

INFORMATION MEMORANDUM



Avendus Finance Private Limited

A Private Limited Company incorporated under the Companies Act, 1956

Date of Incorporation: May 15, 1996 ¹; CIN: U65921MH1996PTC251407

Registered Office: The IL&FS Financial Centre, 6th floor, C and D Quadrant, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra

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INFORMATION MEMORANDUM AND PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER ("INFORMATION MEMORANDUM") FOR A PRIVATE PLACEMENT BY AVENDUS FINANCE PRIVATE LIMITED ("COMPANY" OR "ISSUER") OF DEBENTURES WITH A FACE VALUE OF RS. 10,00,000 (INDIAN RUPEES TEN LAKH) EACH, IN THE NATURE OF RATED, SECURED, REDEEMABLE, PRINCIPAL PROTECTED, NON-COVERTIBLE MARKET LINKED DEBENTURES, AGGREGATING UP TO INR 10,00,00,000 (INDIAN RUPEES TEN CRORE) WITH A GREEN SHOE OPTION TO RETAIN OVERSUBSCRIPTION UPTO INR 15,00,00,000 (INDIAN RUPEES FIFTEEN CRORE) IN ALL FOR AN OVERALL AMOUNT AGGREGATING TO RS. 25,00,00,000 (INDIAN RUPEES TWENTY FIVE CRORE) (THE "ISSUE" AND SUCH DEBENTURES, THE "DEBENTURES").

THIS INFORMATION MEMORANDUM IS AS PER SCHEDULE I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED FROM TIME TO TIME ("SEBI DEBT LISTING REGULATIONS") AND THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED FROM TIME TO TIME

BACKGROUND: This Information Memorandum is related to the Debentures to be issued by the Issuer on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Information Memorandum has been authorized by the Issuer through resolutions passed by the shareholders of the Issuer on May 18, 2020 and resolutions of the Board of Directors of the Issuer dated April 9, 2020 read with the resolution of the non-convertible debenture allotment committee of the Board of Directors dated April 9, 2020, Circular Resolution of Committee dated May 20, 2020 and the memorandum of association and articles of association of the Issuer. The Issue in terms of this Information Memorandum is within the overall powers of the Board of Directors of the Issuer as per the aforementioned resolution(s).

GENERAL RISKS: Identified Investors should read the Section "Risk Factors" and consult their own legal, regulatory, tax, financial and/or accounting advisors about risks associated with an investment in such Debentures and the suitability of investing in such Debentures in the light of their circumstances. Investment in these Debentures involves a degree of risk and Identified Investors should not invest in this Issue unless they can afford to take the risks associated with such investments. Identified Investors are advised to read this Information Memorandum carefully before taking an investment decision in this Issue. For taking an investment decision, Identified Investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Debentures have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Information Memorandum. This Information Memorandum has not been submitted to or approved by SEBI.

ISSUER'S ABSOLUTE RESPONSIBILITY: The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that, to the best of its knowledge, this Information Memorandum contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue and as required under the Schedule I of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, Section 42 of the Companies Act, 2013 and the rules framed thereunder, that the information contained in this Information Memorandum is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

¹ The Issuer was formerly known as Pacific Hire-Purchase Private Limited. Pursuant to acquisition by Avendus Capital Private Limited, the Issuer's name was changed to Avendus Finance Private Limited with effect from September 18, 2014. (Please refer Section 4.4 hereof for details)

CREDIT RATING: The Debentures proposed to be issued by the Issuer have been rated by **CRISIL Limited** ("Rating Agency" or "CRISIL"). The Rating Agency has assigned a rating of "**CRISIL PP-MLD A+r/Stable**" (Outlook: Stable) (**Pronounced CRISIL PP-MxLD A plus r rating with Stable outlook**) in respect of the Debentures. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

The rating is not a recommendation to buy, sell or hold securities and Identified Investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the Rating Agency and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The Rating Agency has the right to suspend, withdraw the rating at any time on the basis of new information, etc. Please refer to **Annexure III** of this Information Memorandum for the letter from the Rating Agency assigning the aforementioned credit rating.

LISTING: The Debentures are proposed to be listed on the wholesale debt market of the BSE Limited ("BSE").

Registrar & Share Transfer Agent

Name: NSDL Database Management Limited
Address: 4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013
Tel: 022 49142591
Email: nileshb@nsdl.co.in
Contact Person: Mr Nilesh Bhandare

Debenture Trustee

Name: Vistra ITCL (India) Limited
Address: The IL&FS Financial Centre, Plot C-22, G Block, 7th Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 500051
Tel: 022 26593112
Email: jayesh.khaitan@vistra.com
Contact Person: Mr. Jayesh Khaitan

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

Act or Companies Act	Means Companies Act, 2013, and for any matters or affairs prior to the notification of the relevant provisions of the Companies Act, 2013, the Companies Act, 1956 and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time and shall include the rules made thereunder
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue.
Applicant	Means a person who has submitted a completed Application Form to the Issuer in relation to the Debentures in accordance with the Debt Disclosure Document.
Application Form	Means the application form used by the recipient of this Information Memorandum, to apply for subscription to the Debentures which is in the form annexed to this Information Memorandum and marked as Annexure V.
Application Money	Means the subscription amounts/money paid by the Applicants at the time of submitting the Application Form.
Applicable Law	Includes all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Assets	Means, for any date of determination, the assets of the Issuer on such date as the same would be determined in accordance with Indian GAAP.
Beneficial Owner(s)	Means the holder(s) of the Debentures in dematerialized form whose name(s) are recorded as such with the Depository in the Register of Beneficial Owners.
BSE	Means BSE Limited
Business Day	Means a day (a) that is not a Sunday or a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881, and (b) on which banks are normally open for business in Mumbai, India.
CDSL	Means Central Depository Services Limited
CIN	Corporate Identification Number
Committee	Means Non-Convertible Debenture Allotment Committee of the Board of Directors of the Company
Constitutional Documents	Means the memorandum of association, the articles of association, the certificate of incorporation (each as amended from time to time) and the certificate of registration issued by the Supervisory Authorities to the Issuer.
Control	Shall have the meaning as ascribed to it in the Companies Act, 2013 and the term " Controlled " will be construed accordingly.
Debentures/MLDs	Means the secured, rated, listed, redeemable, principal protected, non-convertible, market linked debentures, each having a face value of Rs. 10,00,000/- (Indian Rupees Ten Lakh only), and aggregating upto Rs. 25,00,00,000/- (Indian Rupees Twenty Five Crore only).
Debenture Holders/ Identified Investors	<p>Means the Applicants whose names and addresses are set out in the Application Form and who have agreed to subscribe to the Debentures, and for any subsequent Debenture Holders, each person that fulfils the following requirements:</p> <p>(a) persons who are registered as Beneficial Owners; and (b) persons who are registered as a debenture holder in the Register of Debenture Holders.</p> <p>Sub-paragraphs (a) and (b) shall be deemed to include transferees of the Debentures registered with the Issuer and the Depository from time to time, and in the event of any inconsistency between sub-paragraph (a) and (b) above, sub-paragraph (a) shall prevail.</p>
Debenture Trustee	Means Vistra ITCL (India) Limited or such other debenture trustee as may be appointed by the Issuer from time to time.
Debenture Trustee Agreement	Means the debenture trustee agreement executed/to be executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the

	Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trust Deed/ DTD	Means the debenture trust deed executed/to be executed by and between the Debenture Trustee and the Issuer which will set out the terms upon which the Debentures are being issued, security is being created and shall include the representations and warranties and the covenants to be provided by the Issuer.
Debenture Trustees Regulations	Means the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993 (as amended or restated from time to time).
Deed of Hypothecation	Means the unattested deed of hypothecation entered into/to be entered into between the Issuer and the Debenture Trustee, pursuant to which hypothecation over the Hypothecated Assets shall be created by the Issuer in favour of the Debenture Trustee (acting for and on behalf of the Debenture Holder(s)).
Deemed Date of Allotment	Means the date on which the Debentures are deemed to be allotted, being May 22, 2020
Debt Disclosure Document	Means this Information Memorandum.
Acceleration Premium	Means 11.60% (eleven decimal six percent) per annum compounded annually.
Depository	Means the depository with whom the Issuer has made arrangements for dematerializing the Debentures, being CDSL or NSDL.
Director(s)	Means the director(s) of the Issuer.
Distributor	Means Avendus Wealth Management Private Limited, a company incorporated under the Companies Act, having its registered office at IL&FS Financial Centre, 6th Floor, C&D Quadrant, Bandra Kurla Complex, Bandra East, Mumbai - 400051 and acting through its corporate office at IL&FS Financial Centre, 6th Floor, C&D Quadrant, Bandra Kurla Complex, Bandra East, Mumbai - 400051.
DP	Means the depository participant of the relevant entity.
DP ID	Means the Depository Participant Identification Number.
Due Date (s)	Means the Final Redemption Date, or any other date on which any premium, Acceleration Premium, additional interest or liquidated damages and/or any other amounts or charges payable, are due and payable
Eligible Investor/ The class or classes of persons to whom the allotment is proposed to be made;	Has the meaning given to it in Section 6.14.
Events of Default	Means the events set out in Section 4.80 of this Information Memorandum.
Final Fixing Date	Means June 15,2022
Final Fixing Level	Means the official closing level of the Reference Index on the Final Fixing Date.
Final Redemption Date	Means September 15,2022.
Financial Year	Means each period of 12 (twelve) months commencing on April 1 of any calendar year and ending on March 31 of the subsequent calendar year.
Financial Indebtedness	<p>Means in relation to an entity any indebtedness without double counting for or in respect of:</p> <ul style="list-style-type: none"> a) any moneys borrowed; b) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialized equivalent; c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, loan stock or any similar instrument; d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with Indian GAAP, be treated as a finance or capital lease; e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value if payable by a borrower under each such transaction shall be taken into account); h) shares which are expressed to be redeemable or shares which are the

	subject of a put option or any form of guarantee; i) any obligation under any put option in respect of any securities; j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; k) any corporate/personal guarantee, a letter of comfort or any other similar contractual comfort issued or incurred in respect of a liability incurred by any other third person; and l) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above.
Final Settlement Date(s)	Means the date on which all Secured Obligations of the Issuer have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Secured Parties.
Governmental Authority	Means any: (a) government (central, state or otherwise) or sovereign state; (b) any governmental agency, semi-governmental or judicial or quasi-judicial or regulatory or supervisory or administrative entity, department or authority, court or tribunal or any political subdivision thereof; or (c) international organization, agency or authority, including, without limitation, any stock exchange or any self-regulatory organisation, established under any Applicable Law.
Hypothecated Assets	Means the book debts/loan receivables over which charge is created pursuant to the Deed of Hypothecation.
IBC	Means the (Indian) Insolvency and Bankruptcy Code, 2016, read together with any rules and regulations made thereunder, each as may amended/modified and in force from time to time.
Indian GAAP	Means the generally accepted accounting principles as prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Issuer, including IND-AS.
Indian Accounting Standard / IND-AS	Means the accounting standard adopted by companies in India and issued under the supervision of Accounting Standards Board.
Information Memorandum	Means this information memorandum which sets out the information regarding the Debentures being issued on a private placement basis.
INR / Rs.	Means Indian Rupees.
Interest Expense	Means all interest payable by the Issuer on all borrowings of the Issuer and all financial assistance availed by the Issuer from any bank, financial institution or any other person
Initial Fixing Date	Means May 15, 2020
Initial Fixing Level	Means the official closing level of the Reference Index on the Initial Fixing Date.
Issue	Means the issue of Debentures in dematerialized form on a private placement basis to certain Identified Investors.
Issuer/Company	Means Avendus Finance Private Limited, a company incorporated under the Companies Act, 1956 having its registered office at The IL&FS Financial Centre, 6th floor, C and D Quadrant, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra.
Liability	Means, for any date of determination, the liabilities of the Issuer on such date as the same would be determined in accordance with the Indian GAAP at such date.
Listing Period	Has the meaning given to it in Annexure I of Section 8 of this Information Memorandum.
LODR Regulations	Means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may amended/modified and in force from time to time.
Majority Debenture Holders	Means such number of Debenture Holders that collectively hold more than 51% (Fifty One percent) of the value of the Outstanding Principal Amounts of the Debentures
Majority Resolution	Means a resolution approved by such number of Debenture Holders that represent more than 51% (Fifty One percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting or if a poll is demanded, by such number of Debenture Holders that represent more than 51% (Fifty One percent) of the value of the Outstanding

	Principal Amounts of the Debentures held by the Debenture Holders who are present and voting in such poll.
Material Adverse Effect	<p>Means, the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could be expected to cause a material and adverse effect:</p> <p>(a) on the financial condition, business or operations of the Issuer, environmental, social or otherwise or prospects of the Issuer;</p> <p>(b) on the ability of the Issuer to perform its obligations under the Transaction Documents or in respect of the Secured Obligations; or</p> <p>(c) on the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).</p>
MLD Guidelines	Means the Guidelines for Issue and Listing of Structured Products/Market Linked Debentures issued by SEBI on September 28, 2011, as may be amended/modified and in force from time to time.
NBFC	Means a non-banking financial company registered with the RBI.
NBFC Master Directions	Means the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 and/or the Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 (each as amended, modified or restated from time to time) as may be applicable.
Net Worth	Has the meaning given to it in the 2013 Act.
N.A.	Not Applicable.
Non-Performing Assets/NPA	Means the aggregate of all loans and other credit facilities provided by the Issuer and debentures subscribed to by the Issuer, where one or more repayment instalments are overdue as per the threshold limits prescribed by the RBI from time to time. For the purpose of IND AS accounting norms, "NPA" means the total of "Stage 3 assets", as defined from time to time
NSDL	Means the National Securities Depository Limited
Outstanding Principal Amounts	Means, at any date, the principal amounts outstanding under the Debentures.
Outstanding Amounts	Means, at any date, the Outstanding Principal Amounts together with any Redemption Premium, Acceleration Premium, additional interests, costs, fees, charges, and other amounts payable by the Issuer in respect of the Debentures.
Payment Default	Shall mean any event, act or condition which, with notice or lapse of time, or both, would constitute an Event of Default under Section 4.80(a) of this Information Memorandum.
Purpose	Has the meaning given to it in Section 4.53 and Annexure I of Section 8 of this Information Memorandum.
Quarterly Date	Means each of March 31, June 30, September 30, and December 31, and "Quarterly Dates" shall be construed accordingly.
Rating	Means CRISIL PP-MLD A+r/Stable" (Outlook: Stable) (Pronounced CRISIL PP-MLD A plus r rating with Stable outlook)
Rating Agency	Means CRISIL Limited, having its registered office at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076.
Rating Downgrade	Means the rating of the Debentures is downgraded below the Rating (or its equivalent rating).
RBI	Means the Reserve Bank of India.
RBI Act	Means the Reserve Bank of India Act, 1934.
Record Date	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date (s), which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date (s).
Redemption Payment	<p>Means, in respect of any Debenture if no Event of Default has occurred, the amount payable on such Debenture, determined as follows:</p> <p>(a) [RP = FV], if the Final Fixing Level is less than 25% (twenty five percent) of the Initial Fixing Level; and</p>

	<p>(b) [RP = FV + (Y divided by 100 and multiplied by FV)], if the Final Fixing Level is equal to or is greater than 25% (twenty five percent) of the Initial Fixing Level; and</p> <p>where:</p> <p>(i) "RP" is the Redemption Payment;</p> <p>(ii) "FV" is the face value of such Debenture; and</p> <p>(iii) "Y" is the Redemption Premium Rate.</p>
Redemption Premium	Means, collectively, for all the Debentures, the difference between the Redemption Payment (for all the Debentures) and the aggregate face value of all the Debentures.
Redemption Premium Rate	Means:
	<p>(a) 0% (zero percent), if the Final Fixing Level is less than 25% (twenty five percent) of the Initial Fixing Level; and</p> <p>(b) 29.2381% (Twenty-Nine decimal two three eight one percent), if the Final Fixing Level is equal to or is greater than 25% (twenty five percent) of the Initial Fixing Level.</p>
Reference Index	Means the NIFTY 50 Index, as available at https://nseindia.com/live_market/dynaContent/live_watch/equities_stock_watch.htm .
R&T Agent / Registrar	Means the registrar and transfer agent to the Issue, being NSDL Database Management Limited.
Register of Beneficial Owners	Means the register of beneficial owners of the Debentures maintained in the records of the Depository, as the case may be.
Register of Debenture Holders	Means the register maintained by the Issuer in accordance with Section 88 of the 2013 Act.
Risk Weighted Assets	Shall be calculated as per the methodology prescribed in the NBFC Master Directions.
ROC	Means the jurisdictional Registrar of Companies
Secured Obligations	Means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Issuer to the Secured Parties under the Transaction Documents, including without limitation, the making of the Redemption Payment, the payment of the Redemption Premium, Acceleration Premium, default interest, additional interest, liquidated damages and all costs, charges, expenses and other amounts payable by the Issuer in respect of the Debentures.
SEBI	Means the Securities and Exchange Board of India
SEBI Debt Listing Regulations	Means the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 issued by SEBI, as amended from time to time.
Secured Parties	Means collectively, the Debenture Holders and the Debenture Trustee, and "Secured Party" shall be construed accordingly.
Security	Means a first ranking <i>pari passu</i> and continuing charge to be created pursuant to the Deed of Hypothecation over the Hypothecated Assets and such additional security interest as may be agreed between the Issuer and the Debenture Holders.
Super Majority Debenture Holders	Means such number of Debenture Holders collectively holding more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures.
Super Majority Resolution	Means resolution approved by such number of Debenture Holders that represent more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting or if a poll is demanded, by such number of Debenture Holders that represent more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting in such poll.
Supervisory Authorities	Means the RBI and, to the extent applicable, the SEBI.
Tax	Means any present or future tax, levy, duty, charge, fees, deductions, withholdings, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter imposed by Law by any

	Governmental Authority and as maybe applicable in relation to the payment obligations of the Issuer under this Issue
Tax Deduction or TDS	Means a deduction or withholding for or on account of Tax from a payment under a Transaction Document pursuant to Applicable Law.
Tier I Capital	Shall have the meaning given to it in the NBFC Master Directions.
Tier II Capital	Shall have the meaning given to it in the NBFC Master Directions.
Terms & Conditions	Shall mean the terms and conditions pertaining to the Issue as set out in the Transaction Documents
Total Assets	Means, for any date of determination, the total Assets of the Issuer on such date.
Transaction Documents	Shall mean the documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out in Section 4.75 of this Information Memorandum.
Valuation Agent	Means CARE Ratings Limited.
WDM	Means the Wholesale Debt Market segment of the BSE.
Any reference to the terms "we", "us" or "our"	Unless the context otherwise requires, means the Company/Issuer.

SECTION 2: NOTICE TO IDENTIFIED INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The proposed issue of the Debentures is to be listed on the WDM segment of the BSE. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Information Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum to be filed or submitted to the SEBI for its review and/or approval.

This Information Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and the applicable RBI regulations governing private placements of Debentures by NBFCs. This Information Memorandum has been prepared solely to provide all material information about the Issuer to Eligible Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any Identified Investor may require. Further, this Information Memorandum has been prepared for informational purposes relating to the Issue only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each Eligible Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Eligible 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 Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any), to the best of its knowledge, contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer 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 Issuer. The Issuer certifies that the disclosures made in this Information Memorandum are in conformity with the SEBI Debt Listing Regulations. Further, the Issuer accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at its own risk.

This Information Memorandum and the respective contents hereof respectively, are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Eligible Investors are required to comply with the relevant regulations / guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum are intended to be used only by those Identified Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom the Application Forms along with this Information Memorandum have been sent. Any application by a person to whom the Information Memorandum has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents hereof without the prior written consent of the Issuer. The recipient agrees to keep confidential all information provided (or

made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to the Issuer or other parties in connection with the Issue. This Information Memorandum may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Information Memorandum) without retaining any copies hereof. If any recipient of this Information Memorandum decides not to participate in the Issue, that recipient must promptly return this Information Memorandum and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Information Memorandum to reflect subsequent events after the date of Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Information Memorandum nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Information Memorandum 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 Debentures or the distribution of this Information Memorandum in any jurisdiction where such action is required. The persons into whose possession this Information Memorandum comes are required to inform them of, and to observe, any such restrictions. The Information Memorandum is made available to Identified Investors on the strict understanding that it is confidential.

The Issuer may be subject to certain conflicts of interest relating to its directors, officers, managers, members, employees, representatives and affiliates.

The affiliates of the Issuer may provide a wide range of services to the Eligible Investors, including (i) investment advisory; (ii) asset management and (iii) wealth management services.

Below is an indicative list of some conflicts of interest that the Issuer may be subjected to:

- (i) An affiliate of the Issuer (namely Avendus Capital Private Limited) may be engaged in:
 - (a) business of advising portfolio companies of the Issuer, such advice resulting in adverse effect for the portfolio companies, in turn resulting in deterioration of credit of the Issuer;
 - (b) business of procuring lending for its clients from the Issuer on account of existing relationship and such lending turning into non-standard/sub-standard assets on the books of the Issuer;
 - (c) making investment in equity or any kind of structures in the portfolio companies of the Issuer and changing such investment on account of internal policies or credit call and such changes, in turn, adversely affecting the credits of the Issuer;
 - (d) providing loans or providing security/guarantee to secure loans availed by the Issuer and revoking such security/guarantees on account of internal policies or credit call and such revocation causing deterioration of credit of the Issuer.
- (ii) An affiliate of the Issuer (namely Avendus Wealth Management Private Limited) may be engaged in:
 - (a) the business of advising / providing advisory services to the Eligible Investors to subscribe to the Issue without being responsible for the credits of the Issuer;
 - (b) receiving fees on account of provision of advisory services to the Eligible Investors for subscription to the Issuer in its capacity as the sole distributor;
 - (c) providing loans to the Eligible Investors against the security of the Debentures, which may be enforced in a case of event of default under the loan documents by and between Avendus Wealth Management Private Limited and such Investor and such revocation resulting in adverse implications for the Issuer.

- (iii) Affiliates of the Issuer (namely Avendus Capital Markets Alternate Strategies LLP, Avezo Advisors Private Limited, Ocean Dial Asset Management India Private Limited and Avendus Private Equity Investment Advisors Private Limited) may be engaged in:
 - (a) making investment in equity or any kind of structures in the portfolio companies of the Issuer and changing such investment on account of internal policies or credit call and such changes, in turn, adversely affecting the credits of the Issuer;
 - (b) managing other accounts that directly or indirectly invest in the portfolio companies of the Issuer, any action in relation to which may result in deterioration of the credits of the Issuer.

For the purposes of this Section 2.1, the term "**affiliate**" means any company Controlled by the Issuer or any company under the common Control as the Issuer.

By subscribing to the Issue, the potential Identified Investor will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflicts of interest. There can be no assurance that the Issuer will be able to satisfactorily manage all such conflicts, and such conflicts may be resolved to the detriment of the Issuer.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

As required, a copy of this Information Memorandum has been filed with the BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Information Memorandum to the BSE should not in any way be deemed or construed to mean that this Information Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum, nor does the BSE warrant that the Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

2.3 DISCLAIMER CLAUSE OF SEBI

The issuer has Depository Participant license with the Central Depository Services Limited where it provides depository services to its clients. The SEBI Registration number is IN-DP-375-2018. The certificate of registration is valid from May 28, 2018.

Further as per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Information Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility for the financial soundness of any proposal for which the proceeds of the Debentures issued thereof are proposed to be utilized or for the correctness of the statements made or opinions expressed in this Information Memorandum.

2.4 DISCLAIMER CLAUSE OF RBI

The Issuer has obtained a certificate of registration dated October 30, 2014 bearing registration no. N-13.02080 issued by the RBI to carry on the activities of an NBFC under section 45 IA of the RBI Act. However, a copy of this Information Memorandum has not been filed with or submitted to the RBI. It is distinctly understood that this Information Memorandum should not in any way be deemed or construed to be approved or vetted by the RBI. The RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Issuer or for the correctness of any of the statements or representations made or opinions expressed by the Issuer and for discharge of liability by the Issuer. By issuing the aforesaid certificate of registration dated October 30, 2014 to the Issuer, the RBI neither accepts any responsibility nor guarantee for the payment of any amount due to any Eligible Investor in respect of the Debentures and the Eligible Investors may make investment decision with respect to subscribing to the Debentures solely on the basis of their own analysis and research.

2.5 DISCLAIMER CLAUSE OF THE DISTRIBUTOR

The Issuer hereby declares that it has exercised due-diligence to ensure complete compliance with prescribed disclosure norms in this Information Memorandum. The only role of the Distributor with respect to the Debentures is confined to distributing the Debentures based on this Information Memorandum as prepared by the Issuer. Without limiting the foregoing, the Distributor is not acting, and has not been engaged to act, as an underwriter, merchant banker or other intermediary with respect to the Debentures. The Issuer is solely responsible for the truth and completeness of all the information provided in this Information Memorandum. The Distributor is neither responsible for preparing, clearing, approving, scrutinizing or vetting this Information Memorandum, nor it is responsible for doing any due-diligence for verification of the truth, correctness or completeness of the contents of this Information Memorandum. The Distributor shall be entitled to rely on the truth, correctness and completeness of this Information Memorandum. It is to be distinctly understood that the aforesaid use of this Information Memorandum by the Distributor should not in any way be deemed or construed to mean that the Information Memorandum has been prepared, cleared, approved, scrutinized or vetted by the Distributor. Nor should the contents of this Information Memorandum in any manner be deemed to have been warranted, certified or endorsed by the Distributor as to the truth, correctness or completeness thereof. Each recipient of this Information Memorandum must satisfy itself as to the accuracy, reliability, adequacy, reasonableness or completeness of the contents hereof.

The Distributor has not conducted any due diligence review on behalf or for the benefit of the Debenture Trustee or any of the Eligible Investors. Each of the Eligible Investors should conduct such due diligence on the Issuer and the Debentures as it deems appropriate and make its own independent assessment thereof.

The distribution of this Information Memorandum does not constitute a representation or warranty, express or implied by the Distributor that the information and opinions herein will be updated at any time after the date of this Information Memorandum. The Distributor does not undertake to notify any recipient of any information coming to the attention of the Distributor after the date of this Information Memorandum. No responsibility or liability or duty of care is or will be accepted by the Distributor for updating or supplementing this Information Memorandum or for providing access to any additional information as further information becomes available.

Neither the Distributor nor any of their respective directors, employees, officers or agents shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in or omission from this Information Memorandum or in any other information or communications made in connection with the Debentures.

The Distributor is acting for the Issuer in relation to the Issue of the Debentures and not on behalf of the recipients of this Information Memorandum. The receipt of this Information Memorandum by any recipient is not to be constituted as the giving of investment advice by the Distributor to that recipient, nor to constitute such a recipient as a customer of the Distributor. The Distributor is not responsible to any other person for providing the protection afforded to the customers of the Distributor nor for providing advice in relation to the Debentures.

Each recipient of this Information Memorandum acknowledges that:

- a. each recipient has been afforded an opportunity to request and to review and has received all additional information considered by the recipient to be necessary to verify the accuracy of or to supplement the information contained herein; and
- b. such recipient has not relied on the Distributor in connection with its investigation of the accuracy of such information or its investment decision.

2.6 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to Eligible Investors as specified under the paragraph titled "Eligible Investors" of this Information Memorandum, who shall be/have been identified upfront by the Issuer. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at Mumbai, India. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.7 DISCLAIMER IN RESPECT OF RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

2.8 DISCLAIMER IN RESPECT OF VALUATION AGENCIES

Market linked debenture ("MLDs") valuation provided by the Valuation Agent reflects the Valuation Agent's opinion on the value of the Debentures on the relevant valuation date and does not constitute an audit of the Issuer by the Valuation Agent. The valuation is based on the information sought from and provided by the Issuer or obtained by the Valuation Agent from sources it considers reliable. The Valuation Agent does not guarantee the completeness or accuracy of the information on which the valuation is based. The Valuation Agent specifically states that the valuation is an indicative value of the Debentures on the valuation date and can be different from the actual realizable value of the Debenture. The valuation does not comment on the market price of the Debentures or suitability for a particular Identified Investor. The Valuation Agent is not responsible for any errors and especially states that it has no financial liability whatsoever to the Identified Investor/users of the Valuation. In the event of early redemption/buy back/ any other premature exit, Identified Investors may choose to contact the Issuer directly or through their intermediaries (through whom investments in the Debentures were made) or, in the alternative, follow the procedure as set out in the relevant Information Memorandum or the Transaction Documents.

2.9 DISCLAIMER IN RESPECT OF NSE INDICES LTD.

- (i) The Debenture(s) are not sponsored, endorsed, sold or promoted by NSE INDICES LTD. NSE INDICES LTD does not make any representation or warranty, express or implied, to the owners of the Debenture(s) or any member of the public regarding the advisability of investing in securities generally or in the Debenture(s) particularly or the ability of the NIFTY 50 Index (Name of the Index) to track general stock market performance in India. The relationship of NSE INDICES LTD 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 NSE INDICES LTD without regard to the Issuer or the Debenture(s). NSE INDICES LTD does not have any obligation to take the needs of the Issuer or the owners of the Debenture(s) into consideration in determining, composing or calculating the NIFTY 50 Index (Name of the Index). NSE INDICES LTD is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Debenture(s) to be issued or in the determination or calculation of the equation by which the Debenture(s) is to be converted into cash. NSE INDICES LTD has no obligation or liability in connection with the administration, marketing or trading of the Debenture(s)".
- (ii) NSE INDICES LTD does not guarantee the accuracy and/or the completeness of the NIFTY 50 Index (Name of the Index) or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. NSE INDICES LTD 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 (Name of the Index) or any data included therein. NSE INDICES LTD 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, NSE INDICES LTD expressly disclaim any and all liability for any damages or losses arising out of or related to the Debentures, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages".
- (iii) "An investor, by subscribing or purchasing an interest in the Debenture(s), will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.

Wherever the informational material referred to in above clause is in a language other than English, the disclaimer included in such informational material shall be true and complete translation of the disclaimers in English mentioned above.

2.10 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialized form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialized form. Identified Investors will have to hold the Debentures in dematerialized form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Identified Investor with its depositary participant. The Issuer will make the Allotment to the Identified Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realization of the application money.

SECTION 3: RISK FACTORS

The following are the risks relating to the Issuer, the Debentures and the market in general envisaged by the management of the Issuer. Eligible Investors should carefully consider all the risk factors in this Information Memorandum for evaluating the Issuer and its business and the Debentures before making any investment decision relating to the Debentures. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Debentures but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. The Eligible Investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.

i. REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER.

Eligible Investors should be aware that receipt of the principal amount (i.e. the Redemption Payment) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer, including whereby the Identified Investors may or may not recover all or part of the invested funds in case of default by the Issuer. Eligible Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

ii. THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.

The Debentures may be very illiquid, and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Eligible Investors may have to hold the Debentures until the Final Redemption Date to realize any value.

iii. CREDIT RISK & RATING DOWNGRADE RISK

The Rating Agency has assigned the Rating to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. In such cases, Eligible Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

iv. CHANGES IN PREVAILING INTEREST RATES MAY AFFECT THE PRICE OF DEBENTURES.

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in

the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

v. TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

Special tax considerations and legal considerations may apply to certain types of investors. Eligible Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of investment in the Issue.

vi. ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Eligible Investors are urged to consult with their own accounting advisors to determine implications of the investment in the Issue.

vii. SECURITY MAYBE INSUFFICIENT TO REDEEM THE DEBENTURES

In the event that the Issuer is unable to meet its payment and other obligations towards the Debenture Holders under the terms of the Debentures, the Debenture Trustee may enforce the security interest created over the Hypothecated Assets as per the terms of security documents, and other related documents. The Debenture Holders recovery in relation to the Debentures will be subject to (i) the market value of such secured assets, (ii) finding willing buyers for the security at a price sufficient to repay the investors amounts outstanding under the Debentures. The value realized from the enforcement of the security may be insufficient to redeem the Debentures.

viii. MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.

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

ix. LEGALITY OF PURCHASE

Eligible Investors of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential Eligible Investor with any law, regulation or regulatory policy applicable to it.

x. POLITICAL AND ECONOMIC RISK IN INDIA

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

xi. RETURNS ON DEBENTURES ARE SUBJECT TO MODEL RISK

The returns on the Debentures are based on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

xii. RISKS RELATED TO THE BUSINESS OF THE ISSUER

(a) *Majority of the loans provided by the Issuer are secured and the clients of these loans are of the risky category. However, if the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the loan loss reserves are insufficient to cover future loan losses, the financial condition of the Issuer and results of operations may be materially and adversely affected. Non-performing or low credit quality loans can negatively impact its results of operations.*

As at Sep 30, 2019, the gross NPA was "NIL" on a gross portfolio of Rs. 1053.96 crores (NIL% of gross portfolio).

The Issuer cannot assure that it will be able to effectively control and reduce the level of the NPAs of its loans. The amount of its reported NPAs may increase in the future as a result of growth of loans, and also due to factors beyond its control, such as over-extended member credit that it is unaware of. If the Issuer is unable to manage its NPAs or adequately recover its loans, the results of its operations will be adversely affected.

The Issuer's current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of the Issuer's total loan portfolio. As a result, if the quality of the Issuer's total loan portfolio deteriorates the Issuer may be required to increase the loan loss reserves, which will adversely affect the Issuer's financial condition and results of operations. The Issuer's borrowers are from mid-market space and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer's borrowers operate. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that the Issuer's monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer is unable to control or reduce the level of its NPAs or poor credit quality loans, the Issuer's financial condition and results of the Issuer's operations could be materially and adversely affected.

(b) *Susceptibility of performance to the economic activity and risks inherent in wholesale lending: Limited track record in lending operations:*

The Issuer commenced its lending operations in 2016 and has been primarily focused on wholesale lending segment. The Issuer offers structured credit solutions, the key offerings are promoter funding, corporate finance, structured debt solutions and acquisition finance. The loans are relatively chunkier in nature with an average ticket size of Rs. 40 Cr. and above for a tenure ranging 3 to 4 years. The Issuer had an overall loan book of Rs. 1053.96 Cr. as on September 30, 2019 (Previous year: Rs. 610 Cr.) across 32 borrowers.

Most of the borrowers are unlisted entities and hence a high degree of due diligence is necessary before initiating any fresh exposure. In addition to the stringent underwriting practices, the monitoring of the portfolio on an ongoing basis is also critical. Any slippages in performance must be identified in a timely manner and corrective action has to be initiated. The performance of the borrowers is subject to various factors such as demand supply dynamics, competitive landscape, technology changes, and regulatory interventions among others.

The Issuer has diversified its loan portfolio, by starting domestic trade finance business catering to ecosystem of mid-market companies. Under the SME business the Issuer extends credit facilities to MSME's (i.e. Micro, Small and Medium Enterprises) vendors and dealer / distributors linked to high-quality mid-market anchors/sponsors. This business has just been started and the ability of the Issuer to grow the same across the cycle is yet to be demonstrated.

The Issuer's performance in the lending segment is linked to the credit profiles of its borrowers. The Issuer has been selective in its underwriting, however, collateral events such as deterioration in credit quality of borrowers and decline in security prices can impact its performance with regard to its asset quality and earnings profile. Further, the Issuer has a limited track record of lending operations since most of the exposures have been initiated over past three years i.e. FY2017-FY2019. While the asset quality is comfortable at this point in time, the ability of the Issuer to continue to maintain the same while scaling up the loan book across the cycle is yet to be demonstrated.

(c) *Issuer requires certain statutory and regulatory approvals for conducting business and failure to obtain or retain them in a timely manner, or at all, may adversely affect operations.*

NBFC's in India are subject to strict regulation and supervision by the RBI. The Issuer requires certain approvals, licenses, registrations and permissions for operating, including registration with the RBI as a NBFC. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and may not be aware of or comply with all requirements all of the time. Additionally, the Issuer may need additional approvals from regulators to introduce new insurance and other fee based products to its clients. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC that is subject to numerous conditions. In addition, branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays, leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied, with any of these conditions, its certificate of registration may be suspended or cancelled, and the Issuer shall not be able to carry on such activities.

(d) ***Issuer may be required to increase capital ratio or the amount of Loan Loss Reserves, which may result in changes to business and accounting practices that would harm business and results of operations.***

The Issuer is subject to the regulations prescribed by the RBI in respect of the minimum capital to risk weighted assets ratio including the NBFC Directions. Pursuant to Section 45-IC of the RBI Act, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20.0% (Twenty Percent) of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. The Issuer is also required to maintain a minimum capital adequacy ratio of 15.0% (Fifteen Percent) in relation to aggregate risk-weighted assets and risk adjusted assigned loans. The RBI may also in the future require compliance with other financial ratios and standards. Compliance with such regulatory requirements in the future may require alteration of its business and accounting practices or take other actions that could materially harm its business and operating results

(e) ***Investment or creation of deposits for Redemption of Debenture:***

In accordance with Companies (Issuance of Share Capital and Debentures) Rules, 2014 (Rules), the Company is required to invest or deposit before April 30 in each year, a sum equal to 15% of the amount of its debenture maturing during the year ending on 31st March of the next year, in the instruments, as specified in the Rules. The Ministry of Corporate Affairs may in the future increase such percentage of investment or deposits. Compliance with such regulatory requirements in the future may require keeping aside additional cash flow which would otherwise would have been available for the business that could materially harm its business and operating results.

(f) ***The Issuer is exposed to certain political, regulatory and concentration of risks***

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer though currently operates from 3 cities, its portfolio is not skewed to any geography.

(g) ***The Issuer intends to expand into new cities / states, with no guarantee that these operations will be successful***

The Issuer plans to expand its operations in all the three (3) states in which it has a presence currently and new states across India. The Issuer believes that this strategy is advisable from a financial perspective and that it will provide risk diversification benefits and enable it to achieve its corporate objectives. However, if the Issuer is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

(h) ***Competition from other financial institutions may adversely affect the Issuer's profitability***

The Issuer considers that there are limited commercial banks and other NBFCs which operate in structured finance space in a focused manner. The institutions with which Issuer competes have lower cost of funding than the Issuer. In certain areas, they may also have better name recognition and larger member bases than the Issuer. Such banks and NBFCs might get aggressive and offer loans to the similar clientele. It is possible that their activities in this sector could increase, resulting in competition

that adversely affects its profitability and financial position.

The Issuer believes that its deep understanding of the mid-market space, sector expertise, approach of underwriting assets, credit analysis and portfolio management capabilities are all sources of competitive strength and are a mitigant to this risk.

(i) ***Changes in interest rates of the loans that the Issuer can borrow could reduce profit margins and Changes in external and internal factors might affect Issuer's repayment or refinancing capacity.***

If the cost of the loans that the Issuer receives increases, due to either market or credit movements, the net interest margin might reduce and adversely affect the Issuer's financial condition.

The current asset liability management of the Issuer is healthy; however, in future the Issuer might not be able to refinance or face difficulty to repay and/or refinance its existing liability; this might be on backdrop of the deterioration in the external factors and/or internal factors.

(j) ***Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.***

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the banking and financial services industries.

The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth.

The Issuer's business is dependent on its team of personnel who directly manage its relationships with its borrowers. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its borrowers over a period of time.

The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is high, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

(k) ***The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees***

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

(l) ***The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position***

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

(m) *The impact of any force majeure event including an occurrence of pandemics (COVID 19 or similar disease), an act of war (whether declared or not), hostilities, invasion, act of foreign enemies, terrorism or civil disorder and other natural or manmade calamities of overwhelming proportions*

Any unforeseeable circumstances beyond the control of the Issuer against which it would not have been reasonably expected of the Issuer to take precautions and which cannot be avoided even by using its best efforts, may impact the credit quality of the loan portfolio of the Issuer and also significantly hamper its capability to raise or service liabilities.

SECTION 4: REGULATORY DISCLOSURES

The Information Memorandum has been prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this section, the Issuer has set out the details required as per Schedule I of the SEBI Debt Listing Regulations.

4.1 Documents Submitted to the Stock Exchanges

The following documents have been/shall be submitted to the BSE:

- (a) The memorandum of association and the articles of association of the Issuer and necessary resolution(s) for the allotment of the Debentures.
- (b) Copies of last 3 (three) years audited Annual Reports.
- (c) A statement containing particulars of, dates of, and parties to all material contracts and agreements.
- (d) A copy of the resolution passed by the non-convertible debenture allotment committee of the board of directors (Committee) of the Issuer dated April 9, 2020, Circular Resolution of Committee dated May 20, 2020 authorizing the borrowing and list of authorized signatories, read together with the resolutions passed by the board of directors of the Issuer dated April 9, 2020.
- (e) A certified true copy of the shareholders' resolution passed by the Issuer at the Extra Ordinary General Meeting held on May 20, 2020 authorizing the Issuer to issue non-convertible debentures on private placement basis for the current year, upon such terms as the board of directors (or any committee therein) may deem fit, upto an aggregate limit of INR 1,000,00,00,000 (Indian Rupees One Thousand Crore)
- (f) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the DTD would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within five working days of execution of the same.
- (g) Where applicable, an undertaking that permission/consent from the prior creditor for a second or *pari passu* charge being created, in favor of the Debenture Trustee to the proposed Issue has been obtained.
- (h) Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

4.2 Documents Submitted to Debenture Trustee

- (a) The following documents have been / shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the allotment of the Debentures:
- (b) The memorandum of association and the articles of association of the Issuer and necessary resolution(s) for the allotment of the Debentures.
- (c) Copies of last 3 (Three) years audited Annual Reports.
- (d) A statement containing particulars of, dates of, and parties to all material contracts and agreements.
- (e) The latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications and provisional financials, if any.
- (f) An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in the Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 read with the Uniform Listing Agreement as prescribed in SEBI's circular no. CFD/CMD/6/2015 dated October 13, 2015, each as amended from time to time, for furnishing / publishing its half yearly/ annual results. Further, the Issuer shall within 180 (One Hundred and Eighty) days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within 2 (Two) working days of their specific request.

4.3 Name and address of the following:

Name of the Issuer:	Avendus Finance Private Limited
Date of incorporation:	May 15, 1996 ²
Registered Office of Issuer:	The IL&FS Financial Centre, Plot C-22, G Block, 6 th Floor, C & D Quadrant, Bandra Kurla Complex, Bandra (East), Mumbai - 500051
Corporate Office of Issuer:	The IL&FS Financial Centre, Plot C-22, G Block, 6 th Floor, C & D Quadrant, Bandra Kurla Complex, Bandra (East), Mumbai – 500051
Contact number of the Issuer:	022- 66480050
Details of Compliance Officer/Nodal Officer of Issuer:	Radhika Parmanandka Company Secretary The IL&FS Financial Centre, Plot C-22, G Block, 6 th Floor, C & D Quadrant, Bandra Kurla Complex, Bandra (East), Mumbai – 500051 PH: 022- 66480050 Email ID: radhika.parmanandka@avendus.com
CFO of the Issuer	Mr. Sameer Kamath
Arrangers (if any) of the Issue	N. A
Distributor in respect of the Issue	Avendus Wealth Management Private Limited, a company incorporated under the Companies Act, having its registered office at IL&FS Financial Centre, 6th Floor, C&D Quadrant, Bandra Kurla Complex, Bandra East, Mumbai - 400051 and acting through its corporate office at IL&FS Financial Centre, 6th Floor, C&D Quadrant, Bandra Kurla Complex, Bandra East, Mumbai - 400051. Name of the contact person: Priya Sonavane Telephone: +91 22 6648 1437 Email ID: priya.sonavane@avendus.com
RBI Registration Number of the Issuer:	N-13.02080
SEBI Registration Number of the Issuer	IN-DP-375-2018
Corporate Identification Number (CIN) of the Issuer:	U65921MH1996PTC251407
Website of Issuer:	www.avendus.com
Auditors of the Issuer	Deloitte Haskins & Sells LLP, a limited liability partnership incorporated under the laws of India, having its registered office and corporate office at Indiabulls Finance Centre, Tower 3, 27-32 Floors, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013. Name of the contact person: Amita Dave Telephone: 022-61855210 / 022-62451608 Email ID: amidave@deloitte.com
Trustee to the Issue	Vistra ITCL (India) Limited, a company incorporated under the Companies Act, having its registered office at IL & FS Financial Centre, Plot No C-22, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051 and acting through its office at 805, Kailash Building, 26, Kasturba Gandhi Marg, Connaught Place, New Delhi – 110001. Name of the contact person: Jayesh Khaitan Telephone: 022 26593278 Email ID: Jayesh.Khaitan@vistra.com

² The Issuer was formerly known as Pacific Hire-Purchase Private Limited. Pursuant to acquisition by Avendus Capital Private Limited, the Issuer's name was changed to Avendus Finance Private Limited with effect from September 18, 2014. (Please refer Section 4.4 hereof for details)

Registrar	<p>NSDL Database Management Limited, a company incorporated under the Companies Act, having its registered office at +4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013</p> <p>Name of the contact person: Nilesh Bhandare Telephone: 022 4914 2591 Email ID: nileshb@nsdl.co.in</p>
Credit Rating Agency	<p>CRISIL Limited, a company incorporated under the Companies Act, having its registered office at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076 and acting through its corporate office at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076.</p> <p>Name of the contact person: Malvika Bhotika Telephone: 022 3342 3245 Email ID: malvika.bhotika@crisil.com</p>

As per the resolutions passed by the board of directors of the Issuer at their meeting dated April 9, 2020 read together with resolution passed by the debenture allotment committee of the board of directors of the Issuer at their meeting dated April 9, 2020, Circular Resolution of Committee dated May 20, 2020 the following signatories are authorized to issue the Information Memorandum:

Sl.	Name	Designation
1.	Mr. Sandeep Thapliyal	Managing Director & CEO
2.	Mr. Ranu Vohra	Director
3.	Mr. Kaushal Kumar Aggarwal	Director
4.	Mr. Sameer Kamath	Chief Financial Officer
5.	Ms. Radhika Parmanandka	Company Secretary

4.4 A brief summary of the business/ activities of the Issuer and its line of business:-

(a) Overview:

The Issuer was originally incorporated on May 15, 1996 as Pacific Hire-Purchase Private Limited with the ROC, Karnataka, Bangalore (Registration Number 08/20468). The name of the Issuer was changed to Pacific Hire-Purchase Limited on November 21, 1997. The Regional Director by its Order dated October 31, 2013 shifted the Company's Registered Office from the state of Karnataka to the state of Maharashtra. The ROC, Maharashtra, Mumbai had by its certificate dated December 13, 2013, issued a new Corporate Identification Number U6592MH1996PLC251407. The name of the Issuer was changed to Pacific Hire-Purchase Private Limited on March 23, 2014 and again on September 18, 2014 the name was changed to Avendus Finance Private Limited ("AFPL").

AFPL is a wholly owned subsidiary of Avendus Capital Pvt. Ltd. and is a systemically important Non-deposit taking Non-Banking financial company (NBFC-ND-SI) registered with the RBI. The Issuer's business was set up in FY 17 and within two years of being established it has been able to grow its asset under management ("AUM") to INR 10,540 Million as on September 30, 2019. AFPL has a Depository Participant license with the Central Depository Services Limited and it provides depository services to its client. The SEBI Registration number is IN-DP-375-2018. The certificate of registration is valid from May 28, 2018. Further AFPL does not have any subsidiary.

AFPL is primarily involved in providing bespoke solutions to mid-market firms. AFPL offers customized debt solutions such as promoter funding, corporate finance, structured debt solutions and acquisition finance to mid-market segment. The Issuer has recently in FY2019 started domestic trade finance business catering to ecosystem of mid-market companies.

AFPL continues to reflect the strong track record of the promoters in investment banking ("IB"), healthy capitalisation and a conservative lending policy. These strengths are partially offset by the early stage of the lending business, and inherent volatility in capital-market-related businesses.

Significant effort was spent on laying the right foundation in the first two years of operations, such as bringing the senior management team on-board, which has started bearing fruits. The right foundation makes the organization poised for significant growth in this year as well". For monitoring and review of portfolio the Issuer has set up an independent portfolio monitoring unit which independently assesses the quality of portfolio by assessing macro trends in economy and doing regular interactions with clients.

AFPL's business revolves around financing high quality Mid-Market Enterprises (MMEs), operating in its chosen segments, and run by credible and proven entrepreneurs. MMEs directly or indirectly contribute more than 42% of India's GDP and are a major growth driver of the Indian economy. In fact, the RBI analysis of government databases has shown that the Gross Value Added by MMEs has shown a staggering growth of 17% in 2018-19, as opposed to a growth of 10-12% recorded by larger companies. Therefore, it can be said that MMEs form the backbone of our entire economic system.

AFPL leverages on its team led by a senior banker – Mr. Sandeep Thapliyal who has over 23 years of multi-functional experience in commercial banking, investment banking, corporate banking, project finance and asset reconstruction. In his vast career he has been instrumental in guiding various businesses across various organizations on high-growth trajectory.

AFPL is involved in following two business verticals:

1) Structured Finance Vertical

Under the structured finance vertical, the Issuer offers products to high quality entrepreneurs and businesses to meet their specific requirements. Products are largely tailored around untapped cashflows and security, and exhibit characteristics of both debt and equity.

The Issuer's experienced and dedicated structured finance professionals pride themselves in their ability to spot companies at an inflection point and provide optimal financing solutions for diverse requirements such as sponsor financing, recapitalization, growth financing, asset financing, acquisition financing and bridge financing.

The Issuer's investment team has a collective experience of close to five decades. The team uses superior understanding of client's businesses to offer bespoke financing solutions. It also leverages on Avendus group's advisory / corporate finance expertise to understand investment thesis of the client's business and which helps in further fine tuning the credit structure. With a strong lineage, extensive and growing network of co-investors and professionals, the Issuer is rapidly gaining ability to source and syndicate larger transactions.

The Issuer believes in continuous engagement with clients and provide relevant solutions at all stages of an organization's lifecycle.

The solutions the Issuer delivers mainly comprise of:

1. Promoter Financing
 - Private equity/ JV partner take-out
 - Management Buyouts
 - Funding promoters Equity infusion
2. Growth Funding
 - Capex for Growth
 - Acquisition Financings
3. Corporate Financing Solutions
 - Balance sheet optimization
 - Long term working capital
 - Bridge financing

2) SME lending vertical

The SME financing business which was launched last year has shaped up well. The Issuer has built an integrated & robust infrastructure for this business to cover the entire life cycle of the credit facility from on-boarding, documentation, limit approvals, disbursement, monitoring, etc. The Loan Management System and User Interface has gone live and the Loan Origination System is in advanced stage of deployment. Third party services providers (Record Management, Virtual Accounts, Documentation, Credit Bureau Checks, etc) are fully integrated through various APIs to make the overall process seamless and business as a whole light on operating costs. Under the SME business the Issuer extends credit facilities to MSME (Micro, Small and Medium Enterprises) vendors and dealer / distributors linked to high-quality anchors/sponsors. Our technology and cashflow-based lending solution leverages on trade flows, enabling finance to be delivered in a timely manner with flexible terms.

The smaller set of dealers / vendors do not have access to formal credit channels and largely depend on unorganised sources to raise working capital for their businesses. The Issuer's model enables financial inclusion to the under-served MSMEs who are part of the sponsor's ecosystem. The proposition augments financing of Sponsor's value-chain which in turn facilitate business growth and enhance channel loyalty for the Sponsor.

The key offerings under the SME desk include:

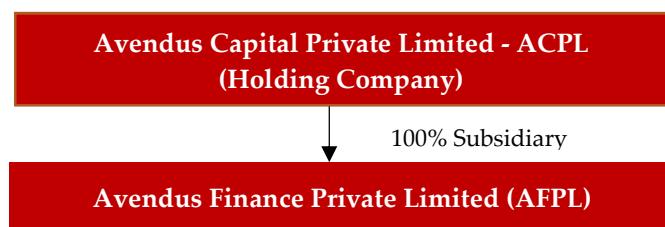
- Dealer Financing of Mid-Tier Corporates
- Vendor Financing of Mid-Tier Corporates
- Sales/Purchase Invoice Financing

While the technology & overall architecture was being developed, the Issuer has also managed to on-board clients from various sectors such as IT, Agrochemicals, Pharma, Logistics, Branded Apparels, etc. This business is expected to grow significantly in the years to come and become a dominant contributor to AFPL's asset book. The Issuer has senior management personnel covering Sales, Risk, Product, Business Development Team and Relationship Management teams which operates from Mumbai, Delhi and Bangalore (representative office).

The Issuer has 1 (one) branch located at New Delhi, India.

As of the date of this Information Memorandum, the Issuer has no subsidiaries.

(b) Corporate Structure



4.5 Key Operational and Financial Parameters for the last 3 Audited years and half year ended

Parameters	Unaudited	Audited	Audited	Audited
	30-Sep-2019	31-Mar-19	31-Mar-18	31-Mar-17
Net Worth	66,737	63,509	57,585	23,770
Total Debt	64,926	44,054	12,609	-
of which – Non current Maturities of long term borrowing #	NA	NA	NA	NA
- Short Term Borrowing #	NA	NA	NA	NA
- Current Maturities of Long Term Borrowing #	NA	NA	NA	NA
Net Fixed Assets	32	21	14	7
Non Current Assets #	NA	NA	NA	NA
Non-Financial Asset	155	129	39	53
Cash and Cash equivalents	4994	703	1,380	977
Current Investments #	NA	NA	NA	NA
Current Assets #	NA	NA	NA	NA
Current liabilities #	NA	NA	NA	NA
Assets Under Management	105396	89,885	61,096	11,003
Off balance sheet assets	-	-	-	-
EBITDA #	NA	NA	NA	NA
EBIT #	NA	NA	NA	NA
Interest Income	7522	12,260	3,591	652

Parameters	Unaudited	Audited	Audited	Audited
	30-Sep-2019	31-Mar-19	31-Mar-18	31-Mar-17
Interest Expense	2690	3,346	107	283
Investments	21980	18,417	3,025	12,102
Financial Assets	132448	1,10,139	71,644	24,371
Financial Liabilities	65401	46,104	13,800	557
Provisioning & Write Offs	40	270	14	38
PAT	3035	5,536	2,400	248
Gross NPA (%)	0	-	-	-
Net NPA (%)	0	-	-	-
Tier I Capital Adequacy	51.77%	57.97%	84.92%	101.38%
Tier II Capital Adequacy	0.26%	0.26%	0.03%	0.02%

Note: As per IND AS the said classification is not required.

4.6 Gross Debt: Equity Ratio of the Company:

Before the issue of debt securities	0.90
After the issue of debt securities*	0.94

Calculations

Before the issue, debt-to-equity ratio is calculated as follows:-

Debt	60227.28
Equity#	66736.67
Debt/Equity	0.90

Subsequent to the issue, debt-to-equity ratio shall be calculated as follows:-

Debt*	62727.8
Equity#	66736.67
Debt/Equity	0.94

*Assumed that issue is completely subscribed & the Issuer has included GS in our calculation

Equity as on September 2019; while Debt is latest.

4.7 Project cost and means of financing, in case of funding of new projects: NA

4.8 Any Change in Accounting policies in last 3 years and their effect on the profits and the reserves of the Company:

While there has been no change in the accounting policies, as statutorily required, the Issuer has adopted IND AS from April 1, 2018 with effective transition date of April 1, 2017.

4.9 Related Party Transactions entered during the last three financial years immediately preceding the year of issue of Information Memorandum including with regard to loans made or, guarantees given or securities provided

RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED MARCH 31, 2017

(a) Name of the related party and nature of relationship

Sr. No.	Description of relationship	Names of related parties
1	Holding Company	Avendus Capital Private Limited
2	Fellow Subsidiary	Avendus Wealth Management Private Limited
3	Fellow Subsidiary	Avendus PE Investment Advisors Private Limited
4	Fellow Subsidiary	Avendus Private Access Investment Advisors Private Limited
5	Sandeep Thapliyal	Key Managerial Personnel (w.e.f. from November 02, 2016)

(b) Details of transactions with related party during the year and balances as at the period end:

Particulars	Avendus Capital Private Limited	Avendus Wealth Management Private Limited	Avendus PE Investment Advisors Private Limited	Avendus Private Access Investment Advisors Private Limited	Key Managerial Personnel
	Rs	Rs	Rs	Rs	Rs
Transactions during the year					
Remuneration Paid	-	-	-	-	9,808,333
Issue of Equity Shares - Rights issue	2,000,000,00	-	-	-	-
Loan Taken	-	-	-	-	-
Loan Repaid	3,200,000	-	-	-	-
Reimbursement of Expenses - Expense	30,380,429	17,160,000	-	17,686	-
Reimbursement of Expenses - Received	-	-	2,500,000	-	-
Interest on loan taken	262,576	-	-	-	-
Balances outstanding at the end of the year					
Creditors - Reimbursement	26,599,500	17,760,600	-	-	-
Other Payables	-	-	-	-	-
Borrowings	-	-	-	-	-

Note:

- (i) There are no amounts written off or written back during the year for debts due from or to related parties
- (ii) Previous year figures are given in brackets

RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED MARCH 31, 2018

- a. Name of the related party and nature of relationship, where transactions have taken place

Sr. No.	Description of relationship	Names of related parties
1	Holding Company	Avendus Capital Private Limited
2	Fellow Subsidiary	Avendus Wealth Management Private Limited
3	Fellow Subsidiary	Avendus PE Investment Advisors Private Limited
4	Fellow Subsidiary	Avendus Capital Alternate Strategies Private Limited
5	Key Managerial Personnel	Sandeep Thapliyal- Managing Director & CEO
6	Key Managerial Personnel	George Mitra - Whole Time Director
7	Key Managerial Personnel	Kaushal Kumar Aggarwal – Director
8	Key Managerial Personnel	Ranu Vohra – Director
9	Key Managerial Personnel	Pijush Sinha – Director
10	Key Managerial Personnel	Suresh Shankar Menon - Independent Director
11	Key Managerial Personnel	Nikhilesh Panchal - Independent Director (resigned w.e.f 30th March 2019)
12	Key Managerial Personnel	Parimal Deuskar - Company Secretary

INR in lakhs

- b. Details of transactions with related party during the year and balances as at the period end:

Particulars		Avendus Capital Private Limited	Avendus Wealth Management Private Limited	Avendus PE Investment Advisors Private Limited	Avendus Capital Alternate Strategies Private Limited	Key Managerial Personnel	Total
Transactions during the year							
	Remuneration Paid *	-	-	-	-	512.00	512.00
	Issue of Equity Shares including premium - Rights issue	31,462.00	-	-	-	-	31,462.00
	Loan Repaid	-	-	-	-	-	-

	Sale of Investments	(110.87)	-	-	-	-	(110.87)
	Purchase of Investments	-	-	-	-	-	-
	Reimbursement of Expenses - Expense	600.00	-	-	-	-	600.00
	Consultancy Fees- Expenses	-	220.97	-	-	-	220.97
	Advisory Fees	-	-	8.27	-	-	8.27
Balances outstanding at the end of the year							
	Creditors - Reimbursement	534.60	65.79	-	-	-	600.39
	Receivables	-	-	8.27	-	-	8.27

* Excludes contribution to gratuity made for the company as a whole based on actuarial valuation.

Note:

- (i) There are no amounts written off or written back during the year for debts due from or to related parties
- (ii) The Company has commitment of certain percentage to co-invest along with Avendus Structured Credit-Fund I, managed by Avendus PE Investment Advisors Private Limited.

RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED MARCH 31, 2019

(a) Name of the related party and nature of relationship, where transactions have taken place

Sr. No.	Description of relationship	Names of related parties
1	Holding Company	Avendus Capital Private Limited
2	Fellow Subsidiary	Avendus Wealth Management Private Limited
3	Fellow Subsidiary	Avendus PE Investment Advisors Private Limited
4	Fellow Subsidiary	Avendus Capital Alternate Strategies Private Limited
5	Key Managerial Personnel	Sandeep Thapliyal- Managing Director & CEO
6	Key Managerial Personnel	George Mitra - Whole Time Director
7	Key Managerial Personnel	Kaushal Kumar Aggarwal – Director
8	Key Managerial Personnel	Ranu Vohra – Director
9	Key Managerial Personnel	Pijush Sinha – Director
10	Key Managerial Personnel	Suresh Shankar Menon - Independent Director
11	Key Managerial Personnel	Nikhilesh Panchal - Independent Director (resigned w.e.f 30th March 2019)
12	Key Managerial Personnel	Parimal Deuskar - Company Secretary

INR in lakhs

(b) Details of transactions with related party during the year and balances as at the period end:

Particulars	Avendus Capital Private Limited	Avendus Wealth Management Private Limited	Avendus PE Investment Advisors Private Limited	Avendus Capital Alternate Strategies Private Limited	Key Managerial Personnel	Total
Transactions during the year						
Remuneration Paid *	-	-	-	-	547.31	547.31
Issue of Equity Shares including premium - Rights issue	-	-	-	-	-	-
Loan Repaid	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-
Purchase of Investments	332.61	-	-	-	-	332.61

	Mar-19						
	Reimbursement of Expenses - Expense	655.00	-	-	0.11	-	655.11
	Consultancy Fees- Expenses	-	248.49	-	-	-	248.49
	Advisory Fees	-	-	16.54	-	-	16.54
Balances outstanding at the end of the year							
	Creditors - Reimbursement	125.00	102.60	-	0.11	-	227.71
	Receivables	-	-	24.81	-	-	24.81

* Excludes contribution to gratuity made for the company as a whole based on actuarial valuation.

Note:

- (i) There are no amounts written off or written back during the year for debts due from or to related parties
- (ii) The Company has commitment of certain percentage to co-invest along with Avendus Structured Credit-Fund I, managed by Avendus PE Investment Advisors Private Limited.

Profits of the Company, before and after making provision of tax for the last three financial years immediately preceding the date of Information Memorandum

Profit before Tax (Rs. In Lakh)

2018 – 2019: 7879.41
 2017 – 2018: 3329.84
 2016 – 2017: 4.76

Profit After tax (Rs. In Lakh)

2018 – 2019: 5537.11
 2017 – 2018: 2400.63
 2016 – 2017: 2.48

4.10 Dividend declared by the Company in respect of the last three financial years immediately preceding the date of Information Memorandum: NIL

4.11 Interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid):

	Sep 2019	2019	2018	2017
Interest Coverage Ratio	2.51 TIMES	3.35 TIMES	32.20 TIMES	169.05 TIMES

4.12 Summary of the financial position of the Company as in the three audited balance sheet immediately preceding the date of this Information memorandum: Please refer Section 4.5 of this Information Memorandum.

4.13 Audited cash flow statement for the three years immediately preceding the date of Information Memorandum:

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	Particulars	For the Year Ended March 31, 2017	
		Rs.	Rs.
A	CASH FLOW FROM OPERATING ACTIVITIES :		
	Profit/(Loss) before taxes		47,518,782
	Add / (Less) : Adjustments for		

	Finance Costs	262,576	
	Depreciation	111,236	
	Interest income on Fixed Deposit	(1,273,226)	
	Interest Income from Investment in Bonds	(7,461,898)	
	Contingent Provision against Standard Assets	3,760,902	
	Gain on sale of Investments in Bonds & Mutual Funds	(39,389,330)	
			(43,989,740)
	Operating Profit / (Loss) before Working Capital Changes		3,529,042
	Changes in Working Capital :		
	Adjustment for (increase)/decrease in operating assets:		
	Trade receivables	(15,250,000)	
	Long Term Loans and Advances	-	
	Non-Current Assets	(9,213,713)	
	Short Term Loans and Advances	(29,593)	
	Other Current Assets	(23,059,934)	
		(47,553,240)	
	Adjustment for increase/(decrease) in operating liabilities:		
	Trade Payables	2,445,557	
	Other Current Liabilities	56,638,021	
	Short Term Provisions	380,398	
	Long Term Provisions	348,301	
		59,812,277	
	Net Changes in Working Capital		12,259,037
	Cash flow from Operations		15,788,079
	Income Tax Paid (Net)	(20,904,549)	
	Cash used in Operations		(5,116,470)
	Loans (Disbursed) / Repaid (net)	(1,069,552,412)	
	Net Cash used in Operating Activities (A)		(1,074,668,882)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Proceeds from Sale of Current Investments	12,303,026,166	
	Purchase of Current Investments	(13,276,106,329)	
	Interest on Fixed Deposits	1,273,226	
	Purchase of Fixed Assets	(768,118)	
	Net Cash used in Investing Activities (B)		(972,575,055)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Finance Cost	(262,576)	
	Proceeds from Issuance of Share Capital	2,000,000,000	
	Proceeds from Long term Borrowings	-	
	Repayment of Long term Borrowings	(3,200,000)	
	Net Cash generated from Financing Activities (C)		1,996,537,424
	Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)		(50,706,513)

	Cash and cash equivalents as at the beginning of the year		148,408,017
	Cash and cash equivalents as at the end of the year		97,701,504
	Cash and Cash Equivalents consist of :- (Refer note 15)		
	- Balance in Current Accounts		97,701,504
	- Balance in Fixed Deposits		-
		Total	97,701,504

Notes:

1 The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS-3) "Cash Flow Statements" notified under the Companies (Accounting Standards) Rules, 2006

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

INR in lakhs

	Particulars	Year Ended March 31, 2018
A	CASH FLOW FROM OPERATING ACTIVITIES :	
	Profit before tax	3,330
	Add / (Less) : Adjustments for	
	Finance Costs	107
	Depreciation	5
	Fair Value of debt securities and preference shares	7
	Interest income on fixed deposit	(0)
	Credit Impaired	-
	Interest on income tax refund	(0)
	Impairment losses on financial instruments	14
	Gain on sale of mutual funds	(909)
	Fair value of loans	(529)
	Fair value of mutual funds	18
	Share based payment	59
		(1,228)
	Operating Profit before Working Capital Changes	2,102
	Changes in Working Capital :	
	Adjustment for (increase)/decrease in operating assets:	
	Receivables	(385)
	Investments	1,494
	Loans	(49,579)
	Other Financial assets	(2,968)
	Other non-financial assets	31
		(51,407)

	Adjustment for increase/(decrease) in operating liabilities:	
	Payables	54
	Provisions	12
	Remeasurement impact defined benefit plan	(1)
	Other financial liabilities	493
	Other non-financial liabilities	44
		602
	Net Changes in Working Capital	(50,805)
	Cash flow from Operations	(48,703)
	Income Tax Paid (Net)	(792)
	Cash used in Operations	(49,496)
	Net Cash (used in) Operating Activities (A)	(49,496)
B	CASH FLOW FROM INVESTING ACTIVITIES	
	Proceeds from Sale of Investments	1,37,587
	Purchase of Investments	(1,29,121)
	Interest received on Investments in Bonds	-
	Income from trading in current investments	-
	Dividend Received	-
	Interest on Fixed Deposits	-
	Proceeds from Sale of Fixed Assets	0
	Purchase of Fixed Assets	(12)
	Net Cash (used in) / from Investing Activities (B)	8,454
C	CASH FLOW FROM FINANCING ACTIVITIES	
	Finance cost	(30)
	Proceeds from Short term borrowings	-
	Repayment of Short term Borrowings	-
	Proceeds from Issuance of Share Capital including premium (net of share issue expenses)	31,366
	Proceeds from Borrowings	12,609
	Repayment of Borrowings	-
	Net Cash generated from Financing Activities (C)	43,945
	Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)	2,903
	Cash and cash equivalents as at the beginning of the year	977

Cash and cash equivalents as at the end of the year	3,880
Cash and Cash Equivalents consist of :- (Refer note 2 & 3)	
- Balance in Current Accounts	1,380
- Balance in Fixed Deposits	2,500
Total	3,880

Notes:

The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (Ind AS-7) "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

		INR in lakhs
	Particulars	Year Ended March 31, 2019
A	CASH FLOW FROM OPERATING ACTIVITIES :	
	Profit before tax	7,879
	Add / (Less) : Adjustments for	
	Finance Costs	3,346
	Depreciation	9
	Fair Value of debt securities and preference shares	252
	Interest income on fixed deposit	(87)
	Credit Impaired	5
	Interest on income tax refund	-
	Impairment losses on financial instruments	270
	Gain on sale of mutual funds	(868)
	Fair value of loans	(355)
	Fair value of mutual funds	(23)
	Share based payment	388
		2,936
	Operating Profit before Working Capital Changes	10,815
	Changes in Working Capital :	
	Adjustment for (increase)/decrease in operating assets:	
	Receivables	(217)
	Investments	(2,348)
	Loans	(28,704)
	Other Financial assets	2,721
	Other non-financial assets	(95)
		(28,643)

	Adjustment for increase/(decrease) in operating liabilities:	
	Payables	(8)
	Provisions	26
	Remeasurement impact defined benefit plan	(2)
	Other financial liabilities	130
	Other non-financial liabilities	187
		332
	Net Changes in Working Capital	(28,311)
	Cash flow from Operations	(17,496)
	Income Tax Paid (Net)	(2,186)
	Cash used in Operations	(19,682)
	Net Cash (used in) Operating Activities (A)	(19,682)
B	CASH FLOW FROM INVESTING ACTIVITIES	
	Proceeds from Sale of Investments	6,77,513
	Purchase of Investments	(6,89,926)
	Interest received on Investments in Bonds	-
	Income from trading in current investments	-
	Dividend Received	-
	Interest on Fixed Deposits	88
	Proceeds from Sale of Fixed Assets	-
	Purchase of Fixed Assets	(16)
	Net Cash (used in) / from Investing Activities (B)	(12,341)
C	CASH FLOW FROM FINANCING ACTIVITIES	
	Finance cost	(2,598)
	Proceeds from Short term borrowings	-
	Repayment of Short term Borrowings	-
	Proceeds from Issuance of Share Capital including premium (net of share issue expenses)	-
	Proceeds from Borrowings	43,029
	Repayment of Borrowings	(11,585)
	Net Cash generated from Financing Activities (C)	28,847
	Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)	(3,177)
	Cash and cash equivalents as at the beginning of the year	3,880
	Cash and cash equivalents as at the end of the year	704

Cash and Cash Equivalents consist of :- (Refer note 2 & 3)	
- Balance in Current Accounts	703
- Balance in Fixed Deposits	-
Total	703

Notes:

The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (Ind AS-7) "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013.

4.14 Brief History Of The Company Since Its Incorporation Giving Details Of The Following Activities

a. Details of Share Capital as on September 30, 2019

Share Capital	Amount in Rs.
Share Capital	Amount
Authorised Share Capital	525,00,00,000
525,00,00,000 equity shares of Rs.1 each	
Issued, Subscribed and Fully Paid- up	497,56,33,325
497,56,33,325 equity shares of Rs.1 each	

b. Changes in its capital structure as on September 30, 2019, for the last five years:-

Date (EGM)	Authorised Capital in Rs.	Particulars
March 31, 2014	2,50,00,000	-
March 31, 2015	2,50,00,000	-
February 2, 2016	36,00,00,000	Increase from Rs. 2.5 crs to Rs.36 crs
September 28, 2016	1,36,00,00,000	Increase from Rs. 36 crs to Rs.136 crs
December 14, 2016	2,36,00,00,000	Increase from Rs. 136 crs to Rs. 236 crs
June 29, 2017	4,00,00,00,000	Increase from Rs. 236 crs to Rs.400 crs
November 16, 2017	4,75,00,00,000	Increase from Rs. 400 crs to Rs.475 crs
March 30, 2018	5,25,00,00,000	Increase from Rs. 475 crs to Rs.525 crs

c. Equity Share Capital History of the Company as on September 30, 2019, for the last five years:-

Date of Allotment	No of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration (Rs.) (other than cash)	Nature of Allotment	Cumulative		
						No of Equity Shares	Equity Share Capital (Rs Cr)	Equity Share Premium (Rs Cr)
March 31, 2014	38,00,000	1	1	38,00,000	-	38,00,000	0.38	-
March 31, 2015	38,00,000	1	1	38,00,000	-	38,00,000	0.38	-
August 7, 2015	2,00,00,000	1	1	2,00,00,000	Right issue	2,38,00,000	2.38	-
Feb 02, 2016	33,00,00,000	1	1	33,00,00,000	Right issue	35,38,00,000	35.38	-
Sep 29, 2016	100,00,00,000	1	1	100,00,00,000	Right Issue	135,38,00,000	135.38	-
Dec 15, 2016	100,00,00,000	1	1	100,00,00,000	Right Issue	235,38,00,000	235.38	-
June 30, 2017	137,18,33,330	1	1.2	164,61,99,996	Right Issue	372,56,33,330	372.56	27.44
Nov 28, 2017	41,66,66,665	1	1.2	49,99,99,998	Right Issue	414,22,99,995	414.23	35.77
Mar 27, 2018	41,66,66,665	1	1.2	49,99,99,998	Right Issue	455,89,66,660	455.90	44.10
Mar 31, 2018	41,66,66,665	1	1.2	49,99,99,998	Right Issue	497,56,33,325	497.56	52.44*

*(Note: As on September 30, 2019, the balance of share premium account is INR 51.37 crs (net off expenses)

d. Equity Share Capital History of the Company as on September 30, 2019, for the last five years:-

Date of Allotment	No of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration (Rs.) (other than cash)	Nature of Allotment	Cumulative		
						No of Equity Shares	Equity Share Capital (Rs Cr)	Equity Share Premium (Rs Cr)
As on March 31, 2014	38,00,000	1	1	38,00,000	-	38,00,000	0.38	-
As on March 31, 2015	38,00,000	1	1	38,00,000	-	38,00,000	0.38	-
August 7, 2015	2,00,00,000	1	1	2,00,00,000	Right issue	2,38,00,000	2.38	-
Feb 02, 2016	33,00,00,000	1	1	33,00,00,000	Right issue	35,38,00,000	35.38	-
Sep 29, 2016	100,00,00,000	1	1	100,00,00,000	Right Issue	135,38,00,000	135.38	-
Dec 15, 2016	100,00,00,000	1	1	100,00,00,000	Right Issue	235,38,00,000	235.38	-
June 30, 2017	137,18,33,330	1	1.2	164,61,99,996	Right Issue	372,56,33,330	372.56	27.44

Date of Allotment	No of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration (Rs) (other than cash)	Nature of Allotment	Cumulative		
						No of Equity Shares	Equity Share Capital (Rs Cr)	Equity Share Premium (Rs Cr)
Nov 28,2017	41,66,66,665	1	1.2	49,99,99,998	Right Issue	414,22,99,995	414.23	35.77
Mar 27, 2018	41,66,66,665	1	1.2	49,99,99,998	Right Issue	455,89,66,660	455.90	44.10
Mar 31, 2018	41,66,66,665	1	1.2	49,99,99,998	Right Issue	497,56,33,325	497.56	52.44

4.15 Details of any Acquisition or Amalgamation in the last 1 year : NA
 4.16 Details of any Reorganization or Reconstruction in the last 1 year : NA
 4.17 Details of the Shareholding of the Company as on the latest quarter end

a. Shareholding pattern of the Company as on September 30, 2019:-

Sl.	Particulars	Total no of equity shares	Number of shares in demat form	Total Shareholding as % of total no of equity shares
1	Avendus Capital Private Limited (ACPL)	497,56,33,321	100	NA
2	Ranu Vohra as nominee of ACPL	1	0	NA
3	Kaushal Kumar Aggarwal as nominee of ACPL	1	0	NA
4	Gaurav Deepak as nominee of ACPL	1	0	NA
5	Pijush Sinha as nominee of ACPL	1	0	NA
TOTAL		497,56,33,325	100	

Notes:- a. Shares pledged or encumbered by the promoters (if any) – NIL

b. Since the issue relates to issuance of Debentures, there will be no change in the shareholding pattern and share premium, pre and post the issuance of the Debentures.

c. List of top 10 holders of equity shares of the Company as on the latest quarter end i.e. September 30, 2019:-

Sl.	Name of shareholder	Total no of equity shares	Total shareholding as Percentage (%) of total number of equity shares	Number of shares held in demat form
1	Avendus Capital Private Limited (ACPL)	497,56,33,321	100	NA
2	Ranu Vohra as nominee of ACPL	1	0	NA
3	Kaushal Kumar Aggarwal as nominee of ACPL	1	0	NA
4	Gaurav Deepak as nominee of ACPL	1	0	NA
5	Pijush Sinha as nominee of ACPL	1	0	NA
TOTAL		497,56,33,325	100	

Following Details Regarding The Directors Of The Company:

a. Details of the Current Directors of the Company

S. I.	Name of the Directors	Age	Designation	Address	DIN	Director of the company since	Director in other company	Occupation
1	Mr. Sandeep Thapliyal	49	Managing Director & CEO	B-001, Mangal Apartments, Vasundhra Enclave, Preet Vihar Delhi 110096	07645620	02/11/2016	NA	Service
2	Mr. Kaushal Kumar Aggarwal	46	Director	101, Preetika Apts., Plot No 39, Saraswati Road, Santacruz (West), Mumbai - 400054, Maharashtra, India	00153487	17/01/2013	<ul style="list-style-type: none"> • Avendus PE Investment Advisors Private Limited • Avendus Capital Private Limited • Avendus Capital Alternate Strategies Private Limited • Avendus Wealth Management Private Limited 	Service
3	Mr. Ranu Vohra	48	Director	701 - A, 7th floor, Lodha Bellissimo Bldg, A Wing, N.M. Joshi Marg, Mahalaxmi, Mumbai - 400 011	00153547	17/01/2013	<ul style="list-style-type: none"> • Avendus Capital Alternate Strategies Private Limited • Avendus PE Investment Advisors Private Limited • Avendus Capital Private Limited • Avezo Advisors Private Limited • Avendus Wealth Management Private Limited • Mahindra Logistics Limited • Ocean Dial Asset Management India Private Limited (Formerly known as SIRI Investment Management Private Limited) • Spectrum Investment Advisors Private Limited • Avendus Capital Asset Management UK Limited • Avendus Finance Private Limited 	Service
4	Mr. Pijush Sinha	44	Director	C - 2904, 29th Floor, C wing, Oberoi Woods, Mohan Gokhale Road, Near Oberoi Mall, Goregaon (East), Mumbai - 400 063	02048277	17/01/2013	-	Professional
5	Mr. Suresh Menon	57	Independent Director	C-1005/06, Ashok Tower, Dr S S Rao Road, Parel, Mumbai 40012	0737329	13/04/2017	<ul style="list-style-type: none"> • HDFC Ventures Ltd • NIIF Infrastructure Finance Ltd. (Previously known as IDFC Infrastructure Finance Ltd.) 	Service
6	Mr. Deba Prasad Roy	78	Independent (Additional) Director	Apt, 50, Nestle 1B Pandurang Budhkar Marg, Mumbai-400013	00049269	30/12/2019	<ul style="list-style-type: none"> • Escorts Securities Limited • ITD Cementation India Limited 	Professional

S. I.	Name of the Directors	Age	Designation	Address	DIN	Director of the company since	Director in other company	Occupation
							<ul style="list-style-type: none"> • Landmark Capital Advisors Private Limited • Sicom Limited 	
7	Ms. Padmaja Ruparel	57	Independent (Additional) Director	A-104, Ram Vihar, Sector 30, Noida, Uttar Pradesh 201301	01383513	27/02/2020	<ul style="list-style-type: none"> • Infinity Technology Trustee Private limited • Indian Innovation Holding MSME Private Limited • Infinity Technology Investments Private Limited • Webklipper Technologies Private Limited • Indian Angel Network Services Private Limited • Association of Certified Valuators And Analysts • IAN Mentoring and Incubation Services 	Professional
8	Mr. Nitin Singh	42	Whole-Time Director	2944-D Sector 23-23A, Gurgaon Cartarpuri Alias Daulatpur Nasirabad (63)Gurgaon	06904459	04/03/2020	<ul style="list-style-type: none"> • Avendus Wealth Management Private Limited • Financial Intermediaries Association of India 	Service

*Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any. – **None of the Directors of the Company are appearing on the RBI/ECGC defaulters list.**

b. Details of change in directors since last three years:-

Name	Designation	DIN	Date of Appointment/Resignation	Director of the Company since (in case of resignation)	Remarks
Mr. Suresh Menon	Independent Director	0737329	13/04/2017	-	Appointment
Mr. Suresh Menon	Independent Director	0737329	14/04/2019	-	Re-appointment
Mr. Nikhilesh Panchal	Independent Director	00041080	30/03/2017	-	Appointment
Mr. Nikhilesh Panchal	Independent Director (ID)	00041080	30/03/2019	30/03/2017	Completion of tenure as ID
Mr. George Mitra	Whole- time Director	06868861	15/11/2018	-	Appointment
Mr. George Mitra	Whole- time Director	06868861	31/12/2019	15/11/2018	Resignation
Mr. Deba Prasad Roy	Independent (Additional) Director	00049269	30/12/2019	-	Appointment
Ms. Padmaja Ruparel	Independent (Additional) Director	01383513	27/02/2020	-	Appointment
Mr. Nitin Singh	Whole-Time Director	06904459	04/03/2020	-	Appointment

4.18 Brief particulars of the management of the Company:

Board of Directors:

Sl.	Name & Designation	Experience/Background
1	Mr. Sandeep Thapliyal, Managing Director & CEO	22 years in SME and mid-market segment
2	Mr. Ranu Vohra, Director	20 years in Indian financial services industry
3	Mr. Kaushal Kumar Aggarwal, Director	20 years of global experience in financial services
4	Mr. Pijush Sinha, Director	15 plus years in investment banking
5	Mr. Suresh Menon, Independent Director	35 years in Housing Finance and Corporate lending
6	Mr. Deba Prasad Roy Independent (Additional) Director	40 years' experience in International, Corporate & Investment Banking
7	Ms. Padmaja Ruparel Independent (Additional) Director	Over 30 years of experience in Information Tech and then Angel / VC Investing
8	Mr. Nitin Singh Whole-time Director	20 years of global experience in banking, wealth management and asset management.

4.19 Remuneration of directors (during the current year and last 3 (three) financial years)

Rs in Lakhs			
Name of the Director	Remuneration in 2016-2017	Remuneration in 2017-2018	Remuneration in 2018-2019
Mr. Sandeep Thapliyal	62.08	162.00	174.96

Following Details Regarding The Auditors Of The Company:-

a. Details of the auditor of the Company:-

Name	Address	Auditor since	Remark
Deloitte Haskins & Sells LLP	Indiabulls Financial Centre Tower 3, 27th – 32 th floor Senapati Bapat Marg, Elphinstone Road (West), Mumbai-400013	April 2012	-

b. Details of change in auditor since last three years:-

Name	Address	Date of Appointment / Resignation	Auditor of the Company since (in case of resignation)	Remarks
NA	NA	NA	NA	NA

c. **Auditors Qualifications:**

Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of Information Memorandum 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.

For the year 2014-15

Auditors' reservations or qualifications or adverse remarks: - NIL

For the year 2015-16

Auditors' reservations or qualifications or adverse remarks: - NIL

For the year 2016-17

Auditors' reservations or qualifications or adverse remarks: - NIL

For the year 2017-18

Auditors' reservations or qualifications or adverse remarks: - NIL

For the year 2018-19

Auditors' reservations or qualifications or adverse remarks: - NIL

d. Default in Annual Filing of the Issuer under Companies Act, 2013 or the rules made thereunder: NIL

4.20 Details Of Borrowings Of The Company, As On The Latest Quarter End:-

a. Details of Secured Loan Facilities as on December 31,2019:-

						(Rs. in Lakhs)
Lenders Name	Type of Facility	Amount Sanctioned	Principal Amt O/s	Repayment Date/ Schedule	Primary Security	
HDFC Bank	Term Loan	5,000	4,295	Quarterly	1.20x (hypothecation of book debts/loan receivables)	
HDFC Bank	Cash Credit	2,500	-	On Demand	1.20x (hypothecation of book debts/loan receivables)	
Kotak Mahindra Bank	Term Loan	10,000	8,602	Quarterly	1.25x (hypothecation of book debts/loan receivables)	
Development Credit Bank	Term Loan	5,000	4,333	Quarterly	1.25x (hypothecation of book debts/loan receivables)	
IDFC Bank	Term Loan	5,000	4,583	Quarterly	1.20x (hypothecation of book debts/loan receivables)	
Federal Bank	Term Loan	4,000	4,000	Quarterly	1.20x (hypothecation of book debts/loan receivables)	
AU Small Finance Bank	Term Loan	5,000	4,583	Quarterly	1.10x (hypothecation of book debts/loan receivables)	
Catholic Syrian Bank	Term Loan	2,500	2,500	Quarterly	1.20x (hypothecation of book debts/loan receivables)	
TATA Capital	Term Loan	4,000	4,000	Quarterly	1.20x (hypothecation of book debts/loan receivables)	

b. Details of Unsecured Loan Facilities as on December 31, 2019:-

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount O/s	Repayment Date/Schedule
NA	NA	NA	NA	NA

c. Details of Non-convertible debentures as of December 31, 2019

									(Rs in Lakhs)
Debenture Series	Tenor/ Period of Maturity	Coupon (Rate of Interest)	Amount	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security	
Series "A" AFPL 9.49% - 2017-2018	728 days	9.49%	5000	Feb 2, 2018	Jan 31, 2020	CRISIL A+/ Stable	Secured	1.10x (hypothecation of book debts /loan receivables)	
Series "A" AFPL	729 days	Linked to MCLR	10000	July 19, 2018	July 17, 2020	CRISIL A+/ Stable	Secured	1.10x (hypothecation of	

Debenture Series	Tenor/Period of Maturity	Coupon (Rate of Interest)	Amount	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
10.00% - F 2018-2019								book debts /loan receivables)
Series "A" of FY 2019-20)	762 days	Linked to NIFTY's performance	10000	August 20, 2019	September 20, 2021	CRISIL PP-MLD A+	Secured	1.10x (hypothe cation of book debts /loan receivables)
TOTAL			20000					

d. List of Top 10 Debenture Holders as on December 31, 2019: -

(Rs in Lakhs)		
Sl.	Name of the Debenture Holders	Amount o/s
1	Kotak Low Duration Fund	10000.00
2	Neha Bagaria	650.00
3	Pinaki Mishra	510.00
4	Kunal Bahl	510.00
5	Anand Jaikumar Jain	500.00
6	Anand Jaikumar Jain	500.00
7	Sushma Anand Jain	500.00
8	Harsh Jain	500.00
9	J L Morison India Ltd	500.00
10	Rohit Kumar Bansal	410.00

e. The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, Group Company, etc.) on behalf of whom it has been issued. -- NIL

f. Details of Commercial Paper:- The total Face Value of Commercial Papers Outstanding as on the latest quarter end :- NIL

g. Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible debentures / Preference Shares) as on March 31, 2019 – NIL

h. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years - In the Fy 19-20, in the month of January 2020, the Company has made principal payment of INR 1.36 Cr with delay of 7 days for one of it's term loan due to operational difficulty. Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option – NIL

4.21 Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –

- Statutory dues: - Nil
- debentures and interest thereon; NIL
- deposits and interest thereon; NIL
- loan from any bank or financial institution and interest thereon. As mentioned in point 4.21 (h) above

4.22 Disclosures With Regard To Litigation

A. 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 Information Memorandum and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed

- NIL

B. 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 Information Memorandum in the case of company and all of its subsidiaries. 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 Information Memorandum and if so, section-wise details thereof for the company and all of its subsidiaries.

- NIL

C. 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.

- NIL

D. Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/ Issue and the effect of such interest in so far as it is different from the interests of other persons

- NIL

Details Of Promoters Of The Company:-

Details of Promoter / Shareholders in the Company as on the latest quarter end i.e. December 31, 2019:

Sr No	Name of the shareholders	Total No of Equity shares	No .of shares in Demat form	Total shareholding as % of total no of equity shares	No of shares Pledged	% of shares pledged with respect to shares owned
1	Avendus Capital Private Limited	497,56,33,32 1	-	100	-	-
2	Ranu Vohra (Nominee of ACPL)	1	-	0.00	-	-
3	Kaushal Kumar Aggarwal (Nominee of ACPL)	1	-	0.00	-	-
4	Gaurav Deepak (Nominee of ACPL)	1	-	0.00	-	-
5	Pijush Sinha (Nominee of ACPL)	1	-	0.00	-	-

4.23 Abridged version of Audited Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications , if any*.

Refer Section 4.5

4.24 Abridged version of Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement, and Balance Sheet) and auditors qualifications, if any*.

Refer Section 4.5

* The Issuer undertakes that it shall provide latest Audited or Limited Review Financials in line with timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/DEBENTURES/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result.

4.25 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the Eligible Investor's decision to invest / continue to invest in the debt securities.

The Issuer hereby declares that there has been no material event, development or change having implications on the financials/credit quality at the time of issue from the position as on the date of the last audited financial statements of the Issuer, which may affect the Issue or the Eligible Investor's decision to invest/ continue to invest in the debt securities of the Issuer.

4.26 Name of the Debenture Trustee and Consent thereof

Vistra ITCL (India) Limited has agreed to act as the debenture trustee for and on behalf of the Debenture Holders vide their letter dated May 21,2020 and have given their consent to the Issuer for their appointment as the debenture trustee under regulation 4 (4) of the SEBI Debt Listing Regulations, as amended from time to time and in all the subsequent periodical communications sent/to be sent to the Debenture Holders.

The consent letter of the Debenture Trustee has been provided in **Annexure II**.

4.27 Rating Rationale Adopted by the Rating Agencies

The Debentures are rated “**CRISIL PP-MLD A+r/Stable**” (Outlook: Stable) (Pronounced CRISIL PP-MLD A plus r rating with Stable outlook) by CRISIL Limited. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

The rating letter dated May 02, 2020 has been provided in **Annexure III** of this Information Memorandum.

The Issuer reserves the right to obtain an additional credit rating at any time during the tenure of the Debentures from any credit rating agency registered with SEBI for full or part of the Issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating to the Issue.

The Issuer reserves the right to substitute the prevailing Credit Rating to the Issue, with a credit rating which shall be at least equivalent to the prevailing credit rating to the issue, by an alternative credit rating agency registered with SEBI, for full or part of the Issue size, subject to the prevailing relevant regulation/rules, etc.

4.28 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the Information Memorandum.

NA.

4.29 Names of all the recognized stock exchanges where the debt securities are proposed to be listed:

The Debentures are proposed to be listed on the WDM segment of the BSE.

The Issuer shall forward the listing application to the designated exchange within the 15 days from the deemed date of allotment(s).

In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Issuer will pay penal interest of 1% p.a. on the Outstanding Principal Amounts from the expiry of 30 days from the Deemed Date of Allotment till the listing of the Debentures to the Identified Investor.

4.30 Other Details**a) Issue / Instrument specific regulations:**

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act, 2013 including the notified rules thereunder, the applicable RBI guidelines and the SEBI Debt Listing Regulations, the LODR Regulations whenever applicable, the MLD Guidelines and other applicable guidelines issued by RBI and SEBI from time to time.

b) Debenture Redemption Reserve ("DRR") Creation:

As per Section 71 of the Act and Rules made thereunder, any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, under the Companies (Issuance of Share Capital and Debentures) Rules, 2014 (Rules), NBFCs are exempt from this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company does not intend to create any reserve for the redemption of the Debentures. Further, the Company is required to invest or deposit before April 30 in each year, a sum equal to 15% of the amount of its debenture maturing during the year ending on 31st March of the next year, in the instruments, as specified in the Rules. For the current financial year 2020-21, the requirement to invest or deposit the aforesaid 15% of the amount of debentures may be complied with upto June 30, 2020 or within such other extended time as permissible by the Ministry of Corporate Affairs.

c) Application process

The application process for the Issue is as provided in Section 6 of this Information Memorandum.

4.31 Issue Details

As set out in Annexure I Section 8 of this Information Memorandum.

4.32 A statement containing particulars of the dates of, and parties to all material contracts, agreements:

The contracts and documents referred to hereunder are material to the Issue, may be inspected at the Registered Office of the Issuer between 10.00 am to 5.00 pm on working days.

Sl.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2	Copy of the board resolutions dated April 9, 2020 authorizing the issue/offer of Debentures read together with the resolution of the non-convertible debenture allotment committee of the board of directors of the Issuer dated April 9, 2020 and Circular Resolution of Committee dated May 20, 2020
4	Certified true copy of the resolution passed by the Issuer at the Extra-Ordinary General Meeting held on May 18, 2020 authorizing the Issuer to issue/offer Debentures.
5	Copies of Annual Reports of the Issuer for the last three financial years
6	Credit rating letter from the Rating Agency
7	Letter from Vistra ITCL (India) Limited giving its consent to act as Debenture Trustee
8	Letter for Register and Transfer Agent
9	Certified true copy of the certificate of incorporation of the Issuer
10	Certified true copy of the tripartite agreement between the Issuer, the Registrar & Transfer Agent and NSDL/CDSL

4.33 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount upto Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) {inclusive of Green shoe option} by issuance of 250 Secured, Rated, Listed, Principal Protected, Market Linked Non-Convertible Debentures on a private placement basis in one or more tranches.

Please refer to **Annexure I** to this Information Memorandum for further details on the Issue.

4.34 Issue Size

Secured, Rated, Listed, Market Linked, Principal Protected, Non-Convertible Debentures Issue aggregating upto Rs. 25,00,00,000/- (Rupees Twenty Five Crores only).

4.35 Price at which the security is being offered

Each Debenture has face value of Rs. 10,000.00/- (Rupees Ten Lakh only) each and is offered at an issue price of Rs 10,02,108 (Indian Rupees Ten Lakh Two Thousand One Hundred Eight), i.e. at a premium of 0.2108%.

4.36 Name and address of the valuer who performed valuation of the security offered

The security being in the nature of market linked debentures and being issued at a premium, are required to be valued by a valuer. Following are the details of the Valuer:

CARE Ratings Limited
4th Floor, Godrej Coliseum, Somaiya Hospital Road,
Off Eastern Express Highway, Sion (East)
Mumbai – 400 022

Further In line with SEBI regulations, the valuation agent values the Market Linked Debentures of different issuers and publishes the same on its website on weekly basis.

Methodology of valuation of MLDs by valuation agent

- Valuation of the Bond is a combination of valuation of two components i.e. Bond strip & Option portion (also referred as coupon):

A. Bond Valuation

- Bond (principal portion) is valued by discounting for the residual tenure of the Bond.
- Benchmark used for valuation – tenure specific G-sec yield + rating & tenure specific benchmark spreads + mark up (reviewed on a monthly basis).
- Source used FIMMDA, BSE/NSE/NSDL.

B. Option Valuation

- Option is the variable portion of the Bond (i.e. Coupon) for whom the probability of payoff is calculated using Numerix system. The Issuer also uses data such as volatility surface and forwards rates of underlying reference index from SuperDerivatives.
- Option is valued by discounting at the tenure specific OIS rate or issuer's benchmark funding rate of the day. This would vary depending upon payoff structure i.e. for fix coupon payoff issuer funding rate would be the discounting rate, else for high market participation based pay off OIS rate would be the discounting rate.
- Source used FIMMDA & SuperDerivatives.

The present value of both Bond and Option component is added to arrive at the total present value of MLD which is published in weekly valuation report at website of valuation agent.

4.37 Relevant date with reference to which the price has been arrived at [Relevant Date means a date at least 30 days prior to the date on which general meeting of the company is scheduled to be held]: Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.

4.38 The class or classes of persons to whom the allotment is proposed to be made: Please refer to the definition of Eligible Investors provided under Section 6.14 of this Information Memorandum.

4.39 Intention of promoters, directors or key managerial personnel to subscribe the offer (applicable in case they intend to subscribe to the offer) required [not in case of issue of non-convertible debentures]: Not applicable as the Debentures are non-convertible debt instruments.

4.40 The proposed time within which the allotment shall be completed: The Debentures will be deemed to be allotted on the Deemed Date of Allotment, and the Issuer will ensure that the Debentures are credited into the demat accounts of the Debenture Holders within 10 (ten) Business Days from the Deemed Date of Allotment, each in accordance with the DTD. In any case, the period within which the Debentures will be allotted will not exceed the maximum period of 60 days from the date of receipt of application money prescribed under the Companies Act.

4.41 The names of the proposed allottees and the percentage of post private placement capital that may be held by them [not required in case of issue of non- convertible debentures]: Not applicable as the Debentures are non-convertible debt instruments.

4.42 The change in control, if any, in the company that would occur consequent to the private placement: Not applicable as the Debentures are non-convertible debt instruments.

4.43 The number of persons to whom allotment on preferential basis/private placement/ rights issue has already been made during the year, in terms of number of securities as well as price: NIL

4.44 The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer: Not applicable as the Debentures are non-convertible debt instruments

4.45 Amount which the company intends to raise by way of proposed offer of securities: Upto INR 10,00,00,000 (Indian Rupees Ten Crore) with a green shoe option to retain oversubscription upto INR 15,00,00,000 (Indian Rupees Fifteen Crore).

4.46 Terms of raising of securities: Duration, if applicable, rate of dividend or rate of interest, mode of payment and repayment: Please refer to the "Issue Details" provided under Annexure I of Section 8 of this Information Memorandum.

4.47 Proposed time schedule for which the offer letter is valid: Please refer to the "Issue Details" provided under Annexure I of Section 8 of this Information Memorandum.

4.48 The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations: NIL

4.49 Underwriting

The present Issue of Debentures is on private placement basis and has not been underwritten.

4.50 Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects:

None.

4.51 Utilization of the Issue Proceeds

The funds raised by the Issue, after meeting the costs and expenses in respect of the Issue, shall be utilized by the Issuer solely for the following ("Purpose"):

- (a) financing activities and business operations of the Issuer (including on-ward lending);
- (b) re-payment of the existing Financial Indebtedness of the Issuer; and
- (c) general corporate purposes of the Issuer.

The Issuer shall not use the proceeds of the Issue towards (i) any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities; (ii) any speculative purposes; (iii) investment in the real estate sector; or (iv) in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the Supervisory Authorities).

4.52 Principle terms of assets charged as security

- (a) The Debentures shall be secured by way of a first ranking *pari passu* and continuing charge to be created pursuant to the Deed of Hypothecation over the Hypothecated Assets and such additional security interest as may be agreed between the Issuer and the Debenture Holders.
- (b) The Issuer shall create the charge over the Hypothecated Assets and perfect such security by filing Form CHG-9 with the ROC and by ensuring and procuring that the Debenture Trustee files Form I with CERSAI in respect thereof within 30 (thirty) calendar days from date of execution of the Deed of Hypothecation or within such other extended time as permissible by the Ministry of Corporate Affairs.
- (c) Any other perfection requirement may be completed within 90 (ninety) days from the Deemed Date of Allotment.
- (d) The charge over the Hypothecated Assets shall at all times be at least 1.10 (one decimal one zero) times the value of the Outstanding Amounts and shall be maintained at all times until the Final Settlement Date. The value of the Hypothecated Assets for this purpose shall be the amount reflected as the value thereof in the books of accounts of the Issuer.

4.53 Minimum Subscription

As the current Issue of Debentures is being made on private placement basis, the requirement of minimum subscription as described in the SEBI Guidelines shall not be applicable and therefore the Issuer shall not be liable to refund the Issue subscription(s)/proceed(s) in the event of the total Issue collection falling short of Issue size or certain percentage of Issue size.

4.54 Price at which the security is being offered, including premium if any, along with justification of the price: The Debentures are being offered at face value of INR 10,00,000 (Indian Rupees Ten Lakh) per Debenture. Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.

4.55 Name and address of the valuer who performed valuation of the security offered (under the Companies Act), and basis on which the price has been arrived at along with report of the registered valuer: Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.

4.56 The pre-issue and post issue shareholding pattern of the Company in the following format:

Sl. No.	Category	Pre-issue		Post Issue	
		No. of shares held	% of Shareholding	No. of shares held	% of Shareholding
A	Promoter's Holding	Nil	Nil	Nil	Nil
1	Indian				
	Individual	4	0	4	0
	Bodies Corporate	497,56,33,321	100	497,56,33,321	100
	Sub-Total	497,56,33,325	100	497,56,33,325	100
2	Foreign Promoters	Nil-	Nil	Nil	Nil

	Sub-Total (A)	497,56,33,325	100	497,56,33,325	100
B	No-Promoters Holding	Nil-	Nil	Nil	Nil
1	Institutional Investors	Nil-	Nil	Nil	Nil
2	Non-Institutional Investors	Nil-	Nil	Nil	Nil
	Private Corporate Bodies	Nil-	Nil	Nil	Nil
	Directors and Relatives	Nil-	Nil	Nil	Nil
	Indian Public	Nil-	Nil	Nil	Nil
	Other [Including Non-Resident Indians (NRI's)]	Nil-	Nil	Nil	Nil
	Sub-Total (B)	Nil-	Nil	Nil	Nil
	GRAND TOTAL (A + B)	497,56,33,325	100	497,56,33,325	100

4.57 Mode of Payment for Subscription:

() Cheque
 () Demand Draft
 () Other Banking Channels

4.58 The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value): Please refer to Section 4.14 of this Information Memorandum.

4.59 Paid-up capital:

After the offer: INR 497,56,33,325

After the conversion of convertible instruments (if applicable): Not applicable.

4.60 Share premium account:

Before the Offer:

Date of Allotment	No of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration (Rs) (other than cash)	Nature of Allotment	Cumulative		
						No of Equity Shares	Equity Share Capital (Rs Cr)	Equity Share Premium (Rs Cr)
As on March 31, 2014	38,00,000	1	1	38,00,000	-	38,00,000	0.38	-
As on March 31, 2015	38,00,000	1	1	38,00,000	-	38,00,000	0.38	-
August 7, 2015	2,00,00,000	1	1	2,00,00,000	Right issue	2,38,00,000	2.38	-
Feb 02, 2016	33,00,00,000	1	1	33,00,00,000	Right issue	35,38,00,000	35.38	-
Sep 29, 2016	100,00,00,000	1	1	100,00,00,000	Right Issue	135,38,00,000	135.38	-
Dec 15, 2016	100,00,00,000	1	1	100,00,00,000	Right Issue	235,38,00,000	235.38	-
June 30, 2017	137,18,33,330	1	1.2	164,61,99,996	Right Issue	372,56,33,330	372.56	27.44

Date of Allotment	No of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration (Rs) (other than cash)	Nature of Allotment	Cumulative		
						No of Equity Shares	Equity Share Capital (Rs Cr)	Equity Share Premium (Rs Cr)
Nov 28,2017	41,66,66,665	1	1.2	49,99,99,998	Right Issue	414,22,99,995	414.23	35.77
Mar 27, 2018	41,66,66,665	1	1.2	49,99,99,998	Right Issue	455,89,66,660	455.90	44.10
Mar 31, 2018	41,66,66,665	1	1.2	49,99,99,998	Right Issue	497,56,33,325	497.56	52.44

After the offer: Since the Offer pertains to issuance of Debentures, there would be no change in Share premium account before the offer and after the offer.

4.61 The details of the existing share capital of the Issuer in tabular form, indicating therein with regard to each allotment, the date of the allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.

Date of Allotment	No. of shares allotted	Face value of shares	Issue price	Form of consideration (other than cash)
As on March 31, 2014	38,00,000	1	1	38,00,000
As on March 31, 2015	38,00,000	1	1	38,00,000
August 7, 2015	2,00,00,000	1	1	2,00,00,000
Feb 02, 2016	33,00,00,000	1	1	33,00,00,000
Sep 29, 2016	100,00,00,000	1	1	100,00,00,000
Dec 15, 2016	100,00,00,000	1	1	100,00,00,000
June 30, 2017	137,18,33,330	1	1.2	164,61,99,996
Nov 28,2017	41,66,66,665	1	1.2	49,99,99,998
Mar 27, 2018	41,66,66,665	1	1.2	49,99,99,998
Mar 31, 2018	41,66,66,665	1	1.2	49,99,99,998

4.62 Details of allotments made by the Company in the last one year prior to the date of this private placement offer cum application letter for consideration other than cash and details of the consideration in each case: NA

4.63 PART B (required pursuant to Rule 14 (3) of Companies (Prospectus and Allotment of Securities) Rules, 2014)

PART B

Please refer Schedule 1

4.64 Call / Put option Details & Procedure: NA

4.65 Mandatory Redemption Event:

NA

4.66 Optional Accelerated Redemption

NA

4.67 Right to Re-purchase and Re-issue the Debenture

The Issuer, subject to Applicable Law and the prevailing guidelines, rules/regulations of the RBI, the SEBI, other Supervisory Authorities and other requisite approvals, shall have the option from time to time to redeem/repurchase a part or all of the Debentures from the secondary markets or otherwise, upon the prior consent of the Debenture Holder(s), at any time prior to the Final Redemption Date.

In the event of a part or all of its Debentures being redeemed/repurchased as aforesaid under any circumstances whatsoever, the Issuer shall have, and shall be deemed to have had, the power to re-use the International Securities Identification Number (ISIN) allotted to the Issuer for the purposes of the Debentures in accordance with the SEBI circulated dated June 30, 2017 on "Specifications related to International Securities Identification Number (ISINs) for debt securities issued under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008".

4.68 Status of Debentures

The Debentures shall rank pari-passu inter se and without any preference or priority among themselves. Subject to any obligations preferred by mandatory provisions of the law prevailing from time to time, the Debentures shall also, as regards the principal amount of the Debentures, redemption premium, additional interest (if any) and all other monies in respect of the Debentures, rank pari-passu with all other present and future holders of debentures issued by the Issuer in the same category.

4.69 Disclosure Clause

In the event of default in the repayment of the principal and/or redemption premium and/or additional interest(if any) on the Debentures on the due dates, the Debenture Trustee and /or the Stock Exchanges and/or the RBI and/or SEBI will have an unqualified right to disclose or publish the name of the Issuer and its directors as defaulter in such manner and through such medium as the Eligible Investors and/or the RBI in their absolute discretion may think fit. Over and above the aforesaid terms and conditions, the Debentures shall be subject to the terms and conditions to be incorporated in the Debenture Trust Deed and Debenture Trustee Agreement.

4.70 Modification of Rights

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with the consent, in writing, of those holders of the Debentures who hold at least three fourth of the outstanding amount of the Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture holders, provided that nothing in such consent or resolution shall be operative against the Issuer where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Issuer.

4.71 Conflict

In case of any repugnancy, inconsistency or where there is a conflict between the conditions/covenants as are stipulated in this document and any transaction document/s to be executed by the Issuer, the provisions mentioned in the Debenture Trust Deed shall prevail and override the provisions mentioned elsewhere.

4.72 Interpretation

The terms and conditions mentioned in this Information Memorandum are to be read and understood in conjunction with the terms contained in the other transaction documents to be executed by the Issuer of this Issue.

TRANSACTION DOCUMENTS AND KEY TERMS

4.73 TRANSACTION DOCUMENTS

The following documents shall be executed in relation to the Issue ("Transaction Documents"):

- a. Debenture trustee agreement, which will confirm the appointment of Vistra ITCL (India) Limited as the Debenture Trustee ("Debenture Trustee Agreement");
- b. Debenture trust deed, which will set out the terms upon which the Debentures are being issued and (iii) shall include the representations and warranties and the covenants to be provided by the Issuer ("Debenture Trust Deed" or "DTD");
- c. Deed of hypothecation whereby the Issuer will create a pari passu charge by way of hypothecation over Hypothecated Assets in favour of the Debenture Trustee to secure its obligations in respect of the Debentures ("Deed of Hypothecation");
- d. This Information Memorandum; and
- e. Such other documents as agreed between the Issuer and the Debenture Trustee.

4.74 REPRESENTATIONS, WARRANTIES, AND COVENANTS OF THE COMPANY

4.75.1 AFFIRMATIVE COVENANTS

The Issuer agrees and undertakes to adhere to and comply with the affirmative covenants set out below at all times until the Final Settlement Date:

(a) USE OF PROCEEDS

The Issuer shall utilise the moneys received towards subscription of the Debentures for the Purpose in accordance with Applicable Law and procure and furnish to the Debenture Trustee an end-use certificate from a practicing-chartered account in respect of the utilisation of funds raised by the issue of the Debentures.

(b) COMPLIANCE WITH APPLICABLE LAW

The Issuer will obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all licenses and authorisations necessary to enable it to lawfully enter into and perform its obligations under the DTD and the other Transaction Documents or to ensure the legality, validity, enforceability or admissibility in evidence in India of the DTD and the other Transaction Documents.

The Issuer will comply with:

- (A) all Applicable Law (including but not limited to the Act and the MLD Guidelines), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time;
- (B) the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures;
- (C) the provisions of the Act in relation to the issue of the Debentures (including but not limited to any obligation of the Issuer to constitute any committee (including any audit committee, remuneration committee, stakeholders relationship committee etc.) on

exceeding the prescribed threshold in accordance with Act or any rules thereunder); and

(D) procure that the Debentures are rated and a rating is continued until the Final Settlement Date.

(c) LOSS OR DAMAGE BY UNCOVERED RISKS

The Issuer shall promptly inform the Debenture Trustee of any loss or significant damage which the Issuer may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Issuer may not have insured its properties which has or is likely to have a Material Adverse Effect.

(d) COSTS AND EXPENSES

The Issuer shall pay all costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of Debenture Holders' interests, including travelling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures.

(e) PAYMENT OF RENTS, ETC.

The Issuer shall punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Issuer as and when the same shall become payable and when required by the Debenture Trustee produce the receipts of such payment and also punctually pay and discharge all debts and obligations and liabilities which may have priority over the Debentures and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Issuer under the DTD.

(f) PRESERVE CORPORATE STATUS

(i) The Issuer shall diligently preserve and maintain its corporate existence and status and comply with all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to its Assets or any part thereof.

(ii) The Issuer will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Debentures might or would be hindered or delayed.

(g) PAY STAMP DUTY

The Issuer shall pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Issuer may be required to pay according to the applicable state laws. In the event of the Issuer failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee will be at liberty (but shall not be bound) to pay the same and the Issuer shall, within 15 days of demand from the Debenture Trustee, reimburse the same to the Debenture Trustee.

(h) FURNISH INFORMATION

(i) The Issuer shall furnish quarterly reports to the Debenture Trustee (as may be required in accordance with SEBI/BSE guidelines or regulations) containing the following particulars:

(A) updated list of the names and addresses of the Debenture Holders;

(B) details of the interest due, /Acceleration Premium/additional interest but unpaid and reasons thereof;

- (C) the number and nature of grievances received from the Debenture Holders and resolved by the Issuer; and
- (D) a statement that the Hypothecated Assets are sufficient to discharge the claims of the Debenture Holders as and when they become due.

- (ii) The Issuer shall inform and provide the Debenture Trustee with all relevant documents in respect of any occurrence of any Event of Default within 5 (five) days of its occurrence.
- (iii) The Issuer will provide all information, documents and data required to be provided this Information Memorandum at all times until the Final Settlement Date, including without limitation any information on winding up and other legal proceedings which have or are likely to have a Material Adverse Effect.

(i) REDRESSAL OF GRIEVANCES

The Issuer shall promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Issuer further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance.

(j) COMPLY WITH INVESTOR EDUCATION AND PROTECTION FUND REQUIREMENTS

The Issuer shall comply with the provisions of the Act relating to transfer of unclaimed/ unpaid amounts of interest on Debentures and redemption of Debentures to Investor Education and Protection Fund, if applicable to it.

(k) CORPORATE GOVERNANCE; FAIR PRACTICE CODE

The Issuer shall comply with any corporate governance requirements applicable to the Issuer (as may be prescribed by the Supervisory Authorities or any stock exchange) and the fair practices code prescribed by the Supervisory Authorities.

(l) FURTHER ASSURANCES

The Issuer shall:

- (i) provide details of any litigation, arbitration or administrative proceedings that if determined adversely could have a Material Adverse Effect; and
- (ii) comply and execute and/or do, at its own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by law require in relation to exercising any of rights under the Transaction Documents.

(m) SECURITY

The Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows:

- (i) the Debentures shall be secured by way of a first ranking *pari passu* continuing security by way of hypothecation over the Hypothecated Assets in favour of the Debenture Trustee for the benefit of the Debenture Holders;
- (ii) the Issuer shall, subject to the Security Cover being maintained, be entitled to create charge, lien or other encumbrance upon or over the Hypothecated Assets or any part thereof. The Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve the Security and to maintain the same undiminished and claim reimbursement thereof;

- (iii) to create the security over the Hypothecated Assets as contemplated in the Transaction Documents by executing the required duly stamped documents/instruments and to register and perfect the security interest created thereunder by filing Form CHG-9 with the concerned ROC and by ensuring and procuring that the Debenture Trustee files Form I with CERSAI in relation thereto as soon as practicable and no later than 30 (thirty) calendar days from the creation of execution of the Deed of Hypothecation or within such other extended time as permissible by the Ministry of Corporate Affairs;
- (iv) the Issuer shall provide to the Debenture Trustee a certificate of its authorised officer at such times as may be agreed with the Debenture Holders along with such other certifications in respect of the hypothecated assets as may be required by the Debenture Trustee confirming the (i) the value of the hypothecated assets equals or exceeds the stipulated Security Cover, and (ii) the receivables comprising the Hypothecated Assets satisfy the eligibility criteria set out in the Deed of Hypothecation;
- (v) to keep the Application Money in a designated bank account in the event the DTD and the other Transaction Documents are not executed or in the event the value of the Security Cover is not maintained/provided;
- (vi) the Issuer shall, whenever required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time and shall furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Debenture Trustee and furnish and execute all necessary documents to give effect to the Hypothecated Assets;
- (vii) the security interest created on the Hypothecated Assets shall be a continuing security until the Final Settlement Date;
- (viii) commencing from the date of the Deed of Hypothecation, the Hypothecated Assets shall satisfy the eligibility criteria set out therein;
- (ix) nothing contained herein shall prejudice the rights or remedies of the Debenture Trustee and/ or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any indebtedness or liability of the Issuer to the Debenture Trustee and/ or the Debenture Holders;
- (x) the Debenture Holders shall have a beneficial interest in the moveable Assets of the Issuer which have been charged to the Debenture Trustee to the extent of the Outstanding Amounts of the Debentures under the DTD; and
- (xi) forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Charged Hypothecated Assets and such amounts shall be deemed to be secured by the Hypothecated Assets;

(n) FILINGS; COMPLIANCE WITH BSE REQUIREMENTS

The Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows:

- (i) while submitting half yearly/annual financial results in accordance with Regulation 52 of the LODR Regulations, the Issuer shall file with the BSE for dissemination, along with a noting certificate of the Debenture Trustee, containing, *inter alia*, the following information:
 - (A) credit rating (and any change thereto);
 - (B) asset cover, if required, accompanied with a half yearly certificate regarding maintenance of 100% asset cover in respect of the Debentures, by either a practicing company secretary or a practicing chartered accountant, within one month from the end of the half year;

- (C) debt to equity ratio accompanied with a certificate of a practicing chartered accountant confirming such debt to equity ratio;
- (D) previous Due Date for the payment of interest/principal and whether the same has been paid or not; and
- (E) next Due Date for the payment of interest/principal;
- (F) net worth;
- (G) net profit after tax;
- (H) earnings per share;

(ii) in accordance with Regulation 52 of the LODR Regulations, the Issuer shall file with the BSE the prescribed statements, financial statements and notings, a certificate of the Debenture Trustee within the timelines prescribed therein;

(iii) in accordance with Regulation 56 of the LODR Regulations, the Issuer shall submit the following to the Debenture Trustee:

- (A) a copy of the annual report at the same time as it is issued and a copy of the certificate from the Issuer's auditors in respect of utilisation of funds raised by the issue of the Debentures, at the same time or at the end of each Financial Year until such funds have been fully utilized or the purpose for which such funds were intended has been achieved;
- (B) a copy of all notices, resolutions and circulars relating to any new issue of non-convertible debt securities (at the same time as they are sent to shareholders/holders of non-convertible debt securities), the meetings of holders of non-convertible debt securities (at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings);
- (C) intimations regarding any revision in the rating or any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities issued by the Issuer or any failure to create charge on the assets; and
- (D) a copy of the statement, if any filed with the BSE in compliance of Regulation 52(7) of the LODR Regulations indicating material deviations, if any, in the use of funds raised by the issue of the Debentures from the object stated in the Debt Disclosure Document;

(iv) in accordance with Regulation 58 of the LODR Regulations, the Issuer shall furnish the following to the Debenture Holders in the manner prescribed therein:

- (A) physical copies of full annual reports to those Debenture Holders who request the same;
- (B) notice of all meetings of the Debenture Holders specifically stating that the provisions for appointment of proxy in accordance with Section 105 of the Act shall be applicable for such meeting; and
- (C) proxy forms for the Debenture Holders clearly providing the Debenture Holders to vote for each resolution in such a manner that they may vote either for or against each resolution;

(v) it will submit the following to the Debenture Trustee, within 30 (thirty) calendar days of each Quarterly Date:

- (A) a certificate from an authorised signatory/Director/Managing Director of the Issuer certifying the value of the book debts/receivables comprising the Hypothecated Assets; and
- (B) a certificate from an independent chartered accountant giving the value of book debts/receivables comprising the Hypothecated Assets;
- (vi) it will submit to the Debenture Trustee, on an annual basis, a certificate from a practising chartered accountant on the value of the book debts/receivables comprising the Hypothecated Assets;
- (vii) it will furnish quarterly reports to the Debenture Trustee (as may be required in accordance with SEBI/BSE guidelines or regulations) with respect to the number and nature of grievances received from the Debenture Holders and (i) resolved by the Issuer, and (ii) unresolved along with the reasons thereof; and
- (viii) it will keep the Debenture Trustee informed of all orders, directions and/or notices of all courts or tribunals which have a Material Adverse Effect.

(o) CREATION AND PERFECTION OF SECURITY

In the event of any delay in the execution of the documentation in respect of or the creation and perfection of the security over the Hypothecated Assets, the Issuer will, at the option of the Debenture Holders, either:

- (i) refund the Application Money as set out in the DTD, to the Debenture Holders; or
- (ii) pay to the Debenture Holders an additional interest at the rate of 2% (two percent) per annum charged on the Outstanding Principal Amount until the security is duly created and perfected in accordance with the terms of the Transaction Documents.

(p) AUDIT AND INSPECTION

The Issuer shall, upon receipt of a prior reasonable notice, permit visits and inspection of books of records, documents and accounts to the Secured Parties and their representatives in such form and manner and at such times as may be agreed between the Issuer and the Secured Parties.

(q) BOOKS AND RECORDS

The Issuer shall maintain its accounts and records in accordance with Applicable Law.

(r) VALUATION

- (i) The Issuer has appointed CARE Ratings Limited, a credit rating agency registered with SEBI ("Valuation Agent") as the third party valuation agency in accordance with the MLD Guidelines.
- (ii) The Issuer shall provide to the Debenture Holders, as and when requested by them, the valuation report of the Valuation Agent prepared in accordance with the MLD Guidelines.
- (iii) The Issuer shall solely bear all costs incurred for valuation.
- (iv) The Issuer shall make available the valuation reports of the Valuation Agent on its website. Without prejudice to the above, the valuation reports will also be available on the available of the website of the Valuation Agent at <http://www.careratings.com/mld-valuation/Index.aspx>.

4.75.2 REPRESENTATIONS AND WARRANTIES

The Issuer makes the representations and warranties set out in this Section to the Debenture Trustee for the benefit of the Debenture Holders on the date of this Information Memorandum, which representations shall be true and valid and deemed to be repeated on each date until the Final Settlement Date.

(a) STATUS

- (i) It is a company, duly incorporated, registered and validly existing under Applicable Law.
- (ii) It is a "non-banking financial company" registered with the RBI and a Depository Participant registered with SEBI
- (iii) It has the power to own its Assets and carry on its business as it is being conducted.

(b) BINDING OBLIGATIONS

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.

(c) ISSUE

The Issue and the Debentures comply with the requirements prescribed by the Supervisory Authorities. The proceeds of the Debentures have been utilised for the Purpose in compliance with the DTD and the other Transaction Documents.

(d) NON-CONFLICT WITH OTHER OBLIGATIONS

The entry into and performance by it of, and the transactions contemplated by the Transaction Documents do not and will not conflict with:

- (i) any Applicable Law;
- (ii) its Constitutional Documents; or
- (iii) to the best of the Issuer's knowledge (after making due and careful enquiry), any agreement or instrument binding upon it or any of its Assets.

(e) POWER AND AUTHORITY

It has the power to enter into, perform and deliver, and has taken all necessary action to authorize its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.

(f) VALIDITY AND ADMISSIBILITY IN EVIDENCE

All approvals, authorisations, consents, permits (third party, statutory or otherwise) required or desirable:

- (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
- (ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- (iii) for it to carry on its business, and which are material,
- (iv) have been obtained or effected and are in full force and effect.

(g) NO DEFAULT

- (i) No Event of Default has occurred and is continuing or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures.
- (ii) No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default.

(h) PARI PASSU RANKING

- (i) Its payment obligations under the Debentures are the direct, unconditional and irrevocable obligations of the Issuer.
- (ii) Its payment obligations under the Transaction Documents shall be at least *pari passu* with the claims of all of its other senior secured creditors, except for obligations mandatorily preferred by Applicable Law applying to companies generally.

(i) NO PROCEEDINGS PENDING

Except as disclosed by the Issuer in, annual reports and financial statements, to the best of the knowledge of the Company (after conducting due diligence and enquiry), no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which have been commenced or threatened against the Issuer or its officers, which if adversely determined, may have a Material Adverse Effect.

(j) NO MISLEADING INFORMATION

All information provided by the Issuer to the Debenture Trustee/Debenture Holders for the purposes of this Issue is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated and is not misleading due to omission of material fact or otherwise.

(k) COMPLIANCE

- (i) To the best of its knowledge, the Issuer and its affiliates have complied with Applicable Law (including without limitation, the MLD Guidelines).
- (ii) There has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of any Governmental Authority issued or outstanding or to the best of the Issuer's knowledge (after making due and careful enquiry), anticipated against the Issuer which would have a Material Adverse Effect, nor has any notice or other communication (official or otherwise) from any Governmental Authority been issued or is outstanding or to the best of the Issuer's knowledge (after making due and careful enquiry), anticipated with respect to an alleged, actual or potential violation and/or failure to comply with any such Applicable Law or requiring them to take or omit any action.
- (iii) The Issuer shall complete all necessary formalities including all filings with the relevant regulatory authorities, including but not limited to the SEBI, the BSE, CERSAI and the ROC and obtain all consents and approvals required for the completion of the Issue.

(b) FUTURE BORROWING

The Issuer shall, subject to the Security Cover being maintained, be entitled to borrow or raise loans or create encumbrances or avail financial assistance in whatever form, and also issue debentures or other securities (whether secured or unsecured), without the consent of, or intimation to the Debenture Holders or the Debenture Trustee

(c) ASSETS

Except for the security interests and encumbrances created and recorded with the ROC, the Issuer has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material Assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(d) NO FILINGS OR STAMP TAXES

There are no stamp duties, registration, filings, recordings or notarizations before or with any Governmental Authority required to be carried out in India in relation to the execution and delivery of the Transaction Documents by the Issuer other than the:

- (i) stamping of the Transaction Documents (on or prior to execution in New Delhi, India) in accordance the applicable provisions of the Indian Stamp Act, 1899 (as applicable to the state of New Delhi, India);
- (ii) (to the extent applicable) stamping of the Debenture Certificate in accordance with the Indian Stamp Act, 1899;
- (iii) filing of the return of allotment of securities under Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC;
- (iv) filing of the Debt Disclosure Document with the ROC and SEBI;
- (v) filing of Form CHG 9 with the ROC by no later than 30 (thirty) days of execution of the Deed of Hypothecation or within such other extended time as permissible by the Ministry of Corporate Affairs; and
- (vi) filing of Form I with CERSAI by no later than 30 (thirty) days of execution of the Deed of Hypothecation.

(e) FINANCIAL STATEMENTS

- (i) Its financial statements most recently supplied to the Debenture Trustee as of September 30, 2019 were prepared in accordance with Indian GAAP consistently applied save to the extent expressly disclosed in such financial statements.
- (ii) Its financial statements as of September 30, 2019 supplied to the Debenture Trustee, give a true and fair view and represent its financial condition and operations during the Financial Year save to the extent expressly disclosed in such financial statements.

(f) SOLVENCY

- (i) The Issuer is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it has not been deemed by a court to be unable to pay its debts for the purposes of Applicable Law, nor will it become unable to pay its debts for the purposes of Applicable Law as a consequence of entering into the DTD or any other Transaction Document.
- (ii) The Issuer, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its Financial Indebtedness.
- (iii) The value of the Assets of the Issuer is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
- (iv) The Issuer has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.

- (v) No insolvency or bankruptcy process has commenced in respect of any of the Issuer under the IBC or any other law relating to insolvency and bankruptcy applicable to the Issuer.
- (vi) No reference has been made, or enquiry or proceedings commenced, in respect of the Issuer, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets.

(g) SECURITY

- (i) The Hypothecated Assets are the sole and absolute property of the Issuer and, other than as disclosed by the Issuer to the Debenture Trustee/Debentures Holders, are free from any other mortgage, charge or encumbrance and are not subject to any lis pendens, attachment, or other order or process issued by any Governmental Authority.
- (ii) The Transaction Documents executed or to be executed constitute legal, valid and enforceable security interest in favour of the Debenture Trustee and for the benefit of the Debenture Holders on all the assets thereby secured and all necessary and appropriate consents for the creation, effectiveness, priority and enforcement of such security have been obtained.

(h) ILLEGALITY

It is not illegal or unlawful for the Issuer to perform any of its obligations under the Transaction Documents.

(i) MARKET LINKED DEBENTURES

- (i) The Debentures issued are principal protected and promise the return of the principal amount of the Debentures in full on the Final Redemption Date.
- (ii) The Issuer has a Net Worth of more than INR 100,00,00,000 (Indian Rupees One Hundred Crore).

(j) EXECUTION OF TRANSACTION DOCUMENTS

- (i) The DTD and the Transaction Documents executed or to be executed constitute legal, valid and enforceable obligations of the Issuer, and, to the extent applicable, create a legal, valid and enforceable security interest in favour of the Debenture Trustee.
- (ii) No consents or approvals are required by the Issuer from its creditors (including any bank or financial institution) or any Governmental Authority or any other person for the creation, effectiveness, priority and enforcement of the Transaction Documents and the Security created thereunder.

4.75.3 NEGATIVE COVENANTS

The Issuer shall not take any action in relation to the items set out herein below without the prior written permission of the Debenture Trustee, which shall not be unreasonably withheld. The Debenture Trustee shall give its prior written approval/dissent within 15 (fifteen) Business Days of receipt of a request for approval, subject to such request being accompanied by the relevant information substantiating the request for the Secured Parties to make a well-informed and meaningful decision:

(a) **Change of Business and Constitutional Documents**

- (i) Change the general nature of its business from that which is permitted as a "non-banking financial company" registered with the RBI.
- (ii) Any changes to its Constitutional Documents which has or is likely to have a Material Adverse Effect.

(b) **Dividend**

If an Event of Default has occurred and is continuing, declare or pay any dividend to its shareholders (of equity shares or preference shares) during any Financial Year unless it has paid or made arrangements to pay (to the satisfaction of the Debenture Trustee) all the Secured Obligations to the Secured Parties up to the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions thereof.

(c) **Merger**

Enter into any or propose to enter into any merger, de-merger, consolidation, re-organization, scheme of arrangement, compromise or settlement with its creditors or shareholders or effect any scheme of amalgamation or reconstruction or entering into negotiations with in relation to any of the foregoing, where any of the above may have a Material Adverse Effect.

(D) **Compromise**

Enter into any or propose to enter into any composition, compromise, assignment or arrangement with any creditor of the Issuer or entering into negotiations with in relation to any of the foregoing, where any of the above may have a Material Adverse Effect.

(E) **Change of Control**

Any change in Control from that subsisting as on the Effective Date.

4.75.4 REPORTING COVENANTS

The Issuer shall provide or cause to be provided to the Debenture Trustee (acting on behalf of the Debenture Holders) (including on any online reporting platform notified by the Debenture Trustee (acting on behalf of the Debenture Holder), in form and substance reasonably satisfactory to the Debenture Trustee, each of the following items:

- (a) Prior to the Deemed Date of Allotment, all documents and information and confirmations comprising the Conditions Precedent.
- (b) As soon as available, and in any event within 120 (one hundred and twenty) calendar days after the end of each Financial Year of the Issuer:
 - (i) certified copies of its audited consolidated and non-consolidated (if any) financial statements for its most recently completed fiscal year, prepared in accordance with Indian GAAP including its balance sheet, income statement and statement of cash flow. All such information shall be complete and correct in all material respects and shall fairly represent the financial condition, results of operation and changes in cash

flow and a list comprising all material financial liabilities of the Issuer whether absolute or contingent as of the date thereof;

- (ii) copies of all annual information submitted to the Supervisory Authorities by the Issuer; and
- (iii) such additional information or documents as the Debenture Trustee may reasonably request.

(c) On September 30 and March 31 of each Financial Year, certified copies of its un-audited consolidated and non-consolidated (if any) quarterly financial statements for the preceding fiscal quarter, prepared in accordance with Indian GAAP including its balance sheet, income statement and statement of cash flow.

(d) Within 45 (forty five) calendar days after each Quarterly Date details of the portfolio growth and asset quality, and funding data, in such form and manner as may be acceptable to the Debenture Trustee.

(e) As soon as practicable, and in any event within 15 (fifteen) Business Days after the Issuer obtains or reasonably should have obtained actual knowledge thereof, notice of any dispute, litigation, investigation or other proceeding affecting the Issuer or its property or operations, which might, if adversely determined, have a Material Adverse Effect.

(f) As soon as practicable, and in any event within 15 (fifteen) Business Days after the Issuer obtains or reasonably should have obtained actual knowledge thereof obtains or reasonably, notice of the occurrence of any Event of Default including any steps taken to cure such event.

(g) As soon as practicable, and in any event within 15 (fifteen) Business Days of receiving any notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Act or any other notice under any other statute relating to winding up or otherwise of any suit or other legal process intended to be filed or initiated against the Issuer.

(h) As soon as practicable and in any event within 15 (fifteen) Business Days of the occurrence of:

- (A) any change in the statutory auditors of the Issuer;
- (B) any change in the accounting policy of the Issuer, which may have a Material Adverse Effect. PROVIDED THAT nothing in this sub-Section shall apply to a change in the accounting policy of the Issuer pursuant to Applicable Law; and
- (C) any change in its Constitutional Documents which has or is likely to have a Material Adverse Effect.

(a) As soon as practicable and in any event within 30 (thirty) calendar days of receipt of a request, such additional documents or information with respect to the financial condition, business and operations of the Issuer as the Debenture Trustee or the Debenture Holders, may reasonably request from time to time.

4.76 REGISTER OF DEBENTURE HOLDERS

A Register of Debenture Holders shall be maintained in accordance with Section 88 of the 2013 Act and the Register of Debenture Holders/the Register of Beneficial Owners shall be closed 15 (fifteen) calendar days prior to each Due Date.

4.77 COSTS

(a) The Issuer shall bear the costs and expenses incurred in connection with the transactions contemplated hereby including without limitation, stamp duty, registration fee, all wire fees, applicable charges, valuation fees, travel costs, costs for advertisements, communication costs,

the legal advisors' fees and expenses incurred in the negotiation, preparation, printing, execution, filing and registration (if applicable) of the Transaction Documents.

(b) All reasonable expenses incurred by the Debenture Trustee prior to or following the occurrence of an Event of Default, including in connection with:

- (i) collection of amounts due under the Transaction Documents;
- (ii) engaging all intermediaries;
- (iii) all expenses in relation to issue of Debentures;
- (iv) legal costs; or
- (v) stamp duty on any Transaction Documents,

shall be payable by the Issuer under the Transaction Documents.

4.78 DISCRETIONARY AUDIT

The Issuer agrees that the Debenture Trustee or any person authorised by it and/or any Debenture Holder or any person authorised by it may conduct an audit on the review of collection standards, management, governance, internal systems and processes, and data integrity of the Issuer at any time on or prior to the Final Redemption Date. The scope of such audit shall, *inter alia*, cover visit to operational (field) areas of the Issuer as well as the head office and/or any regional or state level or other branch offices and discussions with employees of the Issuer as well as with clients of the Issuer.

4.79 EVENTS OF DEFAULT

(a) Payment Defaults

The Issuer does not pay any amount payable pursuant to the DTD at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 3 (three) calendar days of the relevant Due Date.

(b) Misrepresentation

Any representation or warranty made by or on behalf of the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by or on behalf of the Issuer shall prove to have been incorrect, false or misleading in any material respect when made or deemed to be made and shall have caused a Material Adverse Effect.

(c) Insolvency/Inability to Pay Debts

- (i) The Issuer is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness.
- (ii) Without prejudice to (i) above, the commencement of an insolvency or bankruptcy process in respect of the Issuer under the IBC or any other law relating to insolvency and bankruptcy applicable to the Issuer.

(d) Liquidation or Dissolution of the Issuer / Appointment of Receiver or Liquidator

- (i) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (A) the suspension of payments, a moratorium of any Financial Indebtedness, winding-up, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer;

- (B) a composition, compromise, assignment or arrangement with any creditor of the Issuer;
- (C) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Issuer;
- (D) the Issuer, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets; or
- (E) enforcement of any security over any Assets of the Issuer or any analogous procedure or step is taken in any jurisdiction, which after institution has not been withdrawn within 180 (one hundred and eighty) days of institution in court or tribunal.

Any other event occurs or proceeding is instituted under any Applicable Law that would have an effect analogous to any of the events listed in sub-Sections (A) to (E) above.

- (ii) Any petition for the re-organisation, arrangement, adjustment, winding up or composition of debts of the Issuer is filed on the Issuer (voluntary or otherwise) or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding is not contested by the Issuer for staying, quashing or dismissal within 30 (thirty) calendar days.

(e) Creditors' Process and Expropriation

- (i) Any expropriation, attachment, garnishee, sequestration, distress or execution affects any material Assets of the Issuer and is not discharged within 180 (one hundred and eighty) calendar days.
- (ii) Any expropriation, attachment, garnishee, sequestration, distress or execution affects any Hypothecated Assets or part thereof.
- (iii) All or a material part of the undertaking, Assets, rights or revenues of the Issuer are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Issuer, or shall have taken any action for the dissolution of the Issuer, or any action that would prevent the Issuer, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Governmental Authority.

(f) Cessation of Business

The Issuer without obtaining the prior consent of the Super Majority Debenture Holders ceases to carry on its current business or gives notice of its intention to do so.

(g) Judgment Defaults

One or more judgments or decrees entered against the Issuer involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 10% (ten percent) of the Total Assets of the Issuer provided such judgments or decrees are either final and non-appealable or have not been vacated, discharged or stayed pending appeal for any period of 30 (thirty) consecutive calendar days.

(h) Transaction Documents

The DTD or any other Transaction Document (in whole or in part), is terminated or ceases to

be effective or ceases to be in full force or no longer constitutes valid, binding and enforceable obligations of the Issuer.

(i) **Unlawfulness**

It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents and/or any of its obligations under any Transaction Document are not or cease to be valid, binding or enforceable.

(j) **Repudiation**

The Issuer repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.

(k) **Hypothecated Assets**

The Issuer creates or attempts to create any charge on the Hypothecated Assets or any part thereof that is in addition to the charges permitted and/or created under the relevant Transaction Documents.

(l) **Security in Jeopardy**

In the opinion of the Debenture Trustee, any of the Hypothecated Assets is in jeopardy including any depreciation in the value of the Hypothecated Assets to such an extent that in the opinion of the Debenture Trustee, there is a requirement to provide further security to the satisfaction of the Secured Parties and such additional security is not provided within 15 (fifteen) Business Days of written notice served by the Debenture Trustee.

(m) **Security**

- (i) The Issuer fails to create security within the timelines prescribed in the Transaction Documents and/or in the manner prescribed in the Transaction Documents.
- (ii) The value of the Hypothecated Assets is insufficient to maintain the Security Cover and the Issuer fails to maintain the Security Cover (including by way of providing additional/alternate security to the satisfaction of the Debenture Trustee) within the stipulated timelines prescribed in the relevant Transaction Document.
- (iii) Any of the Transaction Documents fail to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests fail to have the priority contemplated under the Transaction Documents, or the security interests become unlawful, invalid or unenforceable.

(n) **Merger or Acquisition**

The Issuer takes or permits any action to be taken for re-organisation of its capital or any rearrangement, merger or amalgamation.

(o) **Breach of Other Covenants**

Any breach of any covenant (including financial covenants, if any) or undertaking of the Issuer in the Transaction Documents which has a Material Adverse Effect (other than sub-Sections (a) to (n) above) which, if capable of remedy, is not cured within 60 (sixty) calendar days of occurrence.

4.80 NOTICE ON THE OCCURRENCE OF AN EVENT OF DEFAULT

If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default, has occurred, the Issuer shall, forthwith give notice thereof to the Secured Parties in writing specifying the nature of such event or Event of Default (as applicable).

SECTION 5: DISCLOSURES PERTAINING TO WILFUL DEFAULT

In case of listing of debt securities made on private placement, the following disclosures are required to be made:

- (A) **Name of the Bank declaring the entity as a Wilful Defaulter:** NIL
- (B) **The year in which the entity is declared as a Wilful Defaulter:** NIL
- (c) **Outstanding amount when the entity is declared as a Wilful Defaulter:** NIL
- (D) **Name of the entity declared as a Wilful Defaulter:** NIL
- (E) **Steps taken, if any, for the removal from the list of Wilful defaulters:** NIL
- (F) **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions:**
NIL
- (G) **Any other disclosure as specified by the SEBI:** NIL
- (G) **Neither the Issuer nor any of its promoters or directors is a wilful defaulter.**

SECTION 6: OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Companies Act, the memorandum of association and the articles of association of the Issuer, the terms of this Information Memorandum, the Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

6.1 *Mode of Transfer/Transmission of Debentures*

The Debentures shall be transferable freely in whole or in part without the prior consent of the Issuer, however, it is clarified that no Debenture Holder shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debentures shall be transferred and/or transmitted in accordance with the applicable provisions of the Depositories Act, 1996, the Companies Act and other Applicable Law. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DP of the transferor or transferee and any other Applicable Law. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of Debenture Holder(s) maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The transferor should give delivery instructions containing details of the transferee's DP account to its DP.

6.2 *Debentures held in Dematerialized Form*

The Debentures shall be held in dematerialized form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by /fund transfer/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate corporate action.

The list of beneficiaries as of the Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

6.3 *Trustee for the Debenture Holder(s)*

The Issuer has appointed Vistra (ITCL) India Limited to act as the debenture trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intends to enter into the Debenture Trustee Agreement and the DTD for, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and redemption premium thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder(s) shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do

so. The Transaction Documents of shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

In the case of a delay in the execution of any of the Transaction Documents, the Issuer shall refund the Application Money with the agreed rate of interest (if applicable) or shall pay a default/additional interest of 2% (Two Percent) per annum over the amount outstanding until such time the conditions have been complied with at the option of the Investor.

6.4 *Sharing of Information*

The Issuer may, subject to Applicable Law, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with any or all of its affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and/or desirable, and neither the Issuer nor any of its affiliates nor their agents shall be liable for use of such information.

6.5 *Default Interest*

- (a) If the Issuer fails to create or perfect the security on the Hypothecated Assets within the timelines prescribed in the DTD and the other Transaction Documents, the Issuer will either refund the Application Money in accordance with the terms of the DTD, or the Issuer will pay additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts until the security is created and perfected in accordance with the DTD and Applicable Law.
- (b) The Issuer agrees to pay an additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default until such Payment Default is cured.
- (c) The Issuer agrees to pay an additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts from the date of the occurrence of any breach of any covenants (including but not limited to, financial covenants), undertakings or obligations of the Issuer set out under the Transaction Documents until such breach is cured.
- (d) In the event there is any delay in listing of the Debentures beyond 20 (twenty) calendar days from the Deemed Date of Allotment, the Issuer will pay to the Debenture Holders, an additional interest of 1% (one percent) per annum, from the expiry of 30 (thirty) calendar days from the Deemed Date of Allotment till the listing of the Debentures is completed.
- (e) If the Issuer fails to execute the DTD within 3 (three) months from the closure of the Issue, without prejudice to any liability arising on account of violation of the provisions of Applicable Law, the Issuer shall also pay interest of at least 2% per annum to the Debenture Holder(s), till the execution of the DTD.

6.6 *Debenture Holder(s) not a Shareholder*

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 and other Applicable Law. The Debentures shall not confer upon the Debenture Holder(s), the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

6.7 *Modification of Debentures*

The Debenture Trustee and the Issuer will agree to make any modifications in this Information Memorandum, which in the opinion of the Debenture Trustee, is of a formal, minor or technical nature or is to correct a manifest error.

6.8 Right to accept or reject Applications

The board of directors of the Issuer (or any committee constituted by the board of directors of the Issuer) reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

6.9 Notices

Any notice may be served by the Issuer/Debenture Trustee upon the Debenture Holder(s) through registered post, recognized overnight courier service, hand delivery or by facsimile transmission addressed to such Debenture Holder(s) at its/his registered address, e-mail or facsimile number.

All notice(s) to be given by the Debenture Holder(s) to the Issuer/ Debenture Trustee shall be sent by registered post, recognized overnight courier service, hand delivery, e-mail or by facsimile transmission to the Issuer or to such persons at such address/ facsimile number as may be notified by the Issuer from time to time through suitable communication. All correspondence regarding the Debentures should be marked "Private Placement of Debentures".

Any notice(s) or communication made or delivered will only be effective: (a) if by way of e-mail, when received on a Business Day during business hours; (b) if by way of fax, when received in legible form on a Business Day during business hours; or (c) if by way of letter, when it has been left at the relevant address or 2 (two) Business Days after being deposited in the speed post or registered post, in an envelope addressed to it at that address.

6.10 Payment Mechanism

Payment of Application Money for the Debentures should be made by the Identified Investors as notified by the Issuer.

The participants should complete the funds pay-in to the designated bank account of Indian Clearing Corporation Ltd (ICCL)

(a) **List of Designated Banks is as mentioned in application form:**

Successful Applicants must pay/transfer the Application Money to the designated bank account on or before 10:30 a.m. on the Pay-in Date ("Pay-in Time"). Identified Investors should ensure to make payment of the Application Money from the bank account, details of which are provided/mentioned in the Application Form.

Note: In case of failure of any Identified Investor to transfer the Application Money by the Pay-in Time or in case the funds are not received in the Designated Bank Account by the Pay-in Time for any reason whatsoever, the application may be rejected at the discretion of the Issuer and the Issuer shall not be liable to issue Debentures to such Identified Investors.

(b) **Settlement Process**

Upon final allocation by the Issuer, the Issuer or the Registrar on behalf of the Issuer shall instruct the Depositories on the Pay-In Date, and the Depositories shall accordingly credit the allocated Debentures to the dematerialised account(s) of the relevant Identified Investors.

The Issuer shall give the instruction to the Registrar for crediting the Debentures on the Pay-In Date. The Registrar shall provide corporate action file along with all requisite documents to Depositories on

the Pay-In Date. On the Pay-In Date, the Depositories shall confirm to the Issuer the transfer of Debentures to the dematerialised account(s) of the relevant Identified Investors.

6.11 *Fictitious Application*

All fictitious applications will be rejected.

6.12 *Basis of Allotment*

Notwithstanding anything stated elsewhere, the Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, priority will be given to Identified Investors on a "first come - first serve" basis. The Identified Investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to the Issuer on or prior to the Deemed Date of Allotment.

6.13 *Payment Instructions*

The Application Form should be submitted by the Eligible Investor to the Issuer directly. The entire amount of the face value per Debenture is payable along with the making of an application. Applicants can remit the Application Money through RTGS/NEFT/Fund Transfer on the Pay-in Date in the account details as provided in the Application Form.

6.14 *Eligible Investors*

The following categories of investors, when specifically approached, and identified upfront by the Issuer, shall be eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("Eligible Investor"):

- Individuals
- Hindu Undivided Family
- Trust
- Limited Liability Partnerships
- Partnership Firm(s)
- Portfolio managers registered with SEBI
- Association of Persons
- Companies and Bodies corporate including Public Sector Undertakings
- Commercial Banks
- Regional Rural Banks
- Financial institutions
- Insurance Companies
- Alternate Investment Funds / Mutual Funds
- FPIs/FIIs/sub accounts of FIIs
- Any other person eligible to invest in the Debentures subject the relevant prevalent guidelines.

All Eligible Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by Eligible Investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. All Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

6.15 Procedure for Applying for Dematerialized Facility

- (a) Each Applicant must have at least one beneficiary account with any of the DPs of NSDL/CDSL prior to making the application.
- (b) Each Applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialized Form".
- (c) The Debentures allotted to an Applicant will be credited to the Applicant's respective beneficiary account(s) with the DP.
- (d) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- (e) Non-transferable allotment advice/refund orders will be directly sent to the Applicant by the Registrar.
- (f) If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialized Form" in the Application Form, it will be deemed to be an incomplete Application Form and the same may be held liable for rejection at the sole discretion of the Issuer.
- (g) For allotment of Debentures, the address, nomination details and other details of the Applicant as registered with its DP shall be used for all correspondence with the Applicant. The Applicant is therefore responsible for the correctness of its demographic details given in the Application Form vis-a-vis those with its DP. In case the information is incorrect or insufficient, the Issuer would not be liable for losses incurred by the Applicant, if any.
- (h) The Redemption Payment and other benefits in respect of the Debentures would be paid to those Debenture Holder(s) whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer shall keep in abeyance the Redemption Payment and other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the Redemption Payment and other benefits in respect of the Debentures will be paid to the beneficiaries/Debenture Holder(s), as identified.

6.16 Depository Arrangements

The Issuer shall make necessary arrangement with CDSL and NSDL for issue and holding of Debenture in dematerialized form.

6.17 List of Beneficiaries

The Issuer shall request the R&T Agent to provide a list of beneficiaries on each Record Date. This shall be the list, which will be used for payment or repayment of all monies in respect of the Debentures.

6.18 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 signature(s) of all the authorized signatories of the Applicant and the tax exemption certificate/document of the Applicant, if any, must be lodged along with the submission of the completed

Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

6.19 Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- (a) SEBI registration certificate;
- (b) Resolution authorizing investment and containing operating instructions;
- (c) Specimen signature of authorized signatories.

6.20 Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied with the bank account details of the Applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through NEFT/RTGS.

6.21 Succession

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the liquidator or such other legal representative of the Debenture Holder(s) as having title to the Debenture(s). The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder(s) on production of sufficient documentary proof and/or an indemnity.

6.22 Mode of Payment

All payments must be made through RTGS/NEFT as set out in the Application Form.

6.23 Business Day Convention

- (a) All amounts payable or accruing under a Transaction Document will accrue from day to day based on an actual/actual basis, and will be calculated on the basis of the actual number of days elapsed and a year of 365 (three hundred and sixty five) days (or if the relevant year includes 29 February, 366 (three hundred and sixty six) days).
- (b) If any Due Date on which any amounts in respect of, Acceleration Premium, Redemption

Premium, interest or additional interest are payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the immediately succeeding Business Day.

- (c) If the Final Redemption Date falls on a day which is not a Business Day, the payment of any amounts in respect of Redemption Payment (including any Outstanding Principal Amounts but excluding Redemption Premium) to be made shall be made on the immediately preceding Business Day.

6.24 Tax Deduction at Source

- (a) All payments to be made by the Issuer to the Debenture Holders under the Transaction Documents shall be made free and clear of and without any Tax Deduction unless the Issuer is required to make a Tax Deduction pursuant to Applicable Law.
- (b) The Issuer shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Debenture Trustee accordingly.
- (c) If the Issuer is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by Applicable Law.
- (d) Within the earlier of (i) 60 (sixty) calendar days of making either a Tax Deduction or any payment required in connection with that Tax Deduction or (ii) 60 (sixty) calendar days of each Due Date, the Issuer shall deliver to the Debenture Trustee evidence reasonably satisfactory to the Debenture Trustee that the Tax Deduction has been made or (as applicable) any appropriate payment has been paid to the relevant Tax authority.

6.25 Letters of Allotment

The letter of allotment, indicating allotment of the Debentures, will be provided by the Issuer to the relevant Debenture Holder(s). The Debentures in dematerialized will be credited to the Debenture Holders within 10 (ten) Business Days from the Deemed Date of Allotment.

6.26 Deemed Date of Allotment

The Deemed Date of Allotment of the Debentures is 22nd May,2020

6.27 Record Date

The Record Date will be 15 (fifteen) calendar days prior to any Due Date(s).

6.28 Refunds

For Applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

6.29 Interest on Application Money

If the Issuer fails to allot the Debentures to the Applicants within 60 (sixty) calendar days from the date of receipt of the Application Money ("Allotment Period"), it shall repay the Application Money to the Applicants within 15 (fifteen) calendar days from the expiry of the Allotment Period ("Repayment Period"). If the Issuer fails to repay the Application Money within the Repayment Period, then Issuer shall be liable to repay the Application Money along with interest at the Acceleration Premium or 12% (twelve percent) per annum, whichever is higher, gross of withholding taxes, from the expiry of the Allotment Period.

6.30 *Redemption Premium on Debentures*

The Debentures shall carry Redemption Premium at the Redemption Premium Rate (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Issuer). The Redemption Premium shall be payable as per terms as mentioned in this Information Memorandum and the Transaction Documents and will be paid to the Debenture Holder(s) whose names appear in the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

If any Due Date on which any amounts in respect of, Acceleration Premium, Redemption Premium, premium, or additional interest are payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the immediately succeeding Business Day. If the Final Redemption Date falls on a day which is not a Business Day, the payment of any amounts in respect of Redemption Payment (including any Outstanding Principal Amounts but excluding Redemption Premium) to be made shall be made on the immediately preceding Business Day.

In case the Deemed Date of Allotment is revised (pre-poned/ postponed) then the above interest payment date may also be revised pre-poned/ postponed) accordingly by the Issuer at its sole and absolute discretion.

In case of default in payment of Redemption Premium and/or principal or redemption on the Due Dates, an additional interest of 2% (Two percent) per annum will be payable by the Issuer for the defaulting period.

6.31 *Pan Number*

Each Applicant should mention its Permanent Account Number ("PAN") allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

6.32 *Redemption*

The face value of the Debentures will be redeemed at par.

The Debenture Holders may at the request of the Issuer in suitable circumstances and also in the absolute discretion of the Debenture Holders, subject to the statutory guidelines as may be applicable for the purpose, revise / pre pone / postpone redemption of the Debentures, or any part thereof on such terms and conditions as may be decided by the Issuer in consultation with the Debenture Holders.

6.33 *Payment on Redemption*

Payment on redemption will be made by way of redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the Redemption Payment by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL/CDSL and accordingly the account of the Debenture Holder(s) with NSDL/CDSL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

6.34 Accelerated Payment pursuant to Events of Default

In case upon occurrence of an Event of Default, the Debenture Holders accelerate the redemption of the Debentures in accordance with the terms of the DTD, Acceleration Premium shall be paid along with the Outstanding Principal Amounts.

For the purposes of this Clause 6.34, Acceleration Premium shall be calculated from Deemed Date of Allotment till date of actual redemption of Debentures.

Cash flow from Debentures

As per SEBI circular no. CIR/IMD/DF-1/122/2016 dated November 11, 2016, illustrative cash flow (As per Series "A" of FY 2020-21) for debentures is as under:

Company	Avendus Finance Private Limited
Face Value (per security)	INR 10,00,000
Date of Allotment	22-05-2020
Redemption	15-09-2022
Redemption Premium	<p>The following Redemption Premium will be payable by the Issuer on the Final Redemption Date:</p> <p>(i) 0% (zero percent), if the Final Fixing Level is less than 25% (twenty five percent) of the Initial Fixing Level; and</p> <p>(ii) 29.2381% (Twenty nine decimal two three eight one), if the Final Fixing Level is equal to or is greater than 25% (twenty five percent) of the Initial Fixing Level</p>
Day Count Convention	Actual / Actual

I. If Final Fixing Level $\geq 25\%$ of the Initial Fixing level

Date	Face Value	Redemption Amount
	A	B
15-May-20	-1,000,000.00	
15-Sep-22		1,292,381

Calculated Yield (XIRR i.e., IRR based on schedule of cash flows) 11.6%

II. If Final Fixing Level $< 25\%$ of the Initial Fixing level

Date	Face Value	Redemption Amount
	A	B
15-May-20	-1,000,000.00	
15-Sep-22		1,000,000.00

SECTION 7: DECLARATION

A DECLARATION BY THE DIRECTORS

- a. the Issuer has complied with the provisions of the Act and the rules made thereunder;
- b. the compliance with the Act and the rules does not imply that payment of dividend or interest or redemption premium or repayment of the Debentures, if applicable, is guaranteed by the Central Government
- c. the monies received under the offer shall be used only for the purposes and objects indicated in the private placement offer cum application letter;

I am authorized by the Board of Directors of the Issuer pursuant to the resolution dated April 9, 2020 read together with the resolution passed by the debenture allotment committee of the Board of Directors of the Issuer dated April 9, 2020 and Circular Resolution of Committee dated May 20, 2020 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder 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 attachments 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.

B. The Issuer declares as of the date of this Information Memorandum that all the relevant provisions in the regulations/guideline issued by SEBI and other Applicable Law have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other Applicable Law, as the case may be. The information contained in this Information Memorandum is as applicable to privately placed debt securities and subject to information available with the Issuer.

The extent of disclosures made in this Information Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by companies in the past.

For Avendus Finance Private Limited

Name: Radhika Parmanandka
Designation Company Secretary & Compliance Officer

Date: May 22, 2020
Place: Mumbai

SECTION 8: ANNEXURES

ANNEXURE I

ISSUE DETAILS

Security Name	Rated, Listed, Secured, Redeemable, Principal Protected, Non-Convertible, Market Linked Debentures of face value of Rs. 10,00,000/- [Series "B" of FY 2020-21] ("MLDs" or "Debentures")
Issuer/Company	Avendus Finance Private Limited
ISIN Details	The Debentures shall be issued under the same ISIN under which market linked debentures of Series "A" of FY 2020-21 was issued by the Company
Type of Instrument/Securities Offered	Rated, Listed, Secured, Redeemable, Principal Protected, Non-Convertible, Market Linked Debentures of face value of Rs. 10,00,000/- each. The Debentures shall constitute direct, secured, senior and general obligations of the Issuer and will, save for such exceptions as may be provided by Applicable Law, rank <i>pari-passu</i> with all other secured and senior indebtedness of the Issuer subject to terms and conditions agreed in the Transaction Documents.
Date of passing of Board resolution and date of passing of resolution in the general meeting, authorising the offer of securities	Resolution passed by the board of directors of the Issuer at their meeting dated April 9, 2020 read together with resolution passed by the non-convertible debenture allotment committee of the board of directors (Committee) of the Issuer at their meeting dated April 9, 2020, Circular Resolution of Committee dated May 20, 2020 and the resolution passed by the shareholders of the Issuer on May 18, 2020
Registrar & Transfer Agent	NSDL Database Management Limited
Valuation Agency	CARE Ratings Limited
Nature of instrument	Secured
Seniority	Senior, on <i>pari passu</i> basis with current and future security holders/lenders/creditors of the Issuer
Mode of Issue	Private Placement
Eligible Investors	<p>The following categories of investors when specifically approached are eligible to apply for the private placement of Debentures:</p> <ul style="list-style-type: none"> • Individuals • Hindu Undivided Family • Trust • Limited Liability Partnerships • Partnership Firm(s) • Portfolio managers registered with SEBI • Association of Persons • Companies and Bodies corporate including Public Sector Undertakings • Commercial Banks • Regional Rural Banks • Financial institutions • Insurance Companies • Alternate Investment Funds / Mutual Funds • FPIs/FIIs/sub accounts of FIIs • Any other investor eligible to invest in the Debentures

Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	<ul style="list-style-type: none"> (a) The Issuer shall submit all duly completed documents to the BSE, the SEBI, the ROC or any other Governmental Authority, as are required under Applicable Law and obtain the listing of the Debentures within 20 (twenty) calendar days from the Deemed Date of Allotment ("Listing Period"). (b) The Issuer shall ensure that the Debentures continue to be listed on the wholesale debt market segment of the BSE. (c) The Issuer shall ensure that the Debentures at all times are rated in accordance with the provisions of the Transaction Documents and that the Rating of the Debentures is not downgraded or withdrawn throughout the tenor of the Debentures. (d) In the event there is any delay in listing of the Debentures beyond 20 (twenty) calendar days from the Deemed Date of Allotment, the Issuer will pay to the Debenture Holders, an additional interest of 1% (one percent) per annum, from the expiry of 30 (thirty) calendar days from the Deemed Date of Allotment till the listing of the Debentures is completed.
Principal Protection	The principal amount of the Debentures is protected.
Reference Index	NIFTY 50 Index, as available at https://nseindia.com/live_market/dynaContent/live_watch/equities_stock_watch.htm .
Rating of the Instrument	CRISIL PP-MLD A+ by CRISIL Limited
Issue Size	<p>INR 10,00,00,000 (Indian Rupees Ten Crore) with a green shoe option of upto INR 15,00,00,000 (Indian Rupees Fifteen Crore).</p> <p>The Issuer also retains the right to accept a lower amount of the issue size of the Debentures at its sole discretion, subject to Applicable Law.</p>
Option to retain oversubscription (Amount)	Upto INR 15,00,00,000 (Indian Rupees Fifteen Crore)
Objects of the Issue	<p>The funds raised by the Issue, after meeting the costs and expenses in respect of the Issue, shall be utilized by the Issuer solely for the following ("Purpose"):</p> <ul style="list-style-type: none"> (a) financing activities and business operations of the Issuer (including on-ward lending); (b) re-payment of the existing Financial Indebtedness of the Issuer; and (c) general corporate purposes of the Issuer. <p>The Issuer shall not use the proceeds of the Issue towards (i) any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities; (ii) any speculative purposes; (iii) investment in the real estate sector; or (iv) in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the Supervisory Authorities).</p>
Details of the utilization of the proceeds	<p>The funds raised by the Issue, after meeting the costs and expenses in respect of the Issue, shall be utilized by the Issuer solely for the Purpose:</p> <ul style="list-style-type: none"> (a) financing activities and business operations of the Issuer (including on-ward lending); (b) re-payment of the existing Financial Indebtedness of the Issuer; and

	(c) general corporate purposes of the Issuer.
	The Issuer shall not use the proceeds of the Issue towards (i) any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities; (ii) any speculative purposes; (iii) investment in the real estate sector; or (iv) in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the Supervisory Authorities).
Redemption Premium	Means, collectively, for all the Debentures, the difference between the Redemption Payment (for all the Debentures) and the aggregate face value of all the Debentures.
Redemption Premium Rate	(a) 0% (zero percent), if the Final Fixing Level is less than 25% (twenty five percent) of the Initial Fixing Level; and (b) 29.2381% (Twenty nine decimal two three eight one percent), if the Final Fixing Level is equal to or is greater than 25% (twenty five percent) of the Initial Fixing Level.
Acceleration Premium	Means 11.60% (eleven decimal six zero percent) per annum compounded annually.
Step Up/ Step Down Coupon Rate	N.A.
Coupon Payment Frequency	On the Final Redemption Date.
Coupon Payment Dates	Final Redemption Date.
Coupon Type	Linked to the Reference Index.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	N.A.
Day Count basis	Actual/Actual
Interest on Application Money	(a) NIL. However, if the Issuer fails to allot the Debentures to the Applicants within 60 (sixty) calendar days from the date of receipt of the Application Money ("Allotment Period"), it shall repay the Application Money to the Applicants within 15 (Fifteen) calendar days from the expiry of the Allotment Period ("Repayment Period"). If the Issuer fails to repay the Application Money within the Repayment Period, then Issuer shall be liable to repay the Application Money along with interest at the Acceleration Premium or at the rate of 12% per annum whichever is higher, gross of withholding taxes, from the expiry of the Allotment Period. (b) Where an Applicant is allotted lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the Applicant in the bank account of the Applicant as described in the Application Form towards interest on the refunded money by electronic mode of transfer like RTGS/NEFT/direct credit. (c) Details of allotment will be sent to every successful Applicant. In all cases, the interest instruments will be sent, at the sole risk of the Applicant/first Applicant.
Tenor	846 days from the Deemed Date of Allotment.
Initial Fixing Date	15 th May 2020
Initial Fixing Level	Official closing level of the Reference Index on the Initial Fixing Date.
Final Fixing Date	15 th June 2022
Final Fixing Level	Official closing level of the Reference Index on the Final Fixing Date.
Last Traded Price ("LTP")	In case, due to any reason whatsoever, the official closing level of the Reference Index on the Final Fixing Date is not available/visible for

	the purposes of determining the Final Fixing Level, then, the official closing level of the Reference Index on the Business Day immediately preceding the Final Fixing Date will be considered for the purposes of determining the Final Fixing Level.
Default Interest Rate	<p>(a) If the Issuer fails to create or perfect the security on the Hypothecated Assets within the timelines prescribed in the DTD and the other Transaction Documents, the Issuer will either refund the Application Money in accordance with the terms of the DTD, or the Issuer will pay additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts until the security is created and perfected in accordance with the DTD and Applicable Law.</p> <p>(b) In case of default by the Issuer in the performance of any of the terms or conditions or covenants of this Issuance, including but not limited to the financial covenants of this Issuance, the Issuer shall pay an additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts from the date of the occurrence of the default until such breach is cured.</p> <p>(c) The Issuer agrees to pay an additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default until such Payment Default is cured.</p> <p>(d) If the Issuer fails to execute the DTD within 3 (three) months from the closure of the Issue, without prejudice to any liability arising on account of violation of the provisions of Applicable Law, the Issuer shall also pay an additional interest of 2% per annum to the Debenture Holder(s), , till the execution of the DTD.</p>
Redemption Date	By way of a bullet payment on September 15, 2022
Redemption Amount	<p>In respect of any Debenture if no Event of Default has occurred, the amount payable on such Debenture, determined as follows:</p> <p>(i) [RP = FV], if the Final Fixing Level is less than 25% (twenty five percent) of the Initial Fixing Level; and</p> <p>(ii) [RP = FV + (Y divided by 100 and multiplied by FV)], if the Final Fixing Level is equal to or is greater than 25% (twenty five percent) of the Initial Fixing Level,</p> <p>where:</p> <p>(i) "RP" is the Redemption Payment;</p> <p>(ii) "FV" is the face value of such Debenture; and</p> <p>(iii) "Y" is the Redemption Premium Rate.</p>
Redemption Premium	Please refer section named "Redemption Amount".
Issue Price of each Debentures	Rs 10,02,108 (Indian Rupees Ten Lakh Two Thousand One Hundred Eight) per Debenture
Premium at which security is issued	0.2108%

Premium at which security is issued (in Rupees)	Rs 2,108 (Two Thousand One Hundred Eight) per Debenture
Discount at which security is issued and the effective yield as a result of such discount	NA
Put Option Date	NA
Put Option Price	NA
Call Option Date	NA
Call Option Price	NA
Put Notification Time	NA
Call Notification Time	NA
Face Value (FV) of each Debentures	Rs. 10,00,000 (Indian Rupees Ten Lakh)
Minimum Application and in multiples of 1 Debenture thereafter	Minimum Application shall be for 10 (ten) Debentures and in multiples of 1 (one) Debenture thereafter.
Price Method of Allotment	Uniform Pricing
Issue Opening Date	22 nd May 2020
Issue Closing Date	22 nd May 2020
Pay-in Date:	22 nd May 2020
Deemed Date of Allotment:	22 nd May 2020
Issuance mode of instrument	In Dematerialized Mode
Trading mode of the instrument	In Dematerialized Mode
Settlement mode of the Instrument	Payment will be made by way of direct credit through Electronic Clearing Service (ECS), Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT)
Depository	NSDL & CDSL
Business Day Convention	If any Due Date on which any amounts in respect of, Acceleration Premium, Redemption Premium, interest or additional interest are payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the immediately succeeding Business Day. If the Final Redemption Date falls on a day which is not a Business Day, the payment of any amounts in respect of Redemption Payment (including any Outstanding Principal Amounts but excluding Redemption Premium) to be made shall be made on the immediately preceding Business Day.
Record Date	15 calendar days prior to the Final Redemption Date/each Due Date.
Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)	The Debentures shall be secured by a first ranking pari passu charge by way of hypothecation over the book debts/loan receivables of the Company. The Company shall maintain security cover of at least 1.1x times of the Outstanding Amounts throughout the tenure of the Debentures. Further, the Company shall not require any consent/NOC from the Debenture Trustee or any of the debenture holders to avail any additional indebtedness and/or create security over any of its assets, as long as the stipulated security cover is maintained. The Issuer shall create the charge over the Hypothecated Assets and perfect such security by filing Form CHG-9 with the ROC and by ensuring and procuring that the Debenture Trustee files Form I with CERSAI in respect thereof within 30 (thirty) calendar days from date of execution of the Deed of Hypothecation or within such other extended time as permissible by the Ministry of Corporate Affairs. Any other perfection requirement may be completed within 90 (ninety) days from the Deemed Date of Allotment.
Security Cover	The charge over the Hypothecated Assets shall at all times be at least 1.10 (one decimal one zero) times the value of the Outstanding

	Amounts (the "Security Cover") and shall be maintained at all times until the Final Settlement Date. The value of the Hypothecated Assets for this purpose shall be the amount reflected as the value thereof in the books of accounts of the Issuer.
Eligibility criteria for book debt /loan receivable	<p>Eligibility criteria for the hypothecated book debt/loan receivables:</p> <p>(a) each loan comprising the Hypothecated Assets must be existing at the time of selection, and must not have been terminated or prepaid.</p> <p>(b) no loan comprising the Hypothecated Assets should have been classified as 'non-performing asset' (determined in accordance with the criteria prescribed by the relevant Supervisory Authority); and</p> <p>(c) each loan comprising the Hypothecated Assets must have been originated while complying with all the applicable "know your customer" requirements prescribed by the Supervisory Authorities.</p>
Financial covenants	<p>1. CRAR not to fall below 15%.</p> <p>2. TOL/TNW to remain within 4x during the entire tenor of the MLD.</p>
Transaction Documents	As set out in Section 4.75 of this Information Memorandum.
Conditions Precedent to Disbursement	<p>The Issuer shall, prior to the Deemed Date of Allotment, fulfil the following conditions precedent, each in a form and manner satisfactory and acceptable to the Debenture Trustee/the Applicants:</p> <p>(a) a copy of the Issuer's Constitutional Documents certified as correct, complete and in full force and effect by the appropriate officer;</p> <p>(b) copies of the authorisations and licenses received by the Issuer from the RBI;</p> <p>(c) a copy of resolution of the debenture allotment committee of the Issuer's board of directors, together with a copy of resolution of the Issuer's board of directors authorising the execution, delivery and performance of the Transaction Documents certified as correct, complete and in full force and effect by an appropriate officer of the Issuer;</p> <p>(d) copies of the resolution of the shareholders of the Issuer under Section 42 of the 2013 Act, certified as correct, complete and in full force and effect by an appropriate officer of the Issuer;</p> <p>(e) a copy of the resolution of the shareholders of the Issuer in accordance with Section 180(1)(c) of the 2013 Act approving the borrowing contemplated under the Transaction Documents OR a certificate of an authorised person of the Issuer confirming the non-applicability of Section 180(1)(c) of the 2013 Act;</p> <p>(f) a copy of the resolution of the shareholders of the Issuer in accordance with Section 180(1)(a) of the 2013 Act approving the creation of Security over the Hypothecated Assets OR a certificate of an authorised person of the Issuer confirming the non-applicability of Section 180(1)(a) of the 2013 Act;</p> <p>(g) a copy of the rating letter and the rating rationale issued by the Rating Agency in relation to the Debentures;</p>

	<p>(h) a copy of the consent from the Debenture Trustee to act as the debenture trustee for the issue of Debentures;</p> <p>(i) a copy of the consent from the Registrar to act as the registrar and transfer agent for the issue of Debentures; a certificate from the authorised officer of the Issuer addressed to the Debenture Trustee and the Applicants certifying that:</p> <p>(i) the incumbency and validity of signatures of the authorised signatories;</p> <p>(ii) the Issuer has the power under the Constitutional Documents to borrow amounts by way of the issuance of the Debentures and create security on the assets of the Issuer to secure such Debentures;</p> <p>(iii) the issuance of the Debentures and the creation of security over the Hypothecated Assets will not cause any limit, including any borrowing or security providing limit binding on the Issuer to be exceeded (whether regulatory or internal);</p> <p>(iv) no authorisations or approvals are required by the Issuer from its creditors (including any bank or financial institution) or any Governmental Authority or any other person for the issuance of the Debentures and creation of security under the DTD or the Deed of Hypothecation;</p> <p>(v) the representations and warranties contained in the DTD are true and correct in all material respects as on the Deemed Date of Allotment/the date of the certificate;</p> <p>(vi) no Event of Default has occurred or is subsisting as at the Deemed Date of Allotment/date of the certificate;</p> <p>(vii) no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which have been commenced or threatened against the Issuer or its officers, which if adversely determined, may have a Material Adverse Effect; and</p> <p>(viii) the Issuer is in compliance with the provisions of the Transaction Documents;</p> <p>(j) execution, delivery and stamping of the Debenture Trustee Agreement by the Issuer in a form and manner satisfactory to the Debenture Trustee and the Applicants;</p> <p>(k) evidence that all "know your customer" requirements prescribed by the Debenture Trustee and the Applicants have been provided/fulfilled;</p> <p>(l) the audited financial results of the Issuer for the half Year ended September 30, 2019;</p>
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	<p>(m) evidence that the fees, costs and expenses then due from the Issuer pursuant to the DTD (including the fee of the legal counsel)) has been or will be paid; and</p> <p>(n) such other information, documents, certificates, opinions and instruments as the Debenture Trustee and the Applicants may request in connection with the transactions contemplated under the DTD and the other Transaction Documents.</p>
Conditions Subsequent to Disbursement	<p>The Issuer shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee, following the Deemed Date of Allotment:</p> <p>(a) the Company shall execute, deliver and stamp the Transaction Documents (other than the Debenture Trustee Agreement) in a form and manner satisfactory to the Debenture Trustee and the Applicants [within 5 (five) Business Days] from the Deemed Date of Allotment;</p> <p>(b) the Issuer shall ensure that the Debentures are credited into the demat accounts of the respective Debenture Holders within 10 (ten) Business Days from the Deemed Date of Allotment;</p> <p>(c) the Issuer shall file a return of allotment of securities under Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC within 15 (fifteen) calendar days of the allotment of the Debentures along with a list of the Debenture Holders or within such other extended time as permissible by the Ministry of Corporate Affairs and with the prescribed fee;</p> <p>(d) the Issuer shall file copies of the Debt Disclosure Document with SEBI within the prescribed timelines;</p> <p>(e) the Issuer shall obtain listing of the Debentures within 20 (twenty) calendar days of Deemed Date of Allotment, and deliver evidence in a form and manner satisfactory to the Debenture Holders of the final listing of Debentures within 20 (twenty) days of the Deemed Date of Allotment;</p> <p>(f) the Issuer shall file Form CHG-9 with the ROC within 30 (thirty) calendar days from the date of execution of the Deed of Hypothecation or within such other extended time as permissible by the Ministry of Corporate Affairs;</p> <p>(g) the Issuer shall assist the Debenture Trustee in filing Form I with CERSAI within 30 (thirty) calendar days from the date of execution of the Deed of Hypothecation;</p> <p>(h) within 15 (fifteen) days (or such other time period prescribed by the Debenture Trustee (acting on the instructions of the Debenture Holders)) of the filing of charges pursuant to paragraph (e) above, receipt of certified true copy of the certificate of registration of charge issued by the ROC;</p> <p>(i) within 90 (ninety) calendar days from the date of execution of the Deed of Hypothecation, provide such other documents/comply with such other requirement as may be</p>

	<p>prescribed by Debenture Trustee for the perfection of the security created under the Deed of Hypothecation; and</p> <p>(j) provide such other information, documents, certificates, opinions and instruments as the Debenture Trustee and the Debenture Holders may request in connection with the transactions contemplated under the DTD and the other Transaction Documents.</p>
Events of Default	As set out in Section 4.80 of this Information Memorandum.
Provisions related to Cross Default Clause	Not Applicable
Debenture Trustee	Vistra ITCL (India) Limited
Inconsistency/repugnance	<p>In case of any inconsistency or a conflict between the terms in the Debt Disclosure Document, and the provisions contained in the DTD and any other Transaction Document, the provisions contained in the DTD will prevail.</p>
Roles and Responsibilities of Debenture Trustee	<p>As more particularly set out in the Transaction Documents, and to oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s), including:</p> <p>(a) the Debenture Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Issuer or by the Debenture Trustee or otherwise and shall not be responsible for any loss occasioned by so acting. PROVIDED THAT, the Debenture Trustee shall at all times act with due care and diligence before relying upon any advice, opinion, information and communication received by it from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert its attorney, representative or receiver;</p>
	<p>(b) subject to the approval of the Debenture Holders by way of Super Majority Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have the discretion as to the exercise thereof and to the mode and time of exercise thereof. In the absence of any fraud, gross negligence, willful misconduct or breach of trust the Debenture Trustee shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the aforementioned exercise or non-exercise thereof. The Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing the same and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;</p>
	<p>(c) with a view to facilitating any dealing under any provisions of these presents, subject to the Debenture Trustee obtaining the prior written consent of the Super Majority Debenture Holders, the Debenture Trustee shall have the power (i) to consent (where such consent is required) to a specified</p>

	<p>transaction or class of transactions (with or without specifying additional conditions), (ii) to determine all questions and doubts arising in relation to the interpretation or construction any of the provisions of the DTD, and (iii) to take any action on behalf of the Debenture Holders;</p> <p>(d) the Debenture Trustee shall not be responsible for the amounts paid by the Applicants for the Debentures;</p> <p>(e) the Debenture Trustee and every receiver, attorney, manager, agent or other person appointed by them shall, subject to the provisions of the Act, be entitled to be indemnified by the Issuer in respect of all liabilities and expenses incurred by them in the execution or purported execution of the powers and trusts thereof; and</p> <p>(f) the Debenture Trustee shall forward to the Debenture Holders copies of any information, documents from the Issuer pursuant to the DTD within 2 (two) Business Days of receiving any of the foregoing from the Issuer.</p> <p>PROVIDED THAT nothing contained in this Clause shall exempt the Debenture Trustee, its representatives or any receiver appointed by the Debenture Trustee from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule or Applicable Law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder</p>
Governing Law and Jurisdiction	The Transaction Documents shall be governed by and will be construed in accordance with the laws of India. The courts and tribunals at Mumbai, India have jurisdiction to settle all disputes which may arise out of or in connection with the Transaction Document.
Valuation Agency Fees	The Issuer shall pay fees to the Valuation Agent upto 0.022% p.a. of the face value of the outstanding Debentures.
Valuation Agency	CARE Ratings Ltd.
Risk Factors associated with Market Linked Debentures	<p>The securities are created based on mathematical models involving derivative exposures which may or may not be hedged and the actual behavior of the securities if selected for hedging may significantly differ from the returns predicted by the mathematical models.</p> <p>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.</p>
Distribution Fees	The distribution fee shall be paid to the Distributor by the Issuer as per the mutual agreement between the Issuer and the Distributor.

ANNEXURE II

TRUSTEE CONSENT



May 21, 2020

Aventus Finance Private Limited ("Company")
IL&FS Financial Centre, 6th Floor,
C&D Quadrant, Bandra Kurla Complex,
Bandra (East), Mumbai,
Maharashtra – 400051

Sub : Consent to act as Debenture Trustee for 100 (One Hundred) Rated, Listed, Secured, Redeemable, Principle Protected, Non-Convertible, Market Linked Debentures of the face value of INR 10,00,000/- (Rupees Ten Lakh only) each up to an aggregate amount of Rs. 10,00,00,000/- (Rupees Ten Crore only) with a green shoe option of up to Rs. 15,00,00,000/- (Rupees Fifteen Crore only) issued on private placement basis by the Company.

Dear Sir,

This is with reference to our discussion regarding appointment of Vistra ITCL (India) Limited for issue of 100 (One Hundred) Rated, Listed, Secured, Redeemable, Principle Protected, Non-Convertible, Market Linked Debentures of the face value of INR 10,00,000/- (Rupees Ten Lakh only) each up to an aggregate amount of Rs. 10,00,00,000/- (Rupees Ten Crore only) with a green shoe option of up to Rs. 15,00,00,000/- (Rupees Fifteen Crore only) on private placement basis by the Company. In this regard, we do hereby give our consent to act as the Debenture Trustee subject to the Company agreeing to the following conditions.

1. The Company agrees and undertakes to create securities as mentioned under the Debenture Trustee Agreement dated May 21, 2020 for the above referred issue. The said security shall be created on such terms and conditions as disclosed in the Debenture Trustee Agreement and execute necessary documents as agreed upon by the Company under the transaction documents.
2. The Company shall pay Debenture Trustee so long as they hold the office of the Debenture Trustee, remuneration as stated in the appointment letter dated May 20, 2020 for the services as Debenture Trustee in addition to all legal, travelling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.
3. The Company shall comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and other applicable provisions as amended from time to time and agrees to furnish to Trustee such information in terms of the same on regular basis.

Sincerely,

For Vistra ITCL (India) Limited



Authorized Signatory

Registered office:

The IL&FS Financial Centre,
Plot C-22, G Block, 7th Floor
Bandra Kurla Complex, Bandra (East),

Tel +91 22 2059 3536

Fax: +91 22 2653 3297

Vistra ITCL (India) Limited

Email: mumbai@vistra.com

ANNEXURE III

RATING LETTER

Ratings

CRISIL

An S&P Global Company

CONFIDENTIAL

AVFIPL/244783/LTPPMILD/032001470/1

May 02, 2020

Mr. Sandeep Thapliyal
 Managing Director & CEO
 Avendus Finance Private Limited
 IL& FS Financial Centre, B Quadrant,
 5th Floor, Bandra-Kurla Complex
 Bandra East
 Mumbai - 400051

Dear Mr. Sandeep Thapliyal,

Re: CRISIL Rating on the Rs.100 Crore Long Term Principal Protected Market Linked Debenture of Avendus Finance Private Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please refer to our rating letter dated March 31, 2020 bearing Ref. no.: AVFIPL/244783/LTPPMILD/032001470

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Long Term Principal Protected Market Linked Debenture	100	CRISIL PP-MLD A- ^r /Stable

A prefix of 'PP-MLD' indicates that the instrument is a principal-protected market-linked debenture. The terms of such instruments indicate that while the issuer promises to pay back the face value/principal of the instrument, the coupon rates of these instruments will not be fixed, and could be linked to one or more external variables such as commodity prices, equity share prices, indices, or foreign exchange rates. The 'r' suffix indicates that payments on the rated instrument have significant risks other than credit risk. The terms of the instrument specify that the payments to investors will not be fixed, and could be linked to one or more external variables such as commodity prices, equity indices, or foreign exchange rates. This could result in variability in returns because of adverse movement in value of the external variables, and/or possible material loss of principal on early redemption of the instrument. The risk of such adverse movement in price / value is not addressed by the rating.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN, along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtsissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtsissue@crisil.com. Should you require any clarifications, please feel free to get in touch with us.

With warm regards,
 Yours sincerely,


 Subha Sri Narayanan
 Director - CRISIL Ratings


 Nivedita Shibu
 Associate Director - CRISIL Ratings



A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell or hold the rated instrument; it does not comment on the market.

ANNEXURE IV

Illustrations of the Debentures Cash flows (As per Series "A" of FY 2020-21)

Disclosure of Cash Flows

I. If Final Fixing Level \geq 25% of the Initial Fixing level

Date	Face Value	Redemption Amount
	A	B
15-May-20	-1,000,000.00	
15-Sep-22		1,292,381.00

Calculated Yield (XIRR i.e., IRR based on schedule of cash flows) 11.60%

II. If Final Fixing Level $<$ 25% of the Initial Fixing level

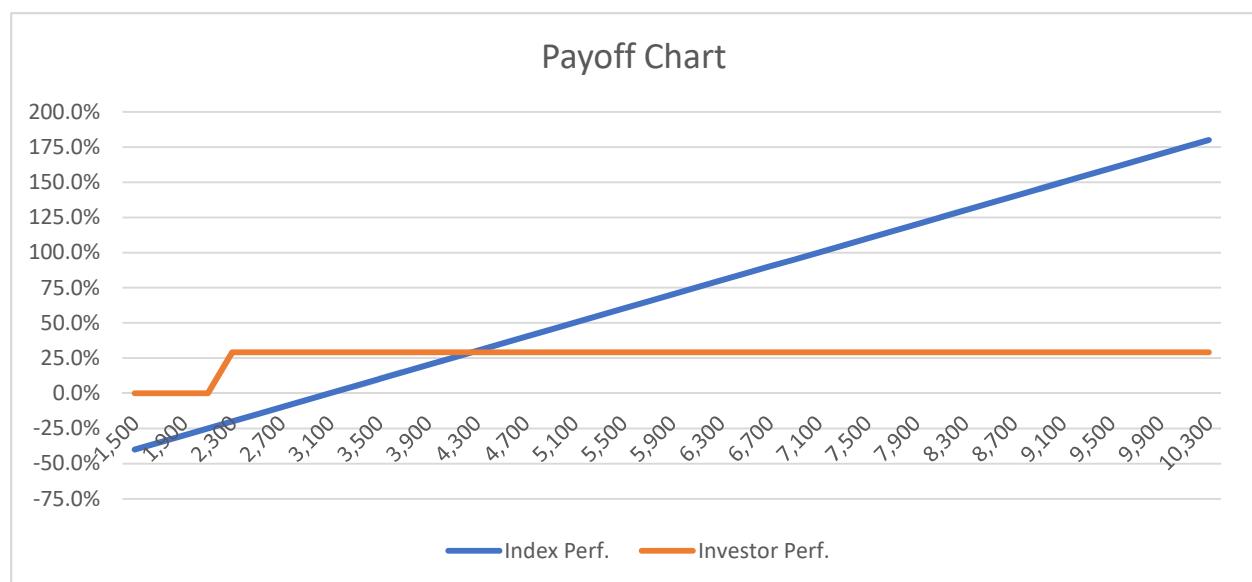
Date	Face Value	Redemption Amount
	A	B
15-May-20	-1,000,000.00	
15-Sep-22		1,000,000.00

Calculated Yield (XIRR i.e., IRR based on schedule of cash flows) 0%

Scenario Analysis

The following table shows the value of the Debenture at maturity under different market conditions (As per Series "A" of FY 2020-21):

Scenario		Price of Nifty at Initial Level	Assumed Level of Nifty at final observation date	Return (XIRR)	Face Value (FV) (Rs.)	Maturity amount (Rs.)
Moderately falling to rising market conditions	If Final Fixing Level $\geq 25\%$ of the Initial Fixing level	9000	≥ 9000	11.6%	10,00,000	12,92,381
Substantially falling conditions	If Final Fixing Level $< 75\%$ of Initial fixing level but $\geq 25\%$ of Initial Fixing Level	9000	$< 9000 \text{ but } \geq 2250$	11.6%	10,00,000	12,92,381
Extreme falling conditions	If Final Fixing Level $< 25\%$ of the Initial Fixing level	8000	< 2250	0%	10,00,000	10,00,000



This is merely an illustration and it does not display all the payoff scenarios.

Annexure

Avendus Finance Private Limited

Balance sheet as at March 31, 2019

INR in lakhs

	Assets	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(1) Financial Assets					
(a) Cash and cash equivalents	2		703.48	1,380.36	977.02
(b) Bank Balance other than (a) above	3		-	2,500.00	-
(c) Receivables					
(i) Trade Receivables	4		754.17	542.11	157.50
(d) Loans	5		89,885.28	61,096.17	11,002.58
(e) Investments	6		18,417.45	3,025.07	12,101.61
(f) Other Financial assets	7		379.06	3,100.58	132.20
(2) Non-Financial Assets					
(a) Deferred Tax Assets (Net)	8		4.37	16.10	5.80
(b) Property, Plant and Equipment	9		21.48	14.41	7.40
(c) Other non-financial assets	10		103.37	8.49	39.68
Total Assets			110,268.66	71,683.29	24,423.79
<hr/>					
	Liabilities and Equity	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(1) Liabilities					
Financial Liabilities					
(a) Payables	11				
Trade Payables					
(i) total outstanding dues of micro enterprises and small enterprises			-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises			84.37	92.48	28.32
(b) Debt securities	12		17,553.43	5,000.00	-
(c) Borrowings (Other than Debt Securities)	13		26,500.00	7,609.02	-
(d) Other financial liabilities	14		1,966.43	1,098.21	528.51
(2) Non-Financial Liabilities					
(a) Current tax liabilities (Net)	15		293.40	179.77	33.43
(b) Provisions	16		46.80	20.63	8.88
(c) Other non-financial liabilities	17		315.35	98.67	54.72
Total Liabilities (A)			46,759.78	14,898.78	653.86
(3) Equity					
(a) Equity share capital	18		49,756.33	49,756.33	23,538.00
(b) Other equity	19		13,752.55	7,828.18	231.93
Total Equity (B)			63,508.88	57,584.51	23,769.93
Total Liabilities and Equity (A+B)			110,268.66	71,683.29	24,423.79

Avendus Finance Private Limited

Statement of Profit and Loss for the year ended 31st March 2019

INR in lakhs

	Particulars	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
	Revenue from operations			
(i)	Interest Income	20	12,260.15	3,591.24
(ii)	Dividend Income		42.19	12.88
(iii)	Fees and commission Income		1,496.49	524.46
(iv)	Net gain on fair value changes	21	1,250.71	1,624.03
(I)	Total Revenue from operations		15,049.54	5,752.61
(II)	Other Income	22	87.87	8.96
(III)	Total Income (I+II)		15,137.41	5,761.57
	Expenses			
(i)	Finance Cost	23	3,346.44	106.73
(ii)	Impairment on financial instruments	24	269.58	14.28
(iii)	Employee Benefits Expenses	25	2,694.75	1,504.82
(iv)	Depreciation, amortization and impairment	26	8.82	4.62
(v)	Other expenses	27	938.41	801.28
(IV)	Total Expenses		7,258.00	2,431.73
(V)	Profit before tax (III-IV)		7,879.41	3,329.84
(VI)	Tax Expense:	28		
(1)	Current Tax		2,330.00	939.18
(2)	Deferred Tax		12.30	-9.97
			2,342.30	929.21
(VII)	Profit for the year from continuing operations (V-VI)		5,537.11	2,400.63
(VIII)	Other Comprehensive Income			
(i)	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans;		(1.97)	(1.11)
(ii)	Income tax relating to items that will not be reclassified to profit or loss		0.57	0.32
	Other Comprehensive Income		(1.40)	(0.79)
(IX)	Total Comprehensive Income for the year		5,535.71	2,399.84
(X)	Earnings per equity share			
	Basic (Rs)	29	0.11	0.07
	Diluted (Rs.)	29	0.11	0.07

See accompanying notes forming part of the financial

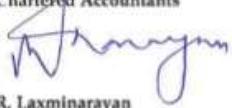
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AVENDUS FINANCE PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note No.	For the Year ended March 31, 2017	For the Year ended March 31, 2016
		₹	₹
I Revenue from operations	18	130,086,334	3,421,439
II Other income	19	26,839,421	2,897,486
III Total Income (I + II)		156,925,755	6,318,925
IV Expenses:			
(a) Employee benefits expense	20	54,498,558	3,799,759
(b) Finance costs	21	282,758	1,083,231
(c) Depreciation expense	9	111,236	8,700
(e) Other expenses	22	54,514,421	5,547,331
Total expenses		109,406,973	10,439,021
V Profit/(Loss) Before Tax (III - IV)		47,518,782	(4,120,096)
VI Tax expense:			
(1) Current tax expense		23,000,000	100,000
(2) Deferred tax		(258,739)	(9,838)
Profit/(Loss) for the year from continuing operations (V - VI)		22,741,261	90,162
Earnings per Equity Share :- Face Value of ₹ 1/- each		24,777,521	(4,210,258)
Basic and Diluted	23	0.03	(0.06)
See accompanying notes forming part of the financial statements	1 to 34		

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

R. Laxminarayan

For and on behalf of the Board of Directors



Kaushal Aggarwal



Sandeep Thapliyal

CERTIFIED TRUE COPY OF THE CIRCULAR RESOLUTION PASSED BY THE NON-CONVERTIBLE DEBENTURE ALLOTMENT COMMITTEE ("THE COMMITTEE") OF BOARD OF DIRECTORS OF AVENDUS FINANCE PRIVATE LIMITED ON MAY 20, 2020

Consider and approve issuance of Series B of FY 2020-21 Non-Convertible Debentures

"RESOLVED THAT in continuation to the earlier resolution passed by the Committee on April 9, 2020 and pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modifications or re-enactments thereof for the time being in force (the "Act"), rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI"), including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Guidelines for Issue and Listing of Structured Products/Market Linked Debentures issued by the SEBI on September 28, 2011, or any other regulatory authority and in accordance with the Memorandum of Association and the Articles of Association of the Company and the listing agreements entered into/to be entered into with the stock exchanges (the "Stock Exchanges") where the securities of the Company may be listed and subject to such approvals, consents, permissions and sanctions as might be required from any regulatory or statutory authority or any other person, the approval of the Committee , be and is hereby accorded for:

- (a) the issue and allotment of upto 100 (One Hundred) rated, listed, secured, redeemable, non-convertible, principle protected market-linked debentures each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh), aggregating upto INR 10,00,00,000 (Indian Rupees Ten Crore), with a green shoe option to retain over subscription upto INR 15,00,00,000 (Indian Rupees Fifteen Crore) aggregating to INR 25,00,00,000 (Indian Rupees Twenty Five Crore) or such other amount as may be determined ("**Debentures**") in one or more series/tranches with a coupon/interest rate linked to the NIFTY 50 Index ("**Reference Index**"), such that the coupon rate shall be (i) 0% (zero percent), if the final fixing level (being the official closing level of the Reference Index on the final fixing date, as may be determined in accordance with the transaction documents) is less than 25% (twenty five percent) of the initial fixing level (being the official closing level of the Reference Index on the deemed date of allotment of the Debentures), (ii) 29.2381% (Twenty nine decimal two three eight one percent), if the final fixing level (being the official closing level of the Reference Index on the final fixing date, as may be determined in accordance with the transaction documents) is equal to or is greater than 25% (twenty five percent) of the initial fixing level (being the official

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CIN: U65921MH1996PTC251407

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closing level of the Reference Index on the deemed date of allotment of the Debentures) or (iii) such other coupon rate as may be decided by the Board / Debenture Allotment Committee, payable on such terms as may be decided, on a private placement basis to eligible investors ("Investors") for (A) meeting the financing activities and business operations of the Company (including on-ward lending), (B) re-payment of the existing financial indebtedness of the Company, and (C) the general corporate purposes of the Company ("Issue"); and

- (b) securing the amounts to be raised pursuant to the issue of Debentures together with all interest and other charges thereon to be secured (up to such limits and security cover as may be agreed) by creating a *pari passu* charge by way of hypothecation over the loan receivables of the Company (the "Security")."

RESOLVED FURTHER THAT, Mr. Sandeep Thapliyal (Managing Director & CEO), or/and Mr. Ranu Vohra (Director), or/and Mr. Kaushal Kumar Aggarwal (Director), or/and Mr. Sameer Kamath (Chief Financial Officer) be and are hereby severally authorized to negotiate, approve of, decide and finalise the issue including the terms of the Issue (including the opening, closing of the issue, date of allocation and deemed date of allotment) and all other related matters.

RESOLVED FURTHER THAT Mr. Sandeep Thapliyal (Managing Director & CEO), or/and Mr. Ranu Vohra- (Director), or/and Mr. Kaushal Kumar Aggarwal (Director), or/and Mr. Sameer Kamath (Chief Financial Officer) or/and Ms. Radhika Parmanandka (Company Secretary) (collectively, the "**Authorised Officers**") be and are hereby severally authorized to do all such other acts, deeds and things as they deem necessary or desirable in connection with the Issue, including to (without limitation) the following:

- (a) execute the term sheet;
- (b) approve the debt disclosure document/information memorandum/private placement offer and application letter (as may be required) (the "**Disclosure Documents**") (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;
- (c) to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents (as defined below), the transactions contemplated therein and the resolutions mentioned herein, including without limitation, to approve, negotiate, finalise, sign, execute, ratify, amend, supplement, novate and/or issue the following:
 - (i) the Disclosure Documents;
 - (ii) debenture certificate for the Debentures;

- (iii) debenture trust deed, debenture trustee agreement, deed of hypothecation and any other documents required for the creation and perfection of Security for the Issue (including any powers of attorney in connection thereto) and any other document in relation thereto (collectively, the "**Transaction Documents**");
- (iv) documents for opening of bank accounts and issuing instructions to bank related thereto in connection with the Debentures including without limitation for the purposes of recognizing the rights of the debenture trustee to operate such bank accounts; and
- (v) any other documents required for the purposes of the Issue and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports;
- (d) obtain (if required) any approval, consent, waiver or pari passu letter from any government or regulatory authorities, existing lenders/creditors of the Company and any other person, in connection with the Issue and providing of the Security;
- (e) seek the listing of any of the Debentures on any Stock Exchange within the timelines prescribed by the holders of the Debentures ("Debenture Holders"), submitting the listing application, entering into listing agreements with such Stock Exchanges and taking all actions that may be necessary in connection with obtaining such listing;
- (f) finalise the terms and conditions of the appointment of a debenture trustee, a registrar and transfer agent, a credit rating agency, legal counsel, a depository, a valuation agency, a distributor and such other intermediaries as may be required including their successors and their agents;
- (g) entering into arrangements with the relevant depository in connection with issue of Debentures in dematerialised form;
- (h) negotiate, execute, file and deliver any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the Issue and deal with regulatory authorities in this respect including but not limited to the RBI, the SEBI, any Stock Exchange, the Registrar of Companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest, the Ministry of Corporate Affairs, or any depository, and such other authorities as may be required; and
- (i) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates in relation to (a) to (i) above, and to give such directions as it deems fit or as may be necessary or desirable with regard to the Issue."

RESOLVED FURTHER THAT the Authorized Officers be and are hereby severally authorized to take all necessary steps relating to the creation, perfection and registration of charges and also to sign and submit the necessary forms with the registrar of companies, the Central Registry of

Securitisation Asset Reconstruction and Security Interest, the Ministry of Corporate Affairs, or any depository, and other relevant governmental authorities.

RESOLVED FURTHER THAT any one of the Authorised Officers be and are hereby severally authorized to maintain a register of Debenture Holders and record the name of the Debenture Holders therein and to undertake such other acts, deeds and acts as may be required to give effect to the issuance and allotment of the Debentures and the listing of the Debentures if and as and when required by the Debenture Holders.

RESOLVED FURTHER THAT the Committee hereby approves and ratifies all such acts, deeds and actions taken by the Company till date in relation to the Issue.

RESOLVED FURTHER THAT the common seal of the Company be affixed to the stamped engrossments of such documents as may be required to be executed under the common seal of the Company in the presence of the directors of the Company and/or any Authorised Person and/or the company secretary of the Company who shall sign/countersign the same in token thereof in accordance with the articles of association of the Company.

RESOLVED FURTHER THAT the copies of the foregoing resolutions certified to be true copies by any Director or the Company Secretary or Chief Financial Officer of the Company be furnished to such persons as may be deemed necessary."

CERTIFIED TRUE COPY

Radhika Parmanandka

Company Secretary

Avendus Finance Pvt Ltd

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