

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

INFORMATION MEMORANDUM

Dvara Kshetriya Gramin Financial Services Private Limited

A private limited company incorporated under the Companies Act, 1956

Date of Incorporation: March 04, 1993

Registered Office: 10th Floor-Phase 1, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai 600113

Telephone No.: 044- 6668 7000

Website: <https://www.dvarakgs.com/>

Information Memorandum dated 8 February 2021 for issue of Debentures on a private placement basis

Issue of 1,500 (One Thousand Five Hundred) 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 15,00,00,000/- (Rupees Fifteen Crore Only) issued on a fully paid basis.

Background

This Information Memorandum is related to the Debentures (as defined hereinafter) to be issued by Dvara Kshetriya Gramin Financial Services Private Limited (the “**Issuer**” or “**Company**”) 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 authorised by the Issuer through resolutions passed by the shareholders of the Issuer on May 24, 2018 and the Board of Directors of the Issuer on November 4, 2020 and the Memorandum and Articles of Association of the Company. Pursuant to the resolution passed by the Company’s shareholders dated May 24, 2018 in accordance with provisions of the Companies Act, 2013, the Company has been authorised to borrow, upon such terms and conditions as the Board may think fit, for amounts up to INR 1000/- (Rupees One Thousand Crores Only). The present issue of NCDs in terms of this Information Memorandum is within the overall powers of the Board.

General Risks

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments and only after reading the information carefully. For taking an investment decision, the investors must rely on their own examination of the Company and the Issue including the risks involved. The Debentures have not been recommended or approved by Securities and Exchange Board of India (“**SEBI**”) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of Risk Factors at SECTION 3: of this memorandum of private placement for issue of Debentures on a private placement basis (“**Information Memorandum**” or “**Disclosure Document**”). This Information Memorandum has not been submitted, cleared or approved by SEBI.

Issuer’s Absolute Responsibility

The Issuer, having made all reasonable inquiries, confirms and represents that the information contained in this Information Memorandum/ Disclosure Document is true and correct in all material respects and

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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. The Issuer is solely responsible for the correctness, adequacy, and disclosure of all relevant information herein.

Credit Rating

The Debentures proposed to be issued by the Issuer have been rated by Brickworks Ratings India Private Limited. The Rating Agency has, vide its letter dated 1 October 2020 assigned a rating of “BWR BBB+/Stable (Assigned)” in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to **Annexure II** of this Information Memorandum for the letter dated 1 October 2020 from the Rating Agency assigning the credit rating above mentioned and disclosing the rating rationale adopted for the aforesaid rating.

Issue Schedule

Issue/ Bid Opening Date: February 8, 2021
Issue/ Bid Closing Date: February 8, 2021
Deemed Date of Allotment: April 1, 2021

The Issuer reserves the right to change the Issue Schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue shall be open for subscription during the banking hours on each Business Day from the Issue Opening Date to the Issue Closing Date (both days inclusive).

The Debentures are unlisted.

Registrar & Transfer Agent



Integrated Registry Management Services Pvt Ltd

2 nd Floor, \"Kences Towers\", Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017 Tel: 91 44 2814 0801
Email: <http://www.integratedindia.in>

Debenture Trustee



Catalyst Trusteeship Limited

Windsor,6th Floor, Office No.604, CST Road, Kalina, Santacruz (East) Mumbai 400098 Tel.: +91-22-49220503
Email: remya.nair@ctltrustee.com

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

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

Allot/Allotment/Allotted	Unless the context otherwise requires or implies the allotment of the Debentures pursuant to this Issue.
Application Form	The form used by the recipient of this Disclosure Document and/or the Private Placement Offer Cum Application Letter, to apply for subscription to the Debentures.
Applicable Law	Shall include any statute, law, by-law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by a Governmental Authority.
Arranger/ Sole Arranger	Not Applicable.
Board/Board of Directors	The Board of Directors of the Issuer.
Business Day	Any day of the week (excluding Sundays and any other day which is a ‘public holiday’ for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which banks are normally open for business in Chennai And Mumbai and “ Business Days ” shall be construed accordingly.
CDSL	Central Depository Services (India) Limited.
Client Loan	Each loan made by the Issuer as a lender, and “ Client Loans ” shall refer to the aggregate of such loans.
Debentures / NCDs	Issue of 1,500 (One Thousand Five Hundred) 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 15,00,00,000/- (Rupees Fifteen Crore Only) issued on a fully paid basis.
Debenture Holder(s) / Investors	The holders of the Debentures issued by the Issuer and shall include the registered transferees of the Debentures from time to time.
Deemed Date of Allotment	1 April 2021
Debenture Trustee	Catalyst Trusteeship Services Limited
Debenture Trustee Agreement	Agreement executed by and between the Debenture Trustee and the Company 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	Shall mean the trust deed executed/to be executed by and between the Debenture Trustee and the Company which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
Demat	Refers to dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant / DP	A depository participant as defined under the Depositories Act

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Director(s)	Director(s) of the Issuer.
Disclosure Document / Information Memorandum	This document which sets out the information regarding the Debentures being issued on a private placement basis.
DP - ID	Depository Participant Identification Number.
Due Date	Any date on which the holders of the Debentures are entitled to any payments, whether on maturity or earlier, on exercise of the option to redeem the Debentures prior to the scheduled Maturity Date or acceleration.
EFT	Electronic Fund Transfer.
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.
GAAP	Generally Accepted Accounting Principles prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Issuer.
Governmental Authority	Any government (central, state or otherwise) or any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, agency or authority including any stock exchange or any self-regulatory organization, established under Applicable Law.
Hypothecated Assets	All the right, title, interest, benefit, claims and demands of the Issuer, in, to, or in respect of the receivables arising out of rupee loan facilities advanced / to be advanced by the Issuer to any person and charged under the terms of this Issue.
Hypothecation Agreement	The hypothecation agreement entered/to be entered into between the Issuer and the Debenture Trustee, pursuant to which hypothecation over Hypothecated Assets shall be created by the Issuer in favour of the Debenture Trustee (acting for and on behalf of the Debenture Holder(s)).
Issue	Private placement of the Debentures in terms of the Private Placement Offer Letter issued by the Issuer and/ or this Disclosure Document.
Issue/ Bid Closing Date	February 8, 2021
Issue/ Bid Opening Date	February 8, 2021
Issuer/ Company	Dvara Kshetriya Gramin Financial Services Private Limited
Majority Debenture Holder(s)	Debenture Holder(s) whose participation or share in the principal amount(s) outstanding with respect to the Debentures aggregate to more than 50% (Fifty per cent) of the value of the nominal amount of the Debentures for the time being outstanding.
Maturity Date	36 months from the Deemed date of Allotment
N.A./ NA	Not Applicable.
NBFC	Non-banking financial company
NSDL	National Securities Depository Limited.
PAN	Permanent Account Number.
Private Placement Offer Cum Application Letter	Shall mean the private placement offer cum application letter prepared and issued to the eligible investors by the Company in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.

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RBI	Reserve Bank of India.
Rating Agency	Brickworks Ratings India Private Limited, being a credit rating agency registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time.
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, which shall be the date falling 7 (Seven) calendar days prior to any Due Date.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being Integrated Registry Management Services Pvt Ltd.
ROC	Registrar of Companies.
Rs. / INR	Indian Rupee.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time.
Security	The security for the Debentures as specified in Section 5.21.
TDS	Tax Deducted at Source.
The Companies Act/ the Act	The Companies Act, 2013 or where applicable, the provisions of the Companies Act, 1956, still in force.
Terms & Conditions	Shall mean the terms and conditions pertaining to the Issue as outlined in the Transaction Documents.
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 5.21.
WDM	Wholesale Debt Market.
Wilful Defaulter	Shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(n) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

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SECTION 2: NOTICE TO 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 issue of the Debentures is being made strictly on a private placement basis. The Debentures are unlisted. 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/ Disclosure Document 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 circulars governing private placements of debentures by NBFCs. This Information Memorandum has been prepared solely to provide general information about the Issuer to the 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 eligible investor may require. Further, this Information Memorandum has been prepared for informational purposes relating to this transaction 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 the recipient of this Information Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential 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. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyse 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) 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 the Private Placement Offer Cum Application Letter or 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 and/or the Private Placement Offer Cum Application Letter are adequate and 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, the Private Placement Offer Cum Application Letter and the contents hereof 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 investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum and/or the Private Placement Offer Cum Application Letter are intended to be used only by those potential investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

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No invitation is being made to any person other than those to whom Application Forms along with this Information Memorandum and the Private Placement Offer Cum Application Letter being issued have been sent. Any application by a person to whom the Information Memorandum and/or the Private Placement Offer Cum Application Letter has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum and/or the Private Placement Offer Cum Application Letter shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents hereof without the 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 us or other parties in connection with the Issue. This Information Memorandum and/or the Private Placement Offer Cum Application Letter 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 and/or the Private Placement Offer Cum Application Letter decides not to participate in the Issue, that recipient must promptly return this Information Memorandum and/or the Private Placement Offer Cum Application Letter 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 and/or the Private Placement Offer Cum Application Letter to reflect subsequent events after the date of Information Memorandum and/or the Private Placement Offer Cum Application Letter 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 and/or the Private Placement Offer Cum Application Letter 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 and/or the Private Placement Offer Cum Application Letter 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 and/or the Private Placement Offer Cum Application Letter in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions. The Information Memorandum is made available to potential investors in the Issue on the strict understanding that it is confidential.

2.2 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to investors as specified under the clause titled "Eligible Investors" of this Information Memorandum, who shall be/have been identified upfront by the Issuer. This Information Memorandum and/or the Private Placement Offer Cum Application Letter 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 Chennai. This Information Memorandum and/or the Private Placement Offer Cum Application Letter 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.

2.3 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,

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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.

2.4 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised 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 investor with its depository participant. The Issuer will make the Allotment to investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

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SECTION 3: RISK FACTORS

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential investors should carefully consider all the risk factors in this Information Memorandum and/or the Private Placement Offer Cum Application Letter for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures, but do 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. Investors should also read the detailed information set out elsewhere in this Information Memorandum and/or the Private Placement Offer Cum Application Letter and reach their own views prior to making any investment decision.

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

Potential investors should be aware that receipt of the principal amount, (i.e., the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. If 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.

3.2 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. Potential Investors may have to hold the Debentures until redemption to realize any value.

3.3 CREDIT RISK & RATING DOWNGRADE RISK

The Rating Agency has assigned the credit ratings 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, potential investors may incur losses on revaluation of their investment or may need to make provisions towards sub-standard/ non-performing investment as per their usual norms.

3.4 CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF NCDS.

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.

3.5 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

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

3.6 ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Potential investors are urged to consult

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with their own accounting advisors to determine implications of this investment.

3.7 SECURITY MAYBE INSUFFICIENT TO REDEEM THE DEBENTURES

While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of Information Memorandum/ Debenture Trust Deed, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security. If the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents. The Investor's recovery in relation to the Debentures will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the Security at a price sufficient to repay the potential Investors amounts outstanding under the Debentures. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

3.8 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.

3.9 LEGALITY OF PURCHASE

Potential 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 investor with any law, regulation, or regulatory policy applicable to it.

3.10 POLITICAL AND ECONOMIC RISK IN INDIA

The Issuer operates only within India and, accordingly, all 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.

3.11 RISKS RELATED TO THE BUSINESS OF THE ISSUER

- A. *If the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.*

The Client Loans are secured against hypothecation of stock, receivables and other current assets and the clients of these loans are of the high-risk category. There is uncertainty on the client's ability to fulfil its loan obligations. Such non-performing or low credit quality loans can negatively impact our results of operations.

As at March 31st 2020, the gross NPA was 27.56 crores on a gross portfolio of Rs.866.64 crores (3.18 % of gross portfolio).

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The Issuer cannot assure that the Issuer will be able to effectively control and reduce the level of NPAs in its total loan portfolio. The amount of the Issuer's reported non-performing loans may increase in the future as a result of growth in the total loan portfolio, and also due to factors beyond the Issuer's control. Failure to manage NPAs or effect recoveries will result in operations being 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.

B. *The Issuer's business operates through a large number of rural and semi urban branches and is exposed to operational risks including fraud*

The Issuer is exposed to operational risks, including fraud, petty theft, and embezzlement, as it handles a large amount of cash due to high volume of small transactions. This could harm its operations and its financial position.

As the Issuer handles a large amount of cash through a high volume of small transactions taking place in its network, the Issuer is exposed to the risk of fraud or other misconduct by its employees or outsiders. These risks are further compounded due to the high level of delegation of power and responsibilities that the Issuer's business model requires. Given the high volume of transactions processed by the Issuer, certain instances of fraud and misconduct may go unnoticed before they are discovered and successfully rectified. Even when the Issuer discovers such instances of fraud or theft and pursue them to the full extent of the law or with its insurance carriers, there can be no assurance that the Issuer will recover any such amounts. In addition, the Issuer's dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

The Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a strong MIS system that has a wide range of data that can be used to monitor financial and operational performance.

To mitigate the above risk, the Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a MIS system able to generate data analysis that can be used to monitor financial and operational performance.

C. *Loans due within two years account for almost all of the Issuer's interest income, and a significant reduction in short term loans may result in a corresponding decrease in its interest income*

A majority of the loans the Issuer issues are due within approximately two years of disbursement. The relatively short-term nature of the Issuer's loans means that the Issuer's long-term interest income stream is less certain than if a portion of its loans were for a longer term. In addition, the Issuer's customers may not obtain new loans from the Issuer upon maturity of their existing loans, particularly if competition increases. The potential instability of the Issuer's interest income could materially and adversely affect the Issuer's results of operations and financial position.

The loans given by the issuer are at fixed interest rate, and the tenor of the underlying asset has increased from one year to two year which has provided stability to the portfolio and interest income and has also smoothened operating expense.

D. *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 believes a mitigant to this is to expand its geographical reach and may consequently expand its

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operations other states. If it 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.

E. *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. 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 also dependent on its team of personnel who directly manage its relationships with its members. 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 members 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 intense in this industry, 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.

F. *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.

G. *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.

H. *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.*

NBFCs in India are subject to strict regulation and supervision by the RBI. The Issuer requires certain approvals, licenses, registrations, and permissions for operating its business, including registration with the RBI as a NBFC pursuant to Section 45-IA of the RBI Act, 1934. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change, and the Issuer may not be aware of or comply with all requirements all of the time. In particular,

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the Issuer is required to obtain a certificate of registration for carrying on business as a **NBFC** that is subject to numerous conditions. Additionally, RBI has issued detailed directions on prudential norms *inter alia* prescribing guidelines on income recognition, asset classification and provisioning requirements applicable to NBFCs, exposure norms, disclosures in the balance sheet, requirement of capital adequacy, restrictions on investments in land and building and unquoted shares besides others. In addition, its branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishments laws regulate various employment conditions, including working hours, holidays and 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, its 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, the Issuer's certificate of registration may be suspended or cancelled, and it shall not be able to carry on such activities. If the Issuer fails to comply with any directions issued applicable on NBFCs and fails to maintain the status of NBFC it may attract penal provisions under the RBI Act, 1934 for non-compliance. The penal action can also result in RBI cancelling the certificate of registration issued to the NBFC.

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SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the FY ended March 2020 are set out in **Annexure IV** hereto.

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SECTION 5: REGULATORY DISCLOSURES

The Information Memorandum is 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.

5.1 Documents Submitted to the Exchanges

The following documents have been / shall be submitted to BSE (if the Debentures are listed):

- A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures.
- B. Copy of last 3 (three) years audited Annual Reports.
- C. Statement containing particulars of, dates of, and parties to all material contracts and agreements.
- D. Certified true copy of the resolution passed by the shareholders of the Company at the annual general meeting held on May 24, 2018 authorizing the issue/offer of Debentures by the Company.
- E. Certified true copy of the resolution passed by the Board of Directors in its meeting held on November 4, 2020 authorizing the borrowing and list of authorized signatories.
- F. Certified true copy of the resolution passed by the Company at the annual general meeting held on May 24, 2018 authorising the Company to borrow, upon such terms as the Board may think fit, up to an aggregate limit of INR 1000/- (Rupees One Thousand Crores Only)] and for creation of Security.
- G. An undertaking from the Issuer stating that the necessary documents for the creation of the charge, including the Debenture Trust Deed 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 5 (Five) working days of execution of the same.
- H. Where applicable, an undertaking that permission / consent from the prior creditor for a second or *Pari passu* charge being created, in favour of the trustees to the proposed issue has been obtained; and
- I. Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

5.2 Documents Submitted to Debenture Trustee

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:

- A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures.
- B. Copy of last 3 (three) years audited annual reports.
- C. Statement containing particulars of, dates of, and parties to all material contracts and agreements.
- D. 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, if any.
- E. 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 Simplified Listing Agreement issued by SEBI vide circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015, as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred and Eighty) calendar 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' and other existing debenture-holders within 2 (two) working days of their specific request.

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F. An undertaking that the assets on which charge is created are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or Pari-passu charge on the assets of the issuer has been obtained from the earlier creditor

5.3 Name and Address of Registered Office of the Issuer

Name:	Dvara Kshetriya Gramin Financial Services Private Limited
Registered Office of Issuer:	10th Floor-Phase 1, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai 600113, India Phone No.: +91 44 6668 7000 Fax No.: +91 44 6668 7000
Corporate Office of Issuer:	10th Floor-Phase 1, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai 600113, India Phone No.: +91 44 6668 7000 Fax No.: +91 44 6668 7000
Compliance Officer of Issuer:	Mr. Balaji S Phone No.: +91 44 6668 7197 Fax No.: +91 44 6668 7197
CFO of Issuer:	Mr. Vijayakumar G Phone No.: +91 44 6668 7204 Fax No.: +91 44 6668 7204
Registration Number:	024547
Corporate Identification Number:	U65991TN1993PTC024547
Phone No.:	+91 44 6668 7000
Fax No.:	+91 44 6668 7000
Contact Person:	Mr. Balaji S
Email:	Balaji.S@dvarakgfs.com
Website of Issuer:	https://www.dvarakgfs.com/
Name and address of auditors of the Issuer:	B S R & Co. LLP KRM Tower, 1st and 2nd Floor, No 1, Harrington Road, Chetpet, Chennai - 600 031 Tel: 91-44-4608 3100
Name and address of trustee to the Issue:	Catalyst Trusteeship Limited Windsor,6th floor,Office No.604, C.S.TRoad,kalina,Santacruz (East) Mumbai 400098T: (91) (20) 2528 0081 Mail ID: dt@ctltrustee.com
Name and address of registrar to the Issue:	Integrated Registry Management Services Private Limited 2 nd Floor, "Kences Towers", Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017 Tel: 044 2814 3045

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	Website: https://www.integratedindia.in
Name and address of credit rating agency of the Issue	Brickworks Ratings India Private Limited Ground Floor, Building No S 14 Soliatire Corporate Park, Guru Hargovindji Marg, Chakala, Andheri (East) Mumbai 400 093

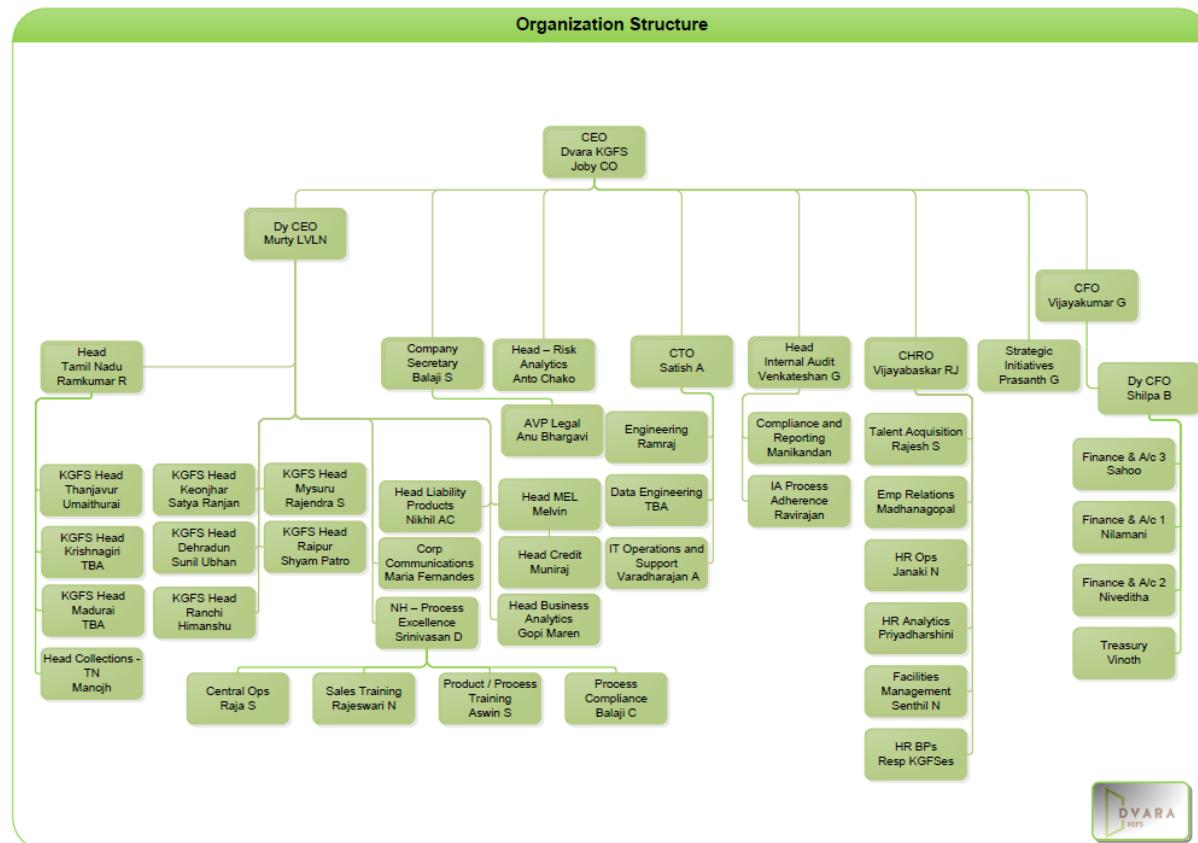
5.4 A brief summary of business / activities of the Issuer and its line of business

A. Overview

Dvara KGFS was set up by Dvara Trust, a private trust set up with the mission “To ensure that every individual and every enterprise has complete access to financial services.” Dvara KGFS works to achieve this goal by setting up a network of branches in remote rural areas that offer a range of financial products and services. Dvara KGFS currently operates in the states of Tamil Nadu, Odisha, Uttarakhand, Chhattisgarh, and Karnataka serving individual customers and enterprises in remote rural areas. The organisation instils this mission into business by facilitating and originating financial products and services on behalf of financial institutions (NBFCs & Banks) through a unique branch-based business model called Kshetriya Gramin Financial Services (KGFS: KGFS translates to Regional Rural Financial Services). Dvara KGFS follows a customer-centric model and offers products and services through “Wealth Management.”

Dvara KGFS operates through a customer centric technology enabled model, whereby household information like-assets, liabilities, income, expense, households' financial goals are collected to generate a financial well-being report which is a tool to determine the suitability of a product opted by a customer.

B. Corporate Structure/Organization Structure



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C. Brief profile of the Board of Directors of the Issuer

Name	Designation	Experience
Bindu Ananth	Non-executive Director	<ul style="list-style-type: none"> Bindu is the Chair of Dvara Trust. Prior to this, Bindu worked in ICICI Bank's microfinance team between 2001 and 2005 and was head of the new product development team within their Rural Banking Group in 2007. She has an under-graduate degree in Economics from Madras University and master's degrees from the Institute of Rural Management (IRMA) and Harvard University's John. F. Kennedy School of Government. Bindu has co-edited "Financial Engineering for Low-Income Households", a book published by SAGE. She has also published in the Economic and Political Weekly, OECD Trade Paper Series and the Small Enterprise Development Journal. She was a member of the RBI Committee on Comprehensive Financial Services for Low- Income Households and Small Businesses (2013). She was a member of the Government of India's High-Level Committee on Women (2014-15). She is a member of the Taskforce of the Insolvency & Bankruptcy Board of India (2017) She currently serves as a Nominee Director for National Stock Exchange on the Board of Computer Age Management Services. She is a member of the Advisory Boards of Columbia University's India Initiative and Equal Community Foundation. In 2017, Bindu was featured by Forbes as one of India's leading women leaders.
Samir Shah	Non-executive Director	<ul style="list-style-type: none"> Samir joined Dvara Trust in February 2018 as Executive Vice Chair to take on responsibility for the strategic direction of the Dvara Trust's mission of financial inclusion and portfolio management of group companies. He has over two decades of experience in building institutions and market infrastructure. Prior to joining Dvara Trust, he was the Managing Director & CEO of NCDEX, India's largest Agri focused commodities exchange. During his tenure, the exchange had transformational impact on India's Agri economy through various technology and digital initiatives. He also worked closely with the warehouse regulator WDRA and the capital markets regulator SEBI to launch National E-Repository Limited (NREL) to provide India's first repository services for electronic negotiable warehouse receipts, which farmers can use to avail formal sector Agri credit. Before NCDEX, he was the Chief Business Officer of the Dubai Gold and Commodities Exchange (DGCX). At DGCX

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Name	Designation	Experience
		he led the growth of the exchange to make it the one of fastest growing exchange in the world, winning several global awards, amongst them were Contract of the Year and the Best Commodity Exchange in 2012.
Pranav Kumar	Nominee Director	<ul style="list-style-type: none"> Mr. Pranav Kumar is an Associate Director in Leapfrog's Asia team, sourcing, evaluating and managing investments across South and Southeast Asia. Mr. Pranav has more than nine years of experience in private equity investment, management consulting and development financing. Before joining Leapfrog, Pranav worked with the World Bank Group based in Singapore on strategy and design of investment funds and grants for SMEs and startups in Southeast Asia, MENA and Africa. Prior to that, Pranav was an Engagement Manager at McKinsey & Co. based in India where he led teams on strategy and business transformation projects for banks, insurance and NBFCs. Mr. Pranav has an MBA from Indian Institute of Management, Ahmedabad and a Bachelor of Technology in Computer Science & Engineering from Indian Institute of Technology, Bombay.
Abhishek Agrawal	Nominee Director	<ul style="list-style-type: none"> Abhishek Agrawal is currently Accion's Chief Regional Officer, India. As an Accion representative, Mr. Agrawal serves on the boards of various companies. He comes with extensive experience in financial management, strategy & business planning, and microfinance operations. Mr. Agrawal had worked as CFO for more than 12 years in several countries, including at Swadhaar Microfinance starting in 2010, in his capacity as global staff for Accion. In earlier roles, Mr. Agrawal worked with FINCA International as CFO in different affiliates. Prior to that, he acted as an advisor to the Institute of Chartered Accountants (ICAI), where he worked on number of projects in Municipal reforms & financial management for local municipal bodies. Mr. Agrawal has a Ph.D. in Municipal financial reforms and Chartered Accountant (FCA) from ICAI. He did his Master of Business Administration with a specialization in finance at Rai International University.
Viswanathan S	Independent Director	<ul style="list-style-type: none"> Viswanathan is a senior banking professional with about 40 years of experience in Credit Risk, Corporate Banking, Stressed Asset Management, Private Banking and Compliance. He is, currently, a freelance consultant advising some start- ups in the financial sector and angel funds. Prior to his superannuation, he was heading the Compliance function of ING Vysya Bank Ltd (since merged with Kotak

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Name	Designation	Experience
		<p>Mahindra Bank Ltd) and continued as an adviser on Compliance matters to Kotak Mahindra Bank for a year. In his earlier roles, he was heading the Private Banking vertical and the Mid Corporate segment of ING Vysya Bank for six years each. He has led complex cross-functional teams and worked in both client-facing and risk underwriting roles. With strong domain knowledge and a deep understanding of the client requirements in the evolving markets of Private Banking and Corporate Banking, he has played a major role in designing products, customizing reports to make it more meaningful and customer friendly. He has excellent working relations with corporates, High Net Worth Individuals clients, peers in the banking industry and regulators.</p> <ul style="list-style-type: none"> • In his earlier stints, Viswanathan was underwriting corporate credit risk in ING Vysya Bank, Industrial Investment Bank of India and Bank of Maharashtra. The stint at Industrial Investment Bank of India especially, gave him a deep insight into stressed asset management. • Was a member of Bill Discounting Committee constituted by the RBI in 2000. He played an integral role in drafting the report. He was also a member of the Subcommittee on Banking and Insurance of CII Bangalore.
N.T. Arunkumar	Independent Director	<ul style="list-style-type: none"> • N.T. Arunkumar (Arun) is the MD for Telstra in India and leads Telstra's Global Business Services' Innovation function. In this mandate, Arun oversees the development of and delivery from Telstra's Innovation & Capability Centre in India, helping Telstra's business transformation to a digital, agile and innovative technology-led solutions company for its customers. • Arun's professional experience ranges across functions (Operations, P&L, Technology/Digital, analytics, supply-chain & sourcing) in different business models and a significant portion in global banking and financial services. Prior to joining Telstra, Arun served in a number of senior leadership positions, including the MD and Global ODC (service delivery & strategic partnerships) head for UBS AG, the CEO of Dun & Bradstreet TransUnion, as well as technology management stints with Citigroup and PepsiCo. • Arun holds an Honors Post Graduate Diploma (MBA) from XLRI, Jamshedpur, after graduating as a topper in Math & Statistics. He is currently pursuing his PhD, researching and developing the future potential of AI (deep neural networks, machine learning, cognitive models) in FinTech for financial inclusion in India. Arun actively contributes towards social causes in education and empowerment/skill.

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Name	Designation	Experience
Thomas Klungsoeyr	Nominee Director	<ul style="list-style-type: none"> Presently, Investment Director at Nordic Microfinance Initiative. Prior to joining NMI, Mr. Klungsoeyr was Investment Director at Alliance Microfinance and Chairman of Banco D- Miro in Ecuador. In addition, he has over 10 years of banking experience within M&A, credit and risk assessments, and the management of a turn-around of under-performing banks in Estonia, Latvia, and Lithuania.
Anisha Motwani	Independent Director	<ul style="list-style-type: none"> Anisha Motwani is the author of <i>Storm the Norm</i> – a first-of-its-kind collection of contemporary stories of truly inspiring businesses and brands from India that either wrote or rewrote the norms of their respective industries. As an industry expert she advises the World Bank on prestigious 'Swachh Bharat Program', 'National Mission for Clean Ganga' & 'Solar Energy Rooftops' specifically focusing on 'Behavior Change'. She is a multi-faceted business leader & draws from her rich experience of over 30 years in diverse industries - advertising, auto manufacturing, financial & health services. After a successful 25-year corporate career, Anisha founded StN ventures, a Brand & Innovation Consulting firm. In the last few years, STN has successfully concluded projects for a range of clients including Nestle, Viacom 18, Unilever Personal Care, Whirlpool Home Appliances, ACC Cements, Shriram Group, Schneider Electrical & AMEX cards to name a few. She has been the strategic advisor to the Max Group of companies guiding them on key brand & digital transformation projects across several lines of businesses. She is also a Strategic Advisor to the Welspun Group, MAS Holdings, South Asia's largest Intimate wear brand & several others. She is a member of several industry bodies & a regular speaker at national and global business platforms. In recognition of her achievements, she was voted as one of the '50 Most Powerful Women in Indian Business' by Business Today for three consecutive years since 2009. She has also been recognized amongst the 'Top 50 Women in Media, Marketing, and Advertising' by Impact & Colors for 4 consecutive years since 2011. She has been conferred 'Women at Work Leadership Award 2011' by Asian Confederation of Business and 'Brand Builder of the year' award by NDTV amongst many others.

D. Brief profile of the senior management of the Issuer

Name	Experience
Joby C O,	<ul style="list-style-type: none"> Joby has been living his entrepreneurial life for the last 5 years at Varam by

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Chief Executive Officer (CEO)	<p>creating a new age financial institution with a passionate team & digital capability to offer superior customer experience, robust credit underwriting and efficient risk management. Joby has been experimenting an agent driven multiproduct strategy at Varam.</p> <ul style="list-style-type: none"> In the past, he has been in senior roles with MFIs, Banks, and Financial Institutions. Joby has more than 16 years of experience in Indian microfinance market. A Chartered Account, Joby was earlier the CFO of ESAF Microfinance & Investments Pvt. Ltd., (Now ESAF Small Finance Bank). Prior to that, he was the Vice President at IFMR Capital (Now Northern Arc Capital). In his earlier avatar, he was the Head Global Microfinance – Global Principal Investment and Trading Group (GPITG) at ICICI Bank. His association with Microfinance started as a Head of Finance, Accounts & Operations at Indian Association for Savings & Credit (IASC).
LVLN Murty, Deputy CEO	<ul style="list-style-type: none"> Murty has gathered diverse experience for over 24 years. He has headed Operations and Financial Inclusion Business for Sahaj e- Village, the largest service center agency operating 28K Common Service Centers across 6 states. He has varied expertise in areas of Sales, Channel Distribution, Operations, Strategy, Micro- finance, Financial Inclusion, Remittances, Customer Protection and Capacity Building for remote rural markets. Having completed his graduation from IIM-B (AMP) and HEC Paris, Murty has worked for India Value Fund Advisor, Bharti AXA, ITC IBD, TAT AIG Life and Indian Express in the past. He has engaged in using IT as a differentiator in terms of delivering & servicing financial products at affordable pricing.
Vijayakumar G, Chief Financial Officer	<ul style="list-style-type: none"> Vijayakumar G brings with him over 27 years of experience in various financial institution sector and has handled diverse operating positions which includes audit, finance, treasury, accounts and operations of Housing Finance, Commercial Vehicle Finance, SME Lending, Personal loans, Factoring, Hire Purchase, Leasing, and other Banking Products. Previously, he was a Chief Finance Officer at Hinduja Leyland Finance, handling complete gamut of finance and operations. He has a Post Graduate degree in Commerce and Cost Accountant. He has also worked with National Trust Housing Finance, Sundaram Home, HSBC, ABN AMRO and Wipro Finance in previous stints at various capacities. He has also implemented various controls and processes in ERP to ensure smooth operations across various businesses and products to scale up the assets under management.
Vijayabaskar RJ, Chief Human Resource Officer (CHRO)	<ul style="list-style-type: none"> Vijayabaskar, an HR professional with 17+ years of experience in HR / IR, has been instrumental in developing unique PMS and Behavioral Models for assessments established Assessment centers and have been a Business-HR throughout his Career. Vijay did his bachelors' degree in Labor Management, master's in social work specializing in personnel management and Industrial relations, MBA from Symbiosis and currently pursuing doctoral research on "how work environment affects the competencies of an individual" at IIT Madras. Vijay Started his career with Murugappa Group @ TI Diamond Chain Limited and later worked with UCAL Fuel, Reliance Industries, Family Credit & Equitas Micro Finance at various capacities in Human Resources & TQM. His last position was with Hinduja Leyland Finance as Head – Human Resources & Communication where he has set up the entire organization, developed Talent and operationalized the People

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	processes.
Srinivasan D, National Head - Process Excellence	<ul style="list-style-type: none"> • Srinivasan D is a Commerce Graduate with an extensive experience in the Banking & Finance industry close to 16 years. His areas of specialization has been in Retail Banking. He has handled front end, back offices, branch sales & operations and has headed several branches for HSBC & ICICI. He has been in the business of selling both Assets and Liability products of the Banks to its customer along with delivering high quality customer service. He has also been associated with the software industry which has enabled him to understand the integrities of software development and data base relationships. He has headed the customer services division of Shriram City Union Finance Limited and has travelled across the country. He was also acting as a functional consultant for the Operations team in translating their business requirements on the ERP.
Ramkumar Ratnam, Business Head – Tamil Nadu	<ul style="list-style-type: none"> • Ramkumar Ratnam is a seasoned banker with a combined experience of over 2 decades in FMCG and Banking. He has been with ICICI Bank, handling leadership roles at flagship branches at Chennai and then moved on to handle clusters having multiple branches spread across geography. He has rich experience in Sales., Training and Operations. He had worked in Sales with Hindustan Lever Ltd., (now Unilever India) in initial days of his carrier and then moved to PepsiCo Sales. He was also into Field force training for PepsiCo in his Market Unit and was certified trainer with ICICI Bank imparting training to " Deputy Managers and Branch Managers " covering wide range of sessions including Operations, Compliance and Products". He holds a bachelor's in commerce, Accountancy & Economics. He has completed a certified course with Institute of Social Work and Management, Chennai, JAIIB from IIBF and Post Graduate Diploma In Business Administration from NIBM. He has also attended "HBS Accion Program in Strategic Leadership in Inclusive Finance" from Harvard Business School.
Sunil Kumar Ubhan, Business Head – Uttarakhand	<ul style="list-style-type: none"> • Sunil Kumar Ubhan, is a professional in Business Development and handling sales, opening up geographies. He has 24 years of experience in organizations like Magma Fincorp, Alipc Finance, ICICI & HDFC Bank. He has an expertise in Sales & Marketing, Planning & Budgeting, Team Management, Channel Management and People Management as well. He was working as Zonal Product & Program Manager at Magma Fincorp Ltd. before joining us. There he was looking after Training & Product Development for an entire east zone which includes National Relationships with Hyundai, Zonal Relationships with Maruti and Tata. Before that, while working with HDFC & ICICI, he launched and developed the auto-market from basics across Uttar Pradesh & Uttarakhand. He has in-depth knowledge of entire east zone which includes Bihar, Jharkhand, West Bengal, Orissa, Uttar Pradesh & Uttarakhand in terms of sales, marketing and geographies. Referring to his academia, he is Post Graduate in Sales & Marketing from NIS, holds a Diploma in Export Marketing, a Science Graduate, also attend sessions for Introduction to R from XLRI and a Certified Trainer. He belongs to Dehradun and his hobbies include reading, singing, gardening, Bonsai Making and Trekking.
Rajendra, Business Head – Karnataka	<ul style="list-style-type: none"> • Rajendra is a Postgraduate from Karnataka State Open University (KSOU) and has 16 years of work experience in Microfinance Industry. Prior to Dvara KGFS, he was associated with Jana Small Finance Bank and Sangha Mithra Rural Financial Services. Rajendra has worked across Karnataka and Tamil Nadu. He has handled products like Individual Loan, Joint Liability Group Loan, Business Loan, Housing Loan and Gold Loan as Regional Head. He has

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	been awarded as the best Cluster and Regional Head for three consecutive years from 2015.
Satish Ayyaswami, Chief Technology Officer (CTO)	<ul style="list-style-type: none"> • Satish has 19+ years of experience, building and scaling technology solutions targeting consumers and enterprises. Satish graduated with a master's degree in Electrical Engineering from the University of Toledo, Ohio, US. He started his career at a start- up in the San Francisco Bay Area, subsequently worked with large technology organizations such as HP. He spent most of his time building offshore engineering teams for US based companies. A hands-on engineer, who enjoys creating frameworks and tools that improve software engineers/data scientist's productivity and help businesses become more effective and efficient. When he is not thinking about the technology, he enjoys nurturing happy customers.”
Venkateshan G Head-Internal Audit	<ul style="list-style-type: none"> • Venkateshan G comes with a total experience of 23 years in corporate. He is a qualified cost accountant & a CA Inter. He has worked with sectors like IT Distribution, Telecom, Vehicle Finance, Construction, Equipment Finance in NBFC. He has worked with companies like Nebula Technologies Pvt Ltd, Tata Tele Services, Cholamandalam Financial Investment Company, Tata Motor Finance Limited.
Ms. Shilpa Bhatte Deputy CFO	<ul style="list-style-type: none"> • Shilpa Bhatte is a Chartered Accountant by profession and a seasoned treasury professional with over 13 years of experience in handling treasuries of companies in the BFSI sector. She has worked with Religare group since June 2005 in various capacities until March 2018. Her last assignment with Religare group was as EVP Treasury for Religare Finvest Limited.
Balaji S Company Secretary	<ul style="list-style-type: none"> • Balaji is a qualified Company Secretary with about 13 years of experience in Secretarial & Compliance functions in large corporates. He has previously worked with TVS Group, Polaris Software, Aditya Birla Money Ltd and Hinduja Leyland Finance Ltd.
Prashant Kumar Chief Risk Officer (CRO)	<ul style="list-style-type: none"> • Mr. Prashant Kumar is a Chartered Accountant from ICAI with 17 years of experience in Credit & Risk Management across leading Private banks and NBFCs. He brings with him the expertise and understanding of the various aspects of risk management including developing frameworks for Risk Approval, Early Warning System and Credit policy along with the experience of managing credit risks in Retail banking and SMEs. Mr. Prashant has a deep understanding of Business, Credit, Regulatory and Operational Risk and takes a special interest in framing efficient risk management processes through a blend of financial acumen and the use of data and analytics. <p>Previously, he was with L&T Housing Finance Ltd as the Chief Risk Officer & Head of Retail Risk at L&T Finance Ltd. In his earlier stints, Prashant has worked with IndusInd Bank, Sri BNP Paribas, and Reliance Capital. His experience includes diverse categories including Internal Audit, Credit Underwriting, Operational Risk Market Risk and Credit Risk Management.</p>

E. Key Operational and Financial Parameters for the last 3 audited years on a consolidated basis (wherever available) else on a standalone basis.

Rs. Lakhs

Parameters	*Unaudited	Audited	Audited	Audited	Audited
	30-Sep-20	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17

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Net Worth	29,960.97	29,367.77	16,484.82	8,414.53	7,497.76
Total Debt	72,121.05	76,794.04	58,637.64	55,020.64	32,352.77
Net Fixed Assets	496.18	544.37	306.46	18.48	25.08
Non-Current Assets	5,291.83	5,640.37	3,834.65	16,948.66	10,066.77
Cash and Cash equivalents	17,164.45	19,327.95	8,606.68	8,341.61	7,732.26
Current Assets	733.85	895.9	1,313.56	51,136.95	33,622.28
Current Liabilities	3,551.39	3,436.49	1,843.89	27,295.12	18,060.91
Assets Under Management	81,947.10	83,189.71	62,905.00	52,855.25	30,961.70
Interest Income	5,354.53	19,369.47	15,521.57	10,422.64	6,296.80
Interest Expense	2,395.85	9,801.72	8,142.73	5,628.24	3,527.19
Provisioning & Write Offs	327.42	2249.23	619.74	712.92	342.34
PAT	555.31	380.70	3,089.27	916.76	225.34
Gross NPA (%)	4.16%	3.18%	2.45%	0.18%	0.39%
Net NPA (%)	1.18%	1.39%	1.37%	0.00%	0.22%
Tier I Capital Adequacy Ratio (%)	28.50%	29.13%	21.22%	13.71%	21.18%
Tier II Capital Adequacy Ratio (%)	2.30%	2.66	2.80%	4.69%	9.44%

* Limited Review

Gross Debt: Equity Ratio of the Company

Before the issue of debt securities	2.41
After the issue of debt securities	2.49

Calculations	
Before the issue, debt-to-equity ratio is calculated as follows: -	
Debt (In Lakhs)	72,121.05
Equity (In Lakhs)	29,960.97
Debt/Equity	2.41
Subsequent to the issue, debt-to-equity ratio shall be calculated as follows: -	
Debt (In Lakhs)	74,621.05
Equity (In Lakhs)	29,960.97
Debt/Equity	2.49
*Not including any interim debt availed and considering only the current issuance.	

F. Project cost and means of financing, in case of funding new projects: N.A.

5.5 A Brief history of Issuer since its incorporation giving details of its following activities

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

A. Details of share capital as on last quarter end (being September 30, 2020):	
Share Capital	Rs.
Authorised share capital:	
i. 11,900,000 equity shares of Rs.100 each	1,190,000,000
ii. 4,000,000 compulsorily convertible preference shares of Rs.100 each	400,000,000
Total authorized share capital	1,590,000,000
Issued, subscribed and fully paid-up share capital:	
i. 10,865,706 equity shares of Rs.100 each	1,086,570,600
Total issued, subscribed and fully paid-up share capital:	1,086,570,600

B. Changes in its capital structure as on last quarter end (being September 30, 2020), for the last five years:

Date (AGM / EGM)	Existing	Revised	Remark
24/03/2017 EGM	INR 50 00 00 000	INR 80 00 00 000	NA
18/03/2019 EGM	INR 840,000,000	INR 1,590,000,000	NA

C. **Equity Share Capital History of the Company as on last quarter end i.e., September 30, 2020, for the last five years:**

Date of Allotment	Name of Investor	Type	No of Shares	Consideration
May 30, 2013	IFMR Rural Channels and Services Private Limited	Equity	980000	98000000
Dec 25, 2014	IFMR Rural Channels and Services Private Limited	Equity	500000	50000000
Mar 14, 2016	IFMR Rural Channels and Services Private Limited	Equity	300000	30000000
Mar 31, 2017	IFMR Rural Channels and Services Private Limited	Equity	2500000	250000000
Sep 24, 2018	IFMR Rural Channels and Services Private Limited	Equity	1038170	300000000
Apr 22, 2019	Dvara Trusteeship Services P Ltd	Equity	262750	100000000

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Apr 22, 2019	Stakeboat Capital Fund—I	Equity	100	38059
Apr 22, 2019	Leapfrog Financial Inclusion India (II) Ltd	Compulsorily Convertible Cumulative Preference Shares	525499	1999999665
Apr 22, 2019	Stakeboat Capital Fund—I	Compulsorily Convertible Cumulative Preference Shares	656774	249961617
Sep 20,2019	Leapfrog Financial Inclusion India (II) Ltd	Compulsorily Convertible Cumulative Preference Shares	315300	120000000
Sep 30, 2019	Nordic Microfinance Initiative Fund IV KS	Equity	100	38059
Sep 30, 2019	Nordic Microfinance Initiative Fund IV KS	Compulsorily Convertible Cumulative Preference Shares	1839148	699961337

Notes, if any: N.A.

D. **Details of any Acquisition or Amalgamation in the last 1 (one) year:** The Company has acquired the business of Varam Capital Private Limited through Business Transfer Agreement executed with the Company with effect from 1st April, 2019

E. **Details of any Reorganization or Reconstruction in the last 1 (one) year:** Yes, as above

Type of Event	Date of Announcement	Date of Completion	Details

5.6 Details of the shareholding of the Company as on last quarter end (i.e., September 30, 2020)

A. Shareholding pattern of the Company as on last quarter end (i.e., September 30, 2020):

Sl.	Name of shareholder	Total no of equity shares	Percentage (%) of holding
1	Dvara Trusteeship Services Private Limited- Trustee of Dvara Trust	34,96,583	32.18
2	Accion Africa-Asia Investment Company	23,64,896	21.76
3	LeapFrog Financial Inclusion India (II) Limited	25,08,105	23.08
4	Stakeboat Capital Fund—I	6,56,874	6.05
5	Nordic Microfinance Initiative Fund IV KS	18,39,248	16.93
	TOTAL	10,865,706	100.00%

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Notes: Shares pledged or encumbered by the promoters (if any): None

B. **List of top 10 holders of equity shares of the Company as on last quarter end (i.e., September 30, 2020):**

Sl.	Name of shareholder	Total no of equity shares	Percentage (%) of holding	Number of shares held in demat form
1	Dvara Trusteeship Services Private Limited- Trustee of Dvara Trust	34,96,583	32.18	34,96,583
2	Accion Africa-Asia Investment Company	23,64,896	21.76	23,64,896
3	Leapfrog Financial Inclusion India (II) Limited	25,08,105	23.08	25,08,105
4	Stakeboat Capital Fund-I	6,56,874	6.05	6,56,874
5	Nordic Microfinance Initiative Fund IV KS	18,39,248	16.93	18,39,248

5.7 **Following details regarding the directors of the Company:**A. **Details of current directors of the Company:**

This table sets out the details regarding the Company's Board of Directors:

Sl.	Name of the Directors	Designation	Address	DIN	Director of the company since	Director in other company
1.	BINDU ANANT H	Chair man	T 2 Krishna Kutir, Door No 36, 5th Avenue, Besant Nagar, Chennai Tamil Nadu,600090	02456029	30/01/2019	<ul style="list-style-type: none"> • DVARA MONEY PRIVATE LIMITED • DVARA RESEARCH FOUNDATION • DVARA TRUSTEESHIP SERVICES PRIVATE LIMITED • DVARA SOLUTIONS PRIVATE LIMITED • NEOGROWTH CREDIT PRIVATE LIMITED

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

2.	SAMI R AMRI T SHA H	Direct o r	901 Satguru Sanskar Co Operative Housing Society Limited, No 19 TPS IV 3rd Road, Off Turner Road, Bandra West, Mumbai	0091269 3	01/03/201 8	<ul style="list-style-type: none"> • NORTHERN ARC CAPITAL LIMITED • DVARA TRUSTEESHIP SERVICES PRIVATE LIMITED • DVARA RESEARCH FOUNDATION • DVARA SOLUTIONS PRIVATE LIMITED • DVARA MONEY PRIVATE LIMITED • DVARA E-REGISTRY PRIVATE LIMITED • NORTHERN ARC FOUNDATION • DVARA SMARTGOLD PRIVATE LIMITED • DVARA E-DAIRY SOLUTIONS PRIVATE LIMITED
3.	PRA NAV KUM AR	Nomin ee Direct o r	50, Bayshore Road, #17-05 Bayshore Park, Singapore	0789617 3	30/01/2019	<ul style="list-style-type: none"> • NEOGROWTH CREDIT PRIVATE LIMITED • DVARA SOLUTIONS PRIVATE LIMITED
4.	ABHI SHEK AGR AWA L	Nomin ee Direct o r	Flat 403, No. 4th Floor, Sa i Samman Plot N o. 28/29, Union Park, Chembur, Mumbai Maharashtra	0676034 4	30/01/2019	<ul style="list-style-type: none"> • SAIJA FINANCE PRIVATE LIMITED • SUB-K IMPACT SOLUTIONS LIMITED • NOMISMA MOBILE SOLUTIONS PRIVATE LIMITED • VINDHYA E-INFO MEDIA PRIVATE

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			,4 00071			<p>LIMITED</p> <ul style="list-style-type: none"> • ACCION TECHNICAL ADVISORS INDIA • DVARA SOLUTIONS PRIVATE LIMITED • FTCASH FINANCE PRIVATE LIMITED • SUB-K IMPACT FINANCE PRIVATE LIMITED
5.	SWA MIN A THA N VISW ANA THA N	Independent Director	Flat No.34, Tower-1, Pebble Bay Apartment s , 1st Main Road, RMV 2nd Stage, Dollars Colony Bengaluru Karnataka , 56 0094	0785168 4	23/06/2017	<ul style="list-style-type: none"> • NA
6.	N.T. ARU NKU M AR	Independent Director	L-302, Atrium, 22, Kalakshetra Road, Tiruvanmiy ur, Chennai Tamil Nadu,60004 1	0240772 2	01/02/2019	<ul style="list-style-type: none"> • REACH NETWORK INDIA PRIVATE LIMITED • TELSTRA INDIA PRIVATE LIMITED • TELSTRA TELECOMMUNICATIONS PRIVATE LIMITED
7.	THO MAS KLU NGS O EYR	Nomine e Direct o r	Melumveie n 21, Oslo, Norway - 0760	0857546 6	12/10/2019	<ul style="list-style-type: none"> • NA
8.	ANIS HA MOT WAN	Independent Director	House No 24, Block No. 8, South	06943493	13/11/2019	<ul style="list-style-type: none"> • PRATAAP SNACKS LIMITED • WELSPUN INDIA LIMITED

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I		Patel Nagar, New Delhi – 110008			<ul style="list-style-type: none"> • SOMANY HOME INNOVATION LIMITED • INDIA SHELTER FINANCE CORPORATIONLIMITED • L&T INVESTMENT MANAGEMENT LIMITED • STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED • ANGEL BROKING LIMITED
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Names of the current directors of the Issuer who are appearing in the RBI defaulter list and/or ECGC default list, if any: Nil

B. Details of change in directors since last three years:

Name	Designation	DIN	Date of Appointment	Date of Resignation
Bama Balakrishnan	Director	06531188	19/03/2013	01/03/2018
Anuradha Shripad Nadkarni	Director	05338647	10/09/2013	30/01/2019
Krishnan Venkatesh	Managing Director	02078403	26/03/2015	22/09/2017
Devadas Mallya Mangalore	Director	01804955	26/03/2015	31/03/2017
S Viswanathan	Director	07851684	23/06/2017	
Samir Shah	Director	00912693	14/03/2018	
Bindu Ananth	Director	02456029	30/01/2019	
Abhishek Agrawal	Director	06760344	30/01/2019	
Pranav Kumar	Director	07896173	30/01/2019	
N T Arunkumar	Director	02407722	01/02/2019	
Vinay Subramanian	Director	0695309	30/04/2019	15/10/2019
Thomas Klungsoeyr	Director	08575466	12/10/2019	
Anisha Motwani	Director	06943493	13/11/2019	

5.8 Following details regarding the auditors of the Company:

A. Details of the auditor of the Company:

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Name	Address	Auditor since
B S R & Co. LLP	KRM Tower, 1st and 2nd Floor, No 1, Harrington Road, Chetpet, Chennai - 600 031, India	01/04/2017

B. Details of change in auditors since last three years:

Name	Address	Date of Appointment/Resignation	Auditor of the Company since (in case of resignation)	Remarks
Deloitte Haskins & Sells	ASV N Ramana Tower, 52, Venkatnarayana Road, T. Nagar, Chennai – 600 017	01/04/2013	31/03/2017	Nil

5.9 Details of borrowings of the Company, as on latest quarter end i.e., September 30, 2020:**A. Details of Secured Loan Facilities as on September 30, 2020 (Rs. INR)**

Facility	Institution Name	Sanction Amount	POS of Sep'20	Maturity Date
Term Loan	Muthoot Capital Services Ltd	75,000,000.00	2,304,306.00	31/May/2020
Term Loan	Northern Arc Capital Ltd	100,000,000.00	23,092,181.00	5-Apr-21
Term Loan	IDFC First Bank Limited	100,000,000.00	16,666,668.00	20/Oct/2020
Term Loan	IDFC First Bank Limited	100,000,000.00	16,666,672.00	20/Oct/2020
Term Loan	Fed bank Finance Services Limited	150,000,000.00	46,153,837.79	1/Sep/2021
Term Loan	IDFC First Bank Limited	250,000,000.00	41,720,668.36	25/Sep/2020
Term Loan	Nabkisan Finance Limited	150,000,000.00	38,957,210.80	1/Mar/2021
Term Loan	Dena Bank	250,000,000.00	50,464,866.11	30/Oct/2020
Term Loan	Nabsamrudhi Finance Ltd	100,000,000.00	31,585,446.00	30/Sep/2021
Term Loan	Hinduja Leyland Finance Ltd - TL	70,000,000.00	6,881,405.00	29/Dec/2020
Term Loan	Maanaveeya development & finance private limited	200,000,000.00	31,120,535.50	22/Dec/2020
Term Loan	Manappuram Finance Limited	200,000,000.00	33,333,324.00	31/Jan/2021
Term Loan	Shriram City Union Finance Limited	150,000,000.00	23,214,464.00	5/Feb/2021
Term Loan	Federal Bank	150,000,000.00	25,000,001.00	16/Feb/2021
Term Loan	Bank of Baroda	500,000,000.00	133,333,331.75	28/Feb/2021
PLI	Hinduja Leyland Finance Ltd	150,000,000.00	28,542,155.63	28/Mar/2021
Term Loan	Shriram City Union Finance Limited	100,000,000.00	31,701,637.00	5/Jul/2021
Term Loan	Utkarsh Small Bank	200,000,000.00	78,467,076.00	24/Oct/2021
Term Loan	Northern Arc Capital Ltd	50,000,000.00	10,266,306.00	13-Aug-20
Term Loan	Manappuram Finance Limited	100,000,000.00	37,638,623.00	30-Sep-21
Term Loan	MAS Financial Services Limited	200,000,000.00	16,666,660.00	19-Sep-20
Term Loan	Northern Arc Capital Ltd	150,000,000.00	24,980,512.00	7-Sep-20

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Term Loan	Maanaveeya development & finance private limited	250,000,000.00	125,001,998.00	16-Oct-21
Term Loan	MAS Financial Services Limited	40,000,000.00	6,666,663.10	25-Nov-20
Term Loan	MAS Financial Services Limited	40,000,000.00	6,666,213.10	25-Nov-20
Term Loan	MAS Financial Services Limited	40,000,000.00	6,666,213.10	25-Nov-20
Term Loan	MAS Financial Services Limited	30,000,000.00	4,999,999.30	25-Nov-20
Term Loan	MAS Financial Services Limited	50,000,000.00	12,500,001.00	8-Jan-21
Term Loan	MAS Financial Services Limited	50,000,000.00	12,500,001.00	8-Jan-21
Term Loan	MAS Financial Services Limited	50,000,000.00	12,500,001.00	8-Jan-21
Term Loan	ESAF Small Finance Bank	200,000,000.00	70,491,838.97	26-Feb-21
Term Loan	Northern Arc Capital Ltd	50,000,000.00	21,198,095.00	21-Feb-21
Term Loan	Manappuram Finance Limited	150,000,000.00	82,525,941.00	31-Mar-21
Term Loan	Northern Arc Capital Ltd	50,000,000.00	20,798,704.00	15-Mar-21
Term Loan	Utkarsh Small Bank	100,000,000.00	54,988,016.00	18-Jun-22
Term Loan	Muthoot Capital Services Ltd	150,000,000.00	101,328,368.00	28-Mar-22
Term Loan	Axis Bank	150,000,000.00	56,779,579.00	24-Apr-21
Term Loan	Habitat Micro Build India Housing Finance Company Pvt Ltd	50,000,000.00	20,708,377.00	30-Apr-21
Term Loan	City Union Bank	75,000,000.00	36,759,392.00	30-Oct-20
Term Loan	Shapoorji Pallonji Finance Pvt Ltd	250,000,000.00	143,913,729.00	2-Apr-22
Term Loan	IDFC First Bank Limited	50,000,000.00	10,000,000.00	17-May-20
Term Loan	Muthoot Finance Ltd	50,000,000.00	8,321,323.00	10-Oct-20
Term Loan	UCO BANK	20,416,663.00	7,777,777.08	31-Dec-20
Term Loan	MAS Financial Services Limited	100,000,000.00	45,833,333.00	25-Jun-21
Term Loan	UGRO Capital Ltd	50,000,000.00	31,569,683.90	3-Jul-21
Term Loan	Northern Arc Capital Ltd	50,000,000.00	31,152,235.00	20-Aug-21
Term Loan	MAS Financial Services Limited	30,000,000.00	17,499,998.00	24/Sep/2021
Term Loan	MAS Financial Services Limited	30,000,000.00	17,499,998.00	24/Sep/2021
Term Loan	MAS Financial Services Limited	40,000,000.00	23,333,328.00	24/Sep/2021
Term Loan	Ujjivan Small Finance Bank	150,000,000.00	105,835,708.67	17-Mar-22
Term Loan	Caspian Impact Investments Pvt Ltd	100,000,000.00	60,021,998.00	30-Sep-21
Term Loan	United Bank of India	200,000,000.00	168,317,291.00	31/Oct/2022
Term Loan	Northern Arc Capital Ltd	50,000,000.00	35,934,367.00	25-Oct-21
Term Loan	Hiranandani Financial Services Pvt Ltd	90,000,000.00	59,715,142.00	19-Jul-21
Term Loan	Visu Leasing and Finance Limited	100,000,000.00	75,424,088.00	10/Dec/2021
Term Loan	Utkarsh Small Finance Bank	100,000,000.00	63,787,505.00	20/Nov/2021
Term Loan	Bank of Baroda	250,000,000.00	250,000,000.18	30/Nov/2023
Term Loan	Fincare Small Finance Bank Ltd	100,000,000.00	65,815,796.00	12/Dec/2021
Term Loan	HDFC Bank Ltd	100,000,000.00	62,500,005.77	4/Dec/2021
Term Loan	IDFC First Bank Limited	300,000,000.00	250,000,000.00	31/Dec/2021
Term Loan	Maanaveeya development & finance private limited	150,000,000.00	112,499,999.00	11/Dec/2022
Term Loan	Muthoot Finance Ltd	40,000,000.00	20,002,714.00	30/Jun/2021
Term Loan	Dvara Trust	250,000,000.00	129,930,650.00	31/Mar/2021
Term Loan	E Clear Leasing & Finance Pvt Ltd	50,000,000.00	40,622,141.48	20/Feb/2022
Term Loan	Federal Bank	100,000,000.00	96,666,667.00	28/Feb/2023
Term Loan	ESAF Small Finance Bank	150,000,000.00	140,541,585.00	26/Feb/2023
Term Loan	Nabkisan Finance Limited	150,000,000.00	141,845,994.00	27/Feb/2023

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Term Loan	Nabsamrudhi Finance Ltd	50,000,000.00	44,556,192.00	28/Feb/2022
Term Loan	State Bank of India	800,000,000.00	757,167,415.00	1/Mar/2024
Term Loan	Northern Arc Capital Ltd	30,000,000.00	29,451,205.00	7/Aug/2023
Term Loan	Northern Arc Capital Ltd	30,000,000.00	29,451,205.00	7/Aug/2023
Term Loan	Northern Arc Capital Ltd	20,000,000.00	19,451,205.00	7/Aug/2023
Term Loan	Northern Arc Capital Ltd	30,000,000.00	29,451,205.00	7/Aug/2023
Term Loan	Northern Arc Capital Ltd	30,000,000.00	29,451,205.00	7/Aug/2023
Term Loan	Northern Arc Capital Ltd	30,000,000.00	29,451,205.00	7/Aug/2023
Term Loan	Northern Arc Capital Ltd	30,000,000.00	29,451,205.00	7/Aug/2023
Term Loan	Northern Arc Capital Ltd	30,000,000.00	29,634,137.00	7/Aug/2023
Term Loan	Caspian Impact Investments Pvt Ltd	30,000,000.00	27,496,967.00	7/Aug/2022
PLI	Hinduja Leyland finance	200,000,000.00	200,000,000.00	30/Sep/2023
Term Loan	SIDBI	300,000,000.00	300,000,000.00	10/Apr/2021
	Total	9,700,416,663.00	5,143,762,285.59	

B. Details of Unsecured Loan Facilities as on September 30, 2020 (Rs.INR):

Facility	Institution Name	Sanction Amount	POS as of 30/06/2020	Maturity Date
Term Loan	IDFC First Bank Limited	5,00,00,000.00	5,00,00,000.00	17-May-2024
	Grand Total	5,00,00,000.00	5,00,00,000.00	

C. Details of non-convertible debentures as on last quarter end i.e., September 30, 2020 (Rs.INR):

Facility	Institution Name	Sanction Amount	POS of Sep'20	Maturity Date
Listed NCD	Karvy Capital Ltd – Sub debt	180,000,000.00	179,999,999.95	29/Jun/2022
Listed NCD	Karvy Capital Ltd – Sub debt	120,000,000.00	120,000,000.65	28/Jul/2022
NCD	Aditya Birla Finance Limited	150,000,000.00	45,833,252.00	25-Aug-21
NCD	Individual	1,500,000.00	1,499,997.00	31/Mar/2021
NCD	Individual	2,000,000.00	2,000,000.00	31-Mar-21
NCD	Individual	1,000,000.00	1,000,000.00	31-Mar-21
NCD	Individual	2,000,000.00	2,000,000.00	29-Feb-24
NCD	Individual	2,000,000.00	2,000,000.00	29-Feb-24
NCD	Individual	2,000,000.00	2,000,000.00	29-Feb-24
NCD	Individual	2,000,000.00	2,000,000.00	29-Feb-24
NCD	Individual	12,600,000.00	12,600,000.44	29-Feb-24
NCD	Individual	1,500,000.00	1,499,994.00	29-Feb-24
NCD	Individual	3,000,000.00	2,999,992.31	29-Feb-24
NCD	Individual	1,365,000.00	1,365,000.00	29-Feb-24
NCD	Karvy Capital Ltd	200,000,000.00	160,000,000.00	30-May-24
NCD	Individual	7,340,000.00	7,340,001.00	4-Sep-21
NCD	Individual	1,400,000.00	1,551,202.00	30/Nov/2022
NCD	Individual	1,000,000.00	999,997.00	30/Nov/2022
NCD	Individual	1,000,000.00	999,998.00	30/Nov/2022
NCD	Individual	1,000,000.00	1,118,822.00	30/Nov/2022

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NCD	Individual	2,000,000.00	2,216,263.00	30/Nov/2022
NCD	Individual	1,000,000.00	999,997.00	30/Nov/2022
NCD	Individual	5,000,000.00	5,000,001.00	30/Nov/2022
NCD	Individual	1,100,000.00	1,218,800.00	30/Nov/2022
NCD	Individual	1,000,000.00	1,096,573.00	31/Dec/2022
NCD	Individual	1,000,000.00	1,096,573.00	31/Dec/2022
NCD	Individual	1,000,000.00	1,000,024.00	31/Dec/2022
NCD	Individual	1,000,000.00	1,096,573.00	31/Dec/2022
NCD	Individual	1,000,000.00	1,096,573.00	31/Dec/2022
NCD	Individual	2,500,000.00	2,741,436.00	31/Dec/2022
NCD	Individual	1,000,000.00	1,000,000.00	31/Dec/2022
NCD	Individual	1,000,000.00	1,105,624.00	31/Dec/2022
NCD	Individual	1,500,000.00	1,657,116.00	31/Dec/2022
NCD	Individual	1,000,000.00	1,096,573.00	31/Dec/2022
NCD	Individual	1,700,000.00	1,700,000.00	31/Dec/2022
NCD	Individual	1,000,000.00	1,105,624.00	31/Dec/2022
NCD	Individual	1,000,000.00	1,105,624.00	31/Dec/2022
NCD	Individual	1,000,000.00	1,105,624.00	31/Dec/2022
NCD	Individual	2,000,000.00	2,236,602.00	31/Dec/2022
NCD	Individual	1,000,000.00	1,105,624.00	31/Dec/2022
NCD	Individual	1,000,000.00	999,999.00	31/Dec/2022
NCD	Individual	1,000,000.00	999,998.00	31/Dec/2022
NCD	Individual	2,000,000.00	2,000,000.00	31/Dec/2022
NCD	Individual	1,000,000.00	999,997.00	31/Dec/2022
NCD	Individual	2,000,000.00	1,999,317.00	25/Feb/2023
NCD	State Bank of India	250,000,000.00	250,000,000.00	25/Feb/2022
NCD	Punjab National Bank	200,000,000.00	200,000,000.00	21/Mar/2022
	Total	1,180,505,000.00	1,038,588,791.35	

D. List of Top 10 Debenture Holder(s) as on last quarter end i.e., September 30, 2020:

Sl.	Name of the Debenture holders	Amount o/s (Rs.INR)
1	State Bank of India	25,00,00,000.00
2	Punjab National Bank	20,00,00,000.00
3	Karvy Capital Ltd – Sub debt	17,99,99,999.95
4	Karvy Capital Ltd – Sub debt	16,00,00,000.00
5	Karvy Capital Ltd – Sub debt	12,00,00,000.65
6	Aditya Birla Finance Limited	4,58,33,252.00
7	Hemalatha Rajan	1,26,00,000.44
8	Hemalatha Rajan	73,40,001.00
9	Archana Sanjay	50,00,001.00

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10	Kochuthressia & KA Thomas	29,99,992.31
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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. (if any):

Nil

F. Details of Commercial Paper (the total Face Value of Commercial Papers Outstanding as on the latest quarter end i.e. September 30, 2020 to be provided and its breakup in following table) : Nil

G. Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on September 30, 2020: 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:

The Company has not defaulted in payment of any interest or principal of any kind of term loans, debt securities or any other financial indebtedness, including any corporate guarantee issued by the Company, in the past 5 years

I. 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:

The Issuer does not have any outstanding borrowings/debt securities 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.

5.10 Details of Promoters of the Company:

A. Details of Promoter Holding in Company as on latest quarter end, i.e., September 30, 2020:

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	Dvara Trust	34,96,583	34,96,583	32.18	NIL	NIL

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

The relevant information is furnished in **Annexure IV** of the Information Memorandum.

5.12 Abridged version of Latest Audited/ Limited Review Half Yearly Consolidated and Standalone Financial Information and auditors' qualifications, if any:

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[Note: Financial information submitted for furnishing/ publishing half yearly or annual results shall be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009, as amended.]

The relevant information is furnished in **Annexure IV** of the Information Memorandum

5.13 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 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 at the time of the Issue from the position as on the date of the last audited financial statements of the Issuer, which may affect the Issue or the investor's decision to invest/continue to invest in the debt securities of the Issuer

5.14 Names of the Debentures Trustees and Consents thereof

The Debenture Trustee of the proposed Debentures is Catalyst Trusteeship Limited. Catalyst Trusteeship Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Information Memorandum and in all the subsequent periodical communications sent to the Debenture Holder(s). The consent letter from Debenture Trustee is provided in **Annexure III** of this Information Memorandum.

5.15 Rating Rationale(s) adopted (not older than one year on the date of opening of the Issue)/ credit rating letter issued (not older than one month on the date of opening of the Issue).

The Rating Agency has assigned ratings of **BWR BBB+ /Stable (Assigned)** to 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.

Please refer to Annexures II for the credit rating assigned by the Rating Agency and the detailed rating rationale respectively.

Please note that the rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future. The rating agencies have a right to suspend, withdraw the rating at any time including on the basis of new information.

5.16 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 offer document.

Not Applicable.

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

Not Applicable

5.18 Other details:

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A. Debenture Redemption Reserve Creation:

As per Section 71 of the Act, any company that intends to issue debentures must create a debenture redemption reserve to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, at present under the Companies (Issuance of Share Capital and Debentures) Rules, 2014, non-banking financial companies are exempt from this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company does not presently intend to create any reserve funds for the redemption of the Debentures.

B. Recovery Expense Fund

The issuer shall create a recovery expense fund as detailed in SEBI Circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 October 22, 2020 and inform the Debenture Trustee about the same.

C. Issue / instrument specific regulations:

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the notified rules thereunder, the SEBI Debt Listing Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable RBI guidelines.

D. Application process:

The application process for the Issue is as provided in SECTION 8: of this Information Memorandum.

5.19 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, and may be inspected at the registered office of the Company between 10.00 am to 4.00 pm on working days.

Sr. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2	Resolution dated November 4, 2020 passed by the Board of Directors authorizing issue of Debentures offered under terms of this Disclosure Document.
3	Resolution dated May 24, 2018 passed by the shareholders of the Company authorizing the issue of non-convertible debentures by the Company.
4	Resolutions dated May 24, 2018 passed by the shareholders of the Company authorizing the borrowing by the Company and the creation of Security, respectively.
5	Copies of Annual Reports of the Company for the last three financial years.
6	Letter from the Rating Agency assigning the credit rating for the Issue.
7	Letter from the Debenture Trustee giving its consent to act as Debenture Trustee.
8	Letter from Registrar and Transfer Agent.
9	Certified true copy of the certificate of incorporation of the Company.
10	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and NSDL.
12	Executed Debenture Trust Deed, Debenture Trustee Agreement and the Deed of Hypothecation.

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5.20 Utilization of the Issue Proceeds

The Issuer undertakes that the proceeds of this Issue shall be used to augment the long-term resources of the Company, & to meet working capital requirement of the company and shall not be utilized for the deployment of funds on its own balance sheet and not to facilitate resource requests of its group entities/parent company/associates.

The Issue shall not be utilised towards acquisition financing: viz buyback of shares/securities, purchase of shares of other companies and/or promoter contribution towards the equity capital of a company or as a bridge loan.

5.21 Issue Details and Summary Term Sheet

Security Name	Secured Redeemable Unlisted Non-Convertible Debentures 2020
Issuer	Dvara Kshetriya Gramin Financial Services Private Limited
Type of Instrument	Non-Convertible Debentures
Nature of Instrument	Secured, Redeemable, Unlisted Non-Convertible Debentures 2020
Seniority	NA, Secured Debentures
Mode of Issue	Private placement
Eligible Investors	As per Section 12 below
Rating of the Instrument	BWR BBB+ /Stable (Assigned) by Brickwork Ratings India Private Limited
Issue Size	INR 15,00,00,000/- (Rupees Fifteen Crores only)
Number of debentures	1,500 (One Thousand Five Hundred only)
Objects of the Issue	To raise Secured debt to the extent up to INR 15,00,00,000/- (Rupees Fifteen 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"> General corporate purposes for the ordinary course of business of the Issuer including repayment/re-financing of existing debt <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	12.5% 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	12.50% per annum

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Security Name	Secured Redeemable Unlisted Non-Convertible Debentures 2020
Default Interest Rate	<p>(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.</p> <p>(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.</p>
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 'PUT OPTIONS' below
Put option Price	Refer Section 'PUT OPTIONS' below
Call Option Date	Not Applicable
Call Option Price	Not Applicable
Put Notification Time	Refer Section 'PUT OPTIONS' below
Call Notification Time	Refer Section 'PUT OPTIONS' below
Face Value	INR 1,00,000/- (Rupees One Lakh 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	February 8, 2021
2. Issue Closing Date	February 8, 2021
3. Deemed Date of Allotment	April 1, 2021
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 favour of registered holder
Depository	NSDL/CDSL

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Security Name	Secured Redeemable Unlisted Non-Convertible Debentures 2020
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. If the 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 <u>immediately preceding working day</u> .
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"> - 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. - 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. - It is also clarified that in computing the amount of subordinated debt eligible for inclusion in Tier II Capital, the afore mentioned subordinated debt shall be subject to discounting as prescribed by RBI. <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, i.e., as on 31st March and 30th Sept every year, starting from 31st March 2020 on consolidated and standalone balance sheet till the redemption of the Debentures.</p>

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Security Name	Secured Redeemable Unlisted Non-Convertible Debentures 2020
	The covenants shall be certified by the Company within 45 (Forty-Five) calendar days from the end of each financial half year.
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	<ul style="list-style-type: none"> (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: (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. (c) Execution of the Debenture Trustee Agreement, Debenture Trust Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place. (d) The Issuer shall have submitted to the Debenture Trustee the rating letter and rating rationale. (e) The Issuer shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements. (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)
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"> 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. 2. The Issuer shall ensure compliance with RBI/SEBI / Companies Act 2013 (as applicable) for issuance of NCDs.
Events of Default	As mentioned in the Transaction Documents
Reporting Covenants	<ol style="list-style-type: none"> 1. Quarterly Reports – within 45 (Forty-Five) calendar days from the end of each financial quarter <ul style="list-style-type: none"> a) Information on financials b) Financial covenant compliance certificate signed by a Director or the Chief Financial Officer c) Portfolio cuts

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Security Name	Secured Redeemable Unlisted Non-Convertible Debentures 2020
	<p>d) Shareholding pattern</p> <p>2. Annual Reports – within 120 (One Hundred and Twenty) calendar days from the end of each financial year</p> <p>a) Audited financial statements</p> <p>b) A certificate from a Director/Chief Financial Officer confirming that there is no Potential Default or Event of Default; and</p> <p>3. Event Based Reports – within 5 (Five) Business Days of the event occurring</p> <p>a) Change in list of Board of Directors</p> <p>b) Material change in Shareholding structure</p> <p>c) Change in senior management officials (any CXO or equivalent)</p> <p>d) Debarment of any of the board of directors</p> <p>e) Board approval of annual business plan</p> <p>f) Any fraud amounting to more than 1% of Gross Loan Portfolio</p> <p>g) Changes in accounting policy</p> <p>h) New products introduced or change in existing product features</p> <p>i) New business corresponding relationships or discontinuance of existing relationships</p> <p>j) Revision in business plan</p> <p>k) Change in the constitutional documents of the Company</p> <p>l) Material Adverse Effect</p> <p>m) Any dispute, litigation, investigation, or other proceeding which could result in a Material Adverse Effect.</p> <p>n) Winding up proceedings</p> <p>o) Any Event of Default or Potential Default, and any steps taken / proposed to remedy the same.</p> <p>p) Any prepayment or notice of any prepayment of any Indebtedness of the Issuer</p>
Affirmative covenants	<ol style="list-style-type: none"> 1. To utilise the proceeds of this issue in accordance with applicable laws and regulations 2. To comply with corporate governance, fair practices code prescribed by the RBI 3. Notification of any potential Event of Default or Event of Default. 4. Obtain, comply with, and maintain all licenses / authorizations 5. Provide details of any material litigation, arbitration, or administrative proceedings (materiality threshold to be finalized during documentation) 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 7. Comply with any monitoring and/or servicing requests from Debenture Holders 8. Any rights exercisable as Debenture Holder in terms of Companies Act, 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

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Security Name	Secured Redeemable Unlisted Non-Convertible Debentures 2020
	<p>(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.</p> <p>(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</p> <p>(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.</p>
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.

Note:

1. The list of documents which has been executed or will be executed in connection with the Issue and subscription of debt securities shall be annexed.
2. The penal interest rates mentioned above as payable by the Issuer are independent of each other.
3. If there is any change in Coupon Rate pursuant to any event including elapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed.
4. The procedure used to decide the dates on which the payment can be made and adjusting payment dates in response to days when payment cannot be made due to any reason like sudden bank holiday etc., should be laid down.
5. The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed.
6. While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of offer document/ information Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.”

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

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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	XIRR
1.	From 0 months -12 months (less than 1 year)	Not Available	
2.	From 13 th 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	11.00% to 10.56% (with referral fee)
3.	From 25 th Month – 35 th Month (after 2 years and before completion of 3 years)	Principal is payable with coupon rate of 12% till exercise of PUT Option.	12.56 % to 12.41 % (with referral fee)

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SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

In case of listing of debt securities issued through private placement, the following disclosures are required to be made in terms of the Debt Listing Regulations:

- A. Name of the Bank declaring the entity as a Wilful Defaulter: The Issuer has not been declared as a wilful defaulter by any bank or financial institution or consortium thereof.**
- B. The year in which the entity is declared as a Wilful Defaulter: NA**
- C. Outstanding amount when the entity is declared as a Wilful Defaulter: NA**
- D. Name of the entity declared as a Wilful Defaulter: NA**
- E. Steps taken, if any, for the removal from the list of wilful defaulters: NA**
- F. Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions:
NA**
- G. Any other disclosure as specified by SEBI: NA**

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SECTION 7: TRANSACTION DOCUMENTS AND KEY TERMS

7.1 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 Catalyst Trusteeship 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 shall include the representations and warranties and the covenants to be provided by the Issuer (“**Debenture Trust Deed**”).
- C. Hypothecation Agreement pursuant to which the Issuer will create an [exclusive and first ranking charge] by way of hypothecation over the Hypothecated Assets in favour of the Debenture Trustee to secure its obligations in respect of the Debentures (“**Hypothecation Agreement**”); and
- D. Such other documents as agreed between the Issuer and the Debenture Trustee.

The Debenture Trustee Agreement, the Debenture Trust Deed and the Hypothecation Agreement shall be executed on or prior to the Issue Closing Date.

7.2 CONDITIONS PRECEDENT

- (i) A certified true copy of the constitutional documents of the Company (being its Memorandum and Articles of Association and Certificate of Incorporation) shall have been submitted to the Debenture Trustee.
- (ii) All corporate approvals from the Board of Directors and shareholders of the Company, if applicable, shall have been received for the issuance of the Debentures and the execution, delivery and performance by the Company 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.
- (iii) Execution of the Debenture Trustee Agreement and Debenture Trust Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place.
- (iv) The Company shall have provided to the Debenture Trustee a certificate from a director/company secretary of the Company certifying that: -
 - a. the Company and its Directors have the necessary powers under the Memorandum and Articles of Association of the Company to borrow moneys pursuant to the issuance of the Debentures.
 - b. the borrowing of moneys pursuant to the issuance of the Debentures will not cause any limit binding on the Company to be exceeded.
 - c. no Material Adverse Effect has occurred in the Company, and/or the business of the Company.
- (v) The delivery by the Company to the Debenture Trustee, of certificates signed by authorized signatories of the Company, in a form and substance satisfactory to the Debenture Trustee, with respect to:
 - a. incumbency and signatures.

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- b. absence of any Event of Default, any potential Event of Default, any force majeure event and any Material Adverse Effect.
- c. all representations and warranties contained in this Deed are true and correct in all material respects on and as of the Deemed Date of Allotment, before and after giving effect to the Issue and to the application of the proceeds therefrom; and
- d. the Debenture Trustee shall have received from the Company its audited account statements for the Previous Year.
- (vi) Due execution of the Depository Agreements by, inter-alia, the Depository, and the Company.
- (vii) Due execution of the Tripartite Agreement by, inter-alia, the Registrar and Transfer Agent, Depository, and the Company.
- (viii) The Company shall have submitted to the Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements.
- (ix) The Company shall have submitted to the Debenture Trustee, its audited account statements for the most recent financial year or financial half-year.

7.3 CONDITIONS SUBSEQUENT

- (i) The Company 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 Information Memorandum and Form PAS 3 along with requisite fee within the timelines prescribed by the Act and Rules thereunder.
- (ii) File Form PAS 5 along with the Information Memorandum with SEBI within the timelines prescribed by the Act and Rules thereunder; and
- (iii) Credit the demat account of the Applicants with such number of Debentures which have been allotted to them within 2 (Two) Business Days from the Deemed Date of Allotment.
- (iv) Rating of the Debentures shall be completed and the rating agency shall have provided a minimum rating of 'BBB' for the Debentures, and the rating letter issued by the Rating Agency shall be in a form and manner satisfactory to the Debenture Trustee within 30 (Thirty) days from the Deemed Date of Allotment;
- (v) File CHG 9 within 30 days of execution of the Deed of Hypothecation and modification to CHG 9 within timelines as per applicable law from First Security Cover Determination Date

7.4 EVENTS OF DEFAULT

(a) *Payment Defaults*

The Company does not pay on the Due Date any amount payable pursuant to this Information Memorandum and the Debentures (including but not limited to penal interest, if any) at the place at and in the currency in which it is expressed to be payable, unless its failure to pay is caused by administrative or technical error and payment is made within 3 (Three) Business Days of its Due Date.

(b) *Insolvency / Inability to Pay Debts / Distress*

- (i) The Company 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.

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- (ii) The Company is (or deemed by Law or a court to be) insolvent or bankrupt or unable to pay its debts or stops or suspends payments of all its debts, makes a general assignment or an arrangement or composition with or for benefit of the relevant creditors in respect of any such debts or a moratorium is agreed or declared in respect of or affecting all the debts of the Company.
- (iii) Any distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets, or revenues of the Company and is not discharged or quashed or stayed within 15 (fifteen) days.

(c) ***Charge over Hypothecated Assets***

The Company creates or attempts to create any charge on the Hypothecated Assets or any part thereof, in addition to the charge created pursuant to the Hypothecation Agreement without the consent of the Special Majority Debenture Holders.

(d) ***Business***

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

(e) ***Security in Jeopardy***

- (i) In the opinion of the Debenture Trustee the Hypothecated Assets is in jeopardy.
- (ii) If, the security provided pursuant to the Hypothecation Agreement depreciates in value to such an extent that in the reasonable opinion of the Trustee further security should be given and on advising the Company to that effect such security has not been given to the Debenture Trustee to their satisfaction.
- (iii) If, without the prior written approval of the Debenture Trustee, the Hypothecated Assets or any part thereof is transferred, assigned, charged, encumbered, or alienated but no prior approval shall require for the replacement of assets comprising the Hypothecated Assets with other similar assets; or
- (iv) the value of the Hypothecated Assets is insufficient to maintain the Security Cover Ratio and Company fails to maintain the minimum-Security Cover Ratio specified in the Hypothecation Agreement within the stipulated timelines in the Hypothecation Agreement.

(f) ***Misrepresentation***

Any representation or warranty made by the Company in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Company shall prove to have been incorrect, false, or misleading in any material respect when made or deemed made.

(g) ***Material Adverse Change***

There shall have occurred a change in the business, operations, property, Assets, liabilities, condition (financial or otherwise) or prospects of the Company since the date hereof that has resulted in a Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified for a period of 30 (Thirty) Business Days.

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(h) ***Liquidation or Dissolution of the Company / 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 Indebtedness, winding-up, dissolution, administration, or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company or its Affiliate.
 - (B) a composition, compromise, assignment, or arrangement with any creditor of the Company or its Affiliate.
 - (C) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, or other similar officer in respect of the Company or its Affiliate; or
 - (D) the Company or its Affiliate, in respect of the Resolution of Stressed Assets – Revised Framework dated February 12, 2018 issued by the RBI (as amended or modified or restated from time to time).
 - (E) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 (to the extent applicable) or under any other applicable Law, in respect of the Company or its Affiliate; or
 - (F) enforcement of any security over any Assets of the Company or its Affiliate.

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

- (ii) An order is made, or an effective resolution passed for the winding up or dissolution, judicial management or administration of the Company, or the Company ceases to carry on all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, re-organization, merger or consolidation on terms approved by Special Resolution of Debenture Holders.

(i) ***Cross Default***

The Company (i) defaults in any payment of any Financial Indebtedness beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Financial Indebtedness was created; (ii) defaults in the observance or performance of any agreement or condition relating to any Financial 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 Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity; or (iii) any Financial 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.

(j) ***Creditors' Process***

- (i) All or a material part of the undertaking, Assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action

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for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or any Government Authority.

- (ii) The Company does not inform the Debenture Trustee of one or more of the other creditors of the Company accelerating the payment obligations on the grounds of a material adverse change (howsoever described) or a material adverse effect (howsoever described) in the financial, operational, or regulatory conditions governing the Company.
- (iii) The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency laws and such proceedings have been admitted by a competent court or the Company is voluntarily or involuntarily dissolved.
- (iv) The Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors.
- (v) Any expropriation, attachment, garnishee, sequestration, distress, or execution affects any Receivables constituting Hypothecated Assets or part thereof.

(k) ***Judgments Defaults***

One or more judgments or decrees entered against the Company involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 5% (five percent) of the Total Assets of the Company PROVIDED THAT 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.

(l) ***Transaction Documents***

- (i) This Information Memorandum or any other Transaction Document in whole or in part, are terminated or cease to be effective or cease to be a legally valid, binding and enforceable obligation of the Company.
- (ii) In the opinion of the Debenture Trustee, any of the Transaction Documents fails to provide the security interest, rights, title, remedies, power, or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests do not have the priority contemplated under the Transaction Documents, or the security interest created thereunder become unlawful, invalid, or unenforceable.

(m) ***Unlawfulness***

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

(n) ***Repudiation***

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

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(o) ***Information Covenants***

The failure to comply with any reasonably monitoring and/or servicing requests from Debenture Holders, including its monthly, quarterly, annual, and event-based reporting requirements as required under the reporting covenants prescribed in *Reporting Covenants*.

(p) ***Government Intervention***

- (i) Any step is taken by Governmental Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Company which is material to the Company.
- (ii) Any Governmental Authority having assumed custody or control of the business or operations of the Company or having taken any action for the dissolution of the Company or any action that would prevent the Company or its officers from carrying on its business or operations thereof; or
- (iii) The Company's organizational or legal status, or any license or franchise is revoked or suspended by any Governmental Authority or authority after the Company has exhausted all remedies and appeals relating thereto.

(q) ***Delisting***

If the Debentures are listed and any Debenture is subsequently delisted from any exchange on which it is listed without the prior written consent of the Debenture Trustee.

(r) ***Cessation***

The Company ceases or threatens to cease to carry on the main business it is currently engaged in.

(s) ***Alteration in Constitutional Documents***

The Company, without the previous consent in writing of the Debenture Trustee, makes or attempts to make any alteration in the provisions of its Constitutional Documents where (i) such change might in the opinion of the Debenture Trustee detrimentally affect the interests of the Debenture Holder(s) and (ii) the Company refuses or neglects to or is unable to rescind such alteration.

(t) ***Non-compliance with judicial order***

The Company fails to comply with or fulfil any judicial order passed against it provided however that such order shall not include any order against which appeal is available or for which an appeal is pending.

(u) ***Erosion of Net Worth***

The Debenture Holders' assessment from quarterly or annual financial reporting from the company, or at any time certified by an accountant of a firm or chartered accountant appointed by the Debenture Trustee (which the Debenture Trustee is entitled and hereby authorized to do so at any time), that the net worth (as defined in the Act) of the Company has eroded by 50% or more.

(v) ***Merger***

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The rearrangement or consolidation or amalgamation with or merger with or into or receiving of all or substantially all the assets or obligations of, another entity, or any action for reorganisation of capital without the prior written consent of the Debenture Trustee.

(w) ***Sale, disposal***

Sale, transfer, or other disposition of all or substantially all of the Company's Assets other than in the normal course of business of the Company.

(x) ***Anti-terrorism***

Any Obligor of the Company is listed on:

- (i) any list of terrorists or terrorist organization of the UN, the European Union, and any other applicable country; or
- (ii) any financial sanctions list, being defined as lists of persons, groups or entities which are subject to UN, EU, and US Office of Foreign Asset Control Sanctions.

(y) ***Third party***

A default or Event of Default occurs on account of a breach of representation or breach of an information covenant under the terms of any other agreement involving borrowed money or the extension of credit or any other Financial Indebtedness under which the Company may be obligated as a borrower or guarantor and pursuant to which the Company is called upon to and makes a prepayment to a 3rd party without the prior written consent of the Debenture Holder. Such consent shall not be unreasonably delayed or withheld by the Debenture Holders.

(z) ***Wilful default***

Any Promoters or directors or key management personnel of the Company is/are declared as wilful defaulter by any competent authority or accused of, charged with, arrested, or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter/s and/or director, including any accusations, charges and/or convictions of any offence relating to bribery.

(aa) ***Breach of Financial Covenants***

Any breach of financial covenants stipulated in *Financial Covenants* and such breach is not remedied (if capable of remedy) within the expiry of Cure Period for breach of Financial Covenants from the date of such breach.

(bb) ***Breach of Negative Covenants***

Any breach of negative covenants mentioned in *Negative Covenants*.

(cc) ***Breach of other terms of this Information Memorandum***

A breach by the Company of any of its obligations and covenants provided in terms of this Information Memorandum or other Transaction Documents (other than (a) to (bb) above) and such breach is not remedied (if capable of remedy) within the expiry of Cure Period for breach of Other Covenants from the date of such breach.

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7.5 FINANCIAL COVENANTS

The Company shall comply with each of the following financial covenants at all times until the redemption of all outstanding Debentures:

- (a) maintain Capital Adequacy Ratio of 17% (Seventeen percent) or the capital adequacy ratio prescribed by the RBI, whichever is higher, with minimum Tier I Capital of 10%.
- (b) Maintain a ratio of A:B not greater than 5% (Five percent) where A is Portfolio at Risk and B is the Gross Loan Portfolio, to be tested from March 31, 2021.
- (c) To maintain positive quarterly after-tax net income from the issuance of this facility.
- (d) Maintain a ratio of A: B not greater than 20% where A is PAR-90 and B is the Tangible Net Worth, to be tested from March 31, 2021
- (e) Gross Loan portfolio to Tangible Net worth should not exceed 6 times
- (f) Maintain positive cumulative mismatch of at least 5% of the total assets for all months up to 1 year

For the purpose of afore mentioned Financial Covenants, following terms shall have the following meanings:

"Capital Adequacy Ratio" means the capital adequacy ratio prescribed by the RBI for non-banking financial companies from time to time, currently being the aggregate of Tier I Capital and Tier II Capital divided by Risk Weighted Assets.

"Gross Loan Portfolio" means Gross Loan Portfolio Less Off-Balance Sheet Portfolio.

"Risk Weighted Assets" shall be calculated as per the method prescribed in the NBFC Master Directions.

"Tier I Capital" has the meaning ascribed to it in the NBFC Master Directions.

"Tier II Capital" has the meaning ascribed to it in the NBFC Master Directions.

"Net Income" shall mean, for any particular period and with respect to the Company, all revenue (including donations and grants) less all expenses (including taxes, if any for such period).

"Liability" means, for any date of determination, the liabilities of the Company on such date as the same would be determined in accordance with the Indian GAAP at such date.

"Net Assets" means, for any date of determination, the Total Assets of the Company on such date as the same would be determined in accordance with the generally accepted accounting principles applicable in India, excluding any securitized assets or managed (non-owned) loan portfolio of the Company.

"Total Assets" means, for any date of determination, the total assets of the Company on such date as the same would be determined in accordance with the generally accepted accounting principles applicable in India, including owned, securitised and managed (non-owned) loan portfolio of Company.

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"Total Liabilities" means, for any date of determination, the total liabilities of the Company on such date as the same would be determined in accordance with the generally accepted accounting principles applicable in India.

"PAR- 90" Shall mean on the Company's Gross Loan Portfolio the outstanding principal value of the relevant portfolio of the Company that has one or more instalment of principal, interest payments overdue for 90 days or more, includes restructured loans but excludes loans that have been written off by the Company.

"Gross Loan Portfolio" shall mean and include the outstanding principal amount of the loans originated by the Borrower on its own books, securitized portfolio as well as loans originated on behalf of other entities by entering into partnership agreements but not included on the Borrower's own book.

"Own Loan Portfolio" Shall mean and include principal amount of the loans originated by the Borrowers on its own books

"Write-off" shall mean bad debts removed from balance sheet and deemed as non-collectible.

"Loan loss provision" shall mean expense set aside as an allowance for uncollected loans and loan payments.

"Tangible net worth" (TNW) shall mean sum of share capital and surplus reserves of the company net of intangible assets of the company.

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7.6 REPORTING COVENANTS

Company shall provide or cause to be provided to the Debenture Trustee (and to the Debenture Holders if so requested), in form and substance reasonably satisfactory to the Debenture Trustee, each of the following items:

(a) Monthly Reports

As soon as available and in any event within 10 (ten) calendar days after the end of each calendar month, the list of assets hypothecated under the Hypothecation Agreement in form and substance satisfactory to the Debenture Trustee and the Debenture Holders.

(b) Quarterly Reports

As soon as available and in any event within 45 (Forty-five) calendar days after the end of each quarterly reporting period of the Company, the quarterly reporting required and in form and substance satisfactory to the Debenture Trustee and the Debenture Holders. Such reporting will include information detailing:

- (i) financials, operations, portfolio growth and asset quality (including static portfolio cuts, collection efficiency and portfolio at risk data), funding in formats acceptable to the Investor.
- (ii) the shareholding structure and composition of the board of directors in the Company.
- (iii) if applicable, the financial and other returns filed by the Company with the RBI (including without limitation, the form NBS 7 filed with the RBI).
- (iv) a compliance certificate regarding the financial covenants set forth in *Financial Covenants* in form and substance reasonably satisfactory to the Debenture Trustee and the Debenture Holders.
- (iv) The Company shall furnish quarterly report to the Debenture Trustee containing the following particulars:
 - (a) Updated list of the names and addresses of the Debenture Holders.
 - (b) Details of the Coupon due, but unpaid and reasons thereof.
 - (c) The number and nature of grievances received from the Debenture Holders and (A) resolved by the Company (B) unresolved by the Company and the reasons for the same.
 - (d) A statement that the Hypothecated Assets is sufficient to discharge the claims of the Debenture Holders as and when they become due
 - (e) Disclose details specific loan receivables/identified book debts to the Debenture Trustee over which the charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee
- (v) information on:
 - (1) any new product being introduced, including a loan product or any other financial product or any new business correspondent relationship is established or discontinuance of existing relationship.
 - (2) expansion of operations into any new district, city, or state.
 - (3) any change in a service or feature change in an existing product.

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- (4) if the Company is proposing to expand to any location other than those specifically mentioned in the business plan submitted to the Debenture Trustee and/or the Debenture Holders.
- (5) if the Company makes any material changes to the information system or loan management software, in terms of upgrade or installing a new software, other than those specifically mentioned in the business plan submitted to the Debenture Trustee and/or the Debenture Holders.
- (6) if the Company conducts a credit check using any other credit bureau apart from the credit bureaus currently being used by the Company.
- (7) any revisions in the business plan submitted to the Debenture Trustee and/or the Debenture Holders.
- (8) any changes in the accounting policy of the Company from that followed as on the Deemed Date of Allotment.
- (9) if there is any fraud, amounting to more than 1% of Gross Loan Portfolio; and
- (10) such other information, as may be required by the Debenture Trustee.

(c) Annual Reports

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 Company, the annual reporting required and in form and substance satisfactory to the Debenture Trustee and the Debenture Holders. Such reporting will include information detailing:

- (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 fairly represents the financial condition, results of operation and changes in cash flow of the Company as of the date thereof.
- (ii) a certificate of the Chief Financial Officer or a Director of the Company confirming that his or her review has not disclosed the existence of any potential Event of Default or Event of Default.
- (iii) all annual information submitted to the RBI; and
- (iv) the corporate social responsibility report confirming adherence by the Company to its corporate social responsibility policy.

(d) Event Based Reports

- (i) As soon as available and in any event within 30 (Thirty) Calendar Days of the occurrence of such event, the details of any change in the shareholding structure of the Company, in form and substance satisfactory to the Debenture Trustee and the Debenture Holders.
- (ii) As soon as available and in any event within 30 (Thirty) Calendar Days of the occurrence of such event, the details of any change in board of directors and other senior management officials like

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Chief Executive Officer, Chief Financial Officer/Head of Finance and Treasury, Chief Risk Officer, Chief Operations Officer/Head of Business and the Head of Audit.

- (iii) As soon as available and in any event within 30 (Thirty) Calendar Days after receiving approval by the board of the Company, the annual business plan of the Company including a detailed investment budget and forecast accounts for the following Financial Year and financial projections for at least the next 5 (five) years.
- (iv) As soon as available and in any event within 30 (Thirty) Calendar Days of the occurrence of such event, the details any change in its Constitutional Documents.
- (v) The Company shall provide/cause to be provided information to the Debenture Trustee (and to the Debenture Holders, if so requested) as soon as practicable, and in any event within 14 (Fourteen) Calendar Days from the occurrence of such event:
 - (a) the Company obtains or reasonably should have obtained actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect.
 - (b) the Company obtains or reasonably should have obtained actual knowledge thereof, notice of any dispute, litigation, investigation, or other proceeding affecting the Company or its property or operations, which, if adversely determined, could result in a Material Adverse Effect.
 - (c) the Company obtains actual knowledge thereof, notice of the occurrence of any Event of Default or potential Event of Default, specifying the nature of such event and any steps the Company is taking and proposes to take to remedy the same.
 - (d) the Company makes any prepayment or receives a notice of any prepayment of any Financial Indebtedness of the Company.
 - (e) any notice of any application for winding up having been made or receipt of any statutory notice of winding up under the provisions of the Act or any other notice under any other law or otherwise of any suit or legal process intended to be filed and affecting the title to the property of the Company.

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7.7 NEGATIVE COVENANTS

(a) ***Change of business, Role of Promoter***

- (i) Change the general nature of its business from that which is permitted by the RBI.
- (ii) Change or make any alteration to its Constitutional Documents except any such change solely for the purpose of converting the Issuer into a public limited company and not involving issue of further equity shares. If the Debenture Trustee (on behalf of Debenture Holder) refuses to provide consent, the Issuer would have the option to redeem the Debentures by making payment of the Redemption Amount along with accrued Coupon and without the requirement of payment of Early Redemption Premium.
- (iii) The Company will ensure that prior to the Final Redemption Date, there will be no sale, disposal, or transfer in any manner whatsoever of the equity shares held by the Promoter in the Company whereby the equity stake of the Promoter in the share capital of the Company falls below 32.18%, nor will the Promoter encumber (in any manner whatsoever) the equity shares held by the Promoter in the Company.
- (iv) Until the Final Redemption Date, the Company will procure and ensure that the Promoter will not exit from or reduce its involvement from the management activities of the Company as is subsisting on the date of execution of this Deed.

(b) ***Dividend***

Declare or pay any dividend or make any distributions on its share capital (other than dividends or distributions payable on shares of the Company), unless:

- (i) the proposed payment or distribution is out of net income of the current Financial Year (excluding any amount resulting from the revaluation of any of the Company's assets).
- (ii) no Event of Default has occurred and is then continuing, or could occur or is reasonably likely to occur, as a result of such payment or declaration of any dividend or distribution and after giving effect to any such action.
- (iii) the Company is in compliance with the financial covenants set forth in *Financial Covenants*; and
- (iv) the company has paid or made satisfactory provision for the payment of the instalments of principal and interest due on the Debentures.

(c) ***Merger, consolidation, etc.***

Undertake or permit any merger, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction.

(d) ***Associates, Subsidiaries, and Joint Ventures***

Dispose of, acquire, or incorporate any associates (as defined in the Act), subsidiary (as defined in the Act) or joint ventures.

(e) ***Acquisition***

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Acquire, without the prior written consent of the Majority Debenture Holders, any company, business or undertaking if the amount of the acquisition cost, whether paid by cash or otherwise, when aggregated with the aggregate acquisition cost of any other companies, business or undertaking acquired by it during that financial year exceeds 5% (Five percent) of the Equity.

(f) ***Joint Venture***

Without the prior written consent of the Majority Debenture Holders:

- (i) acquire (or agree to acquire) any shares, stocks, securities, or other interest in any joint venture; or
- (ii) transfer any assets or lend to or guarantee or indemnify or give security for the obligations of a joint venture (or agree to transfer, lend, guarantee, indemnify or give security for the obligations of a joint venture).

(g) ***Loans and Guarantees***

The Company shall not:

- (i) extend a loan to any single individual or entity amounting to greater than 10% (Ten percent) of its Tangible Net Worth; or
- (ii) undertake to guarantee the liabilities of any individual or entity (unless the entity is a wholly owned subsidiary of the Company).

(h) ***Arm's length basis; No profit-sharing arrangements***

The Company shall not, without the prior written consent of the Majority Debenture Holders:

- (i) enter into any transaction with any person or enter into or continue business relations with its shareholders, employees, affiliate(s), holding company(ies), and/or subsidiary(ies) except on proper commercial terms negotiated on an arm's length basis.
- (ii) enter into or establish any partnership, profit sharing, royalty agreement or other similar other arrangement whereby the Company's income or profits are, or might be, shared with any other person; or
- (iii) enter into any management contract or similar arrangement whereby its business or operations are managed by any other person.

(i) ***Immunity***

Claim any immunity or limitation of liability against any payment obligations arising towards the Debenture Holders.

(j) ***Auditor***

Change its auditor without the prior written consent of the Majority Debenture Holders except in the case of appointment of KPMG, PWC, Deloitte, Grant Thornton, or E&Y. The Company shall authorize its auditors to communicate directly with the Debenture Trustee and the Debenture Holders.

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(k) ***Liabilities***

Incur, create, assume, or allow any Financial Indebtedness that ranks prior to the Debentures or subordinates the Debentures.

(l) ***Change of control***

Issue any additional shares or equity interests and shall not have its existing shares or equity interests transferred, sold, pledged, or otherwise encumbered, if such action results in change in Control of the Company. PROVIDED THAT if the written consent of the Debenture Trustee/ the Majority Debenture Holder(s) is withheld for the proposed change of control, the Company will, upon the instructions of the Debenture Trustee, redeem the Debentures forthwith within 45 (Forty-five) days of receiving such written instructions from the Debenture Trustee and pay prepayment penalty on such redemption in accordance with the terms of the Transaction Documents.

No prior written consent of the Debenture Trustee is required if the issue of any additional shares or equity interests, transfer, sale, pledge or encumbrance of its existing shares or equity interests does not result in change in Control of the Company.

(m) ***Disposal of Assets***

Sell, transfer, or otherwise dispose of in any manner whatsoever any material Assets of the Company, other than any securitization/portfolio sale of assets undertaken by the Company in its ordinary course of business.

(n) ***Management Control***

Any change in Management Control of the Company.

(o) ***Material compromise or Settlement***

Enter into material compromise or arrangement or settlement with any of its creditors (secured and unsecured) that would prejudicially affect the interest of the Debenture Holders.

(p) ***Anti-money laundering***

Permit any of the Debenture proceeds to be used to fund:

- (i) any form of violent political activity, terrorists or terrorist organizations, nor any money laundering process or scheme to disguise illegally obtained funds, nor any other criminal activity including arms sales, drug trafficking, robbery, fraud or racketeering; or
- (ii) Permit any of the Debenture proceeds to be used to fund any activity on the Exclusion List.

(q) ***Related Party Transactions***

Without the prior written consent of the Debenture Holders/Debenture Trustee:

- a. the Company shall not enter into any transaction(s) in the nature of loans or advances to a related party(s) whereby the overall outstanding amount owed to the Company under all such transactions exceeds 10% of its net worth (as defined in the Act) or

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- b. whereby the overall expense incurred through such transactions during any financial year exceeds 10% of its net profit or Provide any guarantee for any indebtedness of a related party.
- c. Provide any guarantee for any indebtedness of a related party.

Debenture Trustee or its representatives will have access to any additional information that it/they deem(s) necessary to monitor and evaluate the mentioned covenant till the Final Settlement Date. The Debenture Trustee shall be granted access to any additional information that it deems necessary to monitor and evaluate this covenant. For the purpose of this clause, the terms of net worth and related party shall respectively have the meaning ascribed to them in section 2(57) and 2(76) of the Companies Act, 2013. If the Debenture Trustee (on behalf of Debenture Holder) refuses to provide consent, the Issuer would have the option to redeem the Debentures by making payment of the Redemption Amount along with accrued Coupon and without the requirement of payment of Early Redemption Premium.

(r) **Financial Year**

Company shall not change its financial year-end from 31st March (or such other date as may be approved by Majority Debenture Holders) without the prior written consent of the Debenture Trustee.

(s) **Others**

Without prejudice to Clause (a) (*Change of business; Role of Promoter*) of *Negative Covenants*, permit sale/ transfer/ disposal of (i) equity shares of the Company, or (ii) instruments that are compulsorily and mandatorily convertible into equity shares of the Company, by the Promoter(s) and/ or (iii) permit the Promoter(s) to exit from management activities in relation to the Company.

7.8 AFFIRMATIVE COVENANTS

(a) ***Notice of winding up or other legal process***

Company shall promptly inform the Debenture Trustee if it has 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 as may be applicable to the Company relating to winding up or otherwise of any suit or other legal process intended to be filed or initiated against the Company.

(b) ***Loss or damage by uncovered risks***

Company shall promptly inform the Debenture Trustee of any material loss or significant damage which the Company may suffer due to any force majeure circumstances or act of God, or natural catastrophes such as earthquake, flood, tempest or typhoon, etc. or epidemics, wars, civil disturbances, acts of terrorism, prohibitions or enactments of any kind, import or export regulations, exchange control regulations, strikes, failure or malfunction of any telecommunication or information technology systems deployed at any location by either Party or any other Person or entity under the payment systems or computer (software and hardware) services or fire or accidents against which the Company may not have insured its properties;

(c) ***Costs and expenses***

Company shall pay all costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Company before they are incurred and shall not include any foreign travel costs.

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(d) ***Payment of Rents, etc.***

Company shall punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company 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 Company under this Deed;

(e) ***Preserve corporate status, authorisations***

Company shall

- (i) diligently preserve and maintain its corporate existence and status and all rights, contracts privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business and comply with each and every term of the said franchises and concessions and 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 PROVIDED THAT the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Debentures are not thereby materially endangered or impaired. The Company 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; and
- (ii) conduct its business with due diligence and efficiency and in accordance with sound technical, managerial, and financial standards and business practices with qualified and experienced management and personnel.
- (iii) promptly obtain all consents and authorizations as maybe necessary for performing its obligations in relation to the issue of the Debentures.

(f) ***Pay stamp duty***

Company shall pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the applicable state laws and in the event of the Company 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 Company shall reimburse the same to the Debenture Trustee on demand.

(g) ***Furnish information to trustee***

Company shall give to the Debenture Trustee or its nominee(s)/ agent(s) such information/copies of relevant extracts as they shall require as to all matters relating to the business of the Company or any part thereof and to investigate the affairs thereof and the Company shall allow the Debenture Trustee to make such examination and investigation as and when felt necessary and shall furnish him with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation;

(h) ***Grievance***

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Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Company 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.

(i) ***Specific Information to be provided to the Debenture Trustee***

Company shall inform and provide the Debenture Trustee with applicable documents in respect of the following:

- (i) notice of any Event of Default or potential Event of Default, each as listed in *Events of Default*.
- (ii) periodic review of the ratings obtained by the Company by the credit rating agencies and any revision in the rating as per the listing agreement entered into with the stock exchange (if the Debentures are listed).
- (iii) details of any material litigation, arbitration or administrative proceedings, etc. including those that are required to be disclosed to the stock exchange under the listing agreement entered into with the stock (if the Debentures are listed).
- (iv) any and all information required to be provided to the Debenture Holders under the listing agreement that may be entered into between the Company and the BSE; and
- (v) the declaration or distribution of dividend.

(j) ***Comply with Investor Education and Protection Fund requirements***

Company 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 (IEPF), if applicable to it.

(k) ***Further assurances***

Company shall

- (i) execute and/or do, at their 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 or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee.
- (ii) furnish to the Debenture Trustee details of all grievances received from the Debenture Holders and the steps taken by the Company to redress the same. At the request of any Debenture Holder, the Debenture Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance and the Company shall comply with the instructions of the Debenture Trustee issued in this regard.
- (iii) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary to enable it to lawfully enter into and perform its obligations under this Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of this Deed.
- (iv) comply with:

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- (A) all Laws, rules, regulations and guidelines (including but not limited to environmental, social and taxation related Laws), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following (if the Debentures are listed) (i) the Debt Listing Regulations, as may be in force from time to time during the tenor of the Debentures; (ii) the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (iii) the provisions of the listing agreement to be entered into by the Company with the BSE in relation to the Debentures;
- (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.
- (D) procure that the Debentures are rated and continued to be rated until the redemption of the Debentures; and
- (E) The Company shall ensure that, at time of making any payment of interest or repayment of the principal amount of the Debentures in full or in part, the Company shall do so in the manner that is most tax efficient for the Debenture Holders (including withholding tax benefit) but without, in any way, requiring the Company to incur any additional costs, expenses or taxes and the Company shall avail of all the benefits available under any treaty applicable to the Company and/or the Debenture Holders.

(I) **Security**

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

- (i) the Debentures shall be secured with first ranking exclusive continuing security by way of a first ranking exclusive charge on the Hypothecated Assets in favour of the Debenture Trustee for the benefit of the Debenture Holders.
- (ii) that all the Assets that shall be charged to the Debenture Trustee under the Hypothecation Agreement shall always be kept distinguishable and held as the exclusive property of the Company specifically appropriated to this security and be dealt with only under the directions of the Debenture Trustee. PROVIDED THAT the charge on the monies lying in the Designated Proceeds Account shall be a floating charge with the intent that the Company may use the proceeds lying therein or to the credit thereof for the origination of Loans and the charging of the Receivables thereof in favour of the Debenture Trustee in accordance with the terms of the Transaction Documents and the floating charge shall convert to a fixed charge in accordance with the terms of the Hypothecation Agreement. The Company shall not create any charge, lien or other encumbrance upon or over the same or any part thereof except in favour of the Debenture Trustee nor suffer any such charge, lien or other encumbrance or any part thereof nor do or allow anything that may prejudice this security and the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve this security and to maintain the same undiminished and claim reimbursement thereof;

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- (iii) shall, on the First Security Cover Determination Date and at all times thereafter, ensure that the Security Cover Ratio is maintained and towards this end, it shall on or before each Monthly Security Cover Determination Date, Top-up the Hypothecated Assets with additional Receivables and/or Replace any Receivables constituting the Hypothecated Assets in accordance with the Hypothecation Agreement so as to ensure that Security Cover Ratio is maintained at all times from the First Security Cover Determination Date until the redemption of the Debentures in full and perfect the first ranking and exclusive charge of the Debenture Trustee over such modified Hypothecated Assets by filing Form CHG-9 with the concerned ROC and the required filing with the Central Registry in relation thereto as soon as practicable and no later than 30 (thirty) days therefrom;
- (iv) shall, on the First Security Cover Determination Date and every Reporting Date, as also 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 (including Monitoring Reports as prescribed in the Hypothecation Agreement), 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;
- (v) the security interest created on the Hypothecated Assets shall be a continuing security as described in the Hypothecation Agreement.
- (vi) the Hypothecated Assets shall satisfy the eligibility criteria set out in *Eligibility Criteria* as set out in Debenture Trust Deed.
- (vii) 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 Financial Indebtedness or liability of the Company to the Debenture Trustee and/ or the Debenture Holders; and
- (viii) the Debenture Holders shall have a beneficial interest in the moveable Assets of the Company which have been charged to the Debenture Trustee to the extent of the Outstanding Principal Amounts of the Debentures under this Deed.

(m) ***Filings***

, the Company shall file the following information to the Debenture Trustee, containing inter-alia the following information:

- (i) credit rating.
- (ii) asset cover available accompanied with a half yearly certificate regarding maintenance of minimum-Security Cover Ratio specified in the Hypothecation Agreement 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.
- (iii) debt to Equity ratio accompanied with a certificate of a practicing-chartered accountant confirming such debt-to-Equity ratio.
- (iv) previous Due Date for the payment of interest/principal and whether the same has been paid or not; and

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- (v) next Due Date for the payment of interest/principal.
- (vi) CHG 9 for perfection of the charge.

(n) ***Amounts to be reimbursed to the Debenture Trustee***

Company shall, forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Hypothecated Assets and such amounts shall be deemed to be secured by the Hypothecated Assets.

(o) ***Where Debenture Holder is a Foreign Investor***

Company shall in the event a Debenture Holder is a foreign portfolio investor, foreign institutional investor or sub-account of foreign institutional investors, or qualified foreign investor, the Company shall, in relation to each Interest Payment Date and in relation to each date when any other payment is due by the Company under the Debentures (each a "**Relevant Payment Date**"), courier to the Debenture Holders (or their designated agent, as confirmed by the Debenture Holders) within 1 (One) Business Day after a Relevant Payment Date, the duly completed and signed Form 15 CA/CB. A scanned copy of such duly completed and signed Form 15 CA/CB shall be sent to the Debenture Holders on the Relevant Payment Date by e-mail.

(p) ***Delay in Security Creation***

Company shall in the event of any delay in the creation of first ranking and exclusive charge over the Hypothecated Assets within the timelines stipulated in the Hypothecation Agreement or in the event the Security Cover Ratio is not met on or prior to the First Security Cover Determination Date, the Company will, at the option of the Debenture Holders, either:

- (i) refund the Application Money as set out in Clause 2.5 of this Deed, to the Debenture Holders; or
- (ii) pay to the Debenture Holders additional interest at Default Interest Rate on the Outstanding Principal Amounts from the Deemed Date of Allotment till the creation of first ranking and exclusive charge over the Hypothecated Assets pursuant to the terms of the Hypothecation Agreement such that the Security Cover Ratio is met.

(q) ***Compliance with ESG Requirements***

Company shall adhere to ESG requirements and provide a declaration to that effect in the format provided in *ESG Requirements* as set out in Debenture Trust Deed.

(r) ***Books of Account***

Company shall maintain proper books of account as required by the Act and therein make true and proper entries of all dealings and transactions of and in relation to the Hypothecated Assets and the business of the Company and keep such books of account and all other books, registers and other documents relating to the affairs of the Company at its registered office or, where permitted by Law, at other place or places where the books of account and documents of a similar nature may be kept. The Company will ensure that all entries in the same relating to the Hypothecated Assets and the business of the Company shall at all reasonable times be open for inspection of the Debenture Trustee and such person or persons as the Debenture Trustee shall, from time to time, in writing for the purpose, appoint.

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(s) ***Material Adverse Effect***

Company shall promptly inform the Debenture Trustee in writing of the occurrence of any, or the occurrence of any event that is likely to have a, Material Adverse Effect, together with explanation of the reasons thereof.

(t) ***Insurance***

Company shall maintain insurances on and in relation to its business and assets with insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business and any other insurances as may be required by Law and ensure that all premiums are paid on time and other obligations of the Company under the insurance policies are duly complied with.

(u) ***Corporate Governance***

- (i) the Company shall maintain the highest standards of corporate governance in accordance with the NBFC Master Directions.
- (ii) shall at all times until the redemption of all outstanding Debentures, ensure that there are at least 2 (Two) independent directors; and
- (iii) the Company shall at all times comply with the NBFC Master Directions.

(v) ***General***

- (i) the Company shall perform all of its obligations under the terms of the Transactions Documents and maintain in full force and effect each of the Transaction Documents.
- (ii) the Company shall promptly pay and discharge all its financial obligations and regularly make all payments due and payable by the Company, including but not limited to taxes and also such payment due and payable under or in respect of the Issue or any documents executed in connection there with.
- (iii) the Company shall give the Debenture Trustee any information, relating to the business, property, affairs of the Company, that materially impacts the interests of the Debenture Holders.
- (iv) the Company shall comply with the 'Guidelines on Fair Practices Code for Non-Banking Financial Companies' as prescribed by the RBI from time to time; and
- (v) the Company shall at all times act and proceed in relation to its affairs and business in compliance with applicable Law.

(w) ***Access***

Company shall permit the Debenture Trustee (and the Debenture holders) and/or accountants or other professional advisers and contractors appointed by the Debenture Trustee access at all reasonable times and on reasonable notice of the Company to:

- (i) check the management of the funds made available through subscription to the Debentures.
- (ii) inspect and take copies and extracts from the books, accounts and records of the Company.

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- (iii) visit and inspect the premises of the Company; and
- (iv) meet and discuss matters with senior management employees of the Company.

(x) ***Conditions Subsequent***

Company shall comply with the conditions stipulated in *Conditions Subsequent*.

(y) ***Financial Covenants***

Company shall comply with the financial covenants stipulated in *Financials Covenants*.

(z) ***Issue Terms and Conditions***

At all times during the term of these presents comply with each of the Issue Terms and Conditions.

(aa) ***Internal Controls***

Company shall maintain appropriate internal controls 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.

(bb) Company undertakes that the trust deeds which shall contain the matters as specified in section 71 of Companies Act, 2013 and Form No. SH.12 specified under the Companies (Share Capital and Debentures) Rules, 2014. Such trust deed shall consist of two parts:

- a. Part A containing statutory/standard information pertaining to the debt issue.
- b. Part B containing details specific to the particular debt issue.

7.9 Representations and Warranties

The Company makes the representations and warranties set out in this Clause to the Debenture Trustee for the benefit of the Debenture Holders on the date of this Deed and during the term of the Debentures.

(a) ***Status***

- (i) It is a company, duly incorporated, registered and validly existing under the Laws of India.
- (ii) It is registered as a non-banking financial company with the RBI.
- (iii) It and each of its subsidiaries (as defined under the Act) has the power to own its Assets and carry on their respective 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.

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(c) ***Non-conflict with other obligations***

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

- (i) any Law or regulation applicable to it.
- (ii) its Constitutional Documents
- (iii) any agreement or instrument binding upon it or any of its Assets.

(d) ***Power and authority***

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

(e) ***Validity and admissibility in evidence***

All approvals, authorizations, 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, have been obtained or effected and are in full force and effect.

(f) ***No default***

No Event of Default or potential 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. 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 or termination event (however described) under any other agreement or instrument which is binding on the Company or any of its Assets or which might have a Material Adverse Effect.

(g) ***Pari passu ranking***

Each Debenture constitutes direct and unconditional and secured obligations of the Company. The claims of the Debenture Holders shall be superior to all the claims of equity investors/ lenders of Tier I Capital and Tier II Capital (including without limitation, any Subordinated Debt) and shall rank at least *pari passu* inter se and to all other lenders who have not expressly agreed to subordinate their claims to those of other lenders of the Company.

(h) ***No proceedings pending***

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Except as disclosed by the Company in its Debt Disclosure Document, annual reports and financial statements, no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which have been started or threatened against the Company, where such proceedings could result in or cause a Material Adverse Effect.

(i) ***No misleading information***

- (A) All information provided by the Company 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.
- (B) It has disclosed all information in the Debt Disclosure Document that is relevant for the Applicants to apply for subscription of the Debentures.

(j) ***Compliance***

- (i) The Company has complied with Law and there has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of, any Governmental Authority been issued or outstanding or to the best of the Company's knowledge (after making due and careful enquiry), anticipated against the Company which would have a Material Adverse Effect on the Company, nor has any notice or other communication (official or otherwise) from any Governmental Authority been issued or outstanding or to the best of the Company'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.
- (ii) The Company shall complete all necessary formalities including all filings with the relevant regulatory authorities, including but not limited to SEBI, the BSE and the ROC (if applicable) and obtain all consents and approvals required for the completion of the Issue.

(k) ***Assets***

Except for the security interests and encumbrances created and recorded with the ROC updated from time to time, the Company 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 Assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(l) ***Financial statements***

- (i) Its financial statements most recently supplied to the Debenture Trustee were prepared in accordance with Indian GAAP consistently applied save to the extent expressly disclosed in such financial statements.
- (ii) Its financial statements for the Previous Year supplied to the Debenture Trustee, give a true and fair view and represent its financial condition and operations during the relevant Financial Year save to the extent expressly disclosed in such financial statements.
- (iii) It has disclosed all its borrowings from various banks and financial institutions in the Debt Disclosure Document.

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(m) ***Solvency***

- (i) The Company 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 this Deed or any other Transaction Document.
- (ii) The Company, 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 Indebtedness.
- (iii) The value of the Assets of the Company is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
- (iv) The Company 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 under the (Indian) Insolvency and Bankruptcy Code, 2016 (to the extent applicable) in respect of the Company.
- (vi) No reference, enquiry or proceedings under corporate debt restructuring (CDR) mechanism or the strategic debt restructuring (SDR) mechanism of the RBI, and no steps have been taken by any lender in respect of any member of the Group, under the 'Scheme for Sustainable Structuring of Stressed Assets (S4A) issued by the RBI.

(n) ***No immunity***

The Company is not entitled to any immunity or privilege (sovereign or otherwise) from any set-off, judgment, execution, attachment, or other legal process.

(o) ***Legal and Beneficial Ownership***

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN/FCRN/LLPIN/FLLPIN of the Company on the website <http://www.mca.gov.in/MCA21/index.html> under the heading "Index of Charges"), the Company 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.

(p) ***Compliance with Laws***

The Company and its affiliates are in compliance in all respects with all applicable Laws, including but not limited to environmental, social and taxation related laws, for them to carry on their business.

(q) ***Anti-terrorism Laws***

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The Company and its affiliates are in compliance in all respects with all Anti-Terrorism Laws, and are adhering to all regulatory requirements pertaining to Anti-Terrorism and Anti-Money Laundering.

(r) ***No Corrupt Practices***

Neither the Company nor its Promoters or affiliates have indulged in any corrupt practices pertaining to the business such as misstatement, fraud, misappropriation, embezzlement of financial and other resources or gains unreported in the audited financial statements.

(s) ***Taxation***

- (i) The Company has duly and punctually paid and discharged all Taxes imposed upon it or its assets within the time period allowed without incurring penalties save to the extent that (A) payment is being contested in good faith, (B) the Company has maintained adequate reserves for those Taxes, and (C) payment can be lawfully withheld.
- (ii) The Company is not overdue in the filing of any Tax returns.
- (iii) No claims exceeding Tax Claims Amount are being or are reasonably likely to be asserted against the Company with respect to Taxes, where such claims could result in or cause a Material Adverse Effect.

(t) ***Disclosures in Debt Disclosure Document***

The extent of disclosures made in the Debt Disclosure Document is consistent with disclosures permitted by Government Authorities in relation to the issue of securities made by the Company prior to the issue of the Debentures.

(u) ***Audit***

The Company annual accounts are audited by an auditor from a reputable firm of independent chartered accountants.

(v) ***Good Business Standard***

The Company in its business transactions with its shareholders, partners, managers, staff, affiliates or affiliates of such entities or persons keeps within normal, good and acceptable business standards, including transactions being on arm's length.

(w) ***Proper book-keeping and accounting***

The Company has a proper, efficient, and effective book-keeping and accounting system in place as well as adequate professional staff, including maintaining of accounts showing the loan drawings, payments, interest etc.

(x) ***Employees***

The Company is in compliance with all obligations under the applicable labour laws and other applicable Laws in relation to its employees.

(y) ***Compliance with RBI/SEBI Regulations an' the Act's Requirements***

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The Debentures are being issued in compliance with the applicable regulations of the RBI/SEBI and the relevant provisions of the Act as applicable. Any provision in the Deed which is not in compliance with regulations of the RBI/SEBI and the relevant provisions of the Act can be amended by the Company and the Debenture Trustee by executing an amendment to the Deed and the Debenture Holders shall have no right to raise any objection thereto.

SECTION 8: OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Information Memorandum, the Private Placement Offer cum Application Letter, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

8.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the 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 DPs 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 holders 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 seller should give delivery instructions containing details of the buyer's DP account to his DP.

8.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised 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 cheque/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.

8.3 Trustee for the Debenture Holder(s)

The Issuer has appointed Catalyst Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intend to enter/have entered into the Debenture Trustee Agreement and the Debenture Trust Deed *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

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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 coupon 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 shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

8.4 Sharing of Information

The Issuer may, at its option, but 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 banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its agents shall be liable for use of the aforesaid information.

8.5 Debenture Holder 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 Act. 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.

8.6 Modification of Debentures

The Debenture Trustee and the Issuer will agree to make any modifications in the 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.

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holder(s) in the manner as provided for in the Debenture Trust Deed.

For the avoidance of doubt, the following matters require the consent of Majority Debenture Holder(s), either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holder(s):

- A. Creating of any additional security; and
- B. Amendment to the terms and conditions of the Debentures or the Transaction Documents.

8.7 Right to accept or reject Applications

The Board of Directors (including a duly authorized committee thereof) 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.

8.8 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, e-mail or by facsimile transmission addressed to such Debenture Holder 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, email or by facsimile transmission to the Issuer or to such persons at such address/ facsimile number/ e-mail as provided in the Disclosure Document or as may be

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notified by the Issuer/ Debenture Trustee from time to time through suitable communication. All correspondence regarding the Debentures should be marked “Private Placement of Debentures”.

Notice(s) shall be deemed to be effective (a) in the case of registered mail, 5 (Five) Business Days after posting via certified or registered mail, return receipt requested; (b) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business day delivery (c) in the case of facsimile at the time when dispatched with a report confirming proper transmission; (d) in the case of personal delivery, at the time of delivery or (e) or in case of e-mail at the time of the sending thereof (provided no delivery failure notification is received by the sender within 24 hours of sending such email).

8.9 Issue Procedure

Only ‘Eligible Investors’ as given hereunder to whom this Information Memorandum is addressed, may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant’s bank, type of account and account number must be duly completed by the applicant. This is required for the applicant’s own safety and these details will be printed on the refund orders and /or redemptions warrants.

8.10 Application Procedure

The eligible investors will be invited to subscribe during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive) by way of the Application Form prescribed in the Private Placement Offer Cum Application Letter. The Issuer reserves the right to change the Issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue will be open for subscription during the banking hours on each day from the Issue Opening Date to the Issue Closing Date (both dates inclusive).

8.11 Fictitious Application

All fictitious applications will be rejected.

8.12 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 investors on a first come first serve basis. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Deemed Date of Allotment.

8.13 Payment Instructions

The Application Form should be submitted directly. The entire amount of Rs. 1,00,000/- (Rupees Ten Lakhs only) per Debenture is payable along with the making of an application. Applicants can remit the application amount through RTGS on Pay-in Date. The RTGS details of the Issue Proceeds Account are as under:

Beneficiary Name:	Dvara Kshetriya Gramin Financial Services Pvt Ltd
Bank Account No.:	ESAF Small Finance Bank
IFSC CODE:	20190000006201

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Bank Name	Velachery, Chennai
Branch Address:	ESMF0001218

8.14 Eligible Investors

The following categories of investors who have been specifically approached and have been identified upfront, are eligible to apply in the Issue 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:

- A. Individuals
- B. Mutual Funds
- C. Alternative Investment Funds
- D. Non-banking financial companies
- E. Provident Funds and Pension Funds
- F. Corporates
- G. Banks
- H. Foreign Portfolio Investors (FPIs)
- I. Insurance Companies
- J. Investment holding companies of high-net-worth individuals
- K. Any other person eligible to invest in the Debentures

All potential investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures. Potential investors who are not resident in India shall also ensure compliance with conditions (including in relation to eligibility and mode of payment) as prescribed in the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 as well as the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017.

Note: Participation by potential 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. 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.

a. Application by Scheduled Commercial Banks/ Eligible Financial Institutions

The application must be accompanied by certified true copies of (i) Board Resolution authorising investments or letter of authorization or Power of Attorney and (ii) specimen signatures of authorized signatories.

b. Application by Insurance Companies

The applications must be accompanied by certified true copies of (i) Memorandum and Articles of Association/Constitution/Byelaws, (ii) Resolution authorising investment and containing operating instructions, (iii) Specimen signatures of authorised signatories and (iv) Form 15 AA for claiming exemption from deduction of Tax on the interest income (including interest on application money), if applicable.

c. Applications by Corporate Bodies/ Companies/ Statutory Corporations/ NBFCs and RNBCs

The applications must be accompanied by certified true copies of (i) Memorandum and Articles of Association (ii) resolution authorizing investment and containing operating instructions, and (iii) specimen signatures of authorized signatories.

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d. Application by Mutual Funds

- (i) a separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and that such applications shall not be treated as multiple applications.
- (ii) the applications made by the asset management companies or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.
- (iii) The applications must be accompanied by certified true copies of (i) SEBI registration certificate and trust deed (ii) resolution authorizing investment and containing operating instructions and (iii) specimen signatures of authorized signatories.

How to Apply

Application(s) for the Debentures must be made submitting the applications forms (the “**Application Form**”) which must be completed in block letters in English.

Application Form(s) must be accompanied by either a demand draft or cheque, drawn or made payable in favour of “Dvara Kshetriya Gramin Financial Services Private Limited”, payable at Chennai and crossed Account Payee only. The payment can also be made by NEFT/ Real Time Gross Settlement (RTGS) by crediting the funds to the account given below:

Beneficiary Name	Dvara Kshetriya Gramin Financial Services Pvt Ltd
Bank Name	ESAF Small Finance Bank
A/c No	20190000006201
Branch Address	Velachery, Chennai
IFSC Code	ESMF0001218

The applications must be accompanied by certified true copies of (i) a letter of authorization, and (ii) specimen signatures of authorised signatories.

Instructions for Application

- 1) Application must be completed in BLOCK LETTERS IN ENGLISH. A blank must be left between two or more parts of the name.
- 2) Signatures should be made in English.
- 3) Minimum application shall be for 10 Debentures and in multiple of 1 Debentures thereafter.
- 4) The Debentures are being issued at par to the face value. Full amount has to be paid on application per Debenture applied for. Applications for incorrect amounts are liable to be rejected. Face Value: Rs. 1,00,000 (Rupees One Lakh only)
- 5) Cheques/drafts must be made in the favour of “Dvara Kshetriya Gramin Financial Services Private Limited” and crossed “Account Payee only” payable at Chennai. Money orders or postal orders will not be accepted. The payments can be made by RTGS, the details of which are given above.
- 6) No cash will be accepted.

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7) The Applicant should mention its permanent account number or the GIR number allotted to it under the Income Tax Act, 1961 and also the relevant Income-tax circle/ward/District.

8) The applicant shall also provide applicant's KYC for Identification and also for the Purpose of Proof of address and in case of Joint application, the KYC of all applicants have to be submitted from list of acceptable KYC list. In addition, Applicant is also required to provide a cancelled cheque or Bank attested copy of Passbook along with application. Applicant will be required to update any change in his KYC/address or Bank Details.

9) Applications under Power of Attorney/Relevant Authority

In case of an application made under a power of attorney or resolution or authority to make the application a certified true copy of such power of attorney or resolution or authority to make the application and the Memorandum and Articles of Association and/or bye-laws of the Investor must be attached to the Application Form at the time of making the application, failing which, the Company 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 therefore. Further any modifications / additions in the power of attorney or authority should be notified to the Company at its registered office. Names and specimen signatures of all the authorised signatories must also be lodged along with the submission of the completed application.

10) An application once submitted cannot be withdrawn. The applications should be submitted during normal banking hours at the office mentioned below:

Dvara Kshetriya Gramin Financial Services Private Limited
10th Floor-Phase 1, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai 600113

11) The applications would be scrutinised and accepted as per the terms and conditions specified in this Offer Document.

12) The Company is entitled at its sole and absolute discretion to accept or reject any application, in part or in full without assigning any reason whatsoever. Any application, which is not complete in any respect, is liable to be rejected.

13) Applicants residing or situate at places other than in Chennai, may send their application along with cheques or demand drafts to the centre mentioned above. The demand drafts must be payable at par at Chennai. The demand draft charges will have to be borne by the Applicant.

The Applicant is requested to contact the office of the Company as mentioned above for any clarifications.

Succession

In case the investor is an individual, in the event of the demise of a registered Debenture holder or the first holder in the case of joint holders, the Company will recognize the executor or administrator of the deceased Debenture holder or the holder of succession certificate or other legal representative of the deceased Debenture holder as having title to the Debenture. The Company shall not be bound to recognize such executor, administrator, or holder of the succession certificate unless such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter and delivers a copy of the same to the Company. The Company may at its absolute discretion, where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debenture standing in the name of the deceased Debenture holder on production of sufficient documentary proof or indemnity. In case the Debentures are held by a person other than an individual, the rights in the Debenture shall vest with the successor acquiring interest therein, including a liquidator or such any person appointed as per the applicable laws.

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Over and above the aforesaid terms and conditions, the Debentures, if any issued under this Offer Document, shall be subject to this Offer Document, the relevant debenture trust deed and also be subject to the provisions of the Memorandum and Articles of Association of the Company.

Option to Subscribe

The Company has made arrangements for issue and holding of the Debentures in dematerialized form.

Nomination Facility

Company will accept nomination only in common form in the format as prescribed under Companies Act, 2013 from time to time which is to be submitted at Registered Office of Company.

Joint Holding

In case of joint holding all payments and communication will be made only to first holder. In case of death of first shareholder payment will be made only to Second holder and any communication/payment to nominee or legal heirs will be made only in case of death of Joint holder.

Acceptable KYC documents

Mode of Communication

Company may send the Communication in electronic mode by email and Company may also communicate to those investors who have not updated any email address with Company by physical letters and with regard to whom Address, and KYC is submitted, proper and updated.

Minimum Subscription

10 Debentures and in multiple of 1 Debentures thereafter.

Right to accept or reject applications

The Company is entitled at its sole and absolute discretion, to accept or reject any application in part or in full, without assigning any reason. Incomplete Application Forms are liable to be rejected. The full amount of Debenture has to be submitted along with the Application Form. Also, in case of over subscription, the Company reserves the right to increase the size of the placement subject to necessary approvals/certifications, and the basis of allotment shall be decided by the Company.

Interest on Application Money

At the Interest Rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque(s)/ demand draft(s)/ RTGS/NEFT up to one day prior to the Date of Allotment. Where pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid.

Register of Debentures holder(s)

A register of all Debenture holder(s) containing necessary particulars will be maintained by the Company at its Registered Office. A copy of the register of all Debenture holder(s) will also be maintained by the Company at its Corporate Office.

Transfer / Transmission

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The Debentures shall not be transferable freely.

Debenture Certificate

The Company will provide Debenture Certificate to the successful application and will be issued only to the first holder in the address specified in the application within 3 months from date of allotment of NCDs. The Debenture Certificate is not transferrable and has to be discharged to the Company in case of exercise of PUT option and in redemption, if required by Company, it has to be discharged to the Company for purpose of verification and final settlement.

Payment of Interest on Allotted Debenture

The interest on allotted Debentures will be at a fixed rate of 12.50 % per annum, payable Monthly/ cumulative at the End of the tenure. The Company shall until the final Redemption Date, pay to the Debenture holders Interest from time to time at the Coupon Rate (subject to deduction of tax where applicable at the rate prescribed from time to time under the Income-tax Act, 1961 or any statutory modification or re-enactment thereof for the time-being in force) on each Interest Payment Date & the principal will be paid on the Final Redemption date Or the Company shall pay the cumulative interest and principal on the final Redemption Date.

Authority for the Placement

This private placement of Debentures is being made pursuant to the resolution of the Board of Directors passed at its meeting held on November 4, 2020 which has approved the placement of Debentures upto Rs 100 Crores. The present issue of Rs. 15 Crores is within the general borrowing limits in terms of the resolution passed under Section 180(1)(c) of the Companies Act, 2013, at the Annual General Meeting of the shareholders of the Company held on May 24, 2018 giving their consent to the borrowing by the Directors of the Company from time to time not exceeding Rs. 15 Crores subject to any restrictions imposed by the terms of the agreement entered into from time to time for grant of loans to the Company of all monies deemed by them to be requisite or proper for the purpose of carrying on the business of the Company. The borrowings under these Debentures will be within the prescribed limits as aforesaid.

The Company can carry on its existing activities and future activities planned by it in view of the existing Approvals, and no further approvals from any Government authority are required by the Company to carry on its said activities.

Record Date

This will be the date falling 15 (Fifteen) Business Days prior to any Due Date. A register of all Debenture holder(s) containing necessary particulars will be maintained by the Company at its Registered Office, Registered holders as at the end of day of Record Date shall be used to determine the name(s) of person(s) to whom the interest and/or principal instalment is to be paid.

Effect of Holidays

If any interest payment date falls on a day which is not a Business Day, then such interest payment date shall be automatically changed to the next Business Day.

If a day on which any payment (other than interest) is required to be made is not a Business Day, then such payment will be made on the immediately preceding Business Day. It is clarified that if the payment of amount payable is required to be made on a preceding Business Day as mentioned aforesaid, then the amounts payable shall be calculated as if the amounts payable have been paid on the actual day on which such payment is due and not on the preceding Business Day.

Tax Deduction at Source

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Tax as applicable under the Income Tax Act, 1961 will be deducted at source. Tax exemption certificate/document, under Section 195(3) or Section 197(1) of the Income Tax Act, 1961, if any, must be lodged at the office of the Company before the Record date. Tax exemption certificate for interest on application money, if any, should be lodged along with the Application Form.

Redemption on Maturity of Debenture

Payment on redemption will be made by way of cheque(s)/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 register of all Debenture holder(s) containing necessary particulars maintained by the Company at its Registered Office on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount 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 the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

Compliance Officer

The Investor may contact the Company in case of any pre -issue / post-issue related problems such as non-receipt of letters of allotment / Debenture certificates / refund orders / interest cheques.

Notices

All notices to the Debenture holder(s) required to be given by the Company shall be sent to the Debenture holder(s) at the address stated in the Application Form, or at the address as notified by the Debenture holder(s) from time to time.

All notices to the Company by the Debenture holder(s) must be sent by registered post or by hand delivery to the Company at its Corporate Office or at such address as may be notified by the Company from time to time.

Debentures to Rank Pari-Passu

The Debentures of this Issue shall rank pari-passu inter-se without preference or priority of one other or others.

Payments at Par

Payment of the principal, all interest and other monies will be made to the registered Debenture holder(s)/ beneficial owner(s) and in case of joint holders to the one whose name stands first in the register of Debenture holder(s) Such payments shall be made by Banking channels including by way of electronic payment failing which payments will be made by cheque or warrant drawn by the Company on its bankers. Interest and the principal amount shall be paid through instruments payable at par subject to applicable RBI regulations.

Future Borrowing

The Company shall be entitled to make further issue of secured non-convertible debentures and/or raise term loans or raise further funds, in any manner as deemed fit by the Company, from time to time from any persons/banks/financial institutions/body corporate or any other agency as per the prevailing guidelines/regulations of Reserve Bank of India and other authorities.

Tax Benefits

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There are no specific tax benefits attached to the Debentures. Investors are advised to consider the tax implications of their respective investment in the Debentures.

Trustees

Catalyst Trusteeship Limited vide their consent letter dated November 1, 2019 has agreed to act as the trustees for and on behalf of the Debenture holder(s). All the rights and remedies of the Debenture holder(s) shall vest in and shall be exercised by the said trustees without having it referred to the Debentures holder(s).

Loss of Letter(s) of Allotment / Principal and Interest Payment Instruments

Loss of Letter(s) of Allotment and/ or principal payment instrument / interest payment instrument should be intimated to the Company along with the request for issue of a duplicate Letter(s) of Allotment/ payment instrument(s). If any Letter(s) of Allotment/ payment instrument(s) is lost, stolen, or destroyed, then upon production of proof thereof, to the satisfaction of the Company and upon furnishing such indemnity, as the Company may deem adequate and upon payment of any expenses incurred by the Company in connection thereof, new Letter(s) of Allotment / payment instrument(s) shall be issued. A fee will be charged by the Company, not exceeding such sum as may be prescribed by law.

Debentures subject to the Term Sheet, Debenture Trust Deed, etc.

Over and above the aforesaid terms and conditions, the Debentures, issued under this Offer Document, shall be subject to prevailing guidelines/regulations of Reserve Bank of India and other authorities and also be subject to the provisions of the Memorandum and Articles of Association of the Company and all Transaction Documents to be entered into by the Company in relation to the issue of Debentures.

Governing Law

The Debentures are governed by and will be construed in accordance with the Indian Law. The Company and Company's obligations under the Debentures shall, at all times, be subject to the directions of Department of Company Affairs, RBI, SEBI and Stock Exchanges and other applicable regulations from time to time. Applicants, by purchasing the Debentures, agree that the High Court of Judicature at Chennai shall have exclusive jurisdiction with respect to matters relating to the Debentures.

Disclaimer: Please note that only those persons to whom this Information Memorandum has been specifically addressed are eligible to apply in the Issue. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all that documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may but is not bound to revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

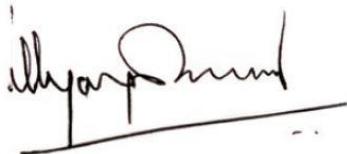
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DECLARATION

The Issuer hereby declares that all relevant provisions of the SEBI Debt Listing Regulations and other Applicable Laws, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the SEBI Debt Listing Regulations or other Applicable Law.

The Issuer further certifies that all statements contained in this Information Memorandum are true and correct. The Issuer also confirms that this Information Memorandum does not omit disclosure of any material fact which may make the statements made therein, in the light of the circumstances under which they are made, misleading.

For Dvara Kshetriya Gramin Financial Services Private Limited



Authorised Signatory

Name: G Vijayakumar

Title: Chief Financial Officer

Date: February 8, 2021

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ANNEXURE I: TERM SHEET

Security Name	Secured Redeemable Unlisted Non-Convertible Debentures 2020
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	BWR BBB+ /Stable (Assigned) by Brickworks Ratings Private Limited
Issue Size	INR 15,00,00,000/- (Rupees Fifteen Crores only)
Number of debentures	1,500 (One Thousand Five Hundred only)
Objects of the Issue	To raise Secured debt to the extent up to INR 15,00,00,000/- (Rupees Fifteen 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"> General corporate purposes for the ordinary course of business of the Issuer including repayment/re-financing of existing debt <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	12.5% 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	12.50% per annum
Default Interest Rate	<p>(c) 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.</p> <p>(d) 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.</p>
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

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Security Name	Secured Redeemable Unlisted Non-Convertible Debentures 2020
Put option Date	Refer Section 'PUT OPTIONS' below
Put option Price	Refer Section 'PUT OPTIONS' below
Call Option Date	Not Applicable
Call Option Price	Not Applicable
Put Notification Time	Refer Section 'PUT OPTIONS' below
Call Notification Time	Refer Section 'PUT OPTIONS' below
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 4. Issue Opening Date 5. Issue Closing Date 6. Pay-in Date 7. Deemed Date of Allotment	February 8, 2021 February 8, 2021 April 1, 2021 April 1, 2021
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 favour 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. If the 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).	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. 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.
Financial Covenants	5. The capital adequacy ratio (as defined in NBFC Regulations) shall be equal to 15% at all points in time. For the purpose of the calculations of the capital adequacy as mentioned above:

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Security Name	Secured Redeemable Unlisted Non-Convertible Debentures 2020
	<ul style="list-style-type: none"> - 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. - 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. - 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. <p>6. 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>7. 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>8. 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, i.e., as on 31st March and 30th Sept every year, starting from 31st 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>(g) 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>(h) 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>(i) Execution of the Debenture Trustee Agreement, Debenture Trust Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place.</p>

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Security Name	Secured Redeemable Unlisted Non-Convertible Debentures 2020
	<ul style="list-style-type: none"> (j) The Issuer shall have submitted to the Debenture Trustee the rating letter and rating rationale. (k) The Issuer shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements. (l) 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)
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> <ul style="list-style-type: none"> 3. 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. 4. The Issuer shall ensure compliance with RBI/SEBI / Companies Act 2013 (as applicable) for issuance of NCDs.
Events of Default	As mentioned in the Transaction Documents
Reporting Covenants	<ul style="list-style-type: none"> 4. Quarterly Reports – within 45 (Forty-Five) calendar days from the end of each financial quarter <ul style="list-style-type: none"> e) Information on financials f) Financial covenant compliance certificate signed by a Director or the Chief Financial Officer g) Portfolio cuts h) Shareholding pattern 5. Annual Reports – within 120 (One Hundred and Twenty) calendar days from the end of each financial year <ul style="list-style-type: none"> c) Audited financial statements d) A certificate from a Director/Chief Financial Officer confirming that there is no Potential Default or Event of Default; and 6. Event Based Reports – within 5 (Five) Business Days of the event occurring <ul style="list-style-type: none"> q) Change in list of Board of Directors r) Material change in Shareholding structure s) Change in senior management officials (any CXO or equivalent) t) Debarment of any of the board of directors u) Board approval of annual business plan v) Any fraud amounting to more than 1% of Gross Loan Portfolio w) Changes in accounting policy x) New products introduced or change in existing product features y) New business corresponding relationships or discontinuance of existing relationships

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Security Name	Secured Redeemable Unlisted Non-Convertible Debentures 2020
	<ul style="list-style-type: none"> z) Revision in business plan aa) Change in the constitutional documents of the Company bb) Material Adverse Effect cc) Any dispute, litigation, investigation, or other proceeding which could result in a Material Adverse Effect. dd) Winding up proceedings ee) Any Event of Default or Potential Default, and any steps taken / proposed to remedy the same. ff) Any prepayment or notice of any prepayment of any Indebtedness of the Issuer
Affirmative covenants	<ol style="list-style-type: none"> 1. To utilise the proceeds of this issue in accordance with applicable laws and regulations 2. To comply with corporate governance, fair practices code prescribed by the RBI 3. Notification of any potential Event of Default or Event of Default. 4. Obtain, comply with and maintain all licenses / authorizations 5. Provide details of any material litigation, arbitration, or administrative proceedings (materiality threshold to be finalized during documentation) 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 7. Comply with any monitoring and/or servicing requests from Debenture Holders 8. Any rights exercisable as Debenture Holder in terms of Companies Act, 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	<p>The Company</p> <p>(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.</p> <p>(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</p> <p>(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.</p>
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.

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ANNEXURE II: RATING LETTER & RATING RATIONALE



Brickwork Ratings India Pvt. Ltd.

Ground floor, Building No - S 14, Solitaire
Corporate Park, Guru Hargovindji Marg,
Chakala, Andheri (East), Mumbai - 400 093
P: +91 22 2831 1426/39 | F: +91 22 2838 9144

BWR/NCD//CRC/VYD/0323/2020-21
01 October 2020

Shilpa B
Deputy Chief Financial Officer,
Dvara Kshetriya Gramin Financial Services Ltd.,
10th Floor Phase 1, IIT-Madras Research Park,
Kanagam Village, Taramani,
Chennai, Tamil Nadu - 600113

Dear Madam,

Sub: Rating of the NCD issue of Dvara Kshetriya Gramin Financial Services Ltd. amounting to Rs.40 Crores (INR Forty Crores Only).

Thank you for giving us an opportunity to undertake the Rating of the NCD issue for your Company. Based on the information and clarifications provided by you, we are pleased to inform you that Dvara Kshetriya Gramin Financial Services Ltd.'s instruments aggregating Rs.40.00 Crs have been assigned ratings as follows:

Instrument	Amount (Rs Cr)	Tenure	Rating*
Non-Convertible Debentures (NCDs)	40	Long Term	BWR BBB+ /Stable (Assigned)
Total	40		INR INR Forty Crores Only

*Please refer to BWR website www.brickworkratings.com for definition of the rating assigned

Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.

The Ratings are valid for twelve months subject to terms and conditions that were agreed in your mandate dated 3 Sept 2020 and other correspondence, if any, and Brickwork Ratings' standard disclaimer appended at the end of this letter.

The rated Instruments would be under surveillance during the said period. Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. You are also required to keep us informed of any information/ development that may affect your Company's finances/ performance without any delay. You are also requested to submit No Default Statement on a monthly basis.

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Dvara Kshetrika Gramin Financial Services Ltd.

We are also enclosing the Rating Rationale. Please acknowledge

Best Regards,

A handwritten signature in blue ink, appearing to read 'Vydiyanathan Ramaswamy'.

Vydiyanathan Ramaswamy
Director & Head - Financial Ratings

Note: Rating Rationale of all accepted Ratings are published on Brickwork Ratings website. All non-accepted ratings are also published on Brickwork Ratings web-site. Interested persons are well advised to refer to our website www.brickworkratings.com. If they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com.

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

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ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

CATALYST

Believe in yourself.. Trust us!

CL/MUM/19-20/DEB/540



01 November 2019

To,
Mr. Balaji S
Dvara Kshetriya Gramin Financial Services Private Limited
10th Floor, Phase I, IIT Madras Research Park,
Kanagam Village, Taramani,
Chennai, 600113,

Dear Sir,

Consent to act as Debenture Trustee for Secured, Rated, Redeemable, Taxable, Unlisted Non-Convertible Debentures ("NCD") aggregating upto Rs. 50 Crores to be issued by your Company.

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited (CTL) to act as Debenture Trustee for the Secured Unlisted, Taxable, Redeemable Non-Convertible debentures ("NCD") aggregating upto Rs. 50 Crores to be issued by your Company. In this connection, we are agreeable to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company.

The Company and the Trustee shall enter into relevant trustee agreements and other necessary Debenture documents for the aforesaid issue of Debentures and also agrees & undertakes to comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, the RBI Circular No.RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013, the Companies (Share Capital and Debenture) Rules, 2014 and any other applicable statutes, regulations and provisions as amended from time to time.

The Company shall enter into Agreement with Trustee as required by Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993 thereby agreeing to create the security within three months from the date of closure of issue or in accordance with the Companies Act, 2013 or as per the provisions as prescribed by any regulatory authority as applicable and comply with the provisions of applicable laws.

For Catalyst Trusteeship Limited

Authorized Signatory

We accept the above terms,
For **Dvara Kshetriya Gramin Financial Services Private Limited**

Authorized Signatory



CATALYST TRUSTEESHIP LIMITED (COMPANY NO. 20070104000102)

Head Office: Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kattika, Santacruz (East), Mumbai - 400 092. Tel: +91 (022) 4022 0505 Fax: +91 (022) 4022 0506
Regional Office: CipA House, Plot No. 88, Bhupali Colony (Wing C), Patel Road, Pimpri 411 036 Tel: +91 (020) 25280031 Fax: +91 (020) 252800275
Delhi Office: Office No. 810, 8th Floor, Kalaksh Building, 26, Kasturbha Gandhi Marg, New Delhi - 110001 Tel: +91 98101702
CIN No. U74199PLC2004PLC00428 Email: cttrustee.com Website: www.catalysttrustee.com

An ISO 9001:2000 Company



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE IV: LAST AUDITED FINANCIAL STATEMENTS

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Dvara Kshetriya Gramin Financial Services Private Limited

Balance Sheet as at March 31, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

Particulars	Note	As at		As at April 1, 2019		
		March 31, 2020	March 31, 2019			
ASSETS						
Financial assets						
Cash and cash equivalents	4	11,862.47	1,907.20	8,564.64		
Bank balance other than cash and cash equivalents	5	7,465.48	4,799.48	4,557.47		
Receivables	6					
Trade receivables		381.64	57.47	115.11		
Loans	7	83,189.71	62,903.00	53,553.80		
Other financial assets	8	354.06	1,256.09	180.05		
		100,400.99	75,865.24	66,291.87		
Non-financial assets						
Current tax assets (net)		587.13	375.14	448.63		
(Deferred tax assets (net))	26	2,123.18	1,428.21	37.31		
Property, plant and equipment	9	344.37	306.46	277.85		
Right of use assets	10A	745.11	466.43	237.39		
Intangible assets	10B	1,213.87	0.98	1.88		
Other non-financial assets	10	970.89	1,003.89	582.79		
		6,184.74	4,141.81	1,206.86		
Total Assets		106,585.73	76,965.25	68,491.13		
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Payables						
a. Trade payables	11					
(i) dues of micro enterprises and small enterprises						
(ii) dues other than micro enterprises and small enterprises		179.83	315.43	385.50		
b. Other payables						
(i) dues of micro enterprises and small enterprises						
(ii) dues other than micro enterprises and small enterprises			6.33	31.04		
Debt securities	12	6,479.96	4,261.39	4,867.21		
Borrowings (other than debt securities)	13	76,314.08	54,377.23	52,733.23		
Other financial liabilities	14	2,178.17	982.39	479.80		
		79,182.03	58,910.74	58,488.78		
Non-financial liabilities						
Provisions	15	438.16	248.23	412.29		
Other non-financial liabilities	16	449.34	280.46	344.23		
		878.50	529.79	833.52		
EQUITY						
Equity share capital	17	10,862.71	7,266.04	7,266.04		
Other equity	18	38,302.06	9,318.78	2,111.70		
		49,164.77	16,584.82	9,377.74		
Total Liabilities and Equity		106,585.73	76,965.25	68,491.13		

Significant accounting policies

2 and 3

The notes referred to above form an integral part of these financial statements

As per our report of even date

for BSR & Co. LLP

Chartered Accountants

Firm's registration number: 101248WYW-160322

Yours truly,
Harsh Verdhan Lakhotia
Partner
Membership No. 222450

Place : Chennai
Date : June 24, 2020

For and on behalf of the Board of Directors of
Dvara Kshetriya Gramin Financial Services Private Limited
CIN : U54999HR1990PTC024547

Rishi Aravalli
Director
DIN : 02436623
Place : Bangalore
S. Balaji
Company Secretary
Membership No. A32851
Place : Chennai
Date : June 24, 2020

Sandeep Anant Shah
Director
DIN : 00912933
Place : Chennai
J. Vijayakumar
Chief Financial Officer
Place : Chennai

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Dvara Kshetriya Gramin Financial Services Private Limited
Statement of profit and loss for the year ended March 31, 2020
 (All amounts are in Indian Rupees in Lakhs, except share data and as stated)

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations			
Interest income	19	19,569.47	13,521.57
Fee and commission income	20	121.48	46.32
Net gain on fair value changes	21	193.12	137.75
Income from other services	22	1,168.00	454.32
Total revenue from operations		20,854.07	14,161.96
Other income		51.14	72.78
Total income		20,855.21	14,234.74
Expenses			
Finance costs	23	6,861.72	6,162.73
Impairment of financial instruments	24	1,249.23	610.34
Employee benefit expenses	25	1,125.32	3,018.18
Depreciation and amortization	16	632.20	212.49
Other expenses	27	2,338.03	3,038.86
Total expenses		20,364.49	14,622.44
Profit before tax		838.52	1,612.60
Tax expense	18		
Current tax, net (including prior year taxes)		569.98	(17.74)
Deferred tax charge / (credit) (including minimum alternative tax credit, entitlement)		(412.12)	(1,438.93)
		157.86	(1,476.67)
Profit after tax for the year		360.79	3,136.27
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Reversement of current tax loss		(28.09)	27.59
Income tax relating to items that will not be reclassified to profit or loss		8.18	(8.01)
Total other comprehensive income		(19.91)	19.58
Total comprehensive income for the year		340.88	3,155.85
Earnings per equity share (face value Rs.100 each)	29		
- Basic (in Rs.)		3.93	42.42
- Diluted (in Rs.)		3.91	42.32
Significant accounting policies	2 and 3		

The notes referred to above form an integral part of these financial statements.

As per our report of even date

for B S H & Co. LLP

Chartered Accountants

Firms registration number: 101348WW-100023

Harsh Vardhan Lakhotia
 Partner
 Membership No. 222402

Place : Chennai
 Date : June 24, 2020

For and on behalf of the Board of Directors of
Dvara Kshetriya Gramin Financial Services Private Limited
 CIN: L40994TG1993PTC024547

Shivaram
 Director
 DIN: 02496019
 Place : Bangalore

S. Balaji
 Company Secretary
 Membership No. 832951
 Place : Chennai
 Date : June 24, 2020

Samir Amin Shah

Director
 DIN : 04912693
 Place : Chennai

G. V Jayakumar

Chief Financial Officer

Place : Chennai

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Diversi Kiteiriya Gramin Financial Services Private Limited
Cash flow statement for the year ended 31 March 2020
 (All amounts are in Indian Rupees in Lakhs, except where stated as million)

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from operating activities			
Net profit before tax		538.52	1,611.90
Adjustments for:			
Depreciation and amortization		672.20	212.49
Interest income on loans, fixed deposits and others		(19,389.47)	(15,521.37)
Gain on initial fair value measurement designated at fair value through profit or loss		(195.12)	(137.75)
Impairment on financial instruments (net)		2,249.23	619.54
Finance costs		9,884.73	8,142.13
Loss on sale/retirement of property, plant and equipment (net)		0.45	8.82
Operating profit before working capital changes		(6,342.47)	(5,862.54)
Changes in working capital and other changes:			
Decrease/(Increase) in other financial assets		864.07	10,076.04
(Increase)/Decrease in trade receivables		(324.37)	37.64
Decrease) in loans		(18,533.84)	(8,695.11)
Decrease/(Increase) in other non financial assets		53.28	(321.10)
(Decrease) in other bank balances		(1,346.12)	(130.24)
Increase in trade payables, other liabilities and provisions		(1,897.99)	42.29
Cash used in operations:			
Interest income received on loans, fixed deposits and others		18,238.71	15,623.87
Finance cost paid		(9,739.47)	(8,159.39)
Income tax paid (net)		(494.81)	(488.77)
Net cash flow (used in) operating activities		(15,445.61)	(9,659.63)
B. Cash flow from investing activities			
Proceeds from sale of investments (net of purchases)		193.13	137.73
Proceeds from sale of Property, plant and equipment		0.01	2.29
Purchase of fixed assets including capital work-in-progress		(412.04)	(163.77)
Payment for acquisition of business	T2	(1,675.00)	-
Net cash (used in) investing activities		(1,691.91)	(117.73)
C. Cash flow from financing activities			
Proceeds/(repayments) from issue/(off) debt, securities and borrowings/(set of repayments)		16,386.95	973.77
Payment of finite liabilities		(115.92)	(66.94)
Proceeds from compulsory convertible preference shares issued during the year (excluding securities premium)		62,434.75	-
Proceeds from issue of equity share capital including securities premium (including share application money pending issuance)		-	3,998.16
Share based payment outstanding		47.43	-
Net cash from financing activities		26,182.28	4,995.89
Net increase/(decrease) in cash and cash equivalents (A+B+C)		8,023.27	(4,377.44)
Cash and cash equivalents at the beginning of the year		3,887.20	8,264.64
Cash and cash equivalents at the end of the year		11,910.47	3,887.20

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Dvara Kshetriya Gramin Financial Services Private Limited
Cash flow statement for the year ended 31 March 2020
 (All amounts are in Indian Rupees in Lakhs, except share data and as stated)

Particulars	Net	As at March 31, 2020	As at March 31, 2019
1. Components of cash and cash equivalents	4		
Cash and cheques on hand	251.00	187.34	
Balances with banks			
-In current accounts	11,603.95	3,862.34	
-In deposit accounts with original maturity less than three months	7.52	7.52	
	11,862.47	3,867.36	
2. Change in liabilities arising from financing activities			

Particulars	Debt securities	Borrowings (other than debt securities)
As at March 31, 2019	4,367.21	52,753.23
Cash flows (net)	(229.61)	1,628.87
Others*	22.79	(36.83)
As at March 31, 2019	4,360.39	54,377.26
Cash flows (net)	2,287.19	13,764.30
Others*	(47.62)	173.73
As at March 31, 2020	6,479.56	70,214.09

* Others column include the effect of amortization of preexisting fees etc.

Significant accounting policies

3 and 1

The notes referred to above form an integral part of these financial statements.

As per our report of even date
 for B-S R & Co. LLP
 Chartered Accountants
 Firm's registration number: 1013489/W-100622

10/04/2020
 Harsh Vaishnav Lakhbari
 Partner
 Membership No. 222413

Place : Chennai
 Date : June 24, 2020

For and on behalf of the Board of Directors of
 Dvara Kshetriya Gramin Financial Services Private Limited
 CIN : U65991TN1991PTC024547


 Hindu Aasruth
 Director
 DIN: 02456029
 Place : Bangalore


 S. Balaji
 Company Secretary
 Membership No. A22951
 Place : Chennai
 Date : June 24, 2020


 Sanir Amrit Shah
 Director
 DIN: 06912693
 Place : Chennai


 G. Vijayakumar
 Chief Financial Officer
 Place : Chennai

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Dvara Kshetriya Gramin Financial Services Private Limited
 (Formerly Pustakara Financial Services Private Limited)
 Balance Sheet as of March 31, 2019
 (All amounts are in Indian Rupees in Lakhs, except share data and as stated)

	Note	As at March 31, 2019	As at March 31, 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	5	7,265.98	7,279.79
Reserves and surplus	4	8,582.81	1,134.74
Total shareholders' funds		15,848.85	8,414.53
Share application money pending allotment	5	1,890.00	-
Non-current liabilities			
Long-term borrowings	6	23,344.25	32,201.99
Deferred tax liabilities (net)	7	-	110.68
Other non-current liabilities	8	45.98	-
Long-term provisions	9	180.84	61.29
		23,570.27	32,373.56
Current liabilities			
Trade payables	10	-	-
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		328.25	463.03
Other current liabilities	11	34,251.67	26,181.47
Short-term provisions	9	1,890.00	621.63
		36,279.65	27,203.12
		76,638.27	68,685.61
ASSETS			
Non-current assets			
Fixed assets			
- Property, plant and equipment	12.1	306.46	114.48
- Intangible fixed assets	12.2	0.00	-
Deferred tax asset (net)	7	822.38	-
Receivables under financing activity	13	15,912.00	14,890.86
Long-term loans and advances	14	3,225.50	812.43
Other non-current assets	15	2,409.46	2,116.90
		23,546.86	16,848.67
Current assets			
Receivables under financing activity	13	49,026.14	38,854.39
Trade receivables	16	57.47	-
Cash and bank balances	17	4,927.83	9,883.86
Short-term loans and advances	18	1,747.88	1,471.41
Other current assets	19	2,322.28	527.48
		53,984.46	51,136.64
		76,638.27	68,685.61

Significant accounting policies

The notes referred to above form an integral part of the financial statements.

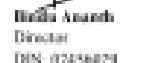
As per our report of even date attached.

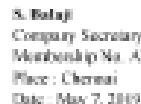
for BSR & Co LLP
 Chartered Accountants
 Firm Registration No: 1012489079-100822


 K. Raghuram
 Partner
 Membership No. 231171

 Place : Chennai
 Date : May 7, 2019

For and on behalf of the board of directors of
Dvara Kshetriya Gramin Financial Services Private Limited
 (Formerly Pustakara Financial Services Private Limited)
 CIN : U52301TN1995PTC024547


 Birla Ananta
 Director
 DIN: 02456429


 S. Balaji
 Company Secretary
 Membership No. A23991
 Place : Chennai
 Date : May 7, 2019


 Sanir Amit Shah
 Director
 DIN : 00912169


 G. Vijayakumar
 Chief Financial Officer

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Dvara Kshetriya Gramin Financial Services Private Limited
(Formerly Pashasuru Financial Services Private Limited)
Statement of profit and loss for the year ended March 31, 2019
~~(All amounts are in Indian Rupees in Lakhs, except share data and as stated)~~

	No.	For the year ended March 31, 2019	For the year ended March 31, 2018
REVENUE			
Revenue from operations	20	15,961.83	11,252.07
Other income	21	348.33	190.65
		16,300.16	11,442.72
EXPENSES			
Employee benefits	22	2,068.74	74.69
Finance costs	23	7,938.98	6,006.38
Depreciation and amortisation	24	124.06	5.90
Other expenses	25	1,718.21	5,882.80
Provision and loan losses	26	544.25	108.72
		14,339.36	10,878.55
Profit before tax		1,960.80	1,373.17
Tax expense			
- Current year		206.47	409.98
- Prior years		(224.21)	-
Minimum Alternative Tax credit entitlement		(463.19)	-
Deferred tax (credit) / charge		(911.06)	46.42
		(1,613.99)	456.40
Profit for the year		3,346.81	916.77
Earnings per equity share (face value of INR 100 per share)	34		
Basic and diluted		43.71	12.59
Significant accounting policies		2	
The notes referred to above form an integral part of the financial statements			
As per our report of (overleaf attached)			

for BSR & Co. LLP
 Chartered Accountants
 Firm Registration No: 101248W/W-109022

 K. Balaguruswamy
 Partner
 Membership No: 211171

Place : Chennai
 Date : May 7, 2019

For and on behalf of the board of directors of
 Dvara Kshetriya Gramin Financial Services Private Limited
(Formerly Pashasuru Financial Services Private Limited)
 DIN : 040994701490 PTCL01547



B. Balaji
 Director
 DIN: 02456029

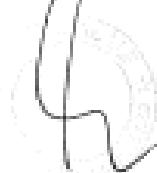
 B. Balaji
 Company Secretary
 Membership No: A21951
 Place : Chennai
 Date : May 7, 2019

G. Vijayakumar
 Chief Financial Officer


(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Divya Kalastraya Gramin Financial Services Private Limited
 (Formerly Pustakam Financial Services Private Limited)
Cash flow statement for the year ended March 31, 2019
 (All amounts are in Indian Rupees in Lakhs, except share data and as stated)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
A Cash flow from operating activities:			
Profit before tax		1,907.90	1,373.18
Adjustments for:			
Depreciation and amortisation		124.96	5.90
Loss / (profit) on sale of fixed assets		7.95	(142)
Contingent provision against standard assets		31.11	89.91
Provision for non-performing assets		(37.80)	14.51
Provision for grants		82.81	-
Provision for performance based incentive		18.17	-
Loan assets written off		336.85	-
Other receivables written off		38.90	4.90
Interest cost including amortisation of ancillary costs		7,287.14	5,997.81
Interest income on fixed deposits		(6.24)	-
(Gain) on sale of current investments		(136.88)	(177.54)
Liabilities / provision no longer required written back		(30.80)	(2.25)
Operating cash flow before working capital changes		9,299.27	7,294.80
Changes in working capital and other changes			
Decrease in receivables under financing activity		(3,220.90)	(21,897.85)
Decrease in trade receivables		445.38	-
Decrease/increase in loans and advances and other assets		69.48	(1,443.09)
Decrease / (increase) in other bank balances		8,634.35	(220.44)
Increase / (decrease) in trade payables, other liabilities and provisions		321.33	375.68
Cash used (in) / generated from operations		4,446.24	(16,831.30)
Finance costs paid		(7,243.30)	(5,877.37)
Income tax paid (net)		(110.92)	(179.60)
Net cash flow used (in) operating activities (A)		(3,388.38)	(22,228.31)
B Cash flows from investing activities:			
Proceeds from sale of fixed assets		4.01	2.23
Purchase of fixed assets		(163.77)	-
Purchase of current investments		(41,144.33)	(37,291.21)
Proceeds from sale of current investments		41,288.21	37,488.73
Interest received on fixed deposits		6.24	-
Net cash used (in) / generated from investing activities (B)		(16.64)	179.79
C Cash flows from financing activities:			
Proceeds from long term borrowings		30,049.00	48,370.00
Repayments of long term borrowings		(32,254.38)	(33,942.13)
Short application money pending allotment		1,000.00	-
Net cash used (in) / generated from financing activities (C)		(1,209.38)	22,427.87
Net (decrease) / increase in cash and cash equivalents (A+B+C)		(4,534.41)	649.35
Cash and cash equivalents at the beginning of the year		8,341.61	7,712.26
Cash and cash equivalents at the end of the year		3,807.20	8,341.61



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Pudhuaru Financial Services Private Limited**Balance sheet as at March 31, 2018**

(All amounts are in Indian Rupees, except share data and as stated)

	Note	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	727,979,000	727,979,000
Reserves and surplus	4	113,473,979	21,797,125
		<u>841,452,979</u>	<u>749,776,125</u>
Non-current liabilities			
Long-term borrowings	5	3,220,399,301	1,801,872,205
Deferred tax liabilities (net)	6	11,068,406	6,426,000
Long-term provisions	7	6,128,755	4,739,786
		<u>3,237,596,462</u>	<u>1,813,037,991</u>
Current liabilities			
Trade payables	8	-	-
- dues to micro enterprises and small enterprises		46,202,181	17,390,887
- dues to creditors other than micro enterprises and small enterprises			
Other current liabilities	9	2,618,147,260	1,759,206,399
Short-term provisions	7	65,162,448	29,493,765
		<u>2,729,511,889</u>	<u>1,806,091,051</u>
		<u>6,808,561,330</u>	<u>4,368,905,167</u>
ASSETS			
Non-current assets			
Fixed assets			
- Property, plant and equipment	10.1	1,847,593	2,507,809
- Intangible fixed assets	10.2	-	12,488
Receivables under financing activity	11	1,400,085,759	764,372,465
Long-term loans and advances	12	81,243,421	94,469,445
Other non-current assets	13	211,689,625	145,315,082
		<u>1,694,866,398</u>	<u>1,006,677,289</u>
Current assets			
Receivables under financing activity	11	3,885,439,195	2,331,797,164
Cash and bank balances	14	988,365,798	900,386,396
Short-term loans and advances	15	147,141,471	38,740,478
Other current assets	16	92,748,468	91,303,840
		<u>5,113,694,932</u>	<u>3,362,227,878</u>
		<u>6,808,561,330</u>	<u>4,368,905,167</u>

Significant accounting policies

2

The notes referred to above from an integral part of the financial statements
As per our report of even date attached

for B S R & Co. LLP

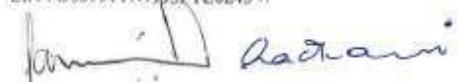
Chartered Accountants

ICAI Firm Registration No:101248W/W-100022



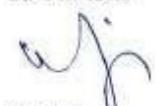
K. Raghuram
Partner
Membership No. 211171

For and on behalf of the board of directors of
Pudhuaru Financial Services Private Limited
CIN : U65991TN1993PTC024547



Samir Amrit Shah
Manager
DIN : 00912693

Anuradha Shripad Nadkarni
Director
DIN : 05338647



S. Balaji
Company Secretary
Place : Chennai
Date : April 27, 2018



G. Vijayakumar
Chief Financial Officer

Place : Chennai
Date : April 27, 2018

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Pudhuaru Financial Services Private Limited
Statement of profit and loss for the year ended March 31, 2018
(All amounts are in Indian Rupees, except share data and as stated)

	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
REVENUE			
Revenue from operations	17	1,125,206,847	658,535,397
Other income	18	19,965,493	28,905,531
		1,145,172,340	687,440,928
EXPENSES			
Employee benefits	19	7,468,650	7,240,291
Finance costs	20	600,637,985	377,675,955
Depreciation and amortisation	21	590,064	877,776
Other expenses	22	388,285,957	237,414,303
Provision and loan losses	23	10,872,010	29,313,293
		1,007,854,666	652,521,618
Profit before tax		137,317,674	34,919,310
Tax expense			
Current tax	24	40,998,414	7,555,050
Deferred tax charge		4,642,406	4,830,000
		45,640,820	12,385,050
Profit for the year		91,676,854	22,534,260
Earnings per equity share (Face value of INR 100 per share)	33		
Basic and diluted		12.59	4.71
Significant accounting policies	2		
The notes referred to above from an integral part of the financial statements			
As per our report of even date attached			

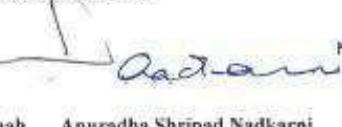
for B S R & Co, LLP
Chartered Accountants
ICAI Firm Registration No:101248W/W-100022


N Raghuram
Partner
Membership No. 211171

Place : Chennai
Date : April 27, 2018

For and on behalf of the board of directors of
Pudhuaru Financial Services Private Limited
CIN : U65991TN1993PTC024547


Samir Amrit Shah
Manager
DIN : 00912693


Anuradha Shripad Nadkarni
Director
DIN : 05338647


S. Balaji
Company Secretary
Place : Chennai
Date : April 27, 2018


G. Vijayakumar
Chief Financial Officer

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Padmavati Financial Services Private Limited
Cash flow statement for the year ended March 31, 2018
 (All amounts are in Indian Rupees, except share data and as stated)

	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
A Cash flow from operating activities			
Profit before tax		(37,317,674)	34,919,310
Adjustments for:			
Depreciation and amortization		990,064	877,774
Profit on sale of fixed assets		(141,936)	(96,472)
Gain on sale of current investments		(11,754,436)	(8,197,197)
Contingent provision for standard assets		8,993,653	8,563,710
Provision for non-performing assets		1,491,370	2,164,158
Provision no longer required written back		(225,000)	(23,386)
Finance costs		399,780,621	377,433,029
Operating Profit before working capital changes		730,000,010	415,540,925
Changes in working capital and other changes:			
Increase in receivables under financing activities		(2,189,355,325)	(1,150,578,719)
Increase in loans and advances		(76,490,496)	(38,242,018)
Increase in other assets		(67,819,171)	(46,782,861)
Increase in other bank balances		(27,044,339)	(42,333,510)
Increase in trade payables		29,036,294	797,123
(Decrease) / increase in other current liabilities		(1,363,413)	4,526,563
(Decrease) / increase in other provisions		(102,866)	98,816
Cash used in operations		(1,881,132,334)	(885,293,671)
Finance costs paid		(383,734,423)	(373,420,170)
Income tax paid (net)		(32,964,398)	(7,048,326)
Net cash flow used in operating activities (A)		(3,223,831,153)	(1,238,762,067)
B Cash flow from investing activities			
Proceeds from sale of fixed assets		224,576	140,680
Purchase of current investments		(3,729,120,679)	(2,325,798,101)
Proceeds from sale of current investments		3,746,875,112	2,312,065,298
Net cash provided by investing activities (B)		17,979,812	6,437,857
C Cash flow from financing activities			
Proceeds from long term borrowings		4,257,000,000	3,254,696,000
Rampayments of long term borrowings		(2,293,212,898)	(1,787,471,615)
Proceeds from issue of equity share capital		-	250,000,000
Net cash generated from financing activities (C)		1,266,787,102	1,717,128,385
Net increase in cash and cash equivalents (A+B+C)		60,935,092	487,884,075
Cash and cash equivalents at the beginning of the year		773,226,202	385,422,127
Cash and cash equivalents at the end of the year		834,161,294	770,796,302



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APPLICATION FORM**Dvara Kshetriya Gramin Financial Services Private Limited****CIN: U65991TN1993PTC024547**

A private limited company incorporated under the Companies Act, 1956

Date of Incorporation: 04/03/1993**Registered Office:** 10th Floor IITM Research Park, Taramani, Chennai, Tamil Nadu 600113**Telephone No.:** + 91-44-6668 7000**Website:** <https://www.dvarakgfs.com>**PRE APPLICATION – COMPANY OFFICE USE ONLY****APPLICATION FORM SERIAL NO.**

ISSUE OPENS ON: _____	ISSUE CLOSING ON: _____
OFFEREE DETAILS: _____ _____	

APPLICATION TO BE FILLED BY APPLICANT

Date of Application: _____

Issue of 1,500 (One Thousand Five Hundred) 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 15,00,00,000/- (Rupees Fifteen Crore Only) issued on a fully paid basis.

APPLICATION FORM FOR PRIVATE PLACEMENT OF UNLISTED, REDEEMABLE NON-Convertible DEBENTURES OF RS.1,00,000 ("Debentures")

Dear Sirs,

We understand and confirm that the information provided in the Offer Documents including Form PAS-4 is provided by the Issuer. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any. We understand that in case of incorrect/insufficient information including KYCs the Company shall be entitled at its sole discretion to reject the application.

We understand that NCDs issued to us have limited transferability and are governed under offer documents provided to us and Trust Deed executed in favor of Trustee appointed by the Company.

APPLICANT'S NAME IN FULL (CAPITALS) SPECIMEN SIGNATURE

APPLICANT'S ADDRESS

ADDRESS											
---------	--	--	--	--	--	--	--	--	--	--	--

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

STREET															
CITY															
PIN						PHONE						FAX			

APPLICANT'S PAN/GIR NO. _____ IT CIRCLE/WARD/DISTRICT _____

**SECOND/ JOINT APPLICANT'S NAME IN FULL (CAPITALS)
SIGNATURE**

SPECIMEN

SECOND/JOINT APPLICANT'S ADDRESS

ADDRESS														
STREET														
CITY														
PIN						PHONE						FAX		

APPLICANT'S PAN/GIR NO. _____ IT CIRCLE/WARD/DISTRICT _____

DEBENTURES APPLIED: Debentures (Rs.1,00,000/- per debenture, minimum
10 Debentures to be applied)

INTEREST FREQUENCY

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

We apply for following Interest Payments frequency for Debentures (tick whichever is required)

Monthly Cumulative/On Maturity

		FOR BANK USE ONLY	
Amount (Rs.) (in figures)		Date of clearance of cheque/payment	
Amount (Rs.) (In words)		PARTICULARS OF DP ID (IN CASE OF DEMAT APPLICATION ONLY)	
RTGS/Cheque/Fund Transfer/ Demand Draft drawn on (Name of Bank and Branch)	Cheque/Dem and Draft No./UTR No. in case of RTGS/ A/c no in case of FT	RTGS/Chequ e/ Demand Draft/ fund transfer Date	DP ID No.
			Client ID No.

PARTICULARS OF BANK ACCOUNT FOR INTEREST/MATURITY PAYMENTS (FOR PHYSICAL ONLY/ FOR DEMAT NCDs, PAYMENTS WILL BE MADE IN DEMAT LINKED BANK ACCOUNT)

I

Tax status of the Applicant (please tick one)

1. Non-Exempt 2. Exempt under Self-declaration Under Statute Certificate from I.T. Authority

We apply as (tick whichever is applicable)

Supply as (check whichever is applicable)

- 1. Financial Institution
- 2. Company
- 3. Insurance Company
- 4. NBFC/ RNBFC
- 5. Body Corporate
- 6. FII
- 7. Mutual Fund
- 8. Trust / Religious
- 9. Provident/Superannuation Fund
- 10. Commercial Banks
- 11. Society
- 12. Others

PAYMENT PREFERENCE

□ 7. Mutual Fund
□ 8. Trust / Religious/Charitable Trust
□ 9. Provident/Superannuation/Gratuity Fund
□ 10. Commercial Bank/RRB/Co-op.Bank/UCB
□ 11. Society
□ 12. Others

✓ Cheque / Draft /
BTGS/NEFT

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

CONTACT PERSON (IN CASE OF OTHER THAN INDIVIDUAL APPLICATION)

NAME	DESIGNATION	TEL. NO.
FAX NO.		
Email		

TO BE FILLED IN BY THE APPLICANT (IN CASE OF OTHER THAN INDIVIDUAL APPLICATION)

Name of the Authorized Signatory(ies)	Designation	Signature

.....TEAR

APPLICATION FORM FOR PRIVATE PLACEMENT OF NON CONVERTIBLE DEBENTURES	
ACKNOWLEDGEMENT SLIP	
Received from _____	an application for _____ debentures under Series _____
Address _____	cheque/ draft No. _____ dated _____
_____	Drawn on _____
_____ Pin Code _____	For Rs. (in figures) _____
	for Rs. (in words) _____

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1. Application must be completed in full BLOCK LETTERS IN ENGLISH except in case of signature. Applications, which are not complete in every respect, are liable to be rejected.
2. Payments must be made by NEFT/ RTGS or cheque marked 'A/c Payee only' or bank draft drawn in favour of "**Dvara Kshetriya Gramin Financial Services Private Limited**" and as per the following details:

Bank	ESAF Small Finance Bank
Account no.	20190000006201
Account name	Dvara Kshetriya Gramin Financial Services Pvt Ltd
Branch Name & Address	Velachery, Chennai
IFSC Code	ESMF0001218

Cheque or bank draft should be drawn on a scheduled bank payable at Chennai.

3. A copy of the Application Form along with relevant documents should be forwarded to the Registered Office of the Issuer to the attention of Ms. Shilpa B on the same day the application money is deposited in the Bank. A copy of PAN Card must accompany the application.
4. The Debentures may be issued in demat/physical form and subscribers may carefully fill in the details of Client ID/ DP ID in case of DEMAT and provide additional KYC in case of application for physical NCDs. A copy of DEMAT Master or statement may be enclosed for verification.
5. In case of application made by Individual applications for physical NCDs then additional KYC documents including self-certified copy of PAN and any of address proof including AADHAR, Driving License, Voter ID and Cancelled Cheque must be lodged along with the application or sent directly to the Issuer at its Registered Office to the attention of Ms. Shilpa B along with a copy of the Application Form.
6. In the case of application made under Power of Attorney or by limited companies, corporate bodies registered societies, trusts etc., following documents (attested by Company Secretary /Directors) must be lodged along with the application or sent directly to the Issuer at its Registered Office to the attention of Ms. Shilpa B along with a copy of the Application Form.
 - a. Certificate of Incorporation and Memorandum & Articles of Association;
 - b. Resolution of the Board of Directors and identification of those who have authority to operate;
 - c. Power of attorney granted to its managers, officers or employees to transact business on its behalf;
 - d. Any officially valid document to identify the trustees, settlers, beneficiaries and those holding Power of Attorney;
 - e. Certificate of registration;
 - f. Telephone Bill;
 - g. PAN (otherwise exemption certificate by IT authorities).

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7. The attention of applicants is drawn to Sub-Section (1) of Section 38 of the Act which is

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reproduced below:

"(1) Any person who—

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447."

Section 447 of the Act is reproduced below:

"Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud, shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:

Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years."

8. The applicant represents and confirms that it has understood the terms and conditions of the Debentures and is authorised and eligible to invest in the same and perform any obligations related to such investment.