto four years 40%</p> <p>(e) More than four years but upto five years 20%</p> <p>to the extent such discounted value does not exceed fifty per cent of Tier I capital;</p>
Working Days	All days except Saturday, Sunday and any public holiday.



Business/Industry Related Terms

Term	Description
ALM	Asset Liability Management
ALCO	Asset – Liability Committee
ATS	Average Ticket Size
Average Cost of Borrowing	Amount that is calculated by dividing the interest paid during the period by average of the monthly outstanding
Capital Market Finance	Loans against Securities, Margin Funding, IPO financing and other structured lending transactions
CRAR	Capital-to-Risk-Weighted Assets Ratio
KYC Norms	Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority
LC	Loan Company
Loan Book	Outstanding loans net of provisions made for NPAs
NBFC	Non-Banking Financial Company
Non-Deposit Accepting NBFC Directions/ Prudential Norms	Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, issued by the RBI vide its Notification dated March 27, 2015 and as amended from time to time
NBFC-ND-SI	Systemically Important NBFC-ND with Asset size of more than 500 Crore
Secured Loan Book	Secured loan given against hypothecation of asset
Tier I Capital	Tier I Capital means owned fund as reduced by investment in shares of other NBFC and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiary and companies in the same group exceeding, in aggregate, ten per cent of the owned fund and perpetual debt instruments issued by a Systemically important non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year
Tier II Capital	Tier II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty five percent; (c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a systemically important non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier I capital.

Additional Issue related terms:

Force Majeure Event shall mean any war, strike, lock-out, natural disaster, act of terrorism, any restriction on trading in the underlying, an act of state or situations beyond the reasonable control of the Company occurring after an obligation under the Disclosure Document is entered into by the Company, or such obligation has become illegal or impossible, in whole or in part and includes any breakdown, failure or malfunction beyond the control of the Company of any telecommunication or computer system including, without limitation, unavailability or outages or breakdowns of any communication system(s), breach or effect of any virus in the processes or the 'payment and delivery mechanism', sabotage, fire, explosion(s), acts of God, civil commotion or industrial action of any kind, riots, insurrection, acts of Government, computer hacking, unauthorized access to computer data and storage devices and computer crashes.



Market Suspension Event means the event of any suspension of trading by the NSE on any official trading day, on account of circuit breaker system being triggered as prescribed by NSE / regulatory authorities in this regard, of the Nifty 50 index, whereby trading shall be halted for the remainder of the trading day in all equity and equity derivatives market nationwide.

Reference Index Modification Event means any material change in composition of index/method of computation of index as determined by the Calculation Agent which leads to substantially increased cost of hedging/ Hedging Disruption.

Hedging Disruption means that the Issuer or any of its Affiliates or its Holding Company is unable, after using commercially reasonable efforts, to either (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of issuing and performing its obligations with respect to the Subordinated Bonds in the nature of Debt Instrument, or (B) freely realize, recover, receive, repatriate, remit or transfer the proceeds of hedge positions or the Subordinated Bonds in the nature of Debt Instrument.

Increased Cost of Hedging means that the Issuer and/or any of its Affiliates or its Holding Company would incur a materially increased (as compared with circumstances existing on the Date of allotment) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of issuing and performing its obligations with respect to the Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures, or (B) realize, recover or remit the proceeds of hedge positions or the Subordinated Bonds in the nature of Debt Instrument.

Issuer Tax Change Event means that, on or after the Deemed Date of Allotment of the Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures, the imposition of any withholding or deduction on any payments in respect of the Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures by or on behalf of the Issuer if such withholding or deduction is required by law.

Change in Law means that, on or after the Deemed Date of Allotment of the Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures (I) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (II) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole discretion that (1) it has become illegal for the Issuer to hold, acquire or dispose of the Underlying Shares/Hedge Positions relating to the Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures, or (2) the Issuer will incur a materially increased (as compared with the circumstances existing on the Deemed Date of Allotment) cost in relation to the performance of the Issuer's obligations under the Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer).

2. DEBENTURE TRUSTEE(S) TO THE ISSUE

The Company has appointed Axis Trustee Services Limited, having its registered office at Ground Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai 400 025 to act as the Debenture Trustee. All the rights and remedies of the Debenture Holders shall vest in and shall be exercised by the Debenture Trustee without referring to the Debenture Holders. All investors are, without any further act or deed, deemed to have irrevocably given their authority and consent to Axis Trustee Services Limited to act as their debenture trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by the Company to the Debenture Trustee on behalf of the Debenture holders shall discharge the Company pro tanto to the Debenture Holders. Resignation/retirement of the Debenture Trustee shall be as per terms of the Debenture Trust Deed to be entered into between the Company and the Debenture Trustee. A notice in writing to the Debenture Holders shall be provided for the same. Axis Trustee Services Limited has given their consent to the Issuer to act as trustee for the Debenture Holders.



3. THE ISSUER INFORMATION, SUMMARY OF BUSINESS

A. NAME AND ADDRESS OF THE REGISTERED & CORPORATE OFFICE:

REGISTERED OFFICE ANAND RATHI GLOBAL FINANCE LIMITED 4th Floor, Silver Metropolis, Jaicoach Compound, Opposite Bimbisar Nagar, Goregaon(East), Mumbai – 400 063 Maharashtra, India Tel: +91 22 4001 3700; Fax: +91 22 4001 3770	CORPORATE OFFICE ANAND RATHI GLOBAL FINANCE LIMITED 11th Floor, Times Tower, Kamla City, SenapatiBapat Marg, Lower Parel, Mumbai - 400 013 Maharashtra, India Tel: +91 22 4047 7000; Fax: +91 22 4047 7070
---	--

B. OUR MANAGEMENT

NAME AND ADDRESSES OF THE DIRECTORS OF THE ISSUER AS ON DATE OF ISSUE

Name, Designation, DIN, Nationality, Occupation and Address	Age (Years)	Date of Appointment	Other Directorships
Name : Mr. Anand Rathi Designation : Whole Time Director DIN : 00112853 Nationality : Indian Occupation-Service Address : 274 -014, Kalpataru Horizon, S.K. Ahire Marg, Worli, Mumbai, 400018, Maharashtra, INDIA	71	May 10, 1994	Annexure A1
Name : Mr. Pradeep Kumar Gupta Designation : Director DIN : 00040117 Nationality : Indian Occupation-Service Address : 37A, Yashodham, Film City Road, Goregaon, (East), Mumbai, 400063, Maharashtra, INDIA	51	October 15, 2009	Annexure A1
Name : Mr. Amit Anand Rathi Designation : Managing Director DIN : 00029791 Nationality : Indian Occupation-Service Address : 284 - 15, Kalpataru Horizon, S.K. Ahire Marg, Worli,, Mumbai, 400018, Maharashtra, INDIA	43	November 19, 2001	Annexure A1
Name : Mr. Jugalkishor Mantri Designation : Director DIN : 00961657	46	October 15, 2009	Annexure A1



Nationality : Indian

Occupation-Service

Address : Flat No.704/5, Plot No-A704/5, Floor 7, Raheja,
Solitaire, Udyog Nagar, S V Road, Goregaon (w), Mumbai,
400062, Maharashtra, INDIA

C. A BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS

Anand Rathi Global Finance Limited (ARGFL) was incorporated on 3rd February, 1982. The Company is wholly owned subsidiary of Anand Rathi Financial Services Ltd. The Company is registered with Reserve Bank of India (RBI) as non-banking finance company (NBFC) and classified as Loan company and categorized as 'Systemically important non-deposit taking non-banking financial company' (NBFC - ND - SI).

The Company is engaged in the business of financial consultancy, corporate advisory and fund based lending. The Company has a team of qualified and experienced professional having vast and in depth understanding of credit and risk analysis, loan book management and intricacies of financial derivatives. The Company has following products for its clients:

- Loan against shares
- Promoter funding against securities
- Funding against dematerialized agri commodities
- IPO Funding (Retail & HNI)
- ESOP Funding
- Structure Lending (Lending against Mutual Funds/Bonds/FMPs)
- Construction Finance
- SME Finance

D. A BRIEF HISTORY OF THE ISSUER SINCE ITS INCORPORATION GIVING DETAILS OF ITS ACTIVITIES INCLUDING ANY REORGANIZATION, RECONSTRUCTION OR AMALGAMATION, CHANGES IN ITS CAPITAL STRUCTURE, (AUTHORIZED, ISSUED AND SUBSCRIBED) AND BORROWINGS, IF ANY**History:**

Anand Rathi Global Finance Limited was incorporated on 3rd February, 1982 in the name of S.R. Financial Consultant Private Limited in Jodhpur, Rajasthan. On 29th December, 1994 the name of the Company was changed to Rathi Global Finance Limited and status of the Company was changed from Private Limited to Public Limited. On 9th May, 2003 the registered office of the Company was shifted from Jodhpur, Rajasthan ROC to Mumbai, Maharashtra ROC. On 29th March, 2010 the name of the Company was changed from Rathi Global Finance Limited to Anand Rathi Global Finance Limited so as to bring the Company under the Brand Umbrella of "ANAND RATHI".

The Company was registered with RBI vide certificate of registration no. B-13.01682 as a Non-Banking Finance Company not accepting public deposits as on 14th October 2003. Over the period of time and increase in operations, the Company has acquired the status of Systemically Important Non-Banking Financial Company. The Company is a wholly owned subsidiary of Anand Rathi Financial Services Limited.

Milestones

- Incorporated on 03.02.1982.
- Authorised Capital of the Company increased from Rs. 5.00 Lacs to Rs. 100.00 Lacs in the year 1994.
- Authorised Capital of the Company increased from Rs. 100.00 Lacs to Rs. 500.00 Lacs in the year 1995.
- Obtained Certificate of Registration of Non-Banking Financial Company (NBFC) by Reserve Bank of India in the year 2003.



- Authorised Capital of the Company increased from Rs. 500.00 Lacs to Rs. 1000.00 Lacs in 2007.
- Authorised Capital of the Company increased from Rs. 1000.00 Lacs to Rs. 1500.00 Lacs again in 2007.
- ICRA Limited had assigned 'A1' rating to Company's short-term debt. The 'A1' is the second highest-credit-quality rating assigned by ICRA to short-term debt instruments in 2007.
- Authorised Capital of the Company increased from Rs. 1500.00 Lacs to Rs. 2000.00 Lacs in 2014.
- Currently the Company's Loan Book is Rs.1,200Crore plus.

E. SHAREHOLDING PATTERN

The Company is wholly owned subsidiary of Anand Rathi Financial Services Limited.

F. DETAILS OF SUBSIDIARY

Anand Rathi Advisors Ltd. (ARAL) is wholly owned subsidiary of the Company.

Anand Rathi Advisors Limited (ARAL) is a SEBI Registered Category I Merchant banker and Portfolio Manager. Anand Rathi Advisors Limited (ARAL) provides services in Investment banking and acts as a Lead Manager to the IPO's/FPO's/Right Issue/Open Offer of Indian companies. Besides this, ARAL also assists corporate in raising debt by Project Finance, Financial Structuring, Corporate Finance and raising of Equity by way of Private Equity Placement and M&A Transaction. Further it is also engaged in providing Portfolio Management services.

4. SUMMARY OF FINANCIAL INFORMATION**A. CAPITAL STRUCTURE OF THE COMPANY AS ON THE DATE OF ISSUE**

1. Share Capital	
Authorised Capital	
2,00,00,000 Equity Shares of 10/- each	20,00,00,000
Issued Capital	
1,79,00,000 Equity Shares of Rs. 10/- each	17,90,00,000
Subscribed & Paid up	
1,79,00,000 Equity Shares of Rs. 10/- each Fully Paid up	17,90,00,000
2. Size of Present Offer	N/A
3. Paid up capital	
(a) after the offer	Not Applicable
(b) after conversion of convertible instruments (if applicable)	Not Applicable
4. Share premium account (before and after the offer)	Not Applicable

Change in Share Capital as on Date of Issue:**Authorised Share Capital and changes therein**

Date of Approval (EGM)	Authorised Share Capital (in Rs.)	Particulars
3-Feb-1982 (Incorporation)	5,00,000	Authorised Share Capital of our Company on incorporation as mentioned in Clause V(a) of Memorandum of Association was Rs. 5,00,000
27-Jan-1994	10,00,000	Authorised Share Capital was increased from Rs.5,00,000/- divided into 1,000 Equity Shares of Rs.100/- each, and 4,000 , 6% Non-Cumulative Redeemable Preference Shares of Rs.100/- each to Rs. 1,00,00,000/- divided into 96000 Equity Shares of Rs.100/- each, and 4,000 , 6% Non-Cumulative Redeemable Preference Shares of Rs.100/- each



2-Feb-1995	50,000,000	Subdivision of face value of shares from Rs. 100/- each to Rs. 10/- each. Further, the Authorised Share Capital was increased from Rs. 1,00,00,000/- divided into 96000 Equity Shares of Rs.100/- each, and 4,000 , 6% Non-Cumulative Redeemable Preference Shares of Rs.100/- each to Rs. 5,00,00,000/- divided into 48,00,000 Equity Shares of Rs.10/- each, and 2,00,000 , 6% Non-Cumulative Redeemable Preference Shares of Rs.10/- each
8-Jan-2007	100,000,000	The Authorised Share Capital was increased from Rs. 5,00,00,000/- divided into 48,00,000 Equity Shares of Rs.10/- each, and 2,00,000 , 6% Non-Cumulative Redeemable Preference Shares of Rs.10/- to Rs. 10,00,00,000/- divided into 98,00,000 Equity Shares of Rs.10/- each, and 2,00,000 , 6% Non-Cumulative Redeemable Preference Shares of Rs.10/- each
23-Mar-2007	150,000,000	The Authorised Share Capital was increased from Rs. 10,00,00,000/- divided into 98,00,000 Equity Shares of Rs.10/- each, and 2,00,000 , 6% Non-Cumulative Redeemable Preference Shares of Rs.10/- to Rs. 15,00,00,000/- divided into 10,00,000 Equity Shares of Rs.10/- each, and 50,00,000 Redeemable Preference Shares of Rs.10/- each
10-Dec-2014	200,000,000	The Authorised Share Capital of the Company was increased from Rs. 15,00,00,000/- divided into 150,00,000 Equity Shares of Rs.10/- each to Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs. 10/- (Rupees Ten only)

Change in Equity Share Capital as on Date of Issue:

Date of Allotment	No. of Equity Shares	Face Value (In. Rs.)	Issue Price (In. Rs.)	Consideration (Cash, other than Cash etc.)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Equity Share Capital (in Rs.)	Cumulative Equity Share Premium (in Rs.)
February 15, 1982	2	100	100	Cash	Allotment to the subscribers to the memorandum	2	200	-
December 28, 1985	900	100	100	Cash	Allotment	902	90,200	-
July 23, 1993	730	100	100	Cash	Allotment	1,632	163,200	-
May 10, 1994	73,925	100	120	Cash	Allotment	75,557	7,555,700	1,478,500
July 1, 1994	7,700	100	100	Cash	Allotment	83,257	8,325,700	1,478,500
February 2, 1995	832,570	10	-	-	Subdivision	832,570	8,325,700	1,478,500
March 31, 1995	635,334	10	12	Cash	Allotment	1,467,904	14,679,040	2,749,168
August 31, 1995	100,400	10	12	Cash	Allotment	1,568,304	15,683,040	2,949,968
March 31, 2007	6,331,696	10	50	Cash	Allotment	7,900,000	79,000,000	256,217,808
March 28, 2008	3,000,000	10	70	Cash	Allotment	10,900,000	109,000,000	436,217,808
March 26, 2013	2,000,000	10	95	Cash	Allotment	12,900,000	129,000,000	606,217,808
December 29, 2014	2,100,000	10	114.50	Cash	Allotment	15,000,000	150,000,000	825,667,808
June 30, 2015	2,900,000	10	120	Cash	Allotment	17,900,000	179,000,000	1,144,667,808

B. STATEMENT OF FINANCIAL POSITION

Abridged version of Audited Financial information (like Profit & Loss Statement, Balance Sheet and Cash Flow statement) for last three years and auditor qualifications:

1. Abridged version of Audited Standalone Financial information for last three years: Refer **Annexure A2**
2. Abridged version of Latest Audited Profit & Loss statement and Balance Sheet and auditors qualifications: Refer **Annexure A3**
3. Abridged version of Latest Audited Cash Flow Statement: Refer **Annexure A4**
4. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company: **Nil**



5. Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of Disclosure Document: Refer **Annexure A5**
6. Dividends declared by the Company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid): Refer **Annexure A6**

5. DETAILS OF UTILIZATION OF THE ISSUE PROCEEDS

The Issuer proposes to augment its resources to meet its requirements of funds to carry on its normal business operations. The proceeds of the issue of Subordinated Bonds in the nature of Debt Instrument would be utilized for General Corporate purpose, Business Operation and Investment.

6. SERVICING BEHAVIOR ON EXISTING DEBT SECURITIES, PAYMENT OF DUE INTEREST ON TERMS LOANS AND DEBT SECURITIES AND STATUTORY DUE(S):

a) Details of existing Borrowing

1. Details of Secured Loan Facilities as on 1st August 2018: Rs. 2705.51 crores (including Secured Redeemable Non-Convertible debenture of Rs. 2143.69 Crores)
2. Details of Unsecured Loan Facilities as on 1st August 2018: Rs. 100.72 Crores (including Subordinated Bonds issued in the nature of Non-Convertible Debentures forming part of Tier II capital of Rs. 96.35 Crores)

b) Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, loans from any Bank or financial institutions, deposits, debt securities and other financial indebtedness including corporate guarantee issued by the Company, Statutory dues: **NONE**

c) Detail of Market Linked NCDs as on the Date of Issue: Refer **Annexure A8**

7. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.

- Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons: **Nil**
- Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the Disclosure document and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed: In a complaint filed in the matter of National Spot Exchange (NSE), the EOW has taken on remand one of the Director of the offeree company since he was also the director of Anand Rathi Commodities Limited alongwith few other brokers. However, the court concerned has ordered his release on bail.
- Remuneration of Directors (during the current year and last three financial years):
The remuneration paid to Directors was Rs. 163.22 Lakhs, Rs. 410.64 Lakhs, Rs. 507.39 respectively for the financial years ended March 31, 2016, March 31, 2017 and March 31, 2018.
- Related party transactions entered during the last three financial years immediately preceding the year of circulation of Disclosure letter including with regard to loans made or, guarantees given or securities provided: **As Per Annexure A7**
- Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark: **None**
- Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of Disclosure letter in the case of company and all of its subsidiaries: **None**
- Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries:



None

- Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company: None

8. APPLICATION PROCEDURE AND GENERAL INFORMATION

How to Apply

Applications for the Subordinated Bonds in the nature of Debt Instrument must be made in the Application Form and must be completed in block letters in English by investors. The applicant(s) should provide such documents as are mentioned in the application form. Further the Company may at its discretion ask for additional documents also. Application Forms must be accompanied by either a demand draft or cheque or electronic fund transfer instruction drawn or made payable in favour of "Anand Rathi Global Finance Ltd. – Collection A/c – ARG19SUBNCD01" and marked 'A/c Payee Only' in case of cheques. The full amount of the face value of the Subordinated Bonds in the nature of Debt Instrument applied for has to be paid along with the delivery of the fully completed and executed Application Form together with other applicable documents described below.

Cheques/demand drafts/electronic fund transfer instruction may be drawn on any bank which is situated and is a member or sub-member of the Bankers' clearing houses located at Mumbai. Investors are required to make payments only through cheques/demand drafts/electronic transfer payable at Mumbai.

The Company assumes no responsibility for any applications/cheques/demand drafts lost in mail or in transit.

Who can Apply

Nothing in this Disclosure Document shall constitute and/or deem to constitute an offer or an invitation to an offer, to be made to the Indian public or any section thereof through this Disclosure Document, and this Disclosure Document and its contents should not be construed to be a prospectus under the Companies Act.

This Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by the Company and only such recipients are eligible to apply for the Subordinated Bonds in the nature of Debt Instrument. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. Furthermore, NRIs, OCBs, FIIs and other person resident outside India are not eligible to apply for or hold the Subordinated Bonds in the nature of Debt Instrument.

Application by Banks/Corporate Bodies/Mutual Funds/FIs/Trusts/Statutory Corporations

The applications must be accompanied by certified true copies of (i) memorandum and articles of association/constitution/bye-laws/trust deed along with proof of registration with the relevant statutory authority; (ii) resolution authorizing investment and containing operating instructions; (iii) specimen signatures of authorized signatories; and (iv) necessary form for claiming exemption from tax deduction at source (TDS) on interest on application money. Application made by an asset management company or custodian of mutual fund shall clearly indicate the name of the concerned scheme for which application is being made.

Application under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signatures of all authorized signatories must be lodged along with the submission of the completed Application Form. Further, modifications/additions in the power of attorney or authority should be delivered to the Company at its Corporate Office.

Value of Security

The Subordinated Bonds in the nature of Debt Instrument are issued on face value therefore Name and address of the valuer who performed valuation of the security offered is not applicable in this case.

PAN

Each of the applicants should mention his/her/their PAN allotted under the Income Tax Act, 1961. Applications without PAN will be considered incomplete and are liable to be rejected.

Basis of Allotment

The Company has the sole and absolute right to allot the Subordinated Bonds in the nature of Debt Instrument to any applicant.

Right to Accept or Reject Applications

The Company is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason. Application Forms that are not complete in all respects shall be rejected at the sole and absolute discretion of the Company.



Interest on Application Money

This Issue does not contemplate any interest on application money till allotment of Subordinated Bonds in the nature of Debt Instrument

Payment of Coupon

Coupon at coupon rate as applicable will be paid only to the Debenture Holders registered in the Register of Debenture Holders or to the Beneficial Owners on Record Date. Coupon on Bonds in the nature of Debt Instrument/Non Convertible Debentures, if any shall be payable on the Redemption Date. In the case of joint holders of Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures, Coupon shall be payable to the first named Debenture Holder. The Registrar & Transfer Agent will comply with the provisions of the Depositories for facilitating Coupon payment by the Company on Redemption Date.

Redemption

The redemption amount of the Subordinated Bonds in the nature of Debt Instrument will be repaid on the Redemption Date. Bonds in the nature of Debt Instrument/Non Convertible Debentures shall be taken as discharged on payment of the redemption amount by the Company on maturity to the Registered Debenture Holders whose name appears in the Register of Debenture Holders on the Record Date. Such payment will be a legal discharge of the liability of the Company towards the Debenture Holders. On such payment being made, the Company will inform Depository and accordingly, the account of the Debenture Holders with Depository will be adjusted.

The Company's liability to the Debenture Holders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due dates of redemption in all events. Further the Company will not be liable to pay any interest, Coupon or compensation from the dates of such redemption. On the Company dispatching the amount as specified above in respect of the Subordinated Bonds in the nature of Debt Instrument, the liability of the Company shall stand extinguished.

The Company's liability to the debenture holders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due dates of redemption in all events. Further the Company will not be liable to pay any Coupon or compensation from the dates of such redemption.

Place and Currency of Payment

All obligations under the Subordinated Bonds in the nature of Debt Instrument including Coupon, are payable at Mumbai in Indian rupees only. The payment to Debenture Holders will be made through cheques or RTGS/Fund Transfer / NEFT.

Issue of Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures in Dematerialised Form

The Subordinated Bonds in the nature of Debt Instrument will be issued only in dematerialized form. The Company has made arrangements with the depositories for the issue of the Subordinated Bonds in the nature of Debt Instrument in dematerialised form. Investors will have to hold the Subordinated Bonds in the nature of Debt Instrument in dematerialised form as per the provisions of Depositories Act. The Depository Participant's name, DP-ID and beneficiary account number must be mentioned at the appropriate place in the Application Form. The Company shall take necessary steps to credit the Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures allotted to the depository account of the investor. The Company will issue the Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures certificate(s) in dematerialized form within the time specified under the applicable laws after completion of all legal formalities.

Eligible Holders and Mode of Transfer

The Company will not register any transfers of the Subordinated Bonds in the nature of Debt Instrument to any NRIs, OCBs, FIIs, or any persons resident outside India, unless appropriate regulatory approvals are obtained. The Company shall not be duty bound to take interest or trust in or over the Subordinated Bonds in the nature of Debt Instrument.

Transfer of Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures in dematerialised form would be in demat mode in accordance with the Depositories Act, 1996, the regulations made thereunder and the rules/procedures/regulations/bye-laws as prescribed by Depository, as the case may be.

Succession

Since these Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures are issued in "Compulsory Demat Mode", succession would be in accordance to the rules/procedures as prescribed by Depository.

Notices

The notices, communications and writings to the Debenture Holder(s) required to be given by the Company shall be deemed to have been given if sent by registered post to the Registered Debenture Holder(s) at the address of the Debenture Holder(s) registered with the Corporate Office.

All notices, communications and writings to be given by the Debenture Holder(s) shall be sent by registered post or by hand delivery to the Company at its Corporate Office or to such persons at such address as may be notified by the Company from time to time



and shall be deemed to have been received on actual receipt of the same.

Rights of Debenture Holders

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Companies Act. The Debenture shall not confer upon the holder the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Company.

Modifications of Rights

The rights, privileges, terms and conditions attached to all Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures may be varied, modified or abrogated with the consent, in writing, of those holders of the Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures who hold at least three-fourths of the outstanding amount of Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture Holders, carried by a majority consisting of not less than three-fourths of the persons voting there upon a show of hands or, if a poll is demanded by a majority representing not less than three-fourths in value of the votes cast on such poll, provided that nothing in such consent or resolution shall be operative against the Company if the same are not accepted in writing by the Company.

Future Borrowings

The Company shall be entitled, from time to time, to make further issue of Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures, other debt securities (whether paripassu or junior to the Subordinated Bonds in the nature of Debt Instrument) and other instruments and securities to any person or persons including to the public or a section of the public and/or members of the Company and/or to raise further loans, advances and/or avail further financial and/or guarantee facilities from financial institutions, banks and/or any other person(s) without any further approval from or notice to the Debenture-Holders/Debenture Trustee.

Governing Laws and Jurisdiction

The Subordinated Bonds in the nature of Debt Instrument are governed by and will be construed in accordance with the Indian law. The Debenture Holders, by purchasing the Subordinated Bonds in the nature of Debt Instrument, agree that the Courts in Mumbai shall have exclusive jurisdiction with respect to matters relating to the Subordinated Bonds in the nature of Debt Instrument.

Dispatch of Refund Orders

Refund For applicants whose applications have been rejected or allotted in part, will be either dispatched through cheque or electronically credited either through Direct Credit/RTGS/NEFT within 15 days of the realization of the application amount /from the DDA. However the said refund will not bear any interest.

Tax Benefits

A Debenture Holder is advised to consider in his own case the tax implications in respect of subscription to the Subordinated Bonds in the nature of Debt Instrument after consulting his tax advisor.

Loss of Interest Cheques/Refund Cheques

Loss of interest cheques/refund cheques should be intimated to the Company along with request for duplicate issue. The issue of duplicates in this regard shall be governed by applicable law and any other conditions as may be prescribed by the Company.

Debenture Redemption Reserve

The Debenture Redemption Reserve shall be as per the provisions of the Companies Act, 2013 and the applicable Rules specified for Non-Banking Financial Companies and shall include any statutory amendment or re-enactment thereof.

Anti Money Laundering

Since these Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures are issued in "compulsory demat mode" and the Company uses depository system for allotment of the Subordinated Bonds in the nature of Debt Instrument, KYC tests conducted by depository participants at the time of accepting the customer or transaction under the prevention of money laundering policy adopted by depositories or depository participant shall be considered adequate irrespective of risk level of the customer or transaction. However, as a matter of a good practice, Company may examine transactions/clients that may fall under "suspicious transactions" category as defined under Prevention of Money Laundering Act, 2002 and seek further information from the clients.

List of Beneficial Owners

The Company shall request the Depositories to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of coupon or repayment of principal amount, as the case may be.



Effect of Holidays

Should any of the date(s), including Redemption Date or the Record Date, as defined in the Disclosure Document fall on a Sunday or a public holiday the next working day shall be considered as the effective date.

Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961 (and as amended from time to time) or any other statutory modification or re-enactment thereof will be deducted at source on the Coupon payable on the Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures. Tax exemption certificate/document/form, under Section 193 of the Income Tax Act, 1961 if any, must be lodged at the Corporate Office, at least 30 days before the relevant coupon payment becoming due.

Other Relevant Information

- Authority for the issue and details of the resolutions passed for the issue**

The present issue of Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures is being made pursuant to the resolutions passed by the Board of Directors of the Issuer on 10th July 2018 and resolution passed in shareholders meeting on 01st August 2018 and subject to the provisions of the Companies Act and the Memorandum and Articles of Association of the Issuer. The above mentioned resolutions severally authorizes following to finalize and issue the Disclosure Document, and do other things necessary for the same:

S.No.	Name	Designation
1	Mr. Amit Rathi	Director
2	Mr. Jugalkishor Mantri	Director
3	Mr. Rajesh Bhutra	Authorised Signatory
4	Mr. Manishkumar Jain	Chief Financial Officer (CFO)
5	Mr. Manoj K Mundra	Vice President
6	Mr. Abhishek Kothari	Asst. Vice President
7	Mr. Sachin Shah	Asst. Vice President
8	Mr. Rakesh Prasad	Asst. Vice President
9	Mr. Sadhyadeep Belgo	Authorised Signatory
10	Mr. Ajay B Patel	Authorised Signatory

- Declaration of RBI about non-responsibility for financial soundness or correctness of statements**

It must be distinctly understood that the issuing of license and granting of approval by the RBI should not in any way, be deemed or construed to be an approval by the RBI, to this Disclosure Document nor should it be deemed that the RBI has approved it nor does the RBI take any responsibility either for the financial soundness of the Company or for the correctness of the statements made or opinions expressed in this connection.

9. MANAGEMENT'S PERCEPTION ON RISK FACTORS AND DISCLAIMERS

Prospective investors should consider carefully all the risk factors in this Disclosure Document for evaluating the Issuer and its business and the Subordinated Bonds in the nature of Debt Instrument before making any investment decision relating to the Subordinated Bonds in the nature of Debt Instrument. Unless the context requires otherwise, the risk factors described below apply to the Issuer only. If any one of the following stated risks actually occurs, the Issuer's business, financial conditions and results of operations could suffer and, therefore, the value of the Issuer's Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures could decline.

Unless specified or quantified in the relevant risk factors, the Issuer is not in a position to quantify the financial or other implications of any risk mentioned herein below:

No Principal Protection

These Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures are not principal protected. Investors may lose all or part of their investment.

No Credit Rating

The issue of these Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures has not been rated by any credit rating agency.

No Listing on any stock Exchange(s)

The issue of Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures will not be listed in any stock



exchange(s).

Payment of Coupon

Investors should note that no periodic Coupon payments or other distributions may be made during the term of the Subordinated Bonds in the nature of Debt Instrument.

Interest Rate Risk

Since ARGFL is engaged in lending and financing activities, its business and income will largely be dependent on interest income from its operations. Interest rates are highly sensitive to many factors, including the monetary policies of RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors beyond the control of ARGFL. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility. There can be no assurance that significant interest rate movements will not have an effect on the results of its operations.

Changes in the composition of the Underlying

The value of the Underlying on any day will reflect the value of its constituents on such day. Changes in the composition of the Underlying and factors (including those described herein) which either affect or may affect the value of the constituents, will affect the value of the Underlying and therefore may affect the return on an investment in the Subordinated Bonds in the nature of Debt Instrument.

Early Termination for Extraordinary Reasons, Illegality and Force Majeure

If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Subordinated Bonds in the nature of Debt Instrument has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Subordinated Bonds in the nature of Debt Instrument for any reason, the Issuer may at its discretion and without obligation terminate early the Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures. If the Issuer terminates early the Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures, the Issuer will, if and to the extent permitted by applicable law, pay the holder of each such Debenture an amount determined by the Calculation Agent.

Credit Risk

Any lending and investment activity by the Issuer is exposed to credit risk arising from repayment default by borrowers and other counterparties. The Issuer has a systematic credit evaluation process to monitor the performance of its asset portfolio on a regular and continual basis to detect any material development, and constantly evaluate the changes and developments in sectors in which it has substantial exposure and to take timely appropriate remedial actions. The Issuer also undertakes periodic reviews of its entire asset portfolio with a view to determine the portfolio valuation, identify potential areas of action and devise appropriate strategies thereon. Despite these efforts, there can be no assurance that repayment default will not occur and in such circumstances may have an effect on its results of operations.

Model Risk

Investment in the Non Principal Protected Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures is subject to model risk. Returns on the Subordinated Bonds in the nature of Debt Instrument are based on complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the Underlying / Reference Index selected for hedging may significantly differ from returns predicted by the mathematical models.

Creditworthiness of the Issuer

The value of the Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures is expected to be affected, in part, by Investors' general appraisal of the Issuer's creditworthiness. Any reduction in the creditworthiness of the Issuer could result in a reduction in the value of the Subordinated Bonds in the nature of Debt Instrument. If a bankruptcy proceeding is commenced in respect to the Issuer, the return to a Debenture Holder may be limited and any recovery will likely be substantially delayed.

The principal amount is subject to the credit risk of the Issuer whereby the investor may or may not recover all or part of the funds in case of default by the Issuer.

Tax Considerations and Legal Considerations

Special tax considerations and legal considerations may apply to certain types of investors. Prospective investors are urged to consult with their own tax and legal advisors to determine any tax and legal implications of this investment.

Accounting Considerations

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



Potential Conflicts of Interest

Investors should ensure that they understand and accept the identities of the parties and the roles they play in relation to the Unsecured Unlisted Redeemable Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures, as disclosed in this Information Memorandum.

The Company may appoint itself or an affiliate as its Calculation Agent or other agent, for the purposes of calculating amounts payable or deliverable to holders under these Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures. Under certain circumstances, the agent as an affiliate and its responsibilities as calculation agent for the Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures could give rise to conflicts of interest. The Calculation Agent is required to carry out its duties in good faith and using its reasonable judgment. However, because the Company may control the affiliate, potential conflicts of interest could arise. The Issuer also may enter into an arrangement with an affiliate to hedge market risks associated with its obligations under the Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures. Such an affiliate would expect to make a profit in connection with this arrangement. The Company may not seek competitive bids for such arrangements from unaffiliated parties.

The Company and its affiliates have no obligation to disclose such information or activities; provided that the Issuer will make every good faith effort not to take advantage of any price-sensitive information.

Internal Risk Factors

- i. **We are subjected to supervision and regulation by the RBI as a systemically important NBFC, and changes in RBI's regulations governing us could adversely affect our business.**

We are subject to the RBI's guidelines on the regulation of NBFCs, including capital adequacy, exposure and other prudential norms. The RBI also provides guidelines to NBFCs with respect to their investment and credit exposure norms for lending. The RBI's regulations of NBFCs could change in the future which may require us to restructure our activities, incur additional cost or could otherwise adversely affect our business and our financial performance.

The RBI has not provided for any restriction on interest rates that can be charged by non-deposit taking NBFCs. Although the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions 2015 (issued by RBI vide its notification dated March 27, 2015) may not be fully applicable to a non-deposit taking NBFC, there can be no assurance that the RBI and/or the Government will not implement regulations or policies, including policies or regulations or legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that could have an adverse impact on non-deposit taking NBFCs. In addition, there can be no assurance that any changes in the laws and regulations relating to the Indian financial services sector will not adversely impact our business.

- ii. **We may have to comply with stricter regulations and guidelines that may be issued by regulatory authorities in India. If we are unable to comply with any such regulatory requirements, our business and results of operations may be materially and adversely affected.**

We are regulated principally by and have reporting obligations to the RBI. We are also subject to the corporate, taxation and other laws in effect in India. The existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide enhanced control. Moreover new regulations may be passed that restrict our ability to do business.

We cannot assure you that we will not be subject to any adverse regulatory action in the future. Further, these regulations are subject to frequent amendments and depend upon government policy. The costs of compliance may be high, which may affect our profitability. If we are unable to comply with any such regulatory requirements, our business and results of operations may be materially and adversely affected.

- iii. **Our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business may have a material adverse effect on our business, financial condition and results of operations**

NBFCs in India are subject to strict regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as a NBFC with the RBI, we are also required to comply with certain other statutory and regulatory requirements for our business. In the future, we will be required to renew the applicable permits and approvals and obtain new permits and approvals for the current and any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operation.



iv. The financing industry is becoming increasingly competitive and our growth will depend on our ability to compete effectively

The sector in which we operate is highly competitive and we face significant competition from banks and other NBFCs. Many of our competitors are large institutions, which may have much larger customer base and funding sources, larger branch networks and more capital than we do. Some of our competitors may be more flexible and better-positioned to take advantage of market opportunities. In particular, private banks in India and many of our competitors outside of India may have operational advantages in implementing new technologies and rationalising branches. These competitive pressures affect the industry in which we operate as a whole, and our future success will depend in large part on our ability to respond in an effective and timely manner to these competitive pressures.

v. We extend loans against securities, to our clients, and any default by a client coupled with a downturn in the stock markets could result in substantial losses for us

We extend "loans against securities" which are secured by liquid, marketable securities at appropriate or pre-determined margin levels. In the event of a volatile stock market or adverse movements in stock prices, the collateral securing the loans may have decreased significantly in value, which might result in losses which we may not be able to support. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. It is therefore difficult to carry out precise credit risk analysis on our clients. Although we use a technology-based risk management system and follow strict internal risk management guidelines on portfolio monitoring, which include limits on the amount of margin, the quality of collateral provided by the client and pre-determined margin call thresholds, no assurance can be given that if the financial markets witnessed a significant single-day or general downturn, our financial condition and results of operations would not be adversely affected.

vi. If we are unable to sustain our growth effectively, our business and financial results could be adversely affected

A principal component of our strategy is to continue to diversify into development of our new product portfolios to suit customer needs. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Failure to train our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with the borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

vii. We face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations and profitability

We may face potential liquidity risks due to varying periods over which our assets and liabilities mature. As is typical for NBFCs, a portion of our funding requirements is met through short-term funding sources such as bank loans, working capital demand loans, cash credit, short term loans and commercial papers. Our inability to obtain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and financial performance.

viii. Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons. Our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance

Our ability to sustain the rate of growth depends significantly upon selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and product executives. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated with our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. Hiring and retaining qualified and skilled managers is critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven. Moreover, competition for experienced employees can be intense. While we have an incentive structure, our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.



ix. A decline in our capital adequacy ratio could restrict our future business growth

As per RBI Notification dated November 14, 2014 (in respect of revised framework for Non-Banking Financial Companies) read with Notification dated March 27, 2015, all systemically important non - deposit taking NBFCs have to maintain a minimum capital ratio, consisting of Tier I and Tier II capital, which shall not be less than 15% of its aggregate riskweighted assets on balance sheet and risk adjusted value of off-balance sheet items. Our capital adequacy ratio computed on the basis of applicable RBI requirements was 16.25% as at March 31, 2015, with Tier I capital comprising 16.05 % as at March 31, 2015. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favorable to us or at all, and this may adversely affect the growth of our business.

x. We may not be able to successfully sustain our growth rate

In recent years, our growth has been fairly substantial. Our growth strategy includes growing our secured lending and expanding our retail customer base. There can be no assurance that we will be able to sustain our growth plan successfully or that we will be able to expand further or diversify our product portfolio. If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

We also face a number of operational risks in executing our growth strategy. We have experienced growth in our corporate finance and loan against property businesses. Our rapid growth exposes us to a wide range of increased risks, including business and operational risks, such as the possibility of growth of NPAs, fraud risks and regulatory and legal risks.

Our ability to sustain our rate of growth also significantly depends upon our ability to recruit trained and efficient personnel and retain key managerial personnel, maintain effective risk management policies, continuing to offer products which are relevant to our target base of clients, developing managerial experience to address emerging challenges and ensuring a high standard of client service. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rates, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us.

xi. We are exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees, agents, customers or third parties, which could harm our results of operations and financial position

Some of our transactions expose us to the risk of misappropriation or unauthorized transactions by our employees and fraud by employees, agents, customers or third parties. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. Further some of our collaterals provided to us for the loans may not be adequately insured, which may expose us to loss of value for such collateral and consequently we may not be able to recover the full value of the collateral. Any loss of value to the collateral may have a material adverse effect on our profitability and business operations.

xii. Our Company is exposed to many operational risks which could materially impact our business and results of operations

Our Company is exposed to many types of operational risks. Operational risk can result from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. We attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures, undertaking regular contingency planning and providing employees with continuous training. Any failure to mitigate such risks could adversely affect our business and results of operations.

xiii. Significant fraud, system failure or calamities could adversely impact our business

We seek to protect our computer systems and network infrastructure from physical break-ins as well as fraud and system failures. Computer break-ins and power and communication disruptions could affect the security of information stored in and transmitted through our computer systems and network infrastructure. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches. Although we intend to continue to implement security technology and establish



operational procedures to prevent fraud, break-ins, damage and failures, there can be no assurance that these security measures will be adequate. A significant failure of security measures or operational procedures could have a material adverse affect on our business and our future financial performance. Although we take adequate measures to safeguard against system-related and other frauds, there can be no assurance that it would be able to prevent frauds.

We are exposed to many types of operational risks, including the risk of fraud or other misconduct by employees and unauthorized transactions by employees. Our reputation could be adversely affected by significant frauds committed by employees, customers or outsiders.

External Risk Factors

- i. **Our results of operations have been, and may continue to be, adversely affected by Indian and international financial market and economic conditions.**

Our business is highly dependent on Indian and international markets and economic conditions. Such conditions in India include fluctuations in interest rates; housing prices; corporate or other scandals that reduce confidence in the financial markets, among others. International markets and economic conditions include the liquidity of global financial markets, the level and volatility of debt and equity prices and interest rates, investor sentiment, inflation, the availability and cost of capital and credit, and the degree to which international economies are expanding or experiencing recessionary pressures. The independent and/or collective fluctuation of these conditions can directly and indirectly affect demand for our lending finance and other financial products, or increase the cost to provide such products. In addition, adverse economic conditions, such as declines in housing values, could lead to an increase in mortgage and other home loan delinquencies and higher write-offs, which can adversely affect our earnings. Global financial markets were and continue to be extremely volatile and were materially and adversely affected by a lack of liquidity, decreased confidence in the financial sector, disruptions in the credit markets, reduced business activity, rising unemployment, declining home prices and erosion of consumer confidence. These factors have contributed to and may continue to adversely affect our business, financial condition and results of operations.

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

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

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

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

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

- iv. **Natural calamities could have a negative impact on the Indian economy, particularly the agriculture sector, and cause our business to suffer**

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

- v. **Any downgrading of India's debt rating by rating agencies could have a negative impact on our business.**



Any adverse revisions to India's credit ratings for domestic and international debt by rating agencies may adversely impact our ability to raise additional financing, the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, our ability to raise financing for onward lending and the price of our NCDs.

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

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

Unstable domestic as well as international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years.

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

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

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

The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge, is currently 32.45 %. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

viii. Financial instability in other countries could disrupt our business.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country may have adverse effects on the economy as a whole, in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India.

In the event that the current difficult conditions in the global credit markets continue or if the recovery is slower than expected or if there any significant financial disruption, this could have an adverse effect on our cost of funding, loan portfolio, business, prospects, results of operations and financial condition.

ix. Material changes in regulations

ARGFL, registered NBFCs is subject to detailed supervision and regulation stipulated by the RBI, though currently NBFCs not accepting public deposits are exempt from certain provisions. In addition, the Company is generally subject to changes in Indian law, as well as to changes in regulations and policies and accounting principles. Any changes in the regulatory framework affecting NBFCs could adversely affect the profitability of the Company or its future financial performance by requiring a restructuring of its activities, increasing costs or otherwise. The Company is subject to certain statutory, regulatory, exposure and prudential norms and this may limit the flexibility of the Company's loans, investments and other products.

x. Conditions in the Indian Equity market may affect the coupon on the Subordinated Bonds in the nature of Debt Instrument

The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies. The Indian stock exchanges have also experienced problems that have affected the market



price and liquidity of the securities of Indian companies. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. If similar problems occur in the future, the market price and liquidity of the equity shares could be adversely affected, thereby affecting the indices.

10. DECLARATION BY DIRECTORS

We confirm that this Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in the light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement. The Issuer accepts no responsibility for the statements made otherwise than in this Disclosure Document or in any other material issued by or at the instance of the Issuer and any one placing reliance on any other source of information would be doing so at his own risk.

We further declare that:

- The company has complied with the provisions of the Act and the rules made thereunder;
- The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of Subordinated Bonds in the nature of Non Convertible Debentures, if applicable, is guaranteed by the Central Government;
- The monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.

11. UNDERTAKING BY THE INVESTOR

The following discussion of risks associated to the Subordinated Bonds in the nature of Debt Instrument, is subject to and pursuant to the terms of issuance of the Subordinated Bonds in the nature of Debt Instrument as provided in this Disclosure Document, The initial subscriber by subscribing to, and any subsequent purchaser by purchasing the Subordinated Bonds in the nature of Non Convertible Debentures, shall be deemed to have agreed, and accordingly the Company shall be entitled to presume, that each of the initial subscriber, and any subsequent purchaser (Debenture Holder, as also referred to hereinabove and hereinafter):

(A) has

- i. sufficient knowledge, experience and expertise as an investor, to make the investment in the Subordinated Bonds in the nature of Debt Instrument;
- ii. not relied on either of the Company, or any of its affiliates, holding company, or any person acting on its behalf for any information, advice or recommendations of any sort except as regards the accuracy of the specific factual information about the terms of the Subordinated Bonds in the nature of Debt Instrument as set out in the Disclosure Document;
- iii. understood that information contained in the Disclosure Document, or any other document issued by the Company is not being construed as business or investment advice; and
- iv. made an independent evaluation and judgment of all risks and merits before investing in the Subordinated Bonds in the nature of Debt Instrument;

(B) is aware that the Subordinated Bonds in the nature of Debt Instrument in this Issue would not be listed on any stock exchange of India.

(C) has understood that without prejudice to (A), and (B) above,

- i. the method and manner of computation of, returns and calculations on the Subordinated Bonds in the nature of Non Convertible Debentures shall be solely determined by the Company, whose decision shall be final and binding;
- ii. in the event of any discretions to be exercised, in relation to method and manner of any of the above computations including due to any disruptions in any of the financial markets or if for any other reason the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the Company and may include the use of estimates and approximations. All such computations shall be valid and binding on the Debenture Holder, and no liability therefore will attach to the Company;

(D) has understood that in the event that the Debenture Holder suffers adverse consequences or loss, the Debenture Holder shall be solely responsible for the same and the Company, or any of its affiliates, holding company, or any person acting on its behalf shall not be responsible, in any manner whatsoever, for any adverse consequences or loss suffered by the Debenture Holder, including but not limited to, on the basis of any claim that no adequate disclosure regarding the risks involved was made or that the full risks involved were not explained or understood;

(E) has reviewed the terms and conditions applicable to the Subordinated Bonds in the nature of Debt Instrument as contained in the Disclosure Document, and understood the same, and, on an independent assessment thereof, confirmed the same to be correct and, found the same acceptable for the investment made and has also reviewed the risk disclosure with respect to the Subordinated Bonds in the nature of Debt Instrument, and understood the risks, and determined that the Subordinated Bonds in the nature of Non Convertible Debentures are a suitable investment and that the Debenture Holder can bear the economic risk of that investment, including the possibility of receiving lower than expected returns.

(F) has received all the information believed to be necessary and appropriate or material in connection with, and for, the investment in the Subordinated Bonds in the nature of Debt Instrument;



- (G) holds the Subordinated Bonds in the nature of Debt Instrument as an investment and has not purchased the Subordinated Bonds in the nature of Debt Instrument on a speculative basis;
- (H) as an investor, is knowledgeable and experienced in making investments, including in debt instruments having Variable or unpredictable returns or no returns and also investments similar to the Subordinated Bonds in the nature of Debt Instrument;
- (I) in investing in the Subordinated Bonds in the nature of Debt Instrument:
- has obtained such independent and appropriate financial, tax, accounting and legal advice as required and/or deemed necessary, to enable the Debenture Holder to independently evaluate, assess and understand the appropriateness, merits and risks associated with investing in the Subordinated Bonds in the nature of Debt Instrument, and also as to the Debenture Holders' legal competency and ability (including under applicable laws and regulations), to invest in the Subordinated Bonds in the nature of Debt Instrument;
 - has not, and does not claim to have, received, and has not relied on any advice or statements made or rendered by the Company, or any of its affiliates, Holding Company, or any person acting on its behalf, with respect to the Subordinated Bonds in the nature of Debt Instrument, including as to the nature of returns, the probability of any returns or any erosion in the value of the Subordinated Bonds in the nature of Non Convertible Debentures over their life, or on maturity, redemption, sale or disposal, and none of such entities or persons have made any representations to the Debenture Holder, express or implied, with respect to any of the above;
 - has assumed, on the Debenture Holders' own account, all risk of loss that may occur or be suffered including as to the returns on and/or the sale value of the Subordinated Bonds in the nature of Non Convertible Debentures and shall not look directly or indirectly to the Company (or to any person acting on its behalf) to indemnify or otherwise hold the Debenture Holder harmless in respect of any such loss and/or damage and confirms that the Debenture Holder is aware that, as returns on the Subordinated Bonds in the nature of Non Convertible Debentures are primarily linked to the Nifty 50 and even otherwise, the Debenture Holder may receive negligible returns or not receive any returns at all over the life and/or part thereof, of the Subordinated Bonds in the nature of Debt Instrument or upon maturity.
- (J) has understood that, at any time during the life of the Subordinated Bonds in the nature of Debt Instrument, the value of the Subordinated Bonds in the nature of Debt Instrument may be substantially less than its redemption value;
- (K) undertakes that, if the Debenture Holder sells the Subordinated Bonds in the nature of Debt Instrument to subsequent investors, the Debenture Holder shall ensure, and it is the Debenture Holder's obligation in that regard, that
- the subsequent investors receive the terms and conditions, risks and representations contained in the Disclosure Document and any other related document and fully understand the Subordinated Bonds in the nature of Debt Instrument;
 - Sale to subsequent investors will be subject to such investors having confirmed the receipt of all of (i) above;
 - The sale and transfer of the Subordinated Bonds in the nature of Debt Instrument shall be effected only in the manner stipulated;
- (L) has the legal ability to invest in the Subordinated Bonds in the nature of Debt Instrument, and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder, or its assets;
- (M) Where the Debenture Holder is a partnership firm
- Its investing in the Subordinated Bonds in the nature of Debt Instrument on its terms is within the scope of its investment policy and is not in conflict with the provisions of the partnership deed currently in force;
 - The investment in Subordinated Bonds in the nature of Non Convertible Debentures is being made by and on behalf of the partners (and binds all the partners jointly and severally), and that the partnership is in force and existing, and the investment has been ratified by all of the partners, jointly and severally;
 - the investment in Subordinated Bonds in the nature of Non Convertible Debentures has been duly authorised by all the partners, and does not contravene any provisions of the partnership deed, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the partnership or its assets or any of the partners or their respective assets;
 - for any minor as may have been admitted to the benefits of the partnership, the legal guardian of the minor has confirmed that the above applies equally to the minor as if the minor were a partner; and
 - For any Hindu Undivided Family ("HUF") that may be partner, the Karta declares that the above equally binds each of the coparceners and beneficiaries of the HUF; and
- (N) Where the Debenture Holder is a company, also confirms that:
- notwithstanding the variable nature of the return on the Subordinated Bonds in the nature of Non Convertible Debentures, the Debenture Holder is not precluded under any law, rules, regulations and/ or circular/s issued by any statutory authority/ies including under the Companies Act, 2013, from investing in the Subordinated Bonds in the nature of Debt Instrument;
 - All necessary corporate or other necessary action has been taken to authorize, and that the Debenture Holder has corporate ability and authority, to invest in the Subordinated Bonds in the nature of Debt Instrument; and
 - investment in the Subordinated Bonds in the nature of Non Convertible Debentures does not contravene any provisions of the memorandum and the articles of association, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder or the Debenture Holder's assets.
- (O) Where there is an intermediary who sells the Subordinated Bonds in the nature of Debt Instrument ("Intermediary"), it also confirms



that:

- i. it is registered with SEBI;
- ii. it is fully in compliance with the laws and regulations applicable to it including the SEBI Circular dated CIR/IMD/DF/17/2011 dated September 28, 2011 ("Structured Products Guidelines"), the Prevention of Money Laundering Act, 2002 ("PML Act"), the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 ("PML Rules"), the requirements of Circular dated 20th March 2006 "Guidelines on anti-Money Laundering Standards" of the SEBI ("ML Guidelines") together with the PML Act and the PML Rules, the "ML Laws Rules"), all applicable know-your-client norms ("KYC Guidelines") and all applicable rules, regulation and guidelines issued by any relevant regulator;
- iii. The Intermediary is appropriately selling the Subordinated Bonds in the nature of Debt Instrument to its clients /the investor(s) and such sale of the Subordinated Bonds in the nature of Debt Instrument is within the scope of its authority and accordingly binds each of the clients/ investor(s). The Intermediary has independently satisfied itself;
 - (a) As to the suitability and appropriateness of the investment in the Subordinated Bonds in the nature of Debt Instrument as regards each of the clients / investor(s);
 - (b) as to the capacity and authority of each of the clients / investor(s) to invest in such Subordinated Bonds in the nature of Non Convertible Debentures including obtaining of any licenses, authorizations, permissions, sanctions, consents or approvals; and
 - (c) That such sale of the Subordinated Bonds in the nature of Debt Instrument will not contravene any applicable law.
- iv. Should there be any dispute by the clients / investor(s) or any of them as regards the investment in the Subordinated Bonds in the nature of Debt Instrument including but not limited to the scope of its authority with regard to such investment, the Intermediary shall be deemed to be the principal and any loss or liability arising out of the investment in the Subordinated Bonds in the nature of Debt Instrument shall be to Intermediary's own account and/or dealt with entirely by the Intermediary with each of the Clients / investor(s), with no reference to the Issuer;
- v. the Intermediary has conducted suitability and appropriateness checks on each of its clients / the investor(s) pursuant to the Structured Products Guidelines, and the Intermediary has fully advised each of its Clients / the investor(s) of the risks relating to investment in the Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures and the rights of such Clients / investor(s) against the Intermediary as its principal and accepts responsibility for such advice;
- vi. the Intermediary has strictly complied with all applicable AML Laws & Rules and KYC Guidelines in relation to each of the Clients / investor(s);
- vii. the Intermediary consents to the disclosure or provision by the Issuer to any governmental or regulatory authority, or under any requirement of law, any information regarding the Client / investor (to the extent made available to the Issuer by the Intermediary) and the investment in the Debenture, as required of the Issuer under applicable regulations and/or as requested by any governmental or regulatory authority or under a provision of law;
- viii. the Intermediary has ensured that the Client / investor has understood the risks involved in investment in the Subordinated Bonds in the nature of Debt Instrument/ Non Convertible Debentures and is capable of taking the risks posed by the Subordinated Bonds in the nature of Debt Instrument and has satisfied itself that the Subordinated Bonds in the nature of Debt Instrument are suitable to the risk profile of the Client / investor and on request of the Issuer, the Intermediary shall produce documentary evidence to substantiate the same;
- ix. the Intermediary shall provide its Clients / the investor(s) with a copy of the Disclosure Document;
- x. the Intermediary shall guide the Clients / investor(s) as to where the valuations (of the Subordinated Bonds in the nature of Debt Instrument) will be available;
- xi. the Intermediary shall guide the Clients / investor(s) as to the applicable exit loads/exit options/liquidity support, (if any) etc. being provided by the Issuer or through the secondary market.
- xii. the Intermediary further agrees to provide to the Issuer such additional information that the Issuer deems necessary or appropriate in order for the Issuer to comply with any such regulations and/or requests or requirements
- xiii. the Intermediary also further agrees (including on the basis of any request made by the Issuer in this regard), to provide, to any governmental or regulatory authority any information regarding any or all of the Clients / investor(s), the investment in the Debenture as required under regulations and/or as requested by any governmental or regulatory or other authority;
- xiv. the Intermediary further agrees that it is appropriately selling these Subordinated Bonds in the nature of Debt instrument/ Non Convertible Debentures to its Clients / the investor(s) and that the activities of the Intermediary has not violated and will not violate applicable laws. The Intermediary confirms and undertakes that it has not and will not use the name of the Issuer or any of its group entities or any of the words in any of its advertisement or any marketing material and the Intermediary has not acted and shall not act in a manner that would render this Issue of Subordinated Bonds in the nature of Debt instrument/ Non Convertible Debentures, an offer to the public; and
- xv. The Intermediary shall be responsible and liable to the Issuer for any penalties, losses etc. occasioned to the Issuer, its directors or employees, as a result of default or breach by the Intermediary of the confirmations /declarations contained hereinabove.



DISCLAIMERS

This Disclosure Document in relation to the Subordinated Bonds in the nature of Debt instrument/ Non Convertible Debentures is made available by the Company to the applicant on the further strict understanding that:

- (i) The applicant is a "Person Resident in India" as defined under the Foreign Exchange Management Act, 1999,
- (ii) In providing this Disclosure Document to the applicant, there will be no violation of rules, regulations and byelaws issued by any applicable authority including those issued by the SEBI;
- (iii) The applicant has sufficient knowledge, experience, and professional advice to make his own evaluation of the merits and risks of a transaction of the type under this Disclosure Document; and
- (iv) The applicant is not relying on the Issuer nor on any of the affiliates of the Company or the Holding Company for information, advice or recommendations of any sort except for the accuracy of specific factual information about the possible terms of the transaction.

The Company is not acting as the advisor or agent of the applicant. This Disclosure Document does not purport to identify for the applicant, the risks (direct or indirect) or other material considerations, which may be associated with the applicant entering into the proposed transaction. Prior to entering into any proposed transaction, the applicant should independently determine, without reliance upon the Company or the affiliates of the Company, or the Holding Company, the economic risks and merits, as well as the legal, tax, and accounting characterizations and consequences of the transaction and including that the applicant is able to assume these risks. The Company, and/or the affiliates of the Company or its Holding Company, may act as principal or agent in similar transactions and/or in transactions with respect to instruments underlying a proposed transaction. The Company, and/or the affiliates of the Company and / or the Holding Company may, from time to time, have a long or short proprietary position/s and/or actively trade, by making markets to its clients, in financial products identical to or economically related to those financial products described in this Disclosure Document. The Company may also undertake hedging transactions related to the initiation or termination of a transaction, that may adversely affect the market price, rate, index or other market factors(s) underlying the financial product and consequently its value. The Company may have a commercial relationship with and access to information of reference securities, financial products, or other interests underlying a transaction.

This Disclosure Document and its contents are the Company's property, and are to be considered proprietary information and may not be reproduced or otherwise disseminated in whole or in part without the Issuer's written consent unless required to by judicial or administrative proceeding, and then with prior notice to the Company.

Applicants must understand that as the Subordinated Bonds in the nature of Debt Instrument would not be listed, in view of the nature and complexity of the Subordinated Bonds in the nature of Debt Instrument, liquidity of the Subordinated Bonds in the nature of Debt Instrument may be impacted in a manner that cannot be determined.

Past performance is not indicative of future performance. Investment in the Subordinated Bonds in the nature of Debt Instrument may be subject to the risk of loss, meaning the Debenture Holder may lose some or all of its investment especially where changes in the value of the transaction may be accentuated by leverage. Further, as the Subordinated Bonds in the nature of Debt Instrument are not principal protected, there is a risk investors may lose all or part of their investment in these Subordinated Bonds in the nature of Debt instrument/ Non Convertible Debentures.

No liability whatsoever is accepted for any loss arising (whether direct or consequential) from any use of the information contained in this Disclosure Document. The Company undertakes no obligation to affect any updates on information. Any opinions attributed to the Company, and/or the affiliates of the Company and / or the Holding Company constitute the Company's judgment as of the date of the material and are subject to change without notice. Provision of information may cease at any time without reason or notice being given.

The past performance of the Company in any product/scheme/instrument etc. is not indicative of the future performance in the same product/scheme/instrument etc or in any other product/scheme/instrument etc either existing or that may be offered. There is no assurance that past performances indicated in earlier product/scheme/instrument etc will be repeated. Applicants are not being offered any guaranteed or indicative returns through these Subordinated Bonds in the nature of Debt instrument/ Non Convertible Debentures. Applicants must understand that while [Fixing dates] are specified, with the change in any regulations by the SEBI or any other regulatory body these dates can be reformed at the discretion of the Issuer and shall be final and binding on the holders of those Subordinated Bonds in the nature of Debt instrument/ Non Convertible Debentures.



NOTE

This Disclosure Document is not intended for distribution and it is meant solely for the consideration of the person to whom it is addressed and should not be reproduced by the recipient. The Subordinated Bonds in the nature of Non Convertible Debentures mentioned herein are being issued on a private placement basis and this offer does not constitute nor should it be considered a public offer/invitation. Nothing in this Disclosure Document shall constitute and/or deem to constitute an offer or an invitation to an offer to the Indian public or any section thereof to subscribe for or otherwise acquire the Subordinated Bonds in the nature of Debt Instrument. This Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by the Company and have been marked against the serial number provided herein and only such recipients are eligible to apply for the Subordinated Bonds in the nature of Non Convertible Debentures. Furthermore, NRIs, OCBs, FII's and other person's resident outside India are not eligible to apply for or hold the Subordinated Bonds in the nature of Debt Instrument. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The Company or any other parties whose names appear herein, shall not be liable for any statements made herein or any event or circumstance arising there from. A copy of this Disclosure Document has not been filed or submitted to the SEBI for its review and/or approval. Potential investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.

DISCLAIMER BY IISL

The Product(s) are not sponsored, endorsed, sold or promoted by India Index Services & Products Limited ("IISL"). IISL does not make any representation or warranty, express or implied, to the owners of the Product(s) or any member of the public regarding the advisability of investing in securities generally or in the Product(s) particularly or the ability of the Nifty 50 Index of track general stock market performance in India. The relationship of IISL to the Issuer is only in respect of the licensing of certain trademarks and trade names of its Index which is determined, composed and calculated by IISL without regard to the Issuer or the Product(s). IISL does not have any obligation to take the needs of the Issuer or the owners of the Product(s) into consideration in determining, composing or calculating the Nifty 50 Index. IISL is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Product(s) to be issued or in the determination or calculation of the equation by which the Product(s) is to be converted into cash. IISL has no obligation or liability in connection with the administration, marketing or trading of the Product(s).

IISL do not guarantee the accuracy and/or the completeness of the Nifty 50 Index or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. IISL does not make any warranty, express or implied, as to results to be obtained by the Issuer, owners of the product(s), or any other person or entity from the use of the Nifty 50 Index or any data included therein. IISL makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the index or any data included therein. Without limiting any of the foregoing, IISL expressly disclaim any and all liability for any damages or losses arising out of or related to the Products, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

An investor, by subscribing or purchasing an interest in the Product(s), will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.



Product Code – ARG19SUBNCD01

Offer Document Serial No:

Addressed to:

PAN:

12. DETAILED TERM SHEET TO ISSUE

12.1. COMMON TERMS OF ISSUE

Issuer Name	Anand Rathi Global Finance Ltd
Instrument	Unrated Unlisted Unsecured Redeemable Subordinated Bond in the nature of Debt Instrument/Non-Convertible Debenture
Product Code	ARG19SUBNCD01
Mode of Issue	Private placement
Underlying/Reference Index	NIFTY 50 Index
End use	The Issuer proposes to augment its resources to meet its requirements of funds to carry on its normal business operations. The proceeds of the issue of Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures would be utilized for General Corporate purpose, Business Operation and Investment
Face Value	Rs. 100,000/-
Eligible Investors	As permitted under applicable law
Issue Size	Rs.14,00,00,000/- (Rupees Fourteen Crores Only) with right to retain over subscription, on Private Placement basis subject to necessary approvals/certifications. The amount of Over Subscription to be retained and basis of allotment shall be decided by the Board.
Issue Price	At Par
Minimum Application Size	Rs. 100,00,000/- (Rs One Crore only) and in multiples of Rs. 1,00,000/- (Rs One Lakh only) thereafter.
Issue Opening Date	07 th August 2018
Issue Closing Date	10 th August 2018 The Issue Closing Date may be deferred, at the sole discretion of the Issuer, to a date falling not later than 07 (seven) working days from the date mentioned herein. The change in Issue Closing Date shall be communicated to the investors in the Letter of Allotment.
Pay-in-Date	13 th August 2018 The Pay-in-Date may be deferred, at the sole discretion of the Issuer, to a date falling not later than 07 (seven) working days from the date mentioned herein. The change in Pay-in-Date shall be communicated to the investors in the Letter of Allotment.
Deemed Date of Allotment	13 th August 2018 The Deemed Date of Allotment may be deferred, at the sole discretion of the Issuer, to a date falling not later than 07 (seven) working days from the date mentioned herein. The change in Deemed Date of Allotment shall be communicated to the investors in the Letter of Allotment.
Coupon Payout	Coupon, if any (applicable), will be paid on the Face Value of the Debentures and will be paid on the Redemption Date only
Redemption Value	Face Value * (1 + Coupon)
Record Date	The record date should be 7 working days prior to the redemption date
Issuance	DEMATERIALIZED form
Call Option	None
Put Option	None
Depository	NSDL and CDSL
Trustee	Axis Trustee Services Limited
Settlement	Cheque / pay order will be dispatched by courier or registered post at the address provided in the Application Form / at the address as subsequently notified to the Issuer in writing by Debenture-holder(s) or at the address on the Depository's record. Where applicable, settlement will be effected by account to account transfer vide Reserve Bank of India's Real Time Gross Settlement System.
Business Day Convention	If any of the date(s), including Redemption Date or the Record Date, as defined in the disclosure document fall on a Sunday or a public holiday, the next working day shall be considered as the effective date.
Placement Charges	Upto 3.00% of the Face Value to be collected on behalf of the Distributor from the client

Company reserves the right to change the issue closing date and in such an event, the Deemed date of allotment may also be revised by the Company at its sole and absolute discretion. In the event of any change in the above issue dates, the investors shall be intimated of the revised schedule by the Company.

ANAND RATHI



Product Code – ARG19SUBNCD01

Offer Document Serial No:

Addressed to:

PAN:

12.2 SPECIFIC TERMS OF ISSUE – SERIES TYPE I



Series Type	I	
Tenor In Days	1,870 Days from the Deemed Date of Allotment	
Minimum Application Size	100 (One hundred) Debentures bearing face value of Rs. 100,000/- each and in multiples of 1 Debenture(s) thereafter	
Minimum subscription Value	Minimum Subscription amount should be Rs. 1,00,00,000/- (Rupees One Crore)	
Principal Protection	Principal is not protected	
Initial Fixing Date	09-August-2018 The Initial Fixing Date may be deemed, at the sole discretion of the Issuer, to a date falling not more than 03 (three) working days prior or 03 (three) working days later than the Issue closing date mentioned above. The change in Initial Fixing Date shall be communicated to the investors in the Letter of Allotment.	
Initial Fixing Level	Official Closing Level of Nifty 50 Index as on initial fixing date rounded off to next 100	
Final Fixing Date	Expiry date of options as decided by NSE in the month of August-2023	
Final Fixing Level	Official Closing Level of NIFTY 50 Index as on the Final Fixing Date	
Contingent Coupon (CC)	77%	
Decay Multiple (DM)	3.0	
Nifty Performance (NP)	(Final Fixing Level/Initial Fixing Level)-1	
Coupon	If Final Fixing Level is at or above 72% of Initial Fixing Level	Contingent Coupon (CC)
	If Final Fixing Level is below 72% of Initial Fixing Level	$\text{Max}((\text{CC}+(\text{NP}+28\%)*\text{DM}),-100\%)$
Redemption Date	26-September-2023 The Redemption Date may be deferred, at the sole discretion of the Issuer, to a date falling not later than 07 (seven) working days from the date mentioned herein. The change in Redemption Date shall be communicated to the investors in the Letter of Allotment.	

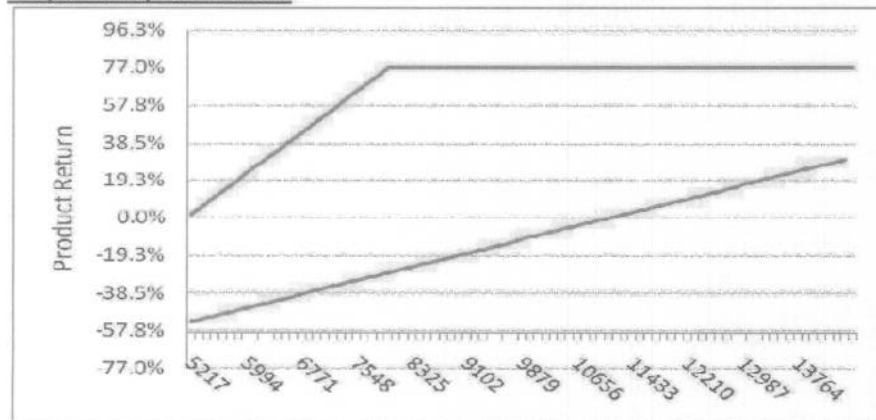


Scenario Analysis & Pay-off Chart

The scenario analysis set out below is an illustrative representation of the returns at maturity on the Non-Principal Protected Debentures in the following scenarios.

Tabular Representation:

Final Fixing Levels	Nifty Performance	Product Returns
19980	80.00%	77.00%
16650	50.00%	77.00%
13320	20.00%	77.00%
12210	10.00%	77.00%
11100	0.00%	77.00%
10545	-5.00%	77.00%
9990	-10.00%	77.00%
9435	-15.00%	77.00%
8880	-20.00%	77.00%
8325	-25.00%	77.00%
7992	-28.00%	77.00%
7881	-29.00%	74.00%
7770	-30.00%	71.00%
7215	-35.00%	56.00%
6660	-40.00%	41.00%
5550	-50.00%	11.00%
5217	-53.00%	2.00%
5106	-54.00%	-1.00%
4440	-60.00%	-19.00%
3330	-70.00%	-49.00%
2220	-80.00%	-79.00%

Graphical Representation:

* Note: (For the purpose of Tabular and Graphical Representation, Nifty 50 level assumed is 11,010.2 as on initial fixing date.) This scenario analysis is being provided for illustrative purposes only. It does not represent all possible outcomes.



Product Code – ARG19SUBNCD01

Offer Document Serial No:

Addressed to:

PAN:

12.3 SPECIFIC TERMS OF ISSUE – SERIES TYPE II



Series Type	II	
Tenor In Days	1,910 Days from the Deemed Date of Allotment	
Minimum Application Size	100 (One hundred) Debentures bearing face value of Rs. 100,000/- each and in multiples of 1 Debenture(s) thereafter	
Minimum subscription Value	Minimum Subscription amount should be Rs. 1,00,00,000/- (Rupees One Crore only)	
Principal Protection	Principal is not protected	
Initial Fixing Date	09-August-2018 The Initial Fixing Date may be deemed, at the sole discretion of the Issuer, to a date falling not more than 03 (three) working days prior or 03 (three) working days later than the Issue closing date mentioned above. The change in Initial Fixing Date shall be communicated to the investors in the Letter of Allotment.	
Initial Fixing Level	Official Closing Level of Nifty 50 Index as on initial fixing date rounded off to next 100 plus 200 points.	
Final Fixing Date	Expiry date of options as decided by NSE in the month of October-2023	
Final Fixing Level	Official Closing Level of NIFTY 50 Index as on the Final Fixing Date	
Contingent Coupon (CC)	100%	
Participation Rate (PR)	150%	
Digital Coupon(DC)	77.5%(At 116% of Initial Level)	
Decay Multiple (DM)	1.50	
Nifty Performance (NP)	(Final Fixing Level/Initial Fixing Level)-1	
Coupon	If Final Fixing Level is at or above 80% of Initial Fixing Level	$\text{MAX}(0\%, \text{MIN}(100\%, ((\text{C22} * 1.5) + \text{MAX}(0\%, (\text{C22} - 15\%) * 7750\%))))$
	If Final Fixing Level is below 80% of Initial Fixing Level	$\text{MAX}(-100\%, -30\% + (\text{NP} + 20\%) * \text{DM})$
Redemption Date	05-November-2023 The Redemption Date may be deferred, at the sole discretion of the Issuer, to a date falling not later than 07 (seven) working days from the date mentioned herein. The change in Redemption Date shall be communicated to the investors in the Letter of Allotment.	

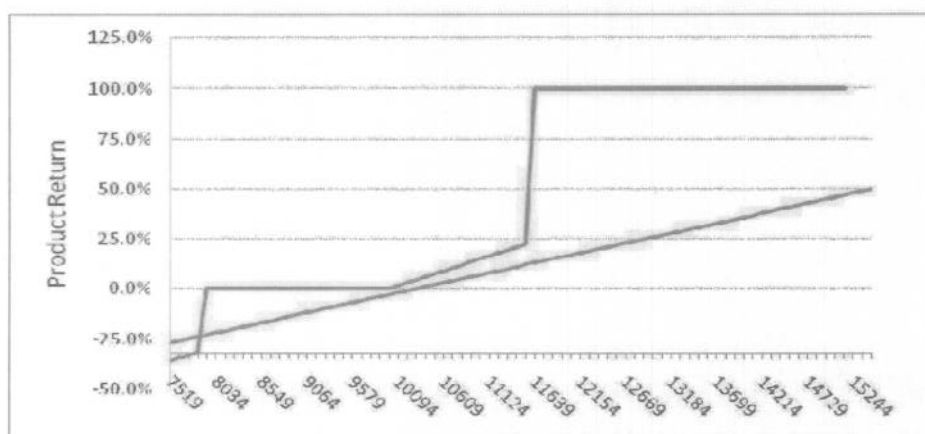


Scenario Analysis & Pay-off Chart-

The scenario analysis set out below is an illustrative representation of the returns at maturity on the Non Principal Protected Debentures in the following scenarios.

Tabular Representation:

Final Fixing Levels	Nifty Performance	Product Returns
13680	20.00%	100.00%
13224	16.00%	100.00%
13110	15.00%	22.50%
12996	14.00%	21.00%
12882	13.00%	19.50%
12654	11.00%	16.50%
12426	9.00%	13.50%
12198	7.00%	10.50%
11970	5.00%	7.50%
11742	3.00%	4.50%
11514	1.00%	1.50%
11400	0.00%	0.00%
11172	-2.00%	0.00%
10830	-5.00%	0.00%
10260	-10.00%	0.00%
9690	-15.00%	0.00%
9120	-20.00%	0.00%
9006	-21.00%	-31.50%
8550	-25.00%	-37.50%
7980	-30.00%	-45.00%

Graphical Representation:

* Note: (For the purpose of Tabular and Graphical Representation, Nifty 50 level assumed is 11167 as on initial fixing date.) This scenario analysis is being provided for illustrative purposes only. It does not represent all possible outcomes.



Product Code – ARG19SUBNCD01

Offer Document Serial No:

Addressed to:

PAN:

13. DECLARATION

ANANDRATHI

I am authorised by the Board of Directors of the Company vide resolution passed on 10th July, 2018 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made there under in respect of the subject matter of this form and matters incidental thereto have been complied with, whatever is stated in this form and in the attachment thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

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

For Anand Rathi Global Finance Ltd

Name: Abhishek Kothari

Designation: Authorised Signatories

Date: 07th August, 2018

Place: Mumbai

Attachments: -

Copy of Board Resolution

Copy of Shareholders Resolution

DECLARATION BY THE INVESTOR

I/We hereby confirm that I/we have reviewed, read and understood the terms and conditions contained in the Disclosure Document, and found the same acceptable for the investment.

I/We hereby confirm that we have been explained the nature of these Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures.

Further, I/We understand the nature of the risks inherent in an investment in these Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures.

#Sole/First Applicant

Second Holder

Third Holder

Signature

Name

#In case of corporate/HUF/partnership/trust, authorized signatories with stamp



Product Code – ARG19SUBNCD01

Offer Document Serial No:

Addressed to:

PAN:

ANAND RATHI

Annexure -1
APPLICATION FORM

Anand Rathi Global Finance Limited
4th Floor, Silver Metropolis, Jai Coach Compound,
Opposite Bimbisar Nagar, Goregaon (East),
Mumbai – 400063

Product Code: ARG19SUBNCD01
Serial No. :

Dear Sirs,

I/ We have read and understood the contents of the Disclosure Document dated 07th August, 2018 for the private placement of Unrated, Unlisted, Unsecured Redeemable Non-convertible Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures and apply for allotment of Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures to me/us. The amount payable on application as shown below is remitted herewith. On allotment, please place our name on the Register of Debenture Holders. We bind ourselves to the terms and conditions as contained in the Disclosure Document. We note that the Company is entitled in its absolute discretion, to accept or reject this application in whole, or in part, without assigning any reason whatsoever.

All capitalised terms used in this application form which are not defined shall have the meaning attributed to them in the Offer Document.

DETAILS OF DEBENTURE APPLIED FOR :

SERIES TYPE	No of Debenture Applied (in Figure)	No of Debenture Applied (in Words)
I		
II		
Total		

The application shall be for a minimum of 100 (One Hundred) Subordinated Bonds in the nature of Debt Instrument/Non Convertible Debentures and in multiples of 1(One) thereafter.

DETAILS OF PAYMENT:

Total Amount (Rs.) (in words)		
Placement Charges (Inclusive of Service Tax)		
Total Amount (Rs.) (in figures)		
Date of Cheque	Cheque/DD No.	Cheque/Demand Draft drawn on (Name of the Bank & Branch)

We are applying as (Tick whichever is applicable)

Individual	HUF	Body Corporate	Bank & Financial Institution	Mutual Fund	Venture Capital Fund	Insurance Company	Other



Product Code – ARG19SUBNCD01
Offer Document Serial No:
Addressed to:
PAN:

ANANDRATHI

Applicant Details: -

Name										
Father's Name										
Complete Address (Including Flat /House Number, Street, Locality, Landmark, Pin code)										
	City									
	State					Pin code				
Occupation										
PAN										
Email ID										
Mobile No.										
Land Line (with STD Code)										

REQUEST FOR UNLISTED UNRATED UNSECURED REDEEMABLE SUBORDINATED BONDS IN THE NATURE OF DEBT INSTRUMENT/ NON CONVERTIBLE DEBENTURES (NCDs) IN ELECTRONIC FORM

I/We, the undersigned, want delivery of Unlisted Unrated Unsecured Redeemable Subordinated Bonds in the nature of debt Instrument/Non Convertible Debentures of Anand Rathi Global Finance Limited, in Electronic Form. Details of my/our Beneficiary (Electronic) account are given below:

Depository (Pls. Tick any one)	<input type="checkbox"/> NSDL	<input type="checkbox"/> CDSL
Depository Participant Name		
DP – ID		
Name of DP Holder		

RESIDENTIAL STATUS: INDIAN () NON INDIAN ()

I/We understand that: (1) in case of allotment of NCDs to me/us, my/our Beneficiary Account as mentioned above would get credited to the extent of allotted NCDs; (2) Names of applicants in this application Should be identical and also in the same order with the Beneficiary Account details with the above mentioned DP (3) Applicants must ensure that the sequence of names as mentioned in the application form matches that of the Account held with the DP.

TO BE FILLED IN ONLY IF THE APPLICANT IS AN - INSTITUTION/COMPANY/BODY CORPORATE (INCLUDING SOCIETY)

	Names of the Authorised Signatories	Designation	Specimen Signature
1			
2			
3			

I/We have read and understand the terms and conditions of the issue of Subordinated Bonds in the nature of debt Instrument/Non Convertible Debentures. I/We bind ourselves to these terms and conditions and wish to apply for allotment of these Subordinated Bonds in the nature of debt Instrument/Non Convertible Debentures.

I/We confirm that I/we are not a non-resident Indian and /or an overseas corporate body. We request you to please place our name(s) on the Register of Debenture Holders.

I/We confirm that I/we are aware that the distributor (if any) has been or will be remunerated by the Company as per the arrangement with the Company for the distribution of the Subordinated Bonds in the nature of Debt Instrument.



I/We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Subordinated Bonds in the nature of Debt Instrument and shall not look directly or indirectly to the Issuer (or to any person acting on its or their behalf) to indemnify or otherwise hold us harmless in respect of any such loss and/or damage.

I / We confirm that we are aware that, as returns on the Subordinated Bonds in the nature of Debt Instrument are structured and linked to the Reference Index, we may receive negligible returns or not receive any returns at all till the date immediately succeeding the Final Valuation Date and as a result at any time during the life of the Subordinated Bonds in the nature of Debt Instrument till the Final Valuation Date the value of the Subordinated Bonds in the nature of debt Instrument/Non Convertible Debentures may be substantially less than its redemption value.

I / We understand that Anand Rathi Global Finance Limited may communicate to or intimate me / us only by e-mail or facsimile message and I / we undertake to accept the same as a valid communication or intimation as if such communication or intimation had been otherwise hand delivered or delivered by registered post or courier.

I / We undertake that upon sale or transfer to subsequent investor or transferee ("Transferee"), I / We shall convey all the terms and conditions contained herein (including the fact that these Subordinated Bonds in the nature of debt Instrument/Non Convertible Debentures cannot be sold to a Non-Resident Indian and/or an Overseas Corporate Body) to such Transferee. I / We undertake that we shall not sell or transfer the Subordinated Bonds in the nature of Debt Instrument to a Non-Resident Indian and/or an Overseas Corporate Body. In the event of any Transferee (including any intermediate or final holder of the Subordinated Bonds in the nature of Debt Instrument) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer (and all such persons acting on its or their behalf) and also hold the Issuer and each of such person harmless in respect of any claim by any Transferee.

By making this application, I/We acknowledge that I/We have understood the terms and conditions of the issue of Unlisted Unrated Unsecured Redeemable Subordinated Bonds in the Nature of debt Instrument/Non Convertible Debentures issued by Anand Rathi Global Finance Limited as disclosed in the Disclosure Document. **The Subordinated Bonds issued in the nature of debt Instrument/Non Convertible Debentures are different from fixed deposits. These are not covered by deposit insurance.**

Sole/First Applicant's

Second Applicant's

Third Applicant's

Signature

Signature

Signature



Product Code – ARG19SUBNCD01

Offer Document Serial No:

Addressed to:

PAN:

ANAND RATHI

ACKNOWLEDGEMENT SLIP
(To be filled in by Applicant)

Received from _____

Address _____

an application for _____ Debentures along with Cheque/Demand Draft No. _____ Dated _____

Drawn on _____ for Rs. _____ (Rupees _____ only)

on account of application of _____ Debentures of product code ARG19SUBNCD01.

(Note : Cheques/Drafts are subject to realization)

