

(This Offer Document is neither a prospectus nor a statement in lieu of a prospectus)

Company is not required to create or maintain any debenture redemption reserve at any point of time with respect to present Issue of NCDs.

#### SECTION 6: ISSUE/INSTRUMENT SPECIFIC REGULATIONS – RELEVANT DETAILS

The issue of Debentures is in compliance with/governed by the relevant provisions of applicable law including the following:

- Companies Act, 2013, to the extent applicable;
- Companies (Share Capital and Debentures) Rules, 2014;
- Companies (Prospectus and Allotment of Securities) Rules, 2014;
- RBI circular on *Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs*, dated February 20, 2015
- Master Direction- Reserve Bank of India-Deposit Taking and Non Deposit Taking Systemically Important- 2016

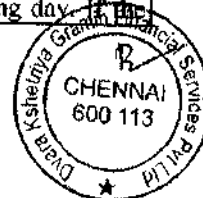
#### SECTION 7: DETAILS OF THE ISSUE & SUMMARY TERM SHEET

Security Name	Secured Redeemable Unlisted Non-Convertible Debentures 2019
Issuer	Dvara Kshetriya Gramin Financial Services Private Limited
Type of Instrument	Non-Convertible Debentures
Nature of Instrument	Secured, Redeemable, Unlisted Non-Convertible Debentures 2019
Seniority	NA, Secured Debentures
Mode of Issue	Private placement
Eligible Investors	As per Section 12 below
Rating of the Instrument	BBB (Stable) by CARE Ratings Limited
Issue Size	INR 50,00,00,000/- (Rupees Fifty Crores only)
Number of debentures	5000 (Five Thousand only)
Objects of the Issue	To raise Secured debt to the extent up to INR 50,00,00,000/- (Rupees Fifty Crores only) for General corporate purposes for the ordinary course of business of the Issuer including repayment/re-financing of existing debt.
Details of the utilization of the Proceeds	<p>The proceeds of the Issuance will be utilized for the following purposes:</p> <ul style="list-style-type: none"> <li>General corporate purposes</li> <li>for the ordinary course of business of the Issuer including repayment/re-financing of existing debt</li> </ul> <p>No part of the proceeds shall be utilized directly/indirectly towards capital markets (debt and equity), land acquisition or usages that are restricted for bank financing.</p>
Coupon Rate	13.5% per annum,
Coupon Payment Frequency	Monthly/Cumulative at the end of the tenure
Coupon Type	Fixed Coupon Rate
Day Count Basis	Actual
Interest on Application Money	13.50% per annum



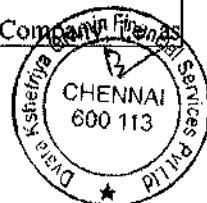
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Security Name	Secured Redeemable Unlisted Non-Convertible Debentures 2019
Default Interest Rate	(a) The Company agrees to pay a default interest rate of 2% (Two per cent) per annum above the applicable Interest Rate on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default or any other Event of Default until such Payment Default or Event of Default is cured.  (b) The Company agrees to pay an additional interest rate of 2% (Two per cent) per annum above the applicable Interest Rate on the Outstanding Principal Amounts from the date of the occurrence of any breach of its obligations set out under the Transaction Documents until such breach is cured.
Pre-Payment Penalty	Not Applicable.
Tenor	36 Months
Redemption Date	36 Months from Respective Date of allotment
Redemption Amount	The sum of the principal outstanding on the Debentures, accrued Coupon, Default Interest payable (if any) and other charges and fees payable after adjusting excess coupon paid in case of exercise of put option by registered holder and TDS or any other tax as applicable.
Redemption Premium /Discount	Not Applicable
Issue Price	At par
Put option Date	Refer Section 7 'PUT OPTIONS'
Put option Price	Refer Section 7 'PUT OPTIONS'
Call Option Date	Not Applicable
Call Option Price	Not Applicable
Put Notification Time	Refer Section 7 'PUT OPTIONS'
Call Notification Time	Refer - Section 7 'PUT OPTIONS'
Face Value	INR 1,00,000/- (Rupees One Lakhs Only) per Debenture
Minimum Application and in multiples of 1 Debt securities thereafter	10 Debentures and in multiple of 1 Debentures thereafter.
Issue Timing	
1. Issue Opening Date	November 5, 2019
2. Issue Closing Date	December 27, 2019
3. Pay-in Date	December 1, 2019
4. Deemed Date of Allotment	December 1, 2019
Issuance mode of the Instrument	Debenture Certificate will be provided in physical form and in DEMAT format.
Trading mode of the Instrument	Not Applicable. Limited Transferability.
Settlement mode of the Instrument	By any Banking channel including by way of electronic payment made into account of Debenture holder as on date of maturity or record date as applicable and in case of failure of any electronic payment then by way of Demand Draft/ Cheque issued in favor of registered holder
Depository	NSDL/CDSL
Business Day Convention	If any coupon payment date falls on a day that is not a working day, the payment shall be made on the immediately succeeding working day.



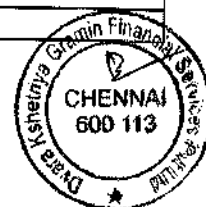
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Security Name	Secured Redeemable Unlisted Non-Convertible Debentures 2019
	redemption date/exercise date/maturity date (also being the last coupon payment date) of the Debentures falls on a day that is not a working day, the redemption proceeds shall be paid on the immediately preceding working day.
Record Date	15 (Fifteen) Business days prior to each Coupon Payment / Redemption date.
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	<p>The principal amount of the Debentures to be issued in terms of the Offer Document together with all interest due on the Debentures as well as all costs, charges, fees, remuneration of the Debenture Trustee and expense payable in respect thereof shall be secured by way of pari passu charge with existing secured creditors on book debts and receivables both present and future of the Company equal to the value of one time of debentures outstanding plus interest accrued thereon.</p> <p>The Company shall create charge within 30 days of deemed date of allotment of the NCDs and shall have option to revalue or replacement of security with consent of Trustees and in compliance of necessary regulations in this regard and in accordance with Trust Deed.</p>
Financial Covenants	<p>1. The capital adequacy ratio (as defined in NBFC Regulations) shall be equal to 15% at all points in time.</p> <p>For the purpose of the calculations of the capital adequacy as mentioned above:</p> <ul style="list-style-type: none"> <li>- the first loss credit enhancement provided by the Company on securitization shall be reduced from Tier I Capital and Tier II Capital and the deduction shall be capped at 15% of the outstanding securitized portfolio.</li> <li>- the first loss credit enhancement provided by the Company on Loans originated on behalf of other institutions shall be reduced from Tier I Capital and Tier II Capital without any ceiling.</li> <li>- It is also clarified that in computing the amount of subordinated debt eligible for inclusion in Tier II Capital, the aforementioned subordinated debt shall be subject to discounting as prescribed by RBI.</li> </ul> <p>2. PAR 90 (on the Borrower's own portfolio) in a financial year shall not exceed 5% (Five Percent) of the Borrower's Own Loan Portfolio;</p> <p>3. PAR 30 (on the Borrower's entire portfolio, including receivables sold or discounted on a non-recourse basis) in a financial year shall not exceed 20% (Twenty Percent) of the Borrower's Gross Loan Portfolio;</p> <p>4. Debt to Tangible Net Worth ratio should not exceed 6.0x, at all times</p> <p>All covenants would be tested on semi-annual basis for the Company.</p>



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	<p>on 31st March and 30th Sept every year, starting from 31<sup>st</sup> March 2020 on consolidated and standalone balance sheet till the redemption of the Debentures.</p> <p>The covenants shall be certified by the Company within 45 (Forty Five) calendar days from the end of each financial half year.</p>
Transaction Documents	Shall mean collectively the Debenture Trust Deed, the Offer Documents, the Debenture Trustee Agreement, the letters issued by the credit rating agency and the registrar and transfer agent, all other letters, arrangements and documents in relation to the issuance of the Debentures and any other document designated as a Transaction Document by the Trustee or the Debenture Holders.
Conditions Precedent to Disbursement	<p>(a) The Company shall fulfil the following Conditions Precedent the satisfaction of the Debenture Trustee and submit Conditions Precedent documentation where applicable to the Debenture Trustee, prior to the Pay in Date;</p> <p>(b) All corporate approvals from the Board of Directors and shareholders of the Issuer, if applicable, shall have been received for the issuance of the NCDs, and the execution, delivery and performance by the Issuer of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed;</p> <p>(c) Execution of the Debenture Trustee Agreement, Debenture Trust Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place;</p> <p>(d) The Issuer shall have submitted to the Debenture Trustee the rating letter and rating rationale;</p> <p>(e) The Issuer shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements;</p> <p>(f) The Issuer shall have submitted to the Debenture Trustee a certified true copy of the constitutional documents of the Company (the Memorandum and Articles of Association and the Certificate of Incorporation)</p>
Condition Subsequent to Disbursement	<p>The Issuer shall ensure that the following documents are executed/activities are completed as per the time frame stipulated in the Debenture Trust Deed</p> <ol style="list-style-type: none"> <li>1. The Issuer shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 5 along with the Offer Document and Form PAS 3 along with requisite fee within prescribed timelines;</li> <li>2. The Issuer shall ensure compliance with RBI/SEBI / Companies Act 2013 (as applicable) for issuance of NCDs.</li> </ol>
Events of Default	As mentioned in the Transaction Documents



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Reporting Covenants	<ol style="list-style-type: none"> <li>1. <b>Quarterly Reports</b> – within 45 (Forty Five) calendar days from the end of each financial quarter <ol style="list-style-type: none"> <li>a) Information on financials</li> <li>b) Financial covenant compliance certificate signed by a Director or the Chief Financial Officer</li> <li>c) Portfolio cuts</li> <li>d) Shareholding pattern</li> </ol> </li> <li>2. <b>Annual Reports</b> – within 120 (One Hundred and Twenty) calendar days from the end of each financial year <ol style="list-style-type: none"> <li>a) Audited financial statements</li> <li>b) A certificate from a Director/Chief Financial Officer confirming that there is no Potential Default or Event of Default; and</li> </ol> </li> <li>3. <b>Event Based Reports</b> – within 5 (Five) Business Days of the event occurring <ol style="list-style-type: none"> <li>a) Change in list of Board of Directors</li> <li>b) Material change in Shareholding structure</li> <li>c) Change in senior management officials (any CXO or equivalent)</li> <li>d) Debarment of any of the board of directors</li> <li>e) Board approval of annual business plan</li> <li>f) Any fraud amounting to more than 1% of Gross Loan Portfolio</li> <li>g) Changes in accounting policy</li> <li>h) New products introduced or change in existing product features</li> <li>i) New business corresponding relationships or discontinuance of existing relationships</li> <li>j) Revision in business plan</li> <li>k) Change in the constitutional documents of the Company</li> <li>l) Material Adverse Effect</li> <li>m) Any dispute, litigation, investigation or other proceeding which could result in a Material Adverse Effect.</li> <li>n) Winding up proceedings</li> <li>o) Any Event of Default or Potential Default, and any steps taken / proposed to remedy the same.</li> <li>p) Any prepayment or notice of any prepayment of any Indebtedness of the Issuer</li> </ol> </li> </ol>
Affirmative covenants	<ol style="list-style-type: none"> <li>1. To utilise the proceeds of this issue in accordance with applicable laws and regulations</li> <li>2. To comply with corporate governance, fair practices code prescribed by the RBI</li> <li>3. Notification of any potential Event of Default or Event of Default;</li> <li>4. Obtain, comply with and maintain all licenses / authorizations</li> <li>5. Provide details of any material litigation, arbitration or administrative proceedings (materiality threshold to be finalized during documentation)</li> <li>6. Maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes</li> <li>7. Comply with any monitoring and/or servicing requests from Debenture Holders</li> <li>8. Any rights exercisable as Debenture Holder in terms of Companies Act.</li> </ol>



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	2013 will be allowed and facilitated by the Company
Negative covenants	The Issuer shall not without the prior written permission of the Debenture Holders and Debenture Trustee, as applicable, do or undertake to do any Act or deed which is prohibited under Companies Act, 2013 without prior approval of Debenture holders or without compliance of requirements mentioned under Companies Act, 2013.
Provisions related to Cross Default Clause	The Company (i) defaults in any payment of any Indebtedness beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Indebtedness was created;  (ii) defaults in the observance or performance of any agreement or condition relating to any Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Indebtedness to cause (determined without regard to whether any notice is required) any such Indebtedness to become due prior to its stated maturity; or  (iii) any Indebtedness of the Company shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders. As provided in the Debenture Trust Deed.
Governing Law and Jurisdiction	The Debentures and Transaction Documents will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Chennai, India.

## PUT OPTIONS

### PUT OPTIONS ATTACHED TO NCDs AND MODE OF EXERCISE OF PUT OPTIONS:

Following PUT options are being attached to the NCDs and may be exercised by the Debenture holder(s) by exercising the PUT option by submitting the original Debenture Certificate in Company's Registered Office along with necessary documents as required by Company for acceptance of PUT option including updated KYCs. Exercise of the Put option has to be exercised and they are effective only after receiving the necessary discharged documents at Registered Office of the Company.

Put Option available with NCDs being issued under this Offer documents are as follows:

S. NO.	EXERCISE WINDOW	PUT OPTION TERMS
1.	From 0 months -12 months ( less than 1 year)	Not Available
2.	From 13 <sup>th</sup> Month – 24 Months (after 1 year and before completion of 2 years)	Principal is payable with coupon rate of 10% till exercise of PUT Option



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3.	From 25 <sup>th</sup> Month – 36 Month (after 2 years and before completion of 3 years)	Principal is payable with coupon rate of 12% till exercise of PUT Option.
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## SECTION 8: MATERIAL CONTRACTS AND AGREEMENTS

Set out below is the statement containing particulars of, dates of, and parties to all material contracts and agreements of the Company

- Memorandum & Articles of Association
- Certificate of incorporation and certificate of registration as NBFC with the RBI
- Credit Rating Letter dated November 4, 2019 from CARE.
- Consent from Catalyst Trusteeship Limited to act as trustee vide their Letter dated 01 November, 2019.
- List of authorized signatories under the resolutions along with their specimen signatures
- Executed Draft of the Debenture Trust Deed and Debenture Trustee Agreement

The above material documents and contracts are available for inspection between 10.00 AM and 5.00 PM on all working days at the registered office of the Company as mentioned below:

Registered Office: 10th Floor-Phase I, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai 600113 | India

## SECTION 9: UNDERTAKING TO USE A COMMON TRANSFER FORM

Debentures issued under this issue is not transferable unless agreed by Company in special case for making a statutory obligation, corrections or by regulatory order or for transmission of NCDs in accordance with Companies Act, 2013 and Company would use a common transfer form as prescribed under Companies Act, 2013.

## SECTION 10: TERMS OF OFFER OR PURCHASE/ APPLICATION PROCESS

Terms of offer are set out in Section 7 above. Below are the general terms and conditions.

### Issue:

Issue of 5,000 (Five Thousand) Secured, Rated, Redeemable, Taxable, Unlisted Non-Convertible Debentures of face value of INR 1,00,000 /- (Rupees One Lakh Only) each, aggregating up to INR 50,00,00,000/- (Rupees Fifty Crores Only) issued on a fully paid basis and on a private placement basis (the "Issue")

### Who Can Apply

Only the persons who are specifically addressed through a communication by or on behalf of the Company directly are eligible to apply for the Debentures. An application made by any other person will be deemed as an invalid application and rejected. In order to subscribe to the Debentures a person must be either

- Individuals
- Commercial Banks, Eligible Financial Institutions\* and Insurance Companies;

