

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

**5.17 Other details:**

**a. Debenture Redemption Reserve Creation:**

The Ministry of Corporate Affairs issued the Companies (Share Capital and Debentures) Rules, 2014 dated April 1, 2014 and Rule 18 (7)(b)(ii) specifies that for NBFCs registered with the RBI under Section 45-IA of the Reserve Bank of India Act, 1934, no debenture redemption reserve (DRR) is required in the case of privately placed debentures. Therefore, the Company will not be maintaining a DRR in respect of the Non-Convertible Debentures issued herein and the Bond Holders may find it difficult to enforce its interests in the event of default.

**b. Issue/Instrument specific regulations**

The Issue of Non-Convertible Debentures shall be in conformity with the applicable provisions of the Companies Act, 2013 (including the rules framed thereunder) and the SEBI Debt Listing Regulations and the applicable regulations issued by RBI on the private placement of Non-Convertible Debentures issued by NBFCs.

**c. Application process**

The application process for the Issue is as provided in Section 7 of this Information Memorandum.

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

The following contracts, not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than 2 (Two) years before the date of this Information Memorandum, which are or may be deemed material, have been entered into by the Company.

The contracts and documents referred to hereunder are material to the Issue, may be inspected at the Registered Office of our 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	Board Resolution dated June 3, 2017 authorising issue of Non-Convertible Debentures offered under terms of this Disclosure Document
3	Copies of Annual Reports of our Company for the last three financial years
4	Credit rating letter from the Rating Agency
5	Letter from Catalyst Trusteeship Limited giving its consent to act as Debenture Trustee
6	Letter for Register and Transfer Agent
7	Certified true copy of the certificate of incorporation of the Company
8	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the National Securities Depository Limited/CDSL

**5.19 Details of Debt Securities Sought to be Issued**

Under the purview of the current document, the Issuer intends to raise an amount of Rs. 100,00,00,000 /- (Rupees One Hundred and Crores only) by issue of Rated, Listed, Taxable, Secured, Senior, Redeemable INR denominated non-convertible debentures on a private placement basis.

For further details of the Non-Convertible Debentures, please refer to the terms and conditions of the debentures set out in Section 5.22 of the Information Memorandum.

**5.20 Issue Size**

The aggregate issue size for the Non-Convertible Debentures is Rs. 100,00,00,000 /- (Rupees One Hundred Crores only).

**5.21 Utilisation of the Issue Proceeds**

As per Clause 5.22 below.

**5.22 Issue Details**

Provided below are the brief terms and conditions for the Issue of the Debentures by the Company. The detailed mechanism for each of the items mentioned herein below is contained in the applicable and relevant Transaction Documents. Potential Investors are advised to peruse the Transaction Documents for details on the terms and conditions contained below. **In the event of any conflict between the terms and conditions contained below in this Information Memorandum and the other Transaction Documents, the Transaction Documents will prevail to the extent and in a manner as contained in those Transaction Documents.**

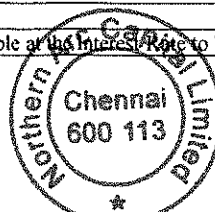
<b>Borrower / Company / Issuer</b>	Northern Arc Capital Limited (Formerly IFMR Capital Finance Limited)
<b>Debenture Trustee</b>	Catalyst Trusteeship Limited
<b>NCDs / Debentures</b>	1,000 Secured, senior, redeemable, taxable, non-convertible, rated, listed debentures ("Debentures"), with a face value of INR 10 lakhs per Debenture, aggregating to INR 100 Crores



*Signature*

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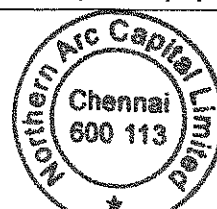
<b>End use</b>	Proceeds of the Debentures shall be applied towards the normal business activity of the Issuer. For clarity, the Debentures will not be utilized for investing into real estate or equity
<b>Rating</b>	A+ by the Rating Agency
<b>Tenor</b>	Approximately 2 years from the Deemed Date of Allotment
<b>Amount</b>	Rs. 100,00,00,000/- (Rupees One Hundred Crores only)
<b>Interest Rate/Rate of Interest/ROI</b>	9.88% payable as a quarterly coupon rate, translating to 10.25% Yield To Maturity
<b>Interest Type</b>	Fixed
<b>Interest Payment Frequency</b>	Quarterly
<b>Issue Price</b>	At Par
<b>Face Value per bond</b>	Rs 10,00,000/- (Indian Rupees Ten Lakh Only)
<b>Minimum Subscription Amount</b>	Rs 1,00,00,000/- (Indian Rupees One Crore Only)
<b>Listing</b>	The Debentures are proposed to be listed on the WDM segment of BSE Limited In case the Debentures are not listed within 20 days of Deemed Date of Allotment for any reason whatsoever, the Issuer shall be required to immediately redeem all the Debentures from the Debenture Holders along with the interest accrued calculated from the date of issuance at the Interest Rate till the date of redemption.
<b>Depository</b>	National Securities Depository Ltd. (NSDL)
<b>Business Day Convention</b>	'Business Day' shall mean a day (other than a public holiday or a Sunday) on which commercial banks are open for business in the city of Mumbai.  In the event that any of dates defined above or elsewhere in the Disclosure Document, excepting the Deemed Date of Allotment, fall on a Sunday or a public holiday in Mumbai, payment shall be done as per the applicable SEBI circular in this regards.
<b>Record Date</b>	3 Business Days prior to each Due Date.
<b>Default Interest Rate</b>	In case of a Payment Default as defined in the Debenture Trust Deed or any other Event of Default as defined in the Debenture Trust Deed, additional interest @ 2% p.a. over the Interest Rate will be payable by the Company for the defaulting period, until such event is cured.
<b>Redemption Amount</b>	The sum of: (i) the amount outstanding under the Debentures; and (ii) interest accrued and payable at the Interest Rate less, YTM Adjustment Amount; and (iii) Default Rate payable (if any) and other charges and fees payable by the Company.
<b>Step Up / Step Down Coupon Rate</b>	(i) In the event the credit rating of the Debentures as on the Deemed Date of Allotment ("Initial Rating") is downgraded by any rating agency, the applicable Interest Rate will be increased by: (i) 0.25% per annum for every notch of rating downgrade below A+ till the rating reaches A; and (ii) 0.50% per annum for every notch of rating downgrade below A. The increased rate will be applicable commencing from the date of such downgrade until such credit rating is upgraded back to the Initial Rating. In case of rating from multiple rating agencies, the lowest rating available shall be considered for the above purpose. (ii) In the event the credit rating of the Debentures is upgraded by any rating agency above Initial Rating, the applicable Interest Rate will be reduced by: (i) 0.25% per annum for every notch of rating upgrade above A+ till the rating reaches AA-; and (ii) 0.50% per annum for every notch of rating upgrade above AA-. The reduced rate will be applicable commencing from the date of such upgrade until such credit rating is downgraded back to the Initial Rating. In case of rating from multiple rating agencies, the lowest rating available shall be considered for the above purpose.
<b>Put Option(s)</b>	(A) Each of the Debenture Holders have the absolute right but not the obligation to require the Company to redeem all or part of the Debentures held by them on a Put Option Redemption Date ("Put Option"). The Debenture Holder(s) shall provide a notice of not less than 30 (Thirty) Business Days prior to the relevant Put Option Redemption Date to Company in the format as provided in Schedule VII of the Debenture Trust Deed (Form of Put Option Exercise Notice) ("Put Option Exercise Notice").  (B) Subject to (A) above, the Company shall redeem the Debentures in respect of which Put Option has been exercised on the relevant Put Option Redemption Date as per the Put Option Exercise Notice received by it from the Debenture Trustee.  (C) Upon exercise of the Put Option in a manner as set out in the Debenture Trust Deed, the Outstanding Amounts/the interest payable at the Interest Rate to the Debenture Holders on the relevant and applicable Put Option Redemption Date shall be adjusted or reduced by the YTM Adjustment Amount.
<b>Put Date(s)</b>	March 27, 2019
<b>YTM Adjustment Amount</b>	Means an amount by which the the interest payable at the Interest Rate to be paid to the Debenture



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	<p>Holder(s) upon exercise of the Put Option shall be reduced to achieve an effective yield on the Debentures being redeemed pursuant to the exercise of the Put Option as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>Date of exercise of the Put Option</td> <td>effective rate (XIRR)</td> </tr> <tr> <td>March 27, 2019</td> <td>10.00%</td> </tr> </table> <p>The YTM Adjustment Amount will take into account changes in the Interest Rate on account of any rating upgrade or rating downgrade.</p>	Date of exercise of the Put Option	effective rate (XIRR)	March 27, 2019	10.00%
Date of exercise of the Put Option	effective rate (XIRR)				
March 27, 2019	10.00%				
<b>Redemption</b>	Bullet on maturity				
<b>Security</b>	The Debentures shall be secured by way of a first ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation to be executed between the Company and the Debenture Trustee over the identified Receivables, and proceeds thereof, which may be added to or replaced in accordance with the provisions of the Deed of Hypothecation along with all benefits, rights and incidentals attached thereto (the "Hypothecated Property") in the manner prescribed in the Deed of Hypothecation and perfected by the Company in accordance with the terms of the Deed of Hypothecation.				
<b>Interest on Application Money</b>	<p>Interest at the Interest Rate (subject to deduction of tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Debentures for the period starting from and including the date of realization of application money in Issuer's Bank Account upto one day prior to the Deemed Date of Allotment</p> <p>Where Pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid</p>				
<b>Transaction Documents</b>	As specified in Clause 6.1 of this Information Memorandum.				
<b>Conditions Precedent</b>	<p>Customary to facilities of this nature:</p> <ul style="list-style-type: none"> <li>• Execution of Transaction Documents</li> <li>• Such other undertaking as may be required from the Company.</li> </ul>				
<b>Events of Default</b>	<p>Customary for financings of this nature and others appropriate in the judgment of the investors, upon the occurrence of which the investors will be entitled to accelerate the financing, subject to cure periods as may be contemplated in the Debenture Trust Deed, including but not limited to:</p> <ol style="list-style-type: none"> <li>(a) Non payment</li> <li>(b) Failure to meet the Covenants</li> <li>(c) Failure to perform obligations under the Bond Documentation</li> <li>(d) Misrepresentation</li> <li>(e) Cross default</li> <li>(f) Insolvency and other analogous events</li> <li>(g) Unlawfulness</li> <li>(h) Repudiation of Bond Documentation</li> <li>(i) Change / cessation of business</li> <li>(j) Material adverse effect</li> </ol>				
<b>Covenants for Facility</b>	As contemplated in the Debenture Trust Deed				
<b>Representations, Warranties</b>	<p>Customary for financings of this nature and others appropriate in the judgment of the investors, upon the occurrence of which the investors will be entitled to accelerate the financing, including but not limited to:</p> <ol style="list-style-type: none"> <li>(a) Corporate existence, power and authority;</li> <li>(b) Legal validity and binding nature of the transaction;</li> <li>(c) Corporate and governmental authorizations and consents;</li> <li>(d) non-contravention of existing agreements and constitutional documents and binding nature of the same;</li> <li>(e) No outstanding default or material litigation;</li> <li>(f) No violation of law or material agreements;</li> <li>(g) No occurrence of a material adverse effect;</li> <li>(h) No litigation that may have a material adverse effect on operation of business;</li> <li>(i) No insolvency or insolvency proceedings;</li> <li>(j) Completeness and accuracy of financial statements;</li> <li>(k) Fund proceeds under this transaction shall only be applied in accordance with the end use as stated in this agreement;</li> </ol>				
<b>Governing Law and Jurisdiction</b>	To be governed and construed exclusively in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at Mumbai.				
<b>Transaction Costs</b>	<p>The Issuer shall bear all transaction related costs incurred by the Investor with respect to legal counsel, valuers and auditors / consultants. Such costs include:</p> <ol style="list-style-type: none"> <li>1. Legal fees</li> <li>2. Trustee fees</li> <li>3. Stamping and registration in relation to creation of security and all Transaction Documents.</li> </ol>				
<b>Taxes, duties costs and</b>	1. Relevant taxes, duties and levies are to be borne by the Company.				



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expenses	
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