

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

No. _____

Addressed to: _____

INFORMATION MEMORANDUM

NORTHERN ARC CAPITAL LIMITED (FORMERLY IFMR CAPITAL FINANCE LIMITED)

A public limited company incorporated under the Companies Act, 1956

Date of Incorporation: March 09, 1989

Registered Office: No. 1, Kanagam Village, 10th Floor IITM Research Park,
Taramani, Chennai, Tamil Nadu 600113

Telephone No.: + 91-44-6668 7000

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

Information Memorandum for issue of Debentures on a private placement basis

Dated: December 08, 2020

Issue of 25,000 (Twenty-Five Thousand) Rated, Listed, Senior, Secured, Redeemable, Taxable, Principal Protected, Market Linked, Non-Convertible Debentures of face value of Rs. 10,000/- (Rupees Ten Thousand only) each, aggregating up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) on a private placement basis (the "Issue") in two series (i) 12,500 (Twelve Thousand and Five Hundred) Debentures having a face value of Rs 10,000/- (Rupees Ten Thousand) each, aggregating to INR 12,50,00,000 (Twelve Crores and Fifty Lakhs) ("Series 1 Debentures") and 12,500 (Twelve Thousand and Five Hundred) Debentures having a face value of Rs 10,000/- (Rupees Ten Thousand) each, aggregating to INR 12,50,00,000 (Twelve Crores and Fifty Lakhs) ("Series 2 Debentures") (the "Issue").

Background

This Information Memorandum is related to the Debentures to be issued by Northern Arc Capital 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 August 26, 2020 and the Board of Directors of the Issuer on June 26, 2020 and the Memorandum and Articles of Association of the Company. Pursuant to the resolution passed by the Company's shareholders dated August 26, 2020 in accordance with provisions of the Companies Act, 2013, the Company has been authorised to borrow and raise funds, by way of issuance of non-convertible debentures, upon such terms and conditions as the Board may think fit for aggregate amounts not exceeding INR 5,000 Crores - (Rupees Five Thousand Crores only). The present issue of Debentures in terms of this Information Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

Credit Rating

The Debentures proposed to be issued by the Issuer have been rated by India Ratings vide its letter dated December 03, 2020 wherein a rating of "IND PP-MLD A+emr" with Stable outlook has been 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 from India Ratings dated December 03, 2020 Rating Agency assigning the credit rating above mentioned.

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

Issue Schedule

Issue Opening on: December 10, 2020

Issue Closing on: December 10, 2020

Deemed Date of Allotment: December 11, 2020

Debenture Trustee	Registrar and Transfer Agent
<p>Catalyst Trusteeship Limited Address: Windsor, 06th Floor Office No. 604, C.S.T Road, Kalina, Santacruz (East) Mumbai - 400098 Tel: 022-49220555 Fax: +91 (022) 49220505 Email: Suhani.merchant@ctltrustee.com Contact Person: Ms. Suhani Merchant</p>	<p>Kfin Technologies Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032</p>

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 day during the period covered by the Issue Schedule.

The Debentures are proposed to be listed on the wholesale debt market of the Bombay Stock Exchange (“BSE”).

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

TABLE OF CONTENTS

SECTION 1:	DEFINITIONS AND ABBREVIATIONS	4
SECTION 2:	NOTICE TO INVESTORS AND DISCLAIMERS	9
SECTION 3:	RISK FACTORS	13
SECTION 4:	FINANCIAL STATEMENTS	20
SECTION 5:	REGULATORY DISCLOSURES	21
SECTION 6:	DISCLOSURES PERTAINING TO WILFUL DEFAULT	67
SECTION 7:	TRANSACTION DOCUMENTS AND KEY TERMS	68
SECTION 8:	OTHER INFORMATION AND APPLICATION PROCESS	83
SECTION 9:	DECLARATION	92
ANNEXURE I:	TERM SHEET	93
ANNEXURE II:	RATING LETTER FROM THE RATING AGENCY	94
ANNEXURE III:	CONSENT LETTER FROM THE DEBENTURE TRUSTEE	95
ANNEXURE IV:	APPLICATION FORM	96
ANNEXURE V:	LAST AUDITED FINANCIAL STATEMENTS	99

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

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	The allotment of the Debentures pursuant to this Issue.
Applicable Law	Includes all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Application Form	The form used by the recipient of this Information Memorandum, to apply for subscription to the Debentures, which is in the form annexed to this Information Memorandum and marked as Annexure IV .
Board / Board of Directors	The Board of Directors of the Issuer.
Business Day	Any day of the week (excluding Saturdays, Sundays, and any day which is a public holiday) on which banks are normally open for business in Mumbai, India, and " Business Days " shall be construed accordingly.
Client Loan	Shall mean each loan made by the Company as a lender.
Company/Issuer	Northern Arc Capital Limited
Crore	25,00,00,000/- (Rupees Twenty-Five Crores only)
Debentures/NCDs	Issue of 2,500 (Two Thousand and Five Hundred) Rated, Listed, Senior, Secured, Redeemable, Taxable, Principal Protected, Market Linked, Non-Convertible Debentures of face value of Rs. 10,000/- (Rupees Ten Thousand only) each, aggregating up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) on a private placement basis (the "Issue") in two series (i) 1,250 (One Thousand Two Hundred and fifty) Debentures having a face value of Rs 10,000/- (Rupees Ten Thousand) each, aggregating to INR 12,50,00,000 (Twelve Crores and Fifty Lakhs) ("Series 1 Debentures") and 1,250 (One Thousand Two Hundred and fifty) Debentures having a face value of Rs 10,000/- (Rupees Ten Thousand) each, aggregating to INR 12,50,00,000 (Twelve Crores and Fifty Lakhs) ("Series 2 Debentures")
Debenture Holders / Investors	The holders of the Debentures issued by the Issuer, which shall include the registered transferees of the Debentures from time to time.
Deemed Date of Allotment	December 11,2020
Debenture Trustee	Catalyst Trusteeship Limited
Debenture Trustee Agreement	Agreement executed / to be 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

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

Deed of Hypothecation	The unattested deed of hypothecation to be executed by and between the Issuer and the Debenture Trustee, pursuant to which hypothecation over the Hypothecated Property shall be created by the Issuer in favour of the Debenture Trustee (acting for and on behalf of the Debenture Holders).
Deemed Date of Allotment	December 11, 2020
Demat	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, 2018, as amended from time to time.
Depository Participant / DP	A depository participant as defined under the Depositories Act
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 otherwise prior to the scheduled Redemption Date or upon acceleration.
EFT	Electronic Fund Transfer
Effective Coupon Amount	The coupon amount payable per Debenture. Effective Coupon Amount shall be calculated in accordance with the terms provided under Section 5.23 of this Information Memorandum.
Eligible Investors	Shall have the meaning specified in 8.14 below.
Financial Indebtedness	Shall mean any indebtedness for or in respect of: (a) monies borrowed; (b) any amount availed of by acceptance of any credit facility; (c) any amount raised pursuant to the issuance of any notes, bonds, debentures, loan stock or any other similar securities or instruments; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted principles of accounting in India, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables sold in the ordinary course of business or to the extent that they are sold on a non-recourse basis); (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

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

	<p>(i) the amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into such agreement is to raise finance;</p> <p>(j) any put option, guarantees, keep fit letter(s), letter of comfort, etc. by whatever name called, which gives or may give rise to any financial obligation(s);</p> <p>(k) any preference shares (excluding any compulsorily convertible preference shares); or</p> <p>(l) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above;</p>
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
IND AS	shall mean the Indian generally accepted accounting principles issued under the Companies (Indian Accounting Standards) Rules, 2015, as amended, together with any pronouncements issued under applicable law thereon from time to time and applied on a consistent basis by the Company.
Governmental Authority	The President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same, any municipal or local government authority, any authority or private body exercising powers conferred by applicable law and any court, tribunal or other judicial or quasi-judicial body and shall include, without limitation, a stock exchange and any regulatory body.
Hypothecated Property	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.
Issue	Private Placement of the Debentures.
Issue Closing Date	December 10, 2020
Issue Opening Date	December 10, 2020
MFI	Micro Finance Institution
Majority Debenture Holders	Debenture Holders whose participation or share in the principal amount(s) outstanding with respect to the Debentures aggregate to 51% (Fifty one) of the value of the nominal amount of the Debentures for the time being outstanding.
Maturity Date	Series 1 - March 11, 2022, Series 2 – June 11, 2022 or such other date on which the final payment of the principal amount of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.
Material Adverse Effect	The effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, a material and adverse effect on (i) the financial condition, business or operation of the Issuer; (ii) the ability of the Issuer to perform their obligations under the Transaction Documents; or (iii) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).

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

Net Income	For any particular period and with respect to the Issuer, all revenue (including donations and grants) less all expenses (including taxes, if any for such period).
N.A.	Not Applicable
NBFC	Non-banking financial company
NBFC-MFI	Non-Banking Financial Company –Micro Finance Institution
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
Private Placement Offer cum Application Letter	The private placement offer cum application letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
Rating Agency	India Ratings & Research (Fitch Group), Wockhardt Tower, West Wing, Level 4, Bandra Kurla Complex, Mumbai, 400051
RBI	Reserve Bank of India.
RBI NBFC SI Master Directions, 2016	Shall mean the Reserve Bank of India Master Directions dated September 1, 2016 bearing reference no. DNBR.PD.008/03.10.119/2016-17 on 'Non-Banking Financial Company – Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
Register of Debenture Holders	The register maintained by the Company containing the name of Debenture holders entitled to receive Coupon/ Redemption Amount in respect of the Debentures on the Record Date, which shall be maintained at the Registered Office of the Company.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being Kfin Technologies Private Limited.
ROC	Registrar of Companies.
Rs. / INR	Indian National 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) Regulation, 2008 issued by SEBI, as amended from time to time.
Security	The security for the Debentures as specified in Section 5.23 hereto.
Security Cover	The aggregate value of all the Hypothecated Property which is to be maintained by the Company, on and from the Deemed Date of Allotment till the Maturity Date, at an amount no less than 1.01 x times of the aggregate of the outstanding principal amount and the coupon amount outstanding of the Debentures.
TDS	Tax Deducted at Source.
The Companies Act/ the Act	The Companies Act, 2013 and the relevant rules issued thereunder.
Terms & Conditions	The terms and conditions pertaining to the Issue as outlined in the Transaction Documents.

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

Transaction Documents	The documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out in SECTION 7:.
Valuation Agency	A third- party valuation agency appointed or to be appointed by the Issuer in accordance with the terms of the circular number Cir. /IMD/DF/17/2011 dated September 28, 2011 titled 'Issue and Listing of Structured Products/Market Linked Debentures, 2011, issued by SEBI ("SEBI Guidelines").
WDM	Wholesale Debt Market segment of the BSE
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, as amended from time to time .

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

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 to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Information Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum to be filed or submitted to the SEBI for its review and/or approval. This Information Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and applicable RBI regulations governing private placements of debentures by NBFCs. This Information Memorandum has been prepared solely to provide general information about the Issuer to Eligible Investors (as defined below) 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 any 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 analyze such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The Issuer certifies that the disclosures made in this Information Memorandum and/or the Private Placement Offer cum Application Letter are adequate and in conformity with the SEBI Debt Listing Regulations and the Companies (Prospectus and Allotment of Securities) Rules, 2014. 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 is neither a prospectus nor a statement in lieu of a prospectus)

This Information Memorandum, the Private Placement Offer cum Application Letter and the respective contents hereof respectively, are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All 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 Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom Application Forms along with this Information Memorandum and/or 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 in 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 and/or the Private Placement Offer cum Application Letter comes are required to inform themselves of, and to observe, any such restrictions. The

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

Information Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

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

2.3 DISCLAIMER CLAUSE OF RBI

The company is having a valid certificate of registration issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/ discharge of liability by the company.

2.4 DISCLAIMER CLAUSE OF SEBI

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

2.5 Disclaimer by the Valuation Agent

Market Linked Debenture Valuation provided by the Valuation Agent reflects the Valuation Agent's opinion on the value of the Market Linked Debenture on the valuation date and does not constitute an audit of the Issuer by the Valuation Agent. The Valuation is based on the information sought from the Issuer or obtained by the Valuation Agent from sources it considers reliable. The Valuation Agent does not guarantee the completeness or accuracy of the information on which the Valuation is based. The Valuation Agent specifically states that the Valuation is an indicative value of the Debenture on the valuation date and can be different from the actual realizable value of the Debenture. The Valuation does not comment on the market price of the Market Linked Debentures or suitability for a particular investor. In the event of early redemption/buy back/ any other premature exit, investors may choose to contact the Company directly or through their intermediaries (through whom investments in the Specified MLDs were made) or, in the alternative, follow the procedure as set out in the relevant Offer Document.

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

2.6 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to investors as specified under the paragraph titled “Eligible Investors” of this Information Memorandum, who shall be/have been identified upfront by the Issuer. This Information Memorandum 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, India. 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.

2.7 DISCLAIMER IN RESPECT OF RATING AGENCIES

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

2.8 ISSUE OF DEBENTURES IN DEMATERIALIZED 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 the Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

2.9 DISCLAIMER IN RELATION TO VALUATION AGENCY

The Issuer has appointed a Valuation Agency in terms of the SEBI Guidelines. The valuations as have been provided by the Valuation Agency, on the websites of the Issuer and the Valuation Agency or otherwise, do not represent the actual price of the Debentures that may be received upon sale or redemption of Debentures. They merely represent the Valuation Agency’s computation of the valuation which may in turn be based on several assumptions. A Debenture Holder understands and is aware that the valuation is not in any manner reflective of the actual returns that can be obtained by such Investor on the Debentures

2.10 DISCLAIMER IN RELATION TO REFERENCE INDEX

Past performance of the Reference Index is not a guarantee of any future results. Any returns mentioned in this Information Memorandum in connection with the Debentures are only indicative in nature and are based on assumptions in relation to the behavior of the Reference Index. Such assumptions should not be relied on for making an investment in the Debentures

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

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 stated 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 does not represent that the statements below regarding risks of holding the Debentures are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Potential 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. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

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 make provisions towards sub-standard/ non-performing investment as per their usual norms.

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

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

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

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

3.7 SECURITY MAY BE INSUFFICIENT TO REDEEM THE DEBENTURES

In the event that 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 Debenture Holder(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 Debenture Holder(s)' 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 in the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of their incorporation or the jurisdiction in which they operate 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 of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

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

3.11 INVESTMENT IN THE DEBENTURES ARE SUBJECT TO MODEL RISKS

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

3.12 RISKS RELATED TO THE BUSINESS OF THE ISSUER

- (a) ***The Company's focus is on small and medium sized originators that are typically rated around investment grade. This exposes the Company to substantially higher credit risk.***

The Company has developed detailed and comprehensive underwriting guidelines and eligibility criteria to evaluate partners in the microfinance, small business loans, affordable housing finance, vehicle finance, agricultural finance and corporate finance (non-financial services) sectors.

A thorough due diligence is conducted on every potential partner, based on the underwriting guidelines. The underwriting guidelines include eligibility criteria which form a critical part of the evaluation process. The broad heads covered under the eligibility criteria are governance, strategy and organisational factors, management, systems and technology, risk management practices, and financial performance.

The due-diligence visits typically last 2-4 days and include meetings with top and second line of management, and field/credit staff. The MIS is evaluated for its accuracy of loan performance data, ability to clearly tag loans to specify lenders/investors and ability to generate meaningful reports. Other systems like internal audit, cash-flow management at branches, recruitment policies, credit evaluation methods, security valuation methods, legal diligence etc. are also evaluated.

Considerable time is spent evaluating field operations during the due diligence visit. During their visits to randomly selected branches, sections, and customers of the client, the due diligence team evaluates the quality of the origination, credit and collection processes, cash management and follow-up process by the field staff in cases of delay in repayment as well as how strictly the client's own prescribed processes are followed.

At the end of the visit, the due diligence team meets with the senior management team of the client to provide detailed feedback on the findings during the due diligence, with specific recommendations. In some cases, the due diligence team may require the organization to implement the recommendations before any exposure may be taken by Northern Arc Capital Limited. In such instances, a follow-up due diligence visit is conducted at a later stage to verify if all suggestions have been implemented as per the requirements of the Company.

Further, the risk management process of the Company involves an in-depth data analysis plus periodic field monitoring of each client. Analytics involves weekly follow-up on the performance of the underlying pools on a granular loan-by-loan basis. Any irregularities noticed are immediately reported to the Monitoring team and brought to the notice of the partners. The monitoring team typically conducts 1-3 monitoring visits a year on every active client following a risk based design. A typical monitoring visit consists of a 2-3 days including field visit followed by interaction with senior management. The goal of closely and continuously monitoring each active client is to assess potential stress symptoms on the ground, ascertain quality of systems and operations, verify compliance with covenants and underwriting guidelines, and monitor financial performance and management quality.

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

The quality of the underwriting guidelines developed and the thoroughness of the due diligence and monitoring processes has enabled the Company to identify and work with high quality originators who are small and regionally focused.

- (b) ***The Company is exposed to regulatory risk. Regulations affecting domestic / international capital markets, the microfinance sector, priority sector lending norms etc. may have an adverse effect on the business of the Company.***

The Reserve Bank of India (RBI) released final guidelines for securitization on August 21, 2012 and subsequently on reset of first loss provided by originators. Based on feedback from various stakeholders the final guidelines have specific requirements on Minimum Holding Period (MHP), Minimum Retention Requirement, credit enhancement, and accounting treatment. The Company believes that these guidelines are positive for the microfinance sector, Further, the Company believes that these guidelines will assist in the development of the rated securitization market.

The RBI has also recently amended the regulations governing NBFCs (categories of NBFCs, provisioning requirements, capital adequacy requirements, requirements for RBI approval prior to foreign direct investment), which will have a bearing on the operations of the Company.

- (c) ***Around 25% of the Company's portfolio is presently exposed to Microfinance Institutions and newly formed Small Finance Banks which typically have relatively high political and regulatory risk.***

In November 2016, the Government of India withdrew the legal tender status of INR 500 and INR 1,000 currency notes, which resulted in a shortage of cash with MFI customers. This consequently led to a significant reduction in collections from microfinance customers across the country. The impact was felt by many Microfinance Institutions and Small Finance Banks including our partner institutions.

As a response to event risk, Northern Arc Capital Limited has since inception been working towards substantially diversifying its portfolio across states and districts. As of March 31st, 2020, the Company's portfolio is spread across 36 states and union territories and 690 districts across the country.

The Company has also diversified its exposure to other asset classes, which now cumulatively account for 84% of the overall exposure. It currently operates in Small Business Loans, Affordable Housing Finance, Vehicle Finance, Agricultural Finance and Corporate Finance (non-financial services entities). The Company has substantially diversified its client base to include NBFCs / HFCs/ Non- Financial Services companies in the above asset classes - As on date, around 84% of the clients of the Company belong to the above asset classes.

- (d) ***The Company is exposed to legislative and taxation risk which may have an adverse impact on the returns of its investments.***

In the Finance Act, 2016, certain changes were made to the tax treatment of securitisation SPVs, and tax on income for investors. These changes seek to provide pass through status to income of securitisation trust and instead tax will be deducted at 25% for individuals/ HUFs and 30% for corporates also such income will have to be treated as taxable income in the hands of investors. This will affect the post-tax investment returns for investors in securitisation SPVs and will also have an impact in their investment decisions. Northern Arc Capital Limited, as a principal investor, is also affected by these changes.

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

The RBI has, frequently over the past several years, made changes in the regulations governing priority sector lending. These changes have largely been to the benefit to the business of the Company. However, future changes may expose the Company to risk. The RBI and SEBI have also made several changes to regulations governing foreign institutional investors, qualified foreign investors, alternative investment vehicles and capital markets in general – all of which will impact the Company's business.

In case of changes of laws which, in the opinion of the Debenture Trustee (acting on the instructions received from the Debenture Holders), adversely and materially impacts the business of the Company, the Debenture Trustee and the Company shall discuss the implications of such change on the business of the Company. Any such prepayments shall be made only after obtaining the necessary approvals as may be required under Applicable Law.

- (e) ***If the Company is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation, it will be difficult for the Company to manage its business and growth.***

The Company's business model is unique in its sphere of operations, which is a key attraction for highly qualified professionals. The organization has, so far, largely been able to attract and maintain high quality and highly motivated individuals, with substantial experience in capital markets, global markets and microfinance. The Company is also governed by a well-qualified Board that includes four Independent Directors as well as nominee directors of reputed investor firms.

The Company has also implemented a robust long-term incentive plan for senior management to ensure that key senior staff remains motivated towards the long-term growth and well-being of the Company.

- (f) ***The Company needs to raise equity and/ or sub debt on a regular basis and a failure or delay to do so may cause an impact on its growth prospects.***

As an NBFC regulated by the RBI, Northern Arc Capital Limited is required to comply with regulatory norms on capital adequacy apart from investor/ lender covenants on both capital adequacy and leverage. Therefore, to support a fast growing Balance Sheet, it is imperative that the Company needs to continuously raise equity/ sub debt. The Company, in the past, has been successfully able to raise equity/ sub debt from reputed investors to satisfy requirements. The senior management has significant experience in handling potential equity raise processes and will be ably aided by a competent Board of Directors which has multiple nominee Directors from reputed PE investors and other financial institutions.

- (g) ***Transition to Ind AS from the Financial year 2018-19 and its impact on the reported financial numbers in the future.***

The Ministry of Corporate Affairs, in its press release dated January 18, 2016, issued a roadmap for implementation of IND AS for scheduled commercial banks, insurers, insurance companies and NBFCs. This roadmap requires these institutions to prepare IND AS based financial statements for the accounting periods beginning from 1 April 2018 onwards with comparatives for the periods ending March 31, 2018.

There has been no attempt to quantify or identify the impact of the differences between Indian GAAP and IND AS, as applied to our financial statements, in this IM. There is no certainty on the impact that the transition will have it is possible that there could be an adverse effect on the Company's financial statements.

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

(h) ***The Company is still in its growth phase. Track record of size and sustained and profitable growth may not be maintained.***

The Company has completed eleven years of profitable operations and demonstrated the efficacy of its business plan by enabling financing of over Rs.850 billion for its clients till March 2020. The Company has at present, over 200 financial institutions as its clients in addition to other corporate and retail clients. Over the years, the Company has structured and implemented various kinds of capital market transactions including single originator securitizations, listed multi-originator securitizations, non-convertible debentures, collateralized bond issuances, commercial paper, assignments etc. Transactions structured by the Company have been placed with a wide variety of investors. Further, the Company has achieved a high market share of financing amongst its clients.

The Company has also obtained a rating of ICRA A+ from ICRA Limited. The rating takes into consideration the growth in business volumes along with diversification into multiple asset classes, while maintaining good asset quality. In addition, the rating continues to be based on the Company's strong governance and management team, good underwriting systems and monitoring mechanisms.

(i) ***To scale up business volumes, there is a need for continued development of a broad investor base for investments in clients. The Company faces the risk of not being able to access a suitably wide investor base to ensure demand for the transactions arranged by the Company.***

Over the last ten years the Company has enabled investments by mutual funds, banks, non-bank finance companies, offshore funds, DFIs, insurance companies and private wealth clients into the sectors it operates in via securitization transactions, syndicated debt and placement of non-convertible debentures and commercial papers. The Company has developed a high quality capital markets sales team operating from multiple locations across the country. The Company has built a strong network of investors who have largely been repeat investors in transactions arranged by the Company. Further, the Company's general strategy of investing in the entities it arranges financing for is a factor that improves investor confidence in the sector thereby attracting new class of investors into all the sectors it works in.

The Company is also actively pursuing and acquiring new investors for investing in transactions structured by it.

(j) ***Competition from investment banks and other arrangers may adversely affect the Company's competitive position and ability to source business.***

The Company's business model has substantial focus on underwriting, relationship building and risk monitoring as set out below and the same may not be treated as competitive advantage in the event of competition from investment bankers and other arrangers

- Development of underwriting guidelines – the underwriting guidelines represent a significant step in the Company's understanding of the sector and risks involved. These guidelines are modified from time to time based on market changes.
- Relationship and value added to clients – the Company has enabled substantial funding for several clients over the past many years even at times when the client's sector faced a crisis and found it difficult to raise financing. Further, the Company has also provided incremental benefits to its clients through feedback post due diligence, and through regular financing at a lower cost.

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

- Risk analytics - The Company also has a strong risk analytics team that, through a portfolio monitoring system, has captured granular data on every transaction. This data has been utilized in development of risk models, predictive asset models, correlation analysis, area / state risk metrics etc., all of which are essential inputs into credit decisions.
- Risk monitoring – The Company has a strong risk monitoring team that periodically assesses partners’ ability to continue to service the portfolio under various scenarios – both external and internal. The monitoring team visits all our active clients 1-3 times a year and reviews the adherence of their systems and process to the requirements of the lending model and identify the stress signals, their compliance to regulatory requirements, and to documentation and security.

(k) ***Movement in market interest rates may adversely affect the margins of the Company***

The Company largely borrows from the bank market, which is floating rate in nature. Further, such borrowing is typically linked to the lender’s base rate, which is a non-tradable benchmark. To mitigate the interest rate risk, the Company has recently moved to a floating rate lending framework as well, which is linked to its FBLR (Floating Benchmark Lending Rate) rates for different tenures for a portion of the portfolio.

The Company has constituted an Asset and Liability Management Committee (ALCO) that actively monitors the interest rate risk.

(l) ***The Company’s strategy is to enable access to financing to high quality partners in various asset classes, given that many of our partners are small, early stage entities who typically have a limited track record, this exposes the Company to higher business risk***

The Company believes that consistently expanding its reach to new asset classes that directly have an impact on financially underserved households will enable to build a truly inclusive financial system. This can be achieved only through partnering with high quality but small entities which are in their early stage. The business model relies on the partner’s ability to ascertain creditworthiness of the end customer through an assessment of business cash flows, business and household expenses, references from business partners and security over tangible assets.

The strategy followed by the Company in each asset class it works in is consistent – onsite assessment of partners, developing stringent underwriting guidelines, assisting rating agencies and investors in their evaluation frameworks, enhancing due diligence and monitoring capabilities, and structuring capital market transactions.

(m) ***Issuer may be required to increase capital ratio or amount of loan loss reserves, which may result in changes to business and accounting practices that would harm business and results of operations.***

The Issuer is subject to the RBI minimum capital to risk weighted assets ratio regulations. Pursuant to Section 45–IC of the RBI Act, 1934 every NBFC is required to create a reserve fund out of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. Every applicable NBFC shall maintain a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items.

The RBI may also in the future require compliance with other financial ratios and standards. Compliance with such regulatory requirements in the future may require alteration of its business and accounting practices or take other actions that could materially harm its business and operating results.

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

SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the year ended 31st March 2020 are set out in **Annexure V** hereto.

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

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 the BSE:

- (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) Copy of the resolution passed by the shareholders of the Company at the General Meeting held on August 26, 2020, authorizing the issue / offer of non-convertible debentures by the Company;
- (e) Copy of the resolution passed by the Board of Directors of the Company dated June 26, 2020, authorizing the issuance of the Debentures and the list of authorized signatories;
- (f) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the 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 20 (fifteen) working days of execution of the same.
- (g) Where applicable, an undertaking that permission/consent from the prior creditor for a second or *pari passu* charge being created, in favor of the trustees to the proposed issue has been obtained; and
- (h) 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 the Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009/ Uniform Listing Agreement as prescribed in SEBI's circular no. CFD/CMD/6/2015 dated October 13, 2015 as amended from time to time, for furnishing / publishing its half yearly/ annual results. Further, the Issuer shall within 180 (One Hundred and Eighty) days from the end of the financial year, submit

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

a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within 2 (Two) working days of their specific request.

5.3 Name and Address of Registered Office of the Issuer

Name:	Northern Arc Capital Limited (formerly IFMR Capital Finance Limited)
Registered Office of Issuer:	No. 1, Kanagam Village, 10 th Floor IITM Research Park, Taramani Chennai, Tamil Nadu, 600113 IN
Corporate Office of Issuer:	No. 1, Kanagam Village, 10 th Floor IITM Research Park, Taramani Chennai, Tamil Nadu, 600113 IN
Compliance Officer of Issuer:	Srividhya R
CFO of Issuer:	Nandita Ganapathy
Registration Number:	B-07.00430
Corporate Identification Number:	U65910TN1989PLC017021
Phone No.:	(+91-44) 6668 7000
Fax No:	(+91-44) 6668 7010
Contact Person:	Srividhya R
Email:	srividhya.r@northernarc.com
Website of Issuer:	https://www.northernarc.com/
Auditors of the Issuer:	BSR & Co. LLP, Chennai No.10, Mahatma Gandhi Road, Nungambakkam Chennai 600034
Trustee to the Issue:	Catalyst Trusteeship Limited Address: GDA House, First Floor, Plot No. 85 S. No.94 & 95, Bhusari Colony (Right), Kothrud, Pune – 411038
Registrar to the Issue:	KFIN technologies private limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032
Credit Rating Agency of the Issue:	India Ratings & Research (Fitch Group) Wockhardt Tower, West Wing, Level 4, Bandra Kurla Complex, Mumbai, 400051

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

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

(a) **Overview:**

Northern Arc Capital Limited (Formerly IFMR Capital Finance Limited) is a non-banking financial company (NBFC). It is a board-led, management-run company with no identified promoter. Reputed investors like Dvara Trust, Leapfrog Investments, Accion, Eight Roads, IIFL Special Opportunities Fund, Augusta Investments and Sumitomo Mitsui Banking Cooperation are shareholders of the Company.

The Company is primarily engaged in providing diversified financing options, particularly from debt capital markets, to high quality NBFC's that provide credit to financially underserved households in India. It has also recently started working directly with small businesses in non-financial sectors. Northern Arc Capital Limited invests in the structured transactions arranged by the Company, often in the subordinated tranches. The Company also provides loans to its partner institutions to originate portfolio that can be securitized at a later date.

Northern Arc Capital Limited achieves the above by:

- Identifying high quality partners using its stringent underwriting framework
- Enabling debt capital markets access to its partner institutions by investing its debt capital and providing funded / unfunded second loss support
- Using its financial structuring expertise to achieve efficient pricing for clients
- Utilizing financial tools such as securitisation, assignment and credit enhancement to customize products and structures to match the risk profiles of different categories of investors

The Company has attracted and hired employees with experience in capital markets, structuring, and risk management to achieve its mission of enabling access to debt capital for institutions that have an impact on low income households. The Company has a strong management team and experienced Board comprising largely of professional directors.

The Company has stringent underwriting guidelines for selection of its partners and loan pools. This includes an in-depth evaluation framework, a detailed due diligence process and robust risk management systems. This approach has enabled the Company to maintain the quality of its portfolio and achieve efficient geographical diversification.

The Company has a well-established risk management function consisting of risk analytics, risk monitoring and risk modelling. The risk team consists of qualified risk professionals. Keeping in line with best practices in risk management, the Board maintains oversight of risk through a Risk Committee, which reports on a quarterly basis to the Board. The Risk Committee includes the Chief Executive Officer and one independent member of the Board. The risk management function consists of risk analytics and monitoring and surveillance.

- The risk analytics team maintains a comprehensive database of transactions, both live and completed. Data is maintained and pool performance is tracked at a granular level on a daily basis. This enables pool analysis and selection of future pools based on performance at district and entity levels.

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

- The monitoring and surveillance team conducts multiple field monitoring visits every year, to ascertain compliance and evaluate the risks on the ground using an exhaustive stress metrics framework. The risk modelling team uses past pool performance data to build predictive risk models that would enable a better and more scientific understanding of risks in this sector.
- Feedback from the risk team is incorporated in entity, geography and pool selection for all transactions.

Industry overview

Non-banking finance companies have emerged as important financial intermediaries particularly for the small scale and retail sectors. With simplified sanction procedures, flexibility, low operating cost and focused product presence, NBFCs have an edge over banks in meeting the credit needs of customers. Interest from investors – both equity and debt has been increasing.

Many NBFCs have attracted capital in the form of both debt and equity in recent years. They are growing on the back of high penetration in smaller towns, product and process innovation, and continued focus on core businesses. Increased regulatory coverage and movement towards secured asset classes is expected to strengthen the sector.

Vision and Mission

Vision - To be a trusted global platform that enables flow of finance from providers to users in a reliable and responsible manner

Mission - To enable access to finance for the underbanked

Corporate status as on September 30, 2020

Highland Leasing and Finance was set up in 1989, acquired by IFMR Trust in 2008 and the name was changed to IFMR Capital Finance Private Limited in June 2009. The company became a public limited company in December 2017 and changed its name to IFMR Capital Finance Limited. In February 2018, as part of a rebranding initiative, the name was changed to Northern Arc Capital Limited. with an objective to be a trusted global platform that enables flow of finance from providers to users in a reliable and responsible manner. LeapFrog Investments owns around 22.09%, Eight Roads owns around 10.04%, Dvara Trust owns around 9.50%, Accion owns around 5.68%, IIFL Special Opportunities Fund owns around 25.09%, Sumitomo Mitsui Banking Cooperation owns around 5.17%, Augusta Investment owns around 17.39% of the equity of Northern Arc Capital Limited. The Issuer is currently registered as a non-deposit accepting NBFC with the RBI. The Issuer derives the following benefits of being registered as an NBFC:

- **Access to Funds:** Commercial lenders have greater comfort lending to a regulated NBFC with transparent ownership. As an Issuer, Northern Arc Capital Limited can raise equity and offer commercial returns.
- **Diverse Funding Sources:** An NBFC can access commercial investors and international capital markets, diversifying away from donors or members as equity funders.
- **Commercialisation:** Classifying Northern Arc Capital Limited as an NBFC increases its commercial credibility and integrates it and its clients into the formal financial sector which ultimately increases its outreach potential.

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

- **Mainstream Resources:** As a for-profit commercial NBFC, Northern Arc Capital Limited will be more likely to attract mainstream capital resources which Societies or Trusts would find difficult to attract.
- **Regulatory Coverage:** As Northern Arc Capital Limited grows in size, operating as an NBFC within the regulatory framework mitigates risks from political and regulatory intervention.
- **Stakeholder Involvement:** As an NBFC, Northern Arc Capital Limited can bring a variety of stakeholders to the table, including clients, management, employees and investors.

Company Credit Rating

The Company's long-term debt rating was retained at IND A+ by India Ratings and Research and was placed on Rating with Stable outlook as on December 03, 2020. The rating takes into consideration the company's adequate liquidity indicators, healthy capitalization, declining sectoral concentration and niche competitive strengths and experience. The rating also factors in moderate borrower profile, expected pressure on profitability, system wide disruptions caused due to Covid and sizeable lending to small institutions.

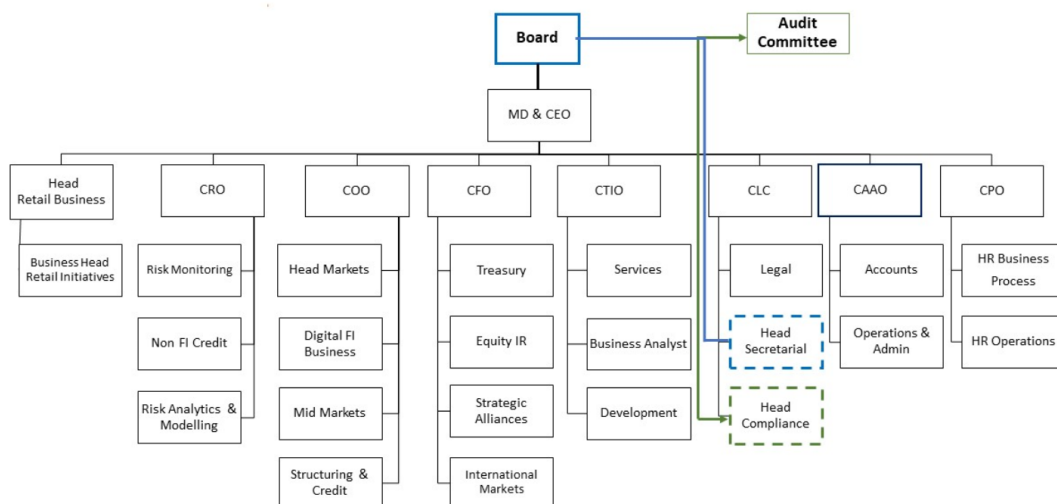
Investment Thesis

Northern Arc Capital Limited presents an attractive investment opportunity driven by multiple reaffirming factors such as:

- **Proven track record:** Since inception, Northern Arc Capital Limited has enabled financing in excess of over Rs.850 billion as of March 31, 2020. Northern Arc Capital Limited was able to enable high volumes of financing in the microfinance sector even when the sector went through a crisis. Further, the Company has achieved this while maintaining excellent asset quality. Northern Arc Capital Limited has also introduced financially relevant products like multi-originator securitisation and a first-of-its-kind guarantee program for Indian microfinance institutions in partnership with the Asian Development Bank.
- **High credibility:** Northern Arc Capital Limited has high credibility due to its unique model and years of strong underwriting, structured finance and sector experience.
- **Strong risk management practices:** The risk function at Northern Arc Capital Limited reports to the Risk Committee, which includes external directors of Northern Arc Capital Limited. The risk function includes risk monitoring, portfolio- level risk reporting and analytics and risk modelling across asset classes. The risk analytics team proactively monitors performance of Northern Arc Capital Limited's extensive portfolio, evaluates proposed transactions for the risk impact and reports on adherence to lender and regulatory covenants.
- **Diversification:** The Company's portfolio is diversified across six asset classes, and 34 states and union territories and more than 580 districts across in the country.
- **Governance:** Northern Arc Capital Limited has built over the years, unique insights into origination, policy. Further, the Company benefits from the strategic inputs provided by experienced senior management and Board of Directors.

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

(a) **Corporate Structure/Organization Structure**



(b) **Brief Profile of the Senior Management**

Name	Designation	Experience
Kshama Fernandes	Chief Executive Officer	Kshama has extensive experience across financial advisory, consulting, and academia. Prior to joining IFMR Capital, she was Professor & Head of Finance at Goa Institute of Management. She has worked on consulting assignments for the World Bank, the Chicago Mercantile Exchange, Ministry of Finance, Government of India, and NSEIT. She was a core committee member of the Percy Mistry Committee on Making Mumbai an International Financial Centre and also developed the SEBI mandated certification programme for derivatives for the National Stock Exchange (NSE) and NCDEX.
Bama Balakrishnan	Chief Operating Officer	Bama was previously the Chief Financial Officer from 2017. In her role as CFO, she played a key role in deepening access to liabilities and completing a significant capital raise for Northern Arc. She joined Northern Arc Capital in 2012 and initially served as the Chief Risk Officer. In this phase, she led the strengthening of the risk management approach as the company scaled up across multiple new sectors. Prior to Northern Arc Capital, Bama worked with ICICI Bank for 10 years initially in the structured finance team and later lead teams in corporate and investment banking in India, USA and Singapore. She is a Director on the Board of Dvara Research, a policy research institution with focus on financial systems design and household finance as key areas. She graduated with an MBA from IIM Ahmedabad and has a bachelor's degree in commerce from University of Madras. She is also a CFA charter holder.

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

Pardhasaradhi Rallabandi	Chief Risk Officer	Pardha is the Chief Risk Officer of NACL. He is a Mechanical Engineer and obtained PGDM from IIM Kolkata (batch of 1999). He worked with Standard Chartered Bank for 14 years, beginning as Relationship Manager in Wholesale Banking and moving on to multiple roles in Relationship Management, Credit and Risk. His last two roles were Chief Risk Officer for the Bank in Sri Lanka and Senior Credit Officer, Commodities Risk, South Asia. He is a sports enthusiast and enjoys traveling, running and golf.
Nandita Ganapathy	Chief Financial Officer	Nandita joined Northern Arc in June 2012. A Chartered Accountant by profession, Nandita has worked with banks such as ICICI Bank & Standard Chartered Bank for over 9 years prior to joining Northern Arc Capital Limited. Within banking, Nandita has experience across functions covering Origination, Relationship management, credit and risk management, and across businesses including Retail, SME & Financial Institutions. In her earlier role in Northern Arc, Nandita led Northern Arc Capital Limited's efforts in debt capital markets and worked closely with institutional and retail investors, both domestic and international, linking them to high quality originators providing assets at superior risk adjusted returns. In her current role, she is looking after newer business opportunities and strategic alliances for Northern Arc. Nandita is passionate about dancing and she enjoys community service during her spare time.
Saurabh Jaywant	Chief Legal Counsel	Saurabh is a lawyer with Sixteen years of experience in Structured Finance, Capital Markets, Corporate and Banking. At ICICI Bank Limited he handled a very wide variety of portfolios ranging from the development of domestic retail products in India to cross-border project finance transactions and lead the team responsible for legal aspects of the operations of ICICI Bank in Sri Lanka, the Middle East and Africa region. Prior to that, he worked with a law firm, Junnarkar & Associates, concentrating mostly on Corporate law matters. He studied law at the National Law School of India University, Bangalore. His interests include Physics and Natural History. He enjoys travelling and reading. At Northern Arc Capital Limited, he heads the legal function which includes developing, providing advice on, negotiating and evaluating transactions and structures in furtherance of responsible financial inclusion.
C. Kalyanasundaram	Chief Accounts & Audit Officer	Kalyan joined Northern Arc Capital Limited in September 2009 and was deeply involved in setting up a strong and focused Operations, Accounts and compliance team from inception. Kalyanasundaram has over 21 years' experience in the accounts, treasury, taxation, and operations functions, of which over 16 years is in the banking and financial services space. Prior to Northern Arc Capital Limited, Kalyan was with Standard Chartered Scope

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

		International, dealing with management reporting, migration projects and technical functionalities for a data warehouse projects and with the Cholamandalam group and other manufacturing companies. Kalyanasundaram graduated in Commerce and Law from Madras University.
Salil Nair	Chief Technology & Information Officer	Salil is a technology strategist and brings in deep expertise through his experience in driving large transformational programs as 'Head of Technology Services and Operations' at FSS. Prior to this he spent about 16 years at FIS where he was heading the end-to-end IT Operations for India and South East Asia which includes building new capabilities, re-engineering of business processes and operation and setting up new data-center for multiple marque clients. He spear-headed the implementation for various key initiatives like Mahila Bank, Bandhan Bank etc in his previous roles and was engaged in business continuity and info-sec planning and implementation for the Organization. Salil has done his Bachelor of Technology in Computer Science and Engineering & Master of Science in Software Systems from BITS.
Amit Mandhanya	Senior Director & Business Head - Retail Initiatives, Origination	Amit has been with Northern Arc Capital Limited for the last 6 years. He spearheaded the launch and scale up of the vehicle finance sector which is, as of March 2019, the third largest sector in Northern Arc Capital Limited's portfolio. Amit graduated from the Institute of Rural Management, Anand, in 2008. During 2008-11, he worked with the Indian Oil Corporation and was involved in identifying new business opportunities.
Varoon Naidu	Senior Director & Head - Markets	Varoon joined Northern Arc Capital in March 2010 and has worked in a variety of roles across teams within the Company. Prior to moving to the Markets Team in 2014, he was in the Treasury of Northern Arc capital where he was responsible for fundraising and managing all relationships with Banks and Financial Institutions. He was also one of the first members to join the Risk Management team in 2010 and was a part of the team that set up the Risk Analytics and Reporting framework. He holds a Master's degree in Advanced Accounting and Finance from Griffith University in Australia. Prior to Joining IFMR Capital, he worked with the George Weston Group in Brisbane; and interned with the Queensland Treasury while pursuing his postgraduate degree.
Ashish Thekkekara	Head - FI Origination & Digital Business	Ashish is head of FI Origination & Digital Business and has over a decade of experience spanning business, credit and risk management, strategy & new initiatives. Experienced in leading large teams and operating at scale, Ashish was responsible for setting up and expanding new sectors including agri-finance, fintech, gold loans, and corporate finance. During his time at Northern Arc Capital, Ashish was head of business for the largest business vertical of the company comprising of microfinance, fintech, and

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

		agri-finance clients. Prior to joining Northern Arc Capital, he worked with the business incubation team at Villgro. Ashish is also passionate about staying active in the entrepreneurship space and routinely advises early stage entrepreneurs through various forums and engagements. While not at work, Ashish enjoys road trips on his motorcycle and trying out his culinary skills.
--	--	---

There can be changes in the senior management/Key Management Personnel of the company on an ongoing basis.

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

(Rs. Crores)

Parameters	H1FY2021 (Ind AS Audited)	FY2020 (Ind AS Audited)	FY 2019 (Ind AS Audited)	FY 2018 (Ind AS Audited)
Net worth	1642.85	1597.71	1290.03	854.79
Total Debt (a+b+c)	2915.74	2921.57	2912.91	2917.66
Net Fixed Assets	23.69	24.29	7.02	5.29
Cash and Cash Equivalents	405.74	410.42	243.12	200.64
Assets Under Management	4197.08	4084.8	3849.1	3444.3
Managed Assets	48.06	89.5	126.2	126.1
Interest Income	291.19	556.45	510.72	403.99
Fee Income	22.96	65.31	60.37	59.52
Other income	17.08	12.68	46.00	22.54
Interest Expense	157.85	309.20	301.83	237.15
Provisioning & Write-offs	69.66	35.49	14.86	42.02
PAT	39.57	102.93	115.43	75.65
Gross NPA (%)	1.98%	0.52%	0.85%	0.13%
Net NPA (%)	0.43%	0.19%	0.04%	0.08%
Tier I Capital Adequacy Ratio (%)	32.41%	31.83%	25.87%	15.39%
Tier II Capital Adequacy Ratio (%)	1.30%	1.33%	1.18%	1.23%

- (a) **Gross Debt: Equity Ratio of the Company (As on September 30, 2020):**

On Consolidated Financials

Before the issue of debt securities	1.77
After the issue of debt securities	1.87

- (b) **Project cost and means of financing, in case of funding new projects:**
N.A.

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

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

(a) **Details of Share Capital as on last quarter end i.e. September 30, 2020:**

Details of Share Capital as on September 30, 2020:	
Share Capital	Rs.
Authorised:	
12,50,00,000 equity shares of Rs. 10 each, 1,98,00,000 redeemable preference shares of Rs. 10 each and 6,01,00,000 Compulsorily Convertible Preference Shares of Rs. 20 each	265,00,00,000
Total	265,00,00,000
Issued, Subscribed and Fully Paid-up:	
87,477,903 equity shares of Rs. 10 each	874,779,030
41,323,204 Compulsorily Convertible Preference Shares of Rs. 20 each	826,464,080
Total	1,701,243,110

(b) **Changes in its capital structure as on last quarter end i.e. September 30, 2020, for the last five years:**

Changes in its capital structure as on September 30,2020 for the last five years:	
Date	Change in authorised Share Capital
April 2, 2009	Authorised share capital increased from Rs. 32,00,000 to Rs. 40,00,00,000
September 29, 2009	Authorised share capital increased from Rs. 40,00,00,000 to Rs. 65,00,00,000
March 13, 2014	Authorised share capital increased from Rs. 65,00,00,000 to Rs. 100,00,00,000
December 28, 2015	Authorised share capital changed to include preference shares Rs. 20,00,00,000
July 27, 2016	Authorised share capital increased from Rs. 120,00,00,000 to Rs. 220,00,00,000
October 7, 2016	Authorised Share capital reclassified to facilitate issuance of compulsorily convertible preference shares
September 24, 2018	Authorised share capital increased from Rs. 220,00,00,000 to Rs. 265,00,00,000
March 21, 2019	The authorized share capital of the Company has been reclassified to facilitate issuance of Compulsorily Convertible Preference Shares

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

(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	No of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration	Nature of Allotment	CUMULATIVE PAID UP CAPITAL		
							No of Equity Shares	Equity Share Capital (Rs. in Crore)	Equity Share Premium (In Rs.)
29-09-2009	IFMR Trusteeship Services Private Limited (on behalf of IFMR Trust) (Now known as Dvara Trusteeship Services Private Limited and Dvara Trust respectively)	3,63,20,000	10	10	36,32,00,000	Preferential allotment	3,63,20,000	36.32	Nil
25-03-2010	IFMR Trusteeship Services Private Limited (on behalf of IFMR Trust) (Now known as Dvara Trusteeship Services Private Limited and Dvara Trust respectively)	2,36,80,000	10	10	23,68,00,000	Preferential allotment	6,00,00,000	60	Nil
21-03-2014	IFMR Holdings Private Limited	46,225,895	10	14.93	69,01,52,612	Transfer from IFMR Trusteeship Services Private Limited (on behalf of IFMR Trust)	6,00,00,000	60	Nil
28-03-2014	Leapfrog Financial Inclusion India Holding Limited	13,223,141	10	44.45	72,00,00,027	Preferential Allotment	7,32,23,141	73.22	44.45
27-05-2014	Leapfrog Financial Inclusion India Holding Limited	5,142,332	10	44.45	27,99,99,977	Preferential Allotment	7,83,65,473	78.36	44.45
15-07-2014	Leapfrog Financial Inclusion India Holding Limited	1,37,74,105	10	44.45	75,00,00,017	Transfer from IFMR Trusteeship Services Private Limited (on behalf of IFMR Trust)	7,83,65,473	78.36	NIL

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

21-01-2016	Leapfrog Financial Inclusion India (II) Ltd.	32,139,578	10	NIL	NIL	Transfer of shares from Leapfrog Financial Inclusion India Holdings Limited to Leapfrog Financial Inclusion India (II) Limited	78,365,473	78.36	NIL
14-10-2016	FIL Capital Investments (Mauritius) Limited	100	10	121.23		Allotment of Fresh Shares	78,365,573	78.36	111.23
14-10-2016	FIL Capital Investments (Mauritius) Limited	1,979,859	10	121.23	240,018,307	Transfer of shares from Leapfrog Financial Inclusion India Limited to FIL Capital Investments Mauritius (II) Limited	78,365,573	78.36	NIL
15-12-2016	Standard Chartered Bank (Singapore Branch)	100	10	121.23		Allotment of Fresh Shares	78,365,673	78.36	111.23
15-12-2016	Standard Chartered Bank (Singapore Branch)	3637908	10	121.23	441,023,587	Transfer of 338209 equity shares from IFMR Holdings Private Limited and 3299599 equity shares from Leapfrog Financial Inclusion India Limited to Standard Chartered Bank (Singapore Branch)	78,365,673	78.36	NIL
25.07.2018	Kshama Fernandes	1	10	205	205	Preferential Allotment	78,365,674	78.36	195
25.07.2018	Bama Balakrishnan	1	10	205	205	Preferential Allotment	78,365,675	78.36	195

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

25.07.2018	Kalyanasundaram C	1	10	205	205	Preferential Allotment	78,365,676	78.36	195
25.03.2019	IIFL Special Opportunities Fund	100	10	197.02	19702	Preferential Allotment	78,365,776	78.36	187.02
28.03.2019	IIFL Special Opportunities Fund	828971	10	197.02	16,33,04,164	Transfer of 8,28,871 equity shares from Leapfrog Financial Inclusion India II Ltd. to IIFL Special Opportunities Fund	78,365,776	78.36	187.02
28.03.2019	IIFL Special Opportunities Fund- Series 2	614899	10	197.02	12,11,47,401	Transfer of 6,14,899 equity shares from Leapfrog Financial Inclusion India II Ltd. to IIFL Special Opportunities Fund – Series 2	78,365,776	78.36	187.02
28.03.2019	IIFL Special Opportunities Fund- Series 3	270482	10	197.02	5,32,90,364	Transfer of 2,70,482 equity shares from Leapfrog Financial Inclusion India II Ltd. to IIFL Special Opportunities Fund – Series 3	78,365,776	78.36	187.02
28.03.2019	IIFL Special Opportunities Fund- Series 4	929618	10	197.02	18,31,53,338	Transfer of 9,29,618 equity shares from Leapfrog Financial Inclusion India II Ltd. to IIFL Special Opportunities Fund – Series 4	78,365,776	78.36	187.02

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

28.03.2019	IIFL Special Opportunities Fund- Series 5	762773	10	197.02	15,02,81,537	Transfer of 7,62,773 equity shares from Leapfrog Financial Inclusion India II Ltd. to IIFL Special Opportunities Fund – Series 5	78,365,776	78.36	187.02
28.03.2019	IIFL Special Opportunities Fund- Series 7	755371	10	197.02	14,88,23,194	Transfer of 7,55,371 equity shares from Leapfrog Financial Inclusion India II Ltd. to IIFL Special Opportunities Fund – Series 7	78,365,776	78.36	187.02
23.04.2019	Augusta Investments (II) Pte. Ltd	1959935	10			Transfer of shares from Accion Africa Asia Investment Company to Augusta	7,83,65,776	78.36	NIL
23.04.2019	Augusta Investments (II) Pte. Ltd	1984839	10			Transfer of shares from Leapfrog to Augusta	7,83,65,776	78.36	NIL
15.06.2019	Standard Chartered Bank (Singapore Branch)	5,851,000	10	20	11,70,20,000	Conversion of series A CCPS held by Standard Chartered Bank (Singapore Branch)	8,42,16,776	84.21	NIL
29.08.2019	Northern Arc Employee Welfare Trust	100	10	110	11,000	Allotment of ESOP shares to employee	8,42,16,876	84.21	100
04.10.2019	Northern Arc Employee Welfare Trust	31383	10	110	34,52,130	Allotment of ESOP shares to employee	8,42,48,259	84.24	100
04.10.2019	Northern Arc Employee Welfare Trust	11,000	10	181	19,91,000	Allotment of ESOP shares to employee	8,42,59,259	84.25	171

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

16.12.2019	Sumitomo Mitsui Banking Corporation	31,97,644	10	197.02	62,99,99,821	Preferential Allotment	8,74,56,903	87.45	187.02
16.12.2019	Sumitomo Mitsui Banking Corporation	38,06,720	10			Transfer of shares from Dvara Trust to Sumitomo Mitsui Banking Corporation	8,74,56,903	87.45	
16.12.2019	Augusta Investments Pte. Ltd	3855876	10			Transfer of shares from leapfrog to Augusta	8,74,56,903	87.45	
16.12.2019	Augusta Investments Pte. Ltd.	30,39,262	10			Transfer of shares from Accion to Augusta	8,74,56,903	87.45	
16.12.2019	IIFLSpecial Opportunities Fund – Series 7	16,76,557	10			Transfer of shares from Leapfrog to IIFLSpecial Opportunities Fund Series 7	8,74,56,903	87.45	
16.12.2019	IIFLSpecial Opportunities Fund	17,31,827	10			Transfer of shares from Accion to IIFLSpecial Opportunities Fund	8,74,56,903	87.45	
24.12.2019	Augusta Investments Pte. Ltd.	38,55,876	10	-	-	Transfer of shares from Leapfrog to Augusta	9,13,12,779		
24.12.2019	IIFL Special Opportunities Fund - Series 7	16,76,557	10	-	-	Transfer of shares from Leapfrog to IIFL Special Opportunities Fund - Series 7	9,29,89,336		
24.12.2019	IIFL Special Opportunities Fund	17,31,827	10	-	-	Transfer of shares from Accion to IIFL Special Opportunities Fund	9,47,21,163		
24.12.2019	Augusta Investments Pte. Ltd.	30,39,262	10	-	-	Transfer of shares from Accion to Augusta	9,77,60,425		
24.12.2019	Augusta Investments Pte. Ltd.	10,25,318	20	197.02	20,20,08,152.36	Allotment of CCPS to Augusta			

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

						Investments II Pte. Ltd.			
20.01.2020	Northern Arc Employee Welfare Trust	21,000	10	110	23,10,000.00	Allotment of ESOP shares to employees			

(d) **Details of any Acquisition or Amalgamation in the last 1 (one) year:**

Pursuant to Scheme of Arrangement (Demerger) and Amalgamation between IFMR Holdings Private Limited, Dvara Investments Private Limited and Northern Arc Capital Limited which was sanctioned by Hon'ble National Company Law Tribunal, Single Bench, Chennai vide order dated February 20, 2019 read with corrigendum dated February 26, 2019, the Dvara Investments Private Limited has been amalgamated in Northern Arc Capital Limited.

(e) **Details of any Reorganization or Reconstruction in the last 1 (one) year:**

Pursuant to Scheme of Arrangement (Demerger) and Amalgamation between IFMR Holdings Private Limited, Dvara Investments Private Limited and Northern Arc Capital Limited which was sanctioned by Hon'ble National Company Law Tribunal, Single Bench, Chennai vide order dated February 20, 2019 read with corrigendum dated February 26, 2019, the Dvara Investments Private Limited has been amalgamated in Northern Arc Capital Limited.

5.6 **Details of the shareholding of the Company as on September 30, 2020:**

(a) **Shareholding pattern of the Company as on September 30, 2020:**

Sr. No.	Particulars	Total Number of Shares	Number of shares held in Dematerialized Form	Total Shareholding as a % of total no. of equity shares
1	Leapfrog Financial Inclusion India (II) Limited	2,99,52,665	2,99,52,665	22.09%
2	Dvara Trust	1,28,78,682	1,28,78,682	9.50%
3	Accion Africa Asia Investment Company	76,99,529	76,99,529	5.68%
4	Eight Roads Investments Mauritius (II) Limited	1,36,10,748	1,36,10,748	10.04%
5	IIFL Special Opportunities Fund and IIFL Special Opportunities Fund – Series 2 to 7	3,40,06,698	3,40,06,698	25.09%
6	ESOP Unvested Pool	67,88,275	-	5.01%
7	Sumitomo Mitsui Banking Corporation	70,04,364	70,04,364	5.17%
8	Augusta Investments Pte II Ltd.	2,35,84,935	2,35,84,935	17.39%
9	Others	63,486	63,486	0.05%
	Total No. of Shares	13,55,89,382	13,55,89,382	100.00%

Notes: Details of shares pledged or encumbered by the promoters (if any): None

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

(b) **List of top 10 holders of equity shares of the Company as on September 30, 2020:**

Sr. No.	Particulars	Total Number of Equity Shares	Number of shares held in Dematerialized Form	Total Shareholding as a % of total no. of equity shares
1	Leapfrog Financial Inclusion India (II) Limited	2,99,52,665	2,99,52,665	34.24%
2	Augusta Investments Pte II Ltd.	2,03,28,820	2,03,28,820	23.24%
3	Dvara Trust	1,28,78,682	1,28,78,682	14.72%
4	Accion Africa Asia Investment Company	76,99,529	76,99,529	8.80%
5	Sumitomo Mitsui Banking Corporation	70,04,364	70,04,364	8.01%
6	IIFL Special Opportunities Fund	25,60,798	25,60,798	2.93%
7	IIFL Special Opportunities Fund – Series 7	24,31,928	24,31,928	2.78%
8	Eight Roads Investments Mauritius (II) Limited	19,79,859	19,79,859	2.26%
9	IIFL Special Opportunities Fund – Series 4	9,29,618	9,29,618	1.06%
10	IIFL Special Opportunities Fund – Series 5	7,62,773	7,62,773	0.88%

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:

S.No.	Name & Designation	Address	Date of Birth	DIN	PAN	Age (yrs)	Director of the company since	Details of other directorship
1.	Kshama Fernandes	C No 81, Gyan Park, TM Maistry Road, Thiruvanmiyur, Chennai – 600041, Tamil Nadu, INDIA	13 th Nov 1968	02539429	AADPF4018J	49	1 st August 2012	NSE Investment Limited – Director Northern Arc Investment Managers Private Limited – Director Northern Arc Investment Adviser Services

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

								Private Limited – Director Northern Arc Foundation – Director
2.	Michael Fernandes	Suraj Millenium, 13th Floor, Bhulabhai Desai Road, Mumbai, Maharashtra, India 400026	24 th Oct 1969	00064088	NA	48	28 th March 2014	Neogrowth Credit Private Limited – Director Ascent Meditech Limited – Nominee Director
3.	Ms. Anuradha Rao	Flat NO.4 C, Kinellan, Nepean Sea Road, Near J Mehta Marg Bus Stand, Malabar Hill Mumbai-400006	28 th September, 1959	07597195	ABKPR 3671B		31 st October 2019	National stock Exchange of India Ltd-Director
4.	Mr. Samir Shah	901 Satguru Sanskar Co-operative Housing Society Limited, No. 19, TPS 1V, 3rd Road, Off Turner Road, Bandra (West), Mumbai – 400050, Maharashtra, India.	18 th Oct 1968	00912693	BEUPS 7327R	49	19 th January 2018	Dvara Smart Gold India Private Limited-Director Dvara Khestriya Gramin Financial Services Private Limited – Director Dvara Solutions Private Limited – Director Dvara Money Private Limited-Director Dvara Research Foundation-Director

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

								Dvara Registry Private Limited- Director Dvara E-Dairy Solutions Private Limited- Director Dvara Trusteeship Services Private Limited- Additional Director; Northern Arc Foundation - Director
5.	Mr. Rajesh Kumar Dugar	31, Chitrakoot, Altamount Road, Mumbai - 400 026	1 st July 1969	000405 16	ABLDP 3072B	49	21 st February 2017	Shreem Electric Limited – Director Sripan Land Development Private Limited – Director Manthan Software Services Private Limited – Nominee Director Eight Roads Investment Advisors Private Limited – Director
6.	Mr. Vijay Chakravarthi	Flat 2402, Planet Godrej, Tower Terra, Keshavrao Khadye Marg, Mumbai - 400011	10 th September 1975	080202 48	AGOP N6892 K	42	19 th January 2018	Affirma Capital Investment Adviser India Private Limited
7.	Amit Mehta	701, Tower 3, Orchard Residency, Ghatkopar	21 st May 1981	070894 27	AHRP M7106 R	39	25 TH March 2019	Navjeevan Lifecare Private Limited – Director; Kogta

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

		West, Mumbai- 400086						Financial (India) Limited
8.	PS Jayakumar	803B, Viveria Sane Guruji Marg, Byculla, Mumbai – 400 011	08 th April 1962	011732 36	AAJPP 8809R	58	15 th October 2020	SGM Capital Advisors LLP – Designated Partner; Adani Ports and Special Economic Zone Limited – Additional Director; JM Financial Limited – Additional Director; Emcure Pharmaceutica ls Limited – Director; VBHC Value Homes Private Limited – Additional Director; Tata Motors Finance Limited – Director; LICHFL Asset Management Company Limited – Director; TMF Holdings Limited – Director; Perfios Account Aggregation Services Private Limited - Director
9.	Ashutosh Arvind Pednekar	A/7, Sneh Kunj, 38, Linking Road Ext., Santacruz, Mumbai – 400 054	03 rd January 1966	000260 49	AADPP 2349E	54	14 TH September 2020	Investor Services of India Ltd. – Director; DFK Consulting Services (India) Private Limited – Director; St.

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

								Jude India Childcare Centres – Director
--	--	--	--	--	--	--	--	--

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

(b) **Details of change in directors since last three years as on September 30, 2020:**

Name & Designation	DIN	Date of appointment / resignation	Director of the Company since (in case of resignation)	Remarks
Salim Gangadharan	06796232	30 th April 2018	30 th April 2018	Appointment as Independent Director
Rajiv Lochan	05309524	1 st April 2018	1 st April 2018	Appointment as Independent Director
Bindu Ananth	02456029	2 nd January 2009	2 nd January 2009	Resigned as Director of the Company with effect from 11 th May 2018
Charles David Silberstein	03295477	20 th July 2010	20 th July 2010	Resigned as Director of the Company with effect from 22 nd May 2018
Kshama Fernandes	02539429	1 st August 2012	1 st August 2012	Appointed as CEO and Whole-time Director at the Board Meeting held on 23 rd July 2012 Re-designated as Managing Director on 5 th May 2014
Sucharita Mukherjee	02569078	1 st August 2012	1 st August 2012	Ceased to be CEO and Whole-time Director at the Board Meeting held on 23 rd July 2012. Ceased to be a director of the Company with effect from 19 th Jan 2018
Susan Thomas	00472794	11 th October 2011	11 th October 2011	Appointment as Independent Director
Samir Shah	00912693	25 th July 2013	25 th July 2013/ 19 th January 2018	Ceased to be Director at the Board Meeting held on 6 th April 2016. Re-appointed as Director of the Company with effect from 19 th Jan 2018
Puneet Gupta	01957588	15 th December 2008	15 th December 2008	Resigned as Director of the Company with effect from 25 th Jul 2017
David Ira Wallack	02635559	25 th July 2013	29 th Sep 2009	Ceased to be Director at the Board Meeting held on 25 th July 2013
Michael Fernandes	00064088	28 th March 2014	28 th March 2014	Appointed as Nominee Director

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

Dr Jim Roth	05100876	28 th March 2014	28 th March 2014	Resigned as Nominee Director on 21 st February 2017
Kabir Narang	03071945	14 th October 2016	14 th October 2016	Resigned as Nominee Director with effect from 24 th Jan 2017
Vedika Bhandarkar	00033808	1 st November 2016	1 st November 2016	Appointment as Independent director
Udai Dhawan	03048040	15 th December 2016	15 th December 2016	Resigned as Nominee Director with effect from 19 th Jan 2018
Nicholas Anthony Moon	07725967	21 st February 2017	21 st February 2017	Resigned as Nominee Director with effect from 19 th Jan 2018
Alexandr Vladislavovich Nisichenko	07742921	21 st February 2017	21 st February 2017	Vacated office as Alternate Director to Mr. Nicholas Moon on 19 th Jan 2018
Rajesh Dugar	00307729	21 st February 2017	21 st February 2017	Nominee Director
John Fischer	07908218	23 rd August 2017	23 rd August 2017	Director
Vijay Chakravarthi	08020248	19 th January 2018	19 th January 2018	Nominee Director
Salim Gangadharan	06796232	30 th April 2018	30 th April 2018	Resigned as Independent Director with effect from January 03, 2019
Samir Shah	00912693	March 19, 2019	19 th March 2019	Has been redesignated as Nominee Director w.e.f. March 19, 2019
Amit Mehta	07089427	March 25, 2019	25 th March, 2019	Appointed as Nominee Director w.e.f. 25.03.2019
Leo Puri	01764813	March 15, 2019	15 th March, 2019	Appointed as Non-Executive Independent Chairman w.e.f. 15.03.2019
Leo Puri	01764813	September 27, 2019	15 th March, 2019	Regularised as Independent Director w.e.f. 27.09.2019
Ms. Vedika Bhandarkar	00033808	July 30, 2019	1 st Nov 2016	Resigned as Independent Director w.e.f. 30.07.2019
Anuradha Rao	07597195	Oct 31, 2019	31 st Oct 2019	Appointed as Non-Executive Independent w.e.f. 31.10.2019
Anuradha Rao	07597195	December 4, 2019	31st Oct 2019	Regularised as Independent Director w.e.f. 04.12.2019
John Fischer	07908218	February 05, 2020	23 rd Aug 2017	Resigned from the post of directorship
Susan Thomas	00472794	October 10, 2020	11 th October 2011	Resigned from the post of directorship
Rajiv Lochan	05309534	October 31, 2020	01 st April 2018	Resigned from the post of directorship
Leo Puri	01764813	October 31, 2020	15 th March 2019	Resigned from the post of directorship

5.8 Following details regarding the auditors of the Company:

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

(a) **Details of the auditor of the Company:**

Name	Address	Auditor since
BSR & Co. LLP	No.10, Mahatma Gandhi Road, Nungambakkam Chennai 600034	25 th July, 2017

(b) **Details of change in auditors since last three years:**

Deloitte, Haskins and Sells, Chennai were replaced by BSR & Co. LLP, Chennai on 25, July 2017

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:**

Lender	Type	Date Availed	Date of Maturity	Sanctioned Amount	O/S as on 30th Sep 2020	Security
ABFL	Term Loan From Others	29-06-2019	01-07-2022	50,00,00,000	29,16,66,665	Receivables
AU SFB	Term Loan From Others	18-09-2020	18-09-2021	50,00,00,000	50,00,00,000	Receivables
Axis Bank	Cash Credit Account	29-06-2020	27-06-2021	10,00,00,000	6,35,77,931	Receivables
Axis Bank	WCDL	29-06-2020	27-06-2021	15,00,00,000	15,00,00,000	Receivables
Axis Bank	Term Loan From Bank	28-02-2020	31-08-2021	50,00,00,000	33,33,33,233	Receivables
Bajaj Finance Limited	Term Loan From Others	31-12-2018	31-12-2021	40,00,00,000	16,66,66,648	Receivables
Bajaj Finance Limited	Term Loan From Others	21-09-2020	21-09-2023	40,00,00,000	40,00,00,000	Receivables
Bandhan Bank	WCDL	17-09-2020	17-03-2021	50,00,00,000	50,00,00,000	Receivables
Bank of Baroda	Term Loan From Bank	26-09-2018	26-09-2021	1,00,00,00,000	36,36,36,363	Receivables
Bank of Baroda	Term Loan From Bank	25-09-2019	25-03-2022	1,00,00,00,000	60,00,00,004	Receivables
Bank of India	Term Loan From Bank	26-12-2019	26-03-2023	75,00,00,000	62,50,00,000	Receivables
Cholamandala m Investment and Finance	Term Loan From Others	28-06-2019	01-07-2021	10,00,00,000	4,03,06,924	Receivables
Cholamandala m Investment and Finance	Term Loan From Others	31-12-2019	31-12-2021	10,00,00,000	6,52,35,428	Receivables
DCB	Term Loan From Bank	29-06-2018	29-12-2020	18,00,00,000	2,25,00,000	Receivables

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

Federal Bank	Term Loan From Bank	27-12-2019	27-12-2021	30,00,00,000	18,75,00,000	Receivables
Federal Bank	Cash Credit Account	04-02-2020	04-02-2021	15,00,00,000	13,78,70,161	Receivables
Federal Bank	WCDL	04-02-2020	04-02-2021	50,00,00,000	50,00,00,000	Receivables
Hinduja Leyland Finance	Term Loan From Others	25-09-2018	25-09-2021	15,00,00,000	5,51,60,582	Receivables
Hinduja Leyland Finance	Term Loan From Others	27-09-2019	27-09-2021	12,00,00,000	6,33,55,772	Receivables
IDFC First Bank	Term Loan From Bank	21-03-2018	20-03-2021	95,00,00,000	15,83,33,270	Receivables
IDFC First Bank	Term Loan From Bank	21-01-2019	21-01-2022	75,00,00,000	61,80,55,621	Receivables
IDFC First Bank	Cash Credit Account	21-06-2020	21-06-2021	1,00,00,000	22,98,952	Receivables
IDFC First Bank	WCDL	21-06-2020	21-06-2021	4,00,00,000	4,00,00,000	Receivables
IDFC First Bank	WCDL	21-06-2020	21-06-2021	10,00,00,000	10,00,00,000	Receivables
IDFC First Bank	Term Loan From Bank	16-05-2019	16-05-2022	2,50,00,00,000	1,66,66,66,660	Receivables
Indian Bank	Term Loan From Bank	30-12-2017	29-12-2021	1,00,00,00,000	21,60,00,000	Receivables
Indian Bank	Cash Credit Account	25-09-2020	30-09-2021	20,00,00,000	17,17,83,103	Receivables
Indian Bank	WCDL	25-09-2020	30-09-2021	30,00,00,000	30,00,00,000	Receivables
Indian Bank	Term Loan From Bank	26-09-2019	29-01-2021	50,00,00,000	27,27,27,270	Receivables
Indian Bank	Term Loan From Bank	30-03-2020	31-03-2024	50,00,00,000	35,41,66,662	Receivables
Indian Bank	Term Loan From Bank	30-03-2020	31-03-2024	50,00,00,000	35,31,96,972	Receivables
IndusInd Bank	Term Loan From Bank	28-12-2018	31-12-2021	25,00,00,000	10,41,66,668	Receivables
IndusInd Bank	WCDL	23-12-2019	23-12-2020	25,00,00,000	-	Receivables
IndusInd Bank	Term Loan From Bank	31-12-2019	31-12-2022	30,00,00,000	22,49,99,991	Receivables
Karnataka Bank	Term Loan From Bank	02-03-2020	02-01-2023	25,00,00,000	24,92,67,512	Receivables
Karur Vysya Bank	Term Loan From Bank	21-12-2019	21-12-2022	30,00,00,000	22,50,00,003	Receivables

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

Kotak Mahindra Bank	Cash Credit Account	20-09-2020	20-09-2021	20,00,00,000	17,75,33,707	Receivables
Kotak Mahindra Bank	WCDL	04-09-2019	27-12-2020	20,00,00,000	20,00,00,000	Receivables
Kotak Mahindra Bank	WCDL	04-09-2019	20-01-2021	20,00,00,000	20,00,00,000	Receivables
Kotak Mahindra Bank	Term Loan From Bank	24-09-2019	24-09-2021	20,00,00,000	10,00,00,000	Receivables
Kotak Mahindra Bank	Term Loan From Bank	06-03-2020	06-03-2022	10,00,00,000	7,50,00,000	Receivables
Nabkisan	Term Loan From Others	18-03-2020	01-06-2023	20,00,00,000	18,22,47,772	Receivables
Nabsamruddhi	Term Loan From Others	24-09-2019	30-11-2022	20,00,00,000	14,94,86,788	Receivables
Nabsamruddhi	Term Loan From Others	02-03-2020	28-05-2023	8,00,00,000	7,36,31,321	Receivables
RBL	Term Loan From Bank	30-12-2016	30-12-2020	50,00,00,000	3,57,14,285	Receivables
RBL	Term Loan From Bank	23-10-2018	23-10-2021	50,00,00,000	20,83,33,333	Receivables
RBL	Term Loan From Bank	09-01-2019	09-01-2022	25,00,00,000	16,66,66,667	Receivables
Shinhan Bank	Term Loan From Bank	03-04-2018	31-03-2021	25,00,00,000	4,16,66,660	Receivables
State Bank of India	Cash Credit Account	18-10-2019	18-10-2020	55,00,00,000	52,35,45,620	Receivables
State Bank of India	Term Loan From Bank	06-11-2019	06-09-2022	1,00,00,00,000	81,81,90,909	Receivables
State Bank of India	Term Loan From Bank	28-02-2020	30-09-2022	1,00,00,00,000	81,81,90,909	Receivables
Sundaram Finance	Term Loan From Others	24-11-2017	22-04-2021	25,00,00,000	5,67,39,117	Receivables
Sundaram Finance	Term Loan From Others	21-12-2018	17-05-2022	25,00,00,000	15,72,53,741	Receivables
Sundaram Finance	Term Loan From Others	30-09-2019	22-02-2023	25,00,00,000	22,07,47,379	Receivables
Sundaram Finance	Term Loan From Others	30-09-2020	30-09-2022	50,00,00,000	50,00,00,000	Receivables
Suryoday Small Finance Bank	Term Loan From Bank	30-11-2019	28-02-2023	10,00,00,000	7,66,66,668	Receivables
Syndicate Bank	Term Loan From Bank	28-03-2018	27-03-2021	20,00,00,000	6,00,00,000	Receivables

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

Syndicate Bank	Term Loan From Bank	09-05-2018	08-05-2021	20,00,00,000	6,00,00,000	Receivables
Syndicate Bank	Term Loan From Bank	21-09-2019	21-09-2022	8,00,00,000	7,20,00,000	Receivables
Tata Capital Financial Services Limited	Term Loan From Others	31-01-2020	31-07-2021	25,00,00,000	13,88,88,800	Receivables
The Catholic Syrian Bank Limited	Term Loan From Bank	16-03-2020	16-02-2023	50,00,00,000	45,83,00,000	Receivables
Ujjivan Small Finance Bank	Term Loan From Bank	19-03-2019	19-03-2021	25,00,00,000	6,25,42,646	Receivables
Ujjivan Small Finance Bank	Term Loan From Bank	30-11-2019	30-11-2021	25,00,00,000	15,62,50,000	Receivables
Union Bank of India	Term Loan From Bank	31-12-2019	31-12-2022	60,00,00,000	35,00,00,000	Receivables
Utkarsh Small Finance Bank	Term Loan From Bank	31-01-2020	01-04-2022	20,00,00,000	15,00,00,002	Receivables

(b) **Details of Unsecured Loan Facilities as on September 30, 2020:**

Lender	Type	Date Availed	Date of Maturity	Sanctioned Amount	O/S as on 30.09.2020
Bajaj Finance Limited	Term Loan From Others	28-12-2017	28-06-2023	25,00,00,000	25,00,00,000
Federal Bank	Term Loan From Bank	29-12-2017	28-06-2023	15,00,00,000	15,00,00,000

(c) **Details of Non-Convertible Debentures as on September 30, 2020:**

Debenture Series	Tenor / Period of Maturity	Coupon (Rate of Interest)	Amount (Rs in Lacs)	Date of allotment	Redemption on Date/Schedule	Credit Rating	Secured / Unsecured	Security
Rated Listed Taxable Secured Senior Redeemable Non-convertible debentures	731	11.96%	4,500	13-01-2020	13-01-2022	ICRA A+	Secured	Receivables
Rated Listed Taxable Secured Senior Redeemable Non-convertible debentures	1095	11.25%	5,000	26-06-2020	26-06-2023	ICRA A+	Secured	Receivables
Rated Listed Taxable Secured Senior Redeemable Non-convertible debentures	1461	11.34%	7,500	30-03-2020	30-03-2024	IND A+	Secured	Receivables
Rated Listed Taxable Secured Senior	1278	9.45%	10,000	11-12-2018	11-06-2022	ICRA A+	Secured	Receivables

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

Redeemable Non-convertible debentures								
Rated Listed Taxable Secured Senior Redeemable Non-convertible debentures	1826	9.60%	10,000	20-12-2018	20-12-2023	ICRA A+	Secured	Receivables
Rated Listed Taxable Un Secured Senior Redeemable Non-convertible debentures	1096	10.15%	25,000	16-07-2018	16-07-2021	ICRA A+	Un Secured	NA
Rated Listed Taxable Un Secured Senior Redeemable Non-convertible debentures	1461	11.60%	3,000	25-09-2019	25-09-2023	ICRA A+	Secured	Receivables
Rated Listed Taxable Un Secured Senior Redeemable Non-convertible debentures	460	Market Lined	500	09-10-2019	11-01-2021	ICRA A+	Secured	Receivables
Rated Listed Taxable Un Secured Senior Redeemable Non-convertible debentures	700	11.35%	5,000	27-02-2020	27-01-2022	IND A+	Secured	Receivables
Rated Listed Taxable Un Secured Senior Redeemable Non-convertible debentures	731	11.35%	5,000	27-02-2020	27-02-2022	IND A+	Secured	Receivables
Rated Listed Taxable Un Secured Senior Redeemable Non-convertible debentures	1095	10.40%	5,000	13-07-2020	13-07-2023	ICRA A+	Secured	Receivables
Rated Listed Taxable Un Secured Senior Redeemable Non-convertible debentures	639	Market Lined	1,000	30-07-2020	30-04-2022	ICRA A+	Secured	Receivables
Rated Listed Taxable Un Secured Senior Redeemable Non-convertible debentures	549	9.50%	5,000	17-07-2020	17-01-2022	ICRA A+	Secured	Receivables
Rated Listed Taxable Un Secured Senior Redeemable Non-convertible debentures	546	9.50%	5,000	08-09-2020	08-03-2022	ICRA A+	Secured	Receivables
Rated Listed Taxable Un Secured Senior Redeemable Non-convertible debentures	546	9.50%	15,000	14-09-2020	14-03-2022	ICRA A+	Secured	Receivables
Rated Listed Taxable Un Secured Senior Redeemable Non-convertible debentures	90	8.10%	5,000	18-09-2020	17-12-2020	ICRA A+	Secured	Receivables

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

Rated Listed Taxable Un Secured Senior Redeemable Non-convertible debentures	1461	10.45%	10,000	30-09-2020	30-09-2024	IND A+	Secured	Receivables
--	------	--------	--------	------------	------------	--------	---------	-------------

(d) **List of Top 10 Debenture Holders (as on: September 30, 2020)**

Sr. No.	Name of Debenture Holder(s)	Amount (in Rs.)
1.	Indian Bank	1,50,00,00,000
2.	NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIK	1,00,00,00,000
3.	NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIK	1,00,00,00,000
4.	FRANKLIN INDIA ULTRA SHORT BOND FUND	80,00,00,000
5.	FRANKLIN INDIA ULTRA SHORT BOND FUND	80,00,00,000
6.	FRANKLIN INDIA ULTRA SHORT BOND FUND	78,00,00,000
7.	BLUEORCHARD MICROFINANCE FUND	1,00,00,00,000
8.	BLUEORCHARD MICROFINANCE FUND	75,00,00,000
9.	BANK OF BARODA	50,00,00,000
10.	UNION BANK OF INDIA	50,00,00,000

Note: Top 10 holders' (in value terms, on cumulative basis for all outstanding debentures issues) details have been provided.

(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):**

As part of its ordinary course of business, the Issuer has issued guarantees and unfunded second loss credit enhancement outstanding of Rs. 279.22 crores as on September 30, 2020.

(f) **Details of Commercial Paper:**

S. No.	Maturity Date	Amount Outstanding (in INR)
1	October 19, 2020	20,00,00,000

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

The Issuer does not have any outstanding borrowing such as hybrid debt like foreign currency convertible debentures, optionally convertible debentures or optionally convertible preference shares as of September 30, 2020.

(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:**

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

The Company has not delayed/ 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 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:**

The Issuer is a board-led, management-run company with no identified promoter.

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.

[Note: Financial information submitted must 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]

The relevant information is furnished in section 5.12 below and **Annexure V** 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:

[Note: Financial information submitted must 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]

CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in Indian Rupees in lakhs)

Particulars	As at Sept 30, 2020	As at Mar 31, 2020	As at Mar 31, 2019	As at Mar 31, 2018
ASSETS				
Financial assets				
Cash and cash equivalents	29,840.30	33,321.71	19,079.35	18,723.68
Bank balances other than cash and cash equivalents	10,733.88	7,720.21	5,233.88	1,341.53
Derivative financial instruments	-	-	-	4.04

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

Trade receivables	918.19	830.15	1,679.62	2,312.40
Loans	2,78,546.87	2,92,467.79	2,77,684.57	2,31,641.18
Investments	1,36,849.18	1,17,148.90	1,19,297.45	1,26,809.45
Other financial assets	527.02	748.73	883.69	661.56
	4,57,415.44	4,52,237.49	4,23,858.56	3,81,493.84
Non-financial assets				
Current tax assets (net)	2,818.31	4,119.03	1,523.78	583.91
Deferred tax assets (net)	1,570.32	319.08	629.95	610.49
Property, plant and equipment	157.21	178.4	68.4	35.5
Right of use asset	1,184.58	1,324.14		
Intangible assets under development	299.76	94.94	342.75	133.4
Intangible assets	727.99	831.54	290.99	359.8
Goodwill	174.63	174.63	174.63	174.63
Other non- financial assets	430.00	469.63	655.75	222.92
	7,362.79	7,511.39	3,686.25	2,120.65
Total assets	4,64,778.23	4,59,748.87	4,27,544.81	3,83,614.49
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial instruments	-	-	10.65	-
Trade payables		-	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,809.56	830.85	977.42	886.63
Debt securities	1,22,591.95	86,020.70	1,24,386.13	60,300.00
Borrowings (Other than debt securities)	1,68,981.93	2,06,128.26	1,66,904.76	231,466.45

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

Subordinated liabilities	-	-	1,213.41	-
Other financial liabilities	3,772.15	5,191.61	3,188.66	3,453.55
	2,97,155.59	2,98,171.42	2,96,681.03	296106.63
Non-financial liabilities				
Provisions	2,978.03	1,402.98	1,222.46	1,496.29
Current tax liabilities (net)	-	-	43.60	43.6
Other non-financial liabilities	359.37	403.31	594.25	488.31
	3,337.40	1,806.29	1,860.31	2,028.20
EQUITY				
Equity share capital	8,747.79	8,747.79	7,836.57	7,836.57
Other equity	1,46,417.05	1,41,894.94	1,08,916.78	60,392.36
Equity attributable to the owners of the Company	1,55,164.84	1,50,642.73	1,16,753.35	68,228.93
Non-controlling interest	9,120.40	9,128.40	12,250.12	17,250.73
Total equity	1,64,285.25	1,59,771.14	1,29,003.47	85,479.66
Total liabilities and equity	4,64,778.23	4,59,748.85	4,27,544.81	383614.49

Particulars	Year ended Sept 30, 2020	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations				
Interest income	29,119.70	55,645.42	51,071.83	40,399.17
Fees and commission income	2,296.28	6,530.81	6,036.75	5,951.83
Net gain on fair value changes	1,708.38	616.39	3,042.07	1,792.48
Net gain on derecognition of financial instruments	-	489.38	4.72	462.32
Total revenue from operations	33,124.36	63,282.00	60,155.37	48,605.80
Other income	87.35	163.33	1,551.73	-

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

Total income	33,211.71	63,445.33	61,707.10	48,605.80
Expenses				
Finance costs	15,785.49	30,920.50	30,183.93	23,715.67
Fees and commission expense	1,488.61	2,289.11	1,154.64	0
Impairment on financial instruments	6,965.99	3,548.66	1,486.62	4201.57
Employee benefits expenses	2,390.75	6,829.67	7,208.46	5,278.17
Depreciation and amortisation	280.02	672.96	294.58	169.47
Other expenses	1,171.45	4,735.23	3,896.52	3,816.76
Total expenses	28,082.31	48,996.13	44,224.75	37,181.64
Profit before tax	5,129.40	14,449.20	17,482.35	11,424.16
Tax expense				
Current tax	2,619.64	3,430.72	5,347.55	5,333.02
Minimum alternative tax (MAT)	-	-	-	53.05
Less: MAT Credit entitlement	-	-	-7.43	-28.36
Deferred tax charge	(1,446.78)	725.12	599.28	-1,498.17
Total Tax expense	1,172.86	4,155.84	5,939.40	3,859.54
Profit for the year	3,956.55	10,293.36	11,542.95	7,564.62

STANDALONE FINANCIAL STATEMENTS

(All amounts are in Indian Rupees in lakhs)

Particulars	As at Sept 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
ASSETS				
Financial assets				
Cash and cash equivalents	29,517.09	32,485.12	18,285.52	18,052.88
Bank balances other than cash and cash equivalents	10,733.88	7,720.21	5,233.88	1,341.53
Derivative financial instruments	-	-	-	4.04

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

Trade receivables	902.23	821.57	1,650.25	2,312.40
Loans	2,80,491.75	2,94,597.06	2,78,805.38	2,32,751.09
Investments	1,23,865.84	1,04,828.13	1,04,926.98	1,08,146.55
Other financial assets	760.57	1,173.42	988.79	456.60
	4,46,271.36	4,41,625.51	4,09,890.80	3,63,065.09
Non-financial assets				
Current tax assets (net)	2,451.90	3,662.18	1,365.39	516.52
Deferred tax assets (net)	1,639.91	360.35	599.67	574.47
Property, plant and equipment	157.15	178.19	67.59	30.68
Right of use asset	1,184.58	1,324.14	-	-
Intangible assets under development	299.76	94.94	342.75	133.40
Intangible assets	727.99	831.54	290.99	359.80
Other non-financial assets	211.01	244.11	413.20	96.50
	6,672.29	6,695.45	3,079.59	1,711.37
Total assets	4,52,943.65	4,48,320.96	4,12,970.39	3,64,776.46
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial instruments	-	-	10.65	-
Trade payables		-	-	-
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,737.57	793.17	929.54	697.87
Debt securities	1,22,591.95	86,020.71	1,24,386.13	60,300.00
Borrowings (Other than debt securities)	1,68,950.93	2,06,087.39	1,66,885.56	2,31,449.32

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

Subordinated liabilities	-	-	1,213.41	-
Other financial liabilities	3,526.42	4,683.04	3,251.51	3,480.23
	2,96,806.87	2,97,584.31	2,96,676.80	2,95,927.42
Non-financial liabilities				
Provisions	2,914.73	1,327.09	1,210.73	1,477.28
Deferred tax liabilities (net)	-	-	-	-
Other non-financial liabilities	168.87	127.68	362.97	315.75
	3,083.60	1,454.77	1,573.70	1,793.03
EQUITY				
Equity share capital	8,747.79	8,747.79	7,836.57	7,836.57
Other equity	1,44,305.39	1,40,534.09	1,06,883.32	59,219.44
	1,53,053.18	1,49,281.88	1,14,719.89	67,056.01
Total liabilities and equity	4,52,943.65	4,48,320.96	4,12,970.39	3,64,776.46

Particulars	As at Sept 30, 2020	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations				
Interest income	27,918.4 2	52,986.97	47,533.90	38,030.61
Fees and Commission income	1,605.57	5,060.12	4,933.33	4,906.78
Net gain on fair value changes	2,122.36	1,341.94	3,669.94	3,359.01
Net gain on derecognition of financial instruments	-	489.38	4.72	462.32
Total revenue from operations	31,646.3 5	59,878.41	56,141.89	46,758.72
Other income	87.35	186.49	1,614.42	63.84
Total income	31,733.7 0	60,064.90	57,756.31	46,822.56
Expenses				

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

Finance costs	15,785.49	30,920.50	30,183.93	23,712.74
Fees and commission expense	1,488.61	2,289.11	1,154.64	-
Impairment on financial instruments	7,069.06	3,523.08	1,444.69	3,975.61
Employee benefits expenses	2,244.48	6,047.37	6,758.72	4,994.80
Depreciation and amortisation	279.80	671.62	289.80	164.15
Other expenses	1,014.57	3,549.39	3,344.22	3,541.47
Total expenses	27,882.01	47,001.07	43,176.00	36,388.77
Profit before tax	3,851.69	13,063.83	14,580.31	10,433.79
Tax expense				
Current tax	2,451.00	3,370.00	5,046.73	5,082.44
Deferred tax charge	(1,475.08)	731.90	598.03	(1,494.02)
Total Tax expense	975.92	4,101.90	5,644.76	3,588.42
Profit for the year	2,875.77	8,961.93	8,935.55	6,845.37

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 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 Holders. The consent letter from Debenture Trustee is provided in **Annexure III** of this Information Memorandum.

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

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).

India Ratings assigned a rating of “IND A+” (pronounced as “IND A Plus”) with Stable outlook rating watch in respect of the Debentures 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 rating letter from the Rating Agency is provided in **Annexure II** of this Information Memorandum.

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:

The Debentures are proposed to be listed on the WDM segment of the BSE. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis.

5.18 Other details:

(a) Debenture Redemption Reserve (“DRR”) Creation:

As per Section 71 of the 2013 Act, any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, under the Companies (Issuance of Share Capital and Debentures) Rules, 2014, non-banking financial companies are exempt from this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company does not intend to create any reserve funds for the redemption of the Debentures.

(b) Issue / instrument specific regulations:

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the relevant notified rules thereunder, the SEBI Debt Listing Regulations, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and the applicable RBI guidelines.

(c) 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:

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

The contracts and documents referred to hereunder are material to the Issue, may be inspected at the Registered Office of the Company between 10.00 am to 4.00 pm on working days.

S. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2	Board Resolution dated June 26, 2020 authorizing the issue of Debentures offered under the terms of this Disclosure Document.
3	Shareholder Resolution dated August 26, 2020 authorizing the creation of security and the borrowing limits of the Company.
4	Shareholder Resolution dated August 26, 2020 authorizing the issue of non-convertible debentures by the Company.
5	Copies of Annual Reports of the Company for the last three financial years.
6	Credit rating letter from the Rating Agency dated December 03, 2020 from India Ratings
7	Letter from Catalyst Trusteeship Limited dated November 13, 2020 giving its consent to act as Debenture Trustee.
8	Letter for Register and Transfer Agent.
9	Certified true copy of the certificate of incorporation of the Company.
10	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the NSDL.
11	Debenture Trust Deed
12.	Deed of Hypothecation

5.20 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) by issue of Secured Rated Listed Redeemable Non-Convertible Debentures, on a private placement basis.

For further details of the Debentures, please refer to the terms and conditions of the debentures set out in SECTION 6: of this Information Memorandum.

5.21 Issue Size

The aggregate issue size for the Debentures is of Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) in two series. Series 1 issuance of Rs. 12,50,00,000/- to be redeemed at the end of 15 months from the date of allotment and Series 2 issuance of Rs. 12,50,00,000/- to be redeemed at the end of 18 months from the date of allotment.

5.22 Utilization of the Issue Proceeds

The Issue proceeds will be utilized for on-lending and general corporate purpose in the ordinary course of business

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

5.23 Issue Details

Below given is a summary of the issue terms. Capitalised terms used herein and not defined in this Information Memorandum shall have the meaning given to them in the Debenture Trust Deed.

Security Name	Series - 1 NORTHERN ARC CAPITAL LIMITED 15M NCD MAR 2022 FVRS10K Series - 2 NORTHERN ARC CAPITAL LIMITED 18M NCD JUN 2022 FVRS10K
Issuer	Northern Arc Capital Limited
Type of Instrument	Principal Protected, Market linked Non-Convertible Debentures
Principal Protection	Principal is protected
Nature of Instrument	Secured Rated Listed Senior Redeemable Non-Convertible Debentures ("Debentures"/"NCDs")
Seniority	Each Debenture issued by the Issuer will constitute direct and secured obligations of the Issuer. The claims of the Debenture Holders shall be superior to the claims of investors / lenders of Tier I & Tier II Capital and all unsecured & subordinated debt and shall rank pari passu to all senior, secured indebtedness of the Issuer. Each of the Debenture Holders shall inter-se rank pari passu in relation to their rights and benefits in relation to the Debentures, without any preference or privilege.
Mode of Issue	Private placement
Eligible Investors	As provided in Clause 8.14 below.
Listing	The Debentures are to be listed on the WDM of the BSE within a maximum period of 20 (Twenty) calendar days from the Deemed Date of Allotment. In the event of the Issuer's failure to do so, to the extent that any Debenture Holders are Foreign Institutional Investors or sub-accounts of Foreign Institutional Investors, or Foreign Portfolio Investors or Qualified Foreign Investors, the Issuer shall immediately redeem any and all Debentures which are held by such Foreign Institutional Investor(s) or such sub-account(s) of Foreign Institutional Investor(s) or Foreign Portfolio Investors or Qualified Foreign Investors. In case of delay in listing of the debt securities beyond 20 (Twenty) calendar days from the Deemed Date of Allotment, the Issuer will pay penal interest of at least 15% (Fifteen Percent) p.a. from the expiry of 30 (Thirty) calendar days from the Deemed Date of Allotment till the listing of such Debentures.
Rating of Instrument	PP – MLD A+ by India Ratings
Valuation Agency Fees	Fees paid to Valuation Agency by the Issuer shall be 0.04% bps p.a. on the face value of the outstanding Debentures
Valuation Agency	ICRA Analytics

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

Principal protection	Principal is protected												
Issue Size	Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) tranching into 2 series as follows Series 1 – Rs.12,50,00,000 crores Series 2 – Rs.12,50,00,000 crores												
Option to retain oversubscription	N.A.												
Objects of the Issue	To raise senior secured debt to the extent up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only)												
Details of the utilization of the Proceeds	The Issue proceeds will be utilized for on-lending and general corporate purpose in the ordinary course of business												
Coupon Type	Effective Coupon amount linked to performance of reference index / Government Security												
Reference Index / Government Security	10 Year G-sec 5.79 GS 2030												
Effective Coupon Amount	Face Value * [(1+Effective Annualised Coupon Rate) ^(Tenor in days/365) – 1]												
Effective Annualised Coupon Rate	Based on 'Reference Index Performance' corresponding 'Effective Annualised Coupon Rate Function' will be applicable as follows – For Series 1 : <table border="1" data-bbox="507 1171 1428 1536"> <thead> <tr> <th>Reference Index Movement from Initial fixing date to Final fixing date</th> <th>Effective Annualised Coupon Rate Function</th> </tr> </thead> <tbody> <tr> <td>Reference Gsec Price Movement = -75% or falls below -75%</td> <td>0%</td> </tr> <tr> <td>Reference Gsec Price Movement between -75% to +75% or is above 75%</td> <td>Annualised coupon rate yielding 10.00% XIRR</td> </tr> </tbody> </table> For Series 2 : <table border="1" data-bbox="507 1608 1428 1966"> <thead> <tr> <th>Reference Index Movement from Initial fixing date to Final fixing date</th> <th>Effective Annualised Coupon Rate Function</th> </tr> </thead> <tbody> <tr> <td>Reference Gsec Price Movement = -75% or falls below -75%</td> <td>0%</td> </tr> <tr> <td>Reference Gsec Price Movement between -75% to +75% or is above 75%</td> <td>Annualised coupon rate yielding 10.10% XIRR</td> </tr> </tbody> </table>	Reference Index Movement from Initial fixing date to Final fixing date	Effective Annualised Coupon Rate Function	Reference Gsec Price Movement = -75% or falls below -75%	0%	Reference Gsec Price Movement between -75% to +75% or is above 75%	Annualised coupon rate yielding 10.00% XIRR	Reference Index Movement from Initial fixing date to Final fixing date	Effective Annualised Coupon Rate Function	Reference Gsec Price Movement = -75% or falls below -75%	0%	Reference Gsec Price Movement between -75% to +75% or is above 75%	Annualised coupon rate yielding 10.10% XIRR
Reference Index Movement from Initial fixing date to Final fixing date	Effective Annualised Coupon Rate Function												
Reference Gsec Price Movement = -75% or falls below -75%	0%												
Reference Gsec Price Movement between -75% to +75% or is above 75%	Annualised coupon rate yielding 10.00% XIRR												
Reference Index Movement from Initial fixing date to Final fixing date	Effective Annualised Coupon Rate Function												
Reference Gsec Price Movement = -75% or falls below -75%	0%												
Reference Gsec Price Movement between -75% to +75% or is above 75%	Annualised coupon rate yielding 10.10% XIRR												

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

	<p>Initial Fixing Level – Official closing level of Reference Gsec Price as on Initial Fixing Date.</p> <p>Final Fixing Level – Official closing level of Reference Gsec Price as on Final Fixing Dates.</p> <p>Reference Gsec Price Movement (%) – [(Final Fixing Level / Initial Fixing Level)-1]*100</p> <p>Please refer to the Scenario Analysis contained in Section 5.25 below for further details.</p>
Change of Taxation clause	<p>If any time during the tenor of the debentures, the taxation of market linked debentures undergoes any increase from current levels, the Debenture Trustee shall have the right but not an obligation to require the Issuer to prepay the Debentures within 60 days on occurrence of such an event without any prepayment charges. In the alternative, the Issuer shall have the right but not an obligation to increase the effective annual coupon rate to compensate for the increase in taxation capped at 2% instead of prepaying the debentures without any prepayment charges</p>
Step Up/Step Down Coupon Rate	<p>In the event the Credit Rating of the Issuer is downgraded to BBB category, the effective annualised coupon rate translated into XIRR shall be increased by 0.25%. In the event the Credit Rating of the Issuer is upgraded to AA category, the effective annualised coupon rate translated into XIRR shall be decreased by 0.25%.The step up/down coupon is applicable from the date of such upgrade/downgrade until such event is cured, on the outstanding principal amount, of the Debentures. For the purpose of this clause, if the Issuer is rated by more than one rating agency, then the lowest of the ratings shall be considered.</p>
Rating Covenants	<p>If any time during the tenor of the debentures, the rating of the instrument is downgraded to below BBB-, the debenture trustee, shall have the right, but not an obligation, to require the Issuer to redeem the debentures within a period of 30 days.</p>
Coupon Payment Frequency	On Maturity
Coupon payment dates	On Maturity
Coupon Type	<p>Not applicable. Effective Coupon amount per debenture shall be paid by the company to the debenture holders as interest on the Final Redemption Date or the Early Redemption Date, as the case may be. The said, “Effective Coupon Amount” being the interest amount to be paid per Debenture by the Issuer to the Debenture Holders shall be determined in accordance with the method of calculation set out in Schedule below</p>
Exercise Date/Coupon Reset Date	N.A.

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

Coupon Reset Process	Step up/Step down of coupon shall be calculated as per section above and be payable over Effective Coupon if any for the relevant period, at the time of Redemption
Day Count Basis	Actual / 365
Interest on Application Money	Interest at the rate of 10.00% p.a. (subject to deduction of tax at source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961) will be paid on Application Money to the Applicants from the date of realization of the cheques / drafts or credit through RTGS / NEFT / direct credit upto one day prior to the Deemed Date of Allotment. This is applicable for all valid applications within 5 (five) Business Days from the Deemed Date of Allotment. Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refund orders or through RTGS / NEFT / direct credit to the bank account of the Applicant as described in the Application Form. This clause is not applicable if the allotment happens on the same day of application.
Default Interest Rate	In the event of a payment default of the amounts due under this Issue (whether by way of acceleration, at maturity or otherwise), the Issuer shall pay on a monthly basis, additional interest rate of 2% (Two Percent) per annum on the outstanding principal amount of the Debentures, calculated from the date of the occurrence of the default until such default is cured or the Debentures are redeemed pursuant to such default, as applicable.
Tenor	Series 1 – Rs.12.5 crores redeemed at the end of 15 months from the Deemed Date of Allotment; Series 2 – Rs.12.5 crores redeemed at the end of 18 months from the Deemed Date of Allotment;
Redemption Date / Maturity Date	Series 1 – March 11,2022 being 15 (Fifteen) months from the date of Allotment (subject to adjustments for Business Day Convention). Series 2 – June 11,2022 being 18 (Fifteen) months from the date of Allotment (subject to adjustments for Business Day Convention).
Redemption Amount	Debentures will be redeemed at face value together with Effective Coupon (if any). Effective Coupon amount to be determined in accordance with the method of calculation set out in Section carrying the heading 'Provisions relating to Coupon (If any) Payable'
Redemption Premium/ Discount	Not Applicable
Issue Price	Rs. 10,000/- (Rupees Ten Thousand only) per Debenture
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Put Date	Not Applicable
Put Price	Not Applicable

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

Call Date	Not Applicable																
Call Price	Not Applicable																
Face Value	Rs. 10,000/- (Rupees Ten Thousand only) per Debenture																
Minimum Application Size	Series 1 : 1,000 Debentures of Rs. 10,000 (Rs. Ten thousand only) an in multiples of 1 (one) Debenture thereafter. Series 2: 1,000 Debentures of Rs. 10,000 (Rs. Ten thousand only) an in multiples of 1 (one) Debenture thereafter.																
Issue Timing	Issue Opening Date: December 10, 2020 Issue Closing Date: December 10, 2020 Pay-in Dates: December 11, 2020 Deemed Date of Allotment: December 11, 2020 All documentation including, but not limited to, the Information Memorandum, Rating Letter, Appointment of Debenture Trustee to be completed 1 (One) calendar days prior to Issue Opening Date unless otherwise specified.																
Issuance mode of the Instrument	Demat only																
Trading mode of the Instrument	Demat only																
Settlement mode of the Instrument	The pay-in of subscription monies for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below: <table border="1"> <tr> <td>Name of Bank</td> <td>HDFC BANK</td> </tr> <tr> <td>IFSC Code</td> <td>HDFC0000060</td> </tr> <tr> <td>Account number</td> <td>ICCLEB</td> </tr> <tr> <td>Name of beneficiary</td> <td>INDIAN CLEARING CORPORATION LIMITED</td> </tr> </table> <table border="1"> <tr> <td>Name of Bank</td> <td>ICICI Bank Ltd.</td> </tr> <tr> <td>IFSC Code</td> <td>ICIC0000106</td> </tr> <tr> <td>Account number</td> <td>ICCLEB</td> </tr> <tr> <td>Name of beneficiary</td> <td>INDIAN CLEARING CORPORATION LTD</td> </tr> </table> Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder.	Name of Bank	HDFC BANK	IFSC Code	HDFC0000060	Account number	ICCLEB	Name of beneficiary	INDIAN CLEARING CORPORATION LIMITED	Name of Bank	ICICI Bank Ltd.	IFSC Code	ICIC0000106	Account number	ICCLEB	Name of beneficiary	INDIAN CLEARING CORPORATION LTD
Name of Bank	HDFC BANK																
IFSC Code	HDFC0000060																
Account number	ICCLEB																
Name of beneficiary	INDIAN CLEARING CORPORATION LIMITED																
Name of Bank	ICICI Bank Ltd.																
IFSC Code	ICIC0000106																
Account number	ICCLEB																
Name of beneficiary	INDIAN CLEARING CORPORATION LTD																
Depositories	NSDL																
Business Day Convention	(i) 'Business Day' shall be a day on which commercial banks are open for business in the city of Mumbai and Chennai. Should any of dates defined above or elsewhere in the Disclosure Document, excepting the Date of Allotment, fall on a Sunday or a Public Holiday in Mumbai / Chennai, payment shall be done as per SEBI circular.																

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

	<p>(ii) If the date of payment of any interest in respect of the Debentures falls on a day that is not a Business Day, such payment of interest shall be made on the next occurring Business Day;</p> <p>(iii) If the date of payment of any redemption amount falls on a day that is not a Business Day, such payment of installment shall be made on the immediately preceding Business Day; and</p> <p>(iv) If the Final Redemption Date (the date on which the Debentures are redeemed prior to the Final Redemption Date in terms of the Transaction Documents), as the case may be, falls on a day that is not a Business Day, such payment of interest and redemption amount shall be made on the immediately preceding Business Day.</p>
<p>Record Date</p>	<p>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 15 (Fifteen) calendar days prior to any Due Date.</p>
<p>Description regarding Security (where applicable) including type of security (movable/immovable/tangible, etc.), type of charge (pledge/hypothecation/mortgage) etc, date of creation of security/likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in the Information Memorandum</p>	<p>The outstanding amount, together with interest, YTM Adjustment Amount, default interest, remuneration of the Trustee, charges, fees, expenses and all other monies due from the Company, shall be secured by (to the satisfaction of the NCD holders):</p> <ol style="list-style-type: none"> 1. Security cover to be 1.01x 2. All the extant "know your customer" norms specified by the RBI must have been complied with for each hypothecated loans; 3. First exclusive charge over specific book debts/receivables 4. All loans hypothecated under the deed of hypothecation comply with RBI norms and guidelines <p>Security Cover of 1.01 times to be maintained on the outstanding principal amount of the Debentures at all times during the tenure of the Facility.</p> <p>The Issuer undertakes:</p> <ul style="list-style-type: none"> • to maintain the value of Security Cover at all times during the period of the Issue; • The charge over the Company's Receivables is to be created upfront and perfected within 30 days of the Deemed Date of Allotment and modification of CHG 9 to be filed accordingly. In the event the Security is not created or has insufficiently created, the proceeds from the Issue are to be placed in an escrow account until the creation of security. • to provide a list of specific loan receivables to the Trustee over which charge is created and subsisting by way of hypothecation in favour of the Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the security cover on Quarterly basis within the 15th day of every calendar month

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

	<ul style="list-style-type: none"> • Security Cover shall be met only with Receivables that does not have any principal, interest, additional interest, fee or any other expected payments overdue (“Performing Loans”) and for this purpose the Borrower shall with the consent of the Lender replace any Receivables constituting the Hypothecated Property that has one or more instalments of principal, interest, additional interest, fee or any other expected payments overdue for more than 60 (sixty) days with Performing Loans that meets the Eligibility Criteria. Such replacement shall be done on or before the 15th of any calendar month. • In the event of delay in security creation, issuer shall pay penal interest of 2% per annum over the Coupon Rate for the delayed period till such conditions are complied. In the event the Security is not created or has insufficiently created, the proceeds from the Issue are to be placed in an escrow account until the creation of security. <p>In accordance with the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time, in case of a delay by the Company in listing the Debentures beyond 20 (Twenty) calendar days from the Deemed Date of Allotment the Company shall make payment to the Debenture Holder(s) of penal interest calculated on the face value of the Debentures at the rate of at least 15% (Fifteen Percent) p.a. from the expiry of 20 (Twenty) calendar days from the Deemed Date of Allotment until the listing of the Debentures.</p>
Transaction Documents	Shall be as set out in Clause 7.1 below
Conditions Precedent to Disbursement	<p>The Company will fulfil the following conditions precedent, to the satisfaction of the Debenture Trustee, prior to the Deemed Date of Allotment:</p> <ol style="list-style-type: none"> 1. submit to the Debenture Trustee, a copy of resolution of the Company's board of directors authorizing the execution, delivery and performance of the Transaction Documents 2. submit to the Debenture Trustee, copies of the relevant resolutions of the shareholders of the Company in relation to the borrowing limits of the company 3. submit to the Debenture Trustee, a copy of the Company's constitutional documents 4. provide such other information, documents, certificates, opinions and instruments as the Debenture Holder may reasonably request; 5. execution, delivery and stamping of the Transaction Documents in a form and manner satisfactory to the Debenture Trustee; 6. receipt and submission of the rating letter issued by the Rating Agency in relation to the Debentures; 7. receipt of consent from the Debenture Trustee to act as the debenture trustee for the issue of Debentures; 8. submission of all 'know your customer' requirements to the satisfaction of the Debenture Trustee; 9. Submit to the Debenture Trustee, the audited financial statements of the Company for the Financial Year ended March 31, 2020 and provisional

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

	quarterly financial statements for the period ended June 30, 2020.
Conditions Subsequent to Disbursement	<p>The Company shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee, pursuant to the Deemed Date of Allotment:</p> <ol style="list-style-type: none"> 1. The Issuer shall ensure that the Debentures are credited into the demat accounts of the Debenture Holders of each series of Debentures within 10 Business Days from the Deemed Date of Allotment; 2. The Issuer shall file a return of allotment of securities under Form PAS-3 under Section 42 of the Companies Act read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC within 15 (fifteen) calendar days of the Deemed Date of Allotment along with a list of the Debenture Holders and with the prescribed fee; 3. To create, register and perfect the security over the Hypothecated Assets no later than 60 (Sixty) calendar days from the Deemed Date of Allotment or as applicable under relevant regulation and Law, whichever is earlier. 4. Receive final listing approval from the BSE within 20 calendar days from the Deemed Date of Allotment 5. The Issuer shall ensure compliance with SEBI / Companies Act 2013 (as applicable) for issuance of NCDs.
Event of Default (including manner of voting/conditions of joining Inter Creditor Agreement)	As mentioned in Events of Default section below.
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).
Risk Factors Pertaining to the Issue	As mentioned in Section 3: 'Risk Factors' above.
All covenants of the issue (including side letters, accelerate payment clause, etc.)	As mentioned in Clause 7.3 below
Representation and warranties	As mentioned in Clause 7.2 below

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

Illustration of Bond Cash-flows	Kindly refer to Annexure VI of this Information Memorandum
Governing Law	The Debentures and documentation 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 and as more particularly provided for in the Debenture Trust Deed. Notwithstanding anything stated earlier, the Debenture Trustee has the right to commence proceedings before any other court or forum in India
Creation of Recovery Expense Fund	The Issuer shall create a recovery expense fund in the manner and as maybe required from time to time and inform the Debenture Trustee about the same
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Kindly refer to Section 7 (Transaction Documents and Key Terms) of this Information Memorandum

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. 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.

5.24 Valuation Agency

The Issuer has appointed a Valuation Agency in terms of the SEBI Guidelines. The Valuation Agency shall publish and provide to the Issuer the valuations in respect of the Debentures at such frequency as provided for in the SEBI Guidelines. The latest and historical valuations of the Debentures shall be made available on the websites of the Issuer and of the Valuation Agency.

The Issuer will incur costs as follows in connection with the valuation of the Debentures: 0.04% bps p.a. on the face value of the outstanding Debentures. The Issuer undertakes to disclose the cost incurred for the valuation prior to listing of the Debentures.

5.25 Scenario Analysis

The following table shows the value of the Debentures at maturity under different market conditions for Series-1:

Scenario 1 - Reference Gsec Price Movement = - 75% or falls below -75%

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

Initial Level	Final Level	Performance	Ann. Coupon (XIRR)	Comparable Monthly Coupon	Redemption Amount (Rs.)
100	20	-80%	0%	0%	10,000
Scenario 2 - Reference Gsec Price Movement between -75% to +75% or is above 75%					
Initial Level	Final Level	Performance	Ann. Coupon (XIRR)	Comparable Monthly Coupon	Redemption Amount. (Rs.)
100	30	-70%	10%	9.57%	11,261.57

The following table shows the value of the Debentures at maturity under different market conditions for Series-2:

Scenario 1 - Reference Gsec Price Movement = - 75% or falls below -75%					
Initial Level	Final Level	Performance	Ann. Coupon (XIRR)	Comparable Monthly Coupon	Redemption Amount (Rs.)
100	20	-80%	0%	0%	10,000
Scenario 2 - Reference Gsec Price Movement between -75% to +75% or is above 75%					
Initial Level	Final Level	Performance	Ann. Coupon (XIRR)	Comparable Monthly Coupon	Redemption Amount. (Rs.)
100	30	-70%	10.1%	9.66%	11,551.11

Note: This scenario analysis is being provided for illustrative purposes only. It does not represent all possible outcomes

SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

In case of listing of debt securities made on private placement, the following disclosures are required to be made vide *SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 w.e.f. 25-05-16*:

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

- (A) **Name of the bank declaring the entity as a Wilful Defaulter:** NIL
- (B) **The year in which the entity is declared as a Wilful Defaulter:** NIL
- (C) **Outstanding amount when the entity is declared as a Wilful Defaulter:** NIL
- (D) **Name of the entity declared as a Wilful Defaulter:** NIL
- (E) **Steps taken, if any, for the removal from the list of wilful defaulters:** NIL
- (F) **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions:** NIL

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) Deed of Hypothecation whereby the Issuer will create an exclusive first charge by way of hypothecation over the Hypothecated Property in favour of the Debenture Trustee to secure its obligations in respect of the Debentures ("**Deed of Hypothecation**"); and
- (d) Such other documents as agreed between the Issuer and the Debenture Trustee.

7.2 Representations and Warranties of the Issuer

The Issuer hereby makes the following representations and warranties and the same shall also be set out in the Transaction Documents.

The Company makes the representations and warranties set out in this Clause to the Debenture Trustee on behalf of the Debenture Holder(s) and the same shall also be set out in the Transaction Documents:

- (a) **STATUS:**
 - It is a company, duly incorporated, registered and validly existing under the Applicable Law of India.

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

- It has the power to own its assets and carry on its business in substantially the same manner as it is being conducted.

(b) **BINDING OBLIGATIONS:**

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

(c) **NON-CONFLICT WITH OTHER OBLIGATIONS:**

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

- (i) any Applicable Law including but not limited to laws and regulations regarding anti-money laundering or terrorism financing and similar financial sanctions; or
- (ii) its constitutional documents; or
- (iii) any agreement or instrument binding upon it or any of its assets, including but not limited to any terms and conditions of the existing Financial Indebtedness of the Company.

(d) **POWER AND AUTHORITY:**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise 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 currently occurred and is continuing as of the date hereof or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the

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

Debentures. To the best of the Company's knowledge, 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 as on the date hereof.

(g) **PARI PASSU RANKING:**

Its payment obligations under the Transaction Documents rank at least *pari passu* with the claims of all of its other unsecured creditors, except for obligations mandatorily preferred by law applying to companies generally.

(h) **NO PROCEEDINGS PENDING:**

There are no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency, which if adversely determined may have a Material Adverse Effect, which have (to the best of its knowledge and belief) been started against it except as disclosed by the Company in its annual reports, financial statements, the Information Memorandum, the Private Placement Offer cum Application Letter and as provided in Debenture Trust Deed.

(i) **NO MISLEADING INFORMATION:**

All information provided by the Company to the Debenture Holder(s) 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) on which it is stated.

(j) **COMPLIANCE:**

It is in compliance in all respects with all Applicable Law for the performance of its obligations with respect to this Issue, including but not limited to environmental, social and taxation related laws, for them to carry on their business.

(k) **ASSETS:**

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN: U65910TN1989PLC017021 on the website <http://www.mca.gov.in/mcafoportal/showIndexOfCharges.do> 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.

(l) **FINANCIAL STATEMENTS:**

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

- (i) Its financial statements most recently supplied to the Debenture Trustee were prepared in accordance with IND AS consistently applied save to the extent expressly disclosed in such financial statements.
- (ii) Its financial statements most recently supplied to the Debenture Trustee as of September 30, 2020 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.
- (m) **SOLVENCY:**
 - (a) 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 will not be deemed by a court to be unable to pay its debts within the meaning of Applicable Law, nor in any such case, will it become so in consequence of entering into this Deed.
 - (b) The value of the Assets of the Company is more than its respective Liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.

As on the date hereof, the Company has not taken any corporate action nor has taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings

(n) **NATURE OF REPRESENTATIONS AND WARRANTIES**

The Company hereby expressly represents and warrants that each of the representations and warranties set out hereinabove is true and accurate as on the date of the Debenture Trust Deed and shall continue to be true and accurate on each day until the Maturity Date, and nothing contained in the said representations and warranties is / will be misleading or designed to create an inaccurate, incomplete or false picture.

7.3 **COVENANTS OF THE ISSUER**

REPORTING COVENANTS:

Monthly Reports – Month end ALM table in the RBI format within 25 calendar days from the end of the month.

Quarterly Reports – within 45 (Forty Five) calendar days from the end of each financial quarter

- a) Unaudited Financial Statements
- b) Financial covenant compliance certificate signed by a Director-Treasury or the Chief Financial Officer
- c) Latest ALM details
- d) Change in Shareholding structure
- e) Change in Board composition
- f) Changes in accounting policy
- g) Change in senior management officials (any CXO or equivalent)
- h) Portfolio cuts including PAR data in the format attached as per Annexure 3

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

Annual Reports – within 90 (ninety) calendar days from the end of each financial year

- a) Audited financial statements

Event Based Reports – within 10 (Ten) Business Days of the event occurring

- a) Any fraud amounting to more than 2.0% of Gross Loan Portfolio
- b) Material Change in the constitutional documents of the Company adversely affecting the rights of Majority Debenture Holder
- c) Material Adverse Effect
- d) Any dispute, litigation, investigation or other proceeding which could result in a Material Adverse Effect.
- e) Winding up proceedings
- f) Any Event of Default or Potential Default, and any steps taken / proposed to remedy the same.

AFFIRMATIVE COVENANTS:

The Company undertakes and agrees that until the Final Settlement Date of the Debentures, it shall –

(i) **UTILISATION OF PROCEEDS OF DEBENTURES**

The Issue proceeds will be utilized for on-lending and general corporate purpose in the ordinary course of business

(ii) **LISTING**

Take all steps necessary to obtain the in-principle approval from the BSE for listing the Debentures on or prior to the Deemed Date of Allotment and to take all steps necessary to get the Debentures listed within 20 (Twenty) calendar days from the Deemed Date of Allotment.

In the event that the Debentures are not listed within 20 (Twenty) calendar days from the Deemed Date of Allotment for any reason whatsoever, to the extent that any Debenture Holder(s) are foreign institutional investors or sub-accounts of foreign institutional investors or qualified foreign investors, or foreign portfolio investors, the Company undertakes to immediately redeem and/or buyback any and all Debentures within 2 (two) Business Days of the expiry of the listing period.

In accordance with the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time, in case of a delay by the Company in listing the Debentures beyond 20 (Twenty) calendar days from the Deemed Date of Allotment the Company shall make payment to the Debenture Holder(s) of penal interest calculated on the face value of the Debentures at the rate of at least 15% (Fifteen Percent) p.a. from the expiry of 30 (Thirty) calendar days from the Deemed Date of Allotment until the listing of the Debentures.

(iii) **NOTICE OF WINDING UP OR OTHER LEGAL PROCESS**

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

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 act relating to winding up or otherwise of any suit or other legal process intended to be filed or initiated against the Company and affecting or likely to affect the charged assets and the title to the properties of the Company or if a receiver is appointed in respect of any of its properties or businesses or undertakings.

(iv) **LOSS OR DAMAGE BY UNCOVERED RISKS**

Promptly inform the Debenture Trustee of any material loss or significant damage which the Company may suffer due to any force majeure circumstances such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties.

(v) **ANTI-MONEY LAUNDERING**

Not permit any of the Issue proceeds to be used to fund 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. The Company shall maintain appropriate internal controls to prevent fraud or money laundering or usage of the proceeds of the Debentures for illegal activities.

(vi) **COSTS AND EXPENSES**

Pay all costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of Debenture Holder(s)' interests, including travelling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures and shall not include any foreign travel costs. Pay all costs including legal counsel's fees, fees of Debenture Trustee and other expenses required for the issuance and listing of the Debentures.

(vii) **PRESERVE CORPORATE STATUS**

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.

(viii) **PAY STAMP DUTY**

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 laws for the time being in force in the state where the Transaction Documents are executed, and in relation to the Debentures 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.

(ix) **MAKE THE RELEVANT FILINGS WITH THE REGISTRAR OF COMPANIES/SEBI**

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

Pursuant to the provisions of the Act and the relevant rules thereunder, the Company undertakes to make the necessary filings of the documents mandated therein including the Private Placement Offer cum Application Letter with the Registrar of Companies and/or SEBI within the timelines stipulated thereunder.

(x) **FURNISH INFORMATION TO DEBENTURE TRUSTEE**

The Company shall furnish quarterly report (unless specified otherwise, in which case, reports shall be submitted according to the specified timeline below) to the Debenture Trustee (as may be required in accordance with SEBI guidelines) 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.
- (xi) The Company shall comply with the requirements set out in the SEBI (Debenture Trustee) Regulations, 1993 (as amended from time to time), including the SEBI (Debenture Trustee) Amendment Regulations, 2017.
- (xii) Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holder(s). 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.
- (xiii) Inform the Debenture Trustee of any major change in the composition of its Board of Directors, which may amount to change in 'Control' as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (xiv) Inform and provide the Debenture Trustee with applicable documents in respect of any and all information required to be provided to the Debenture Holders under the listing agreement entered/ to be entered into between the Company and the stock exchange on which the Debentures are proposed to be listed.
- (xv) The Company shall furnish to the Debenture Trustee a certificate from the Company's statutory auditors in respect of the utilization of funds raised under the Issue at the end of each financial year.

(xvi) **TRANSFER OF UNCLAIMED REDEMPTION AMOUNTS**

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

(xvii) **FURTHER ASSURANCES**

The Company shall:

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

- (a) 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;
- (b) 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 lawfully to 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;
- (c) ensure that the Debentures are rated by the Rating Agencies and continue to be rated by the Rating Agencies during the tenure of the Debentures;
- (d) comply with all Applicable Law (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 (i) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as may be in force from time to time during the currency of the Debentures; and (ii) the provisions of the listing agreement entered into by the Company with the stock exchange in relation to the Debentures including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**").

(xviii) **SECURITY**

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

- (a) The Debentures shall be secured by way of a first ranking exclusive charge on the Hypothecated Property;
- (b) All the movable assets that have been charged in favour of the Debenture Trustee under the Deed of Hypothecation 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 and 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;
- (c) The Hypothecated Property offered as security shall be free from encumbrances other than what it proposed under this Deed;

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

- (d) The Security Cover shall be met only with Hypothecated Property that does not have any principal, interest, additional interest, fee or any other expected payments overdue ("Performing Loans") and for this purpose, the Company shall with the consent of the Debenture Trustee replace any Hypothecated Property that has one or more instalments of principal, interest, additional interest, fee or any other expected payments overdue for more than 60 (sixty) days with Performing Loans that meets the Eligibility Criteria. Such replacement shall be done on or before the 15th of any calendar month.
- (e) To maintain at all times, during the period of the Issue, the Security Cover. The value of the Hypothecated Property for this purpose (both for initial and subsequent valuations) shall be the amount reflected as the value thereof in the books of accounts of the Company;
- (f) The Company shall execute a duly stamped Deed of Hypothecation on or prior to the Deemed Date of Allotment and perfect the Security over the Hypothecated Property to the extent of 1.01 Security Cover within 60 days of the Deemed Date of Allotment;
- (g) The Company shall perfect the Security within 60 (sixty) days from the Deemed Date of Allotment failing which the Company shall pay penal interest of 2% per annum over and above the Coupon Rate for the period till the Security is created.
- (h) The Company shall create the Security as contemplated above by filing Form No. CHG-9 with the Registrar of Companies in relation thereto within 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation; Further, the charge over the Hypothecated Property to the extent of 1.01 Security Cover is to be perfected within 60 days of the Deemed Date of Allotment. In the event the Security is not created or has insufficiently created, the proceeds from the Issue are to be placed in an escrow account until the creation of security.
- (i) On a monthly basis provide a certificate from certifying the values of the book debts/ receivables.
- (j) The Company shall on a monthly basis, commencing from the Deemed Date of Allotment till the Maturity Date provide a list and value of specific loan receivables / identified book debt to the Debenture Trustee certified by practising chartered accountant on quarterly basis and statutory auditor annually over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover;
- (k) From the date of the creation of the Security and until the Maturity Date, the Company shall, on the Security Cover being diminished, within 30 (thirty) days of the same, add fresh loan assets to the Hypothecated Property (under the Deed of Hypothecation) such that the Security Cover is maintained in the manner as described in sub-clause (c) above;

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

- (l) The Company shall, on a half yearly basis, as also whenever required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the movable assets of the charge from time to time/ Security and shall furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Debenture Trustee and make, furnish and execute all necessary documents to give effect to this Security;
- (m) The Company shall cooperate with the Debenture Trustee to enable it to make necessary filings in connection with the creation of Security over the Hypothecated Property with the CERSAI, within 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation;
- (n) The Security shall be a continuing security as described in the Deed of Hypothecation;
- (o) Nothing contained herein shall prejudice the rights or remedies of the Debenture Trustee and/ or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any indebtedness or liability of the Company to the Debenture Trustee and/ or the Debenture Holders.
- (p) The Company shall while submitting half yearly/annual financial results to the BSE, disclose the following line items along with the financial results accompanied by a certificate from the Debenture Trustee confirming that it has taken note of the said content and the same shall be communicated to the Debenture Holder(s) on a half yearly basis:
 - A. *credit rating and change in credit rating (if any);*
 - B. *debt- equity ratio accompanied with the limited review half year financial statements of the Company;*
 - C. *previous due date for the payment of Coupon/principal and whether the same has been paid or not;*
 - D. *next due date for the payment of Coupon/principal along with the amount of interest/redemption amount payable;*
 - E. *debenture redemption reserve (if applicable);*
 - F. *net worth;*
 - G. *net profit after tax; and*
 - H. *earnings per share.*

NEGATIVE COVENANTS:

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

Without the prior written permission of the Debenture Trustee, the Company shall not take any action in relation to the items set out below. The Debenture Trustee shall give its prior written approval/dissent within 15 (Fifteen) Business Days after having received a request to give its approval provided such request is accompanied by the relevant information substantiating the request for the Debenture Holders to make a conscious decision. The Debenture Trustee shall take the consent of the Majority Debenture Holders prior to any such approval/dissent.

(i) **CHANGE OF BUSINESS**

Change the general nature and conduct of its business from that which is permitted under the directions issued by the RBI with respect to 'Non-Banking Financial Company' including the RBI Master Direction dated September 1, 2016 bearing reference no. DNBR.PD.008/03.10.119/2016-17 on 'Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016' as amended from time to time.

(ii) **CONSTITUTIONAL DOCUMENTS**

Change its articles of incorporation or organizational documents in any material way which would prejudicially affect the interests of the Debenture Holder(s).

(iii) **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. The Company further shall not purchase or redeem any of its issued shares or reduce its share capital without the Debenture Holder's prior written consent.

(iv) **DIVIDEND, DISTRIBUTION ETC.**

Declare or pay any dividend, make a cash distribution or pay any other consideration to its shareholders (other than dividends or cash distributions payable in shares of the Company) during any financial year unless: (i) the Company has paid or made satisfactory provision for the payment of the installments of principal and interest due on the Debentures; (ii) the proposed payment or distribution is made from positive retained earnings of the Company (excluding any amount resulting from the revaluation of any of the Company's assets) earned from the previous financial year for which such dividend or distributions were declared; (iii) so long as no Event of Default or potential Event of Default exists or is continuing; and (iv) after giving effect to any such action, the Company is in compliance with the financial covenants.

(v) **CHANGE OF CONTROL**

At any point in time prior to the listing of the equity shares of the company, the Company gives effect to any transaction or takes any corporate or other action which results in the shareholding (whether directly or indirectly) of Dvara, Leapfrog or Accion Africa Asia, in the Company, collectively to fall below 20% (Twenty Percent), excluding any dilution caused pursuant to the exercise of ESOP's or which

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

results in the shareholding (whether directly or indirectly) of Dvara Trust to fall below 10% (Ten Percent), excluding any dilution caused pursuant to the exercise of ESOP's, without the prior written consultation and consent of the Majority Debenture Holder(s) and the Debenture Trustee, which consent, when requested for by the Company from the Debenture Holder(s)/ Debenture Trustee in writing, shall not be unreasonably withheld.

(vi) **DISPOSAL OF ASSETS**

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

FINANCIAL COVENANTS:

- a. The capital adequacy ratio (as defined in RBI NBFC Regulations) shall be equal to 17% or above at all points in time.
- b. Cumulative Asset Liability mismatch should always be positive in all the buckets upto 6 months. If the said covenant is breached then the company will have a curing period of 60 days to bring it back to the stated range.
- c. Asset Quality: Ratio of PAR-90 to Gross Loan Portfolio shall be 5% or lower.

"Gross Loan Portfolio" shall include on balance sheet and off balance sheet portfolio

"Off Balance Sheet Portfolio" shall mean principal balance of loans securitized, assigned, originated on behalf of other institutions in respect of which the Issuer has provided credit enhancements in any form or manner whatsoever

"PAR-90" shall mean the outstanding principal amount of all client loans that have one or more instalments of principal past due for ninety days or more.

"Client Loan" means each loan made by the Company as a lender.

"Loan Loss Reserves" means the portion of the Company's portfolio of client loans that has been expensed (provisioned for) in anticipation of losses due to default.

"Gross NPA" shall have the meaning in accordance with the guidelines issued by the Reserve Bank of India.

** - Not more than 50% of the CC / OD / Working capital borrowings that are captured in the less than 1 year bucket will be assumed to be renewed for the purpose of this cumulative ALM mismatch covenant.

All covenants would be tested on quarterly basis for the Company, i.e. as on 31st March 30th June, 30th September and 31st December every year, starting from 31st December 2020 on consolidated and standalone balance sheet till the redemption of the Debentures.

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

The covenants shall be certified by the Company within 60 (Sixty) calendar days from the end of each financial quarter.

EVENTS OF DEFAULT

(a) If one or more of the events specified below occurs (hereinafter each an “**Event of Default**” and collectively, “**Event(s) of Default**”), the Debenture Trustee may, in their discretion, and shall, upon being directed by the Majority Debenture Holders by a Special Resolution, by a notice in writing to the Company take all such action, expressly or impliedly permitted under the Transaction Documents or in law.

(b) EVENTS OF DEFAULT

(i) PAYMENT DEFAULT

The Company does not pay on the due date any amount payable pursuant to this Deed (whether at scheduled maturity, by acceleration or otherwise) at the place at which 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 (Seven) calendar days of its due date.

(ii) BREACH OF TERMS OF THIS DEED

Except for the event contained in Clause (i) (*Payment Default*) above, the Company defaults in the performance of any of its representations, obligations and covenants provided in terms of this Deed and/or Transaction Documents and such default has continued for a period of 30 (Thirty) calendar days from the earlier of (i) the date when the Company obtained actual knowledge thereof or (ii) the Debenture Trustee has notified the Company of such failure.

(iii) INSOLVENCY / INABILITY TO PAY DEBTS

The Company admits in writing its inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual financial difficulties, legal proceedings or other procedure or step or action is taken by any person (whether a financial creditor or an operational creditor or otherwise) or authority including a Governmental Authority (including but not limited to, the making of an application, the presentation of a petition, the filing or service of a notice or the passing of a resolution), in relation to an insolvency resolution process under the provisions of IBC or a moratorium is agreed or declared in respect of or affecting all the debts of the Company and the same is not cured within 30 days.

(iv) SECURITY

Any failure of the Company to comply with any of the provisions of the Transaction Documents in relation to the Security and Security Cover, if such Security Cover is not maintained by the Company as per the terms of the Deed and fails to provide any additional or alternate security to the satisfaction of the Majority Debenture Holders within a period of 15 (five) business days from the date of such failure.

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

(v) **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 Holder(s) by the Company shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.

(vi) **MATERIAL ADVERSE EFFECT**

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) calendar days.

(vii) **CROSS DEFAULT**

If the Company defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created.

(viii) **LIQUIDATION OR DISSOLUTION OF THE COMPANY / APPOINTMENT OF RECEIVER OR LIQUIDATOR**

- (a) An application is filed by Reserve Bank of India for commencing insolvency proceeding against the Company under Applicable Law;
 - (b) Any corporate action or other procedure is taken by the Company for commencing an insolvency proceeding or winding-up of the Company,
 - (c) The appointment of a liquidator, receiver, administrator, compulsory manager or other similar officer in respect of the Company for taking control of the board of the Company or substantial part of the Company's business or assets;
 - (d) any other event occurs or proceeding is instituted that under any Applicable Law would have an effect analogous to any of the events listed in clauses (a), (b) or, (c) above.
- and such steps is not vacated or stayed within 30 (Thirty) days.

(ix) **CREDITORS' PROCESS**

Any expropriation, attachment, sequestration, distress or execution affects any Assets of the Company having an aggregate value of 5% (Five Percent) of the Total Assets of the Company and is not discharged within 30 (Thirty) calendar days or as given in the said order.

(x) **TRANSACTION DOCUMENTS**

This Deed or any other Transaction Document in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Company and the same is not cured within 30 days.

(xi) **CESSATION OF BUSINESS**

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

The Company suspends or ceases to carry on its business or any substantial part thereof or gives notice of its intention to do so.

(xii) **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 and the same is not cured within 30 days.

(xiii) **REPUDIATION**

The Company repudiates any of the Transaction Documents or evidences an intention to repudiate any of the Transaction Documents and the same is not cured within 30 days.

(xiv) **DELISTING OF DEBENTURES**

The listing of the Debentures ceases or is suspended at any point of time prior to the Maturity Date and the same is not cured within 30 days, except if the Debentures are delisted in accordance with the consent of the Majority Debenture Holders.

(xv) **EXPROPRIATION, NATIONALIZATION ETC.**

Any Governmental Authority condemns, nationalizes, seizes, expropriates or otherwise assumes custody or control of all or any substantial part of the business, operations, property or other assets (including assets forming part of the Security) of the Company or of its share capital, or takes any action for the dissolution of the Company or any action that would prevent the Company or its officers from carrying on all or a substantial part of its business or operations and the same is not cured within 30 days.

.

7.4 **CONSEQUENCES OF EVENTS OF DEFAULT**

Upon the happening of an Event of Default, the Debenture Trustee shall be entitled to exercise any and all remedies in accordance with the terms contained in the Transaction Documents.

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

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, 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 laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. 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/EFT/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 debit corporate action.

The list of beneficiaries as of the relevant 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 Debenture 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 have entered/intend to enter 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 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

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

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 laws, 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 its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their 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 Holders 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 Holders.

For the avoidance of doubt, the following matters require the consent of Majority Debenture Holders, either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders as set out below:

- (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/Committee of Directors 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 Holders through registered post, recognized overnight courier service, hand delivery or by facsimile transmission addressed to such Debenture Holder at its/his registered address or facsimile number.

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

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 or email or by facsimile transmission to the Issuer or to such persons at such address/ facsimile number as may be notified by the Issuer from time to time through suitable communication. All correspondence regarding the Debentures should be marked "Private Placement of Debentures".

Notice(s) shall be deemed to be effective (a) in the case of registered mail, 3 (three) Business Days after posting; (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 or (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 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

Eligible investors will be invited to subscribe by way of the Application Form prescribed in the Information Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). 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 during the period covered by the Issue Schedule.

8.11 Fictitious Applications

All fictitious applications will be rejected.

8.12 Basis of Allotment

Notwithstanding anything stated elsewhere, prior to the acceptance of the bids of the Eligible Investors by the Issuer, 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 on a first come first serve basis. The investors will be required to remit the funds as per the timelines prescribed above and submit the duly completed Application Form along with other necessary documents to the Issuer by the Deemed Date of Allotment.

8.13 Payment Instructions

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

The pay-in of subscription monies in respect of the Debentures by the Successful Bidder shall be made in accordance with the procedure set out in Clause 8.9 above.

8.14 Eligible Investors

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

- (a) Mutual Funds
- (b) NBFCs
- (c) Provident Funds and Pension Funds
- (d) Corporates
- (e) Banks
- (f) Foreign Institutional Investors (FIIs)
- (g) Qualified Foreign Investors (QFIs)
- (h) Foreign Portfolio Investors (FPIs)
- (i) Insurance Companies
- (j) Any other person (not being an individual or a group of individuals) 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.

Hosting of the Information Memorandum on the website of the BSE should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the same has been hosted only as it is stipulated under the SEBI Debt Listing Regulations.. Eligible Investors should check their eligibility before making any investment

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.

8.15 Procedure for Applying for Dematerialised Facility

- (a) The applicant must have at least one beneficiary account with any of the DP's of NSDL prior to making the application.
- (b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".
- (c) Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.

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

- (d) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- (e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.
- (f) If incomplete/incorrect details are given under the heading “Details for Issue of Debentures in Electronic/Dematerialised Form” in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- (g) For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- (h) The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

8.16 Depository Arrangements

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

8.17 List of Beneficiaries

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

8.18 Application under Power Of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to

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

accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

8.19 Procedure for application by Mutual Funds and Multiple Applications

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

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

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

8.20 Documents to be provided by Investors

Investors need to submit the following documents, as applicable:

- (a) Memorandum and Articles of Association or other constitutional documents
- (b) Resolution authorising investment
- (c) Certified true copy of the Power of Attorney to custodian
- (d) Specimen signatures of the authorised signatories
- (e) SEBI registration certificate (for Mutual Funds)
- (f) Copy of PAN card
- (g) Application Form (including EFT/RTGS details)

8.21 Applications to be accompanied with Bank Account Details

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

8.22 Succession

In the event of winding up of a Debenture Holder (being a company), the Issuer will recognise the legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such legal representative as having title to the Debenture(s), unless they obtains legal representation, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such legal representation, in order to recognise any person as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on the production of sufficient documentary proof and an indemnity.

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

8.23 Mode of Payment

All payments must be made through cheque(s) demand draft(s), EFT/RTGS as set out in the Application Form.

8.24 Effect of Holidays

If the Coupon Payment Date falls on a day which is not a Business Day, then the immediately succeeding Business Day shall be the due date for such payment. If the Principal Payment Date/ Maturity Date / Redemption Date (including the last Coupon Payment Date and the last Principal Payment Date) or the due date in respect of liquidated damages and all other monies payable under the Debenture Trust Deed falls on a day which is not a Business Day, then the immediately preceding Business Day shall be the due date for such payment.

8.25 Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the Debenture Holder(s) at the office of the R&T Agent of the Issuer at least 15 (Fifteen) calendar days before the relevant payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form.

If any payments under this Issue is subject to any tax deduction other than such amounts as are required as per current regulations existing as on the date of the Debenture Trust Deed, including if the Company shall be required legally to make any payment for Tax from the sums payable under the Debenture Trust Deed, ("**Tax Deduction**"), the Company shall make such Tax Deduction, as may be necessary and shall simultaneously pay to the Debenture Holders such additional amounts as may be necessary in order that the net amounts received by the Debenture Holders after the Tax Deduction shall equal the respective amounts which would have been receivable by the Debenture Holders in the absence of such Tax Deduction.

8.26 Letters of Allotment

The letter of allotment, indicating allotment of the Debentures, will be credited in dematerialised form within 2 (Two) Business Days from the Deemed Date of Allotment. The aforesaid letter of allotment shall be replaced with the actual credit of Debentures, in dematerialised form, within a maximum of 7 (Seven) Business Days from the Deemed Date of Allotment or such period as is permissible under Applicable Law.

8.27 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is December 11, 2020 by which date the Investors would be intimated of allotment.

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

8.28 **Record Date**

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

8.29 **Refunds**

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

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

8.30 **Interest on Application Money**

Interest at the rate of 10.00% p.a. (subject to deduction of tax at source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961) will be paid on Application Money to the Applicants from the date of realization of the cheques / drafts or credit through RTGS / NEFT / direct credit upto one day prior to the Deemed Date of Allotment. This is applicable for all valid applications within 5 (five) Business Days from the Deemed Date of Allotment. Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refund orders or through RTGS / NEFT / direct credit to the bank account of the Applicant as described in the Application Form. This clause is not applicable if the allotment happens on the same day of application.

8.31 **PAN Number**

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

8.32 **Payment on Redemption**

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 list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption 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 such payment being made, the Issuer will inform NSDL and accordingly the account of the Debenture Holder(s) with NSDL will be adjusted.

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

Disclaimer: Please note that only those persons to whom this Information Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all

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

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 those 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. Provisions in respect of 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.

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

SECTION 9: DECLARATION

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Information Memorandum is as applicable to privately placed debt securities and subject to the information available with the Issuer. The extent of disclosures made in the Information Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

For **Northern Arc Capital Limited**



Authorised Signatory

Date: December 10, 2020



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

ANNEXURE I: TERM SHEET

As provided in Clause 5.23 above.

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

ANNEXURE II: RATING LETTER FROM THE RATING AGENCY

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

ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

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

We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in the Information Memorandum and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Debenture Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's Signature:

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	NSDL
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Applicant Bank Account :	
(Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	

	FOR OFFICE USE ONLY
DATE OF RECEIPT _____	DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Information Memorandum is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer and other intermediaries and their agents and advisors associated with this Issue. 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: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any

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

reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures. We undertake that upon sale or transfer to subsequent investor or transferee ("**Transferee**"), we shall convey all the terms and conditions contained herein and in this Information Memorandum to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer and also hold the Issuer and each of such person harmless in respect of any claim by any Transferee.

Applicant's
Signature

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____

(Note : Cheque and Drafts are subject to realisation)

------(TEAR HERE)-----

ACKNOWLEDGMENT SLIP

<i>(To be filled in by Applicant)</i> SERIAL NO.	1	-	-	-	-	-	-	-	-
--	---	---	---	---	---	---	---	---	---

Received from _____

Address _____	

Cheque/Draft/UTR # _____	Drawn on _____ for
Rs. _____	on account of application of _____ Debenture

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

ANNEXURE V: LAST AUDITED FINANCIAL STATEMENTS

(Summary of the financial position of the Company as in the previous 3 (three) years' audited balance sheets – Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
Financial assets				
Cash and cash equivalents	32,485.12	18,285.52	18,052.88	11,958.14
Bank balances other than cash and cash equivalents	7,720.21	5,233.88	1,341.53	1,044.92
Derivative financial instruments		-	4.04	-
Trade receivables	821.57	1,597.24	2,312.40	1,018.26
Loans	2,94,597.06	2,78,805.38	2,32,751.09	1,58,235.40
Investments	1,04,828.13	1,04,926.98	1,08,146.55	1,21,878.22
Other financial assets	1,173.42	988.79	456.60	390.18
	4,41,625.51	4,09,837.79	3,63,065.09	2,94,525.12
Non-financial assets				
Current tax assets (net)	3,662.18	1,365.39	516.52	295.79
Deferred tax assets (net)	360.35	599.67	574.47	-
Property, plant and equipment	178.19	67.59	30.68	30.03
Right of Use of asset	1,324.14			
Intangible assets under development	94.94	342.75	133.40	17.69
Intangible assets	831.54	290.99	359.80	337.86
Other non- financial assets	244.11	413.20	96.50	156.48
	6,695.45	3,079.59	1,711.37	837.85
Total assets	4,48,320.96	4,12,917.38	3,64,776.46	2,95,362.97
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial instruments	-	10.65	-	21.07

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

Trade payables				
total outstanding dues of micro enterprises and small enterprises	-	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	793.17	876.53	697.87	1,162.81
Debt securities	86,020.70	1,13,323.12	60,300.00	80,525.00
Borrowings (Other than debt securities)	2,06,087.40	1,75,947.47	2,31,449.32	1,52,094.10
Subordinated liabilities	-	1,213.41	-	-
Other financial liabilities	4,683.04	5,252.61	3,480.23	5,716.38
	2,97,584.31	2,96,623.79	2,95,927.42	2,39,519.36
Non-financial liabilities				
Provisions	1,327.09	1,210.73	1,477.28	580.39
Deferred tax liabilities (net)	-	-	-	855.89
Other non-financial liabilities	127.68	362.97	315.75	6.08
EQUITY				
Equity share capital	8,747.79	7,836.57	7,836.57	7,836.57
Other equity	1,40,534.09	1,06,883.32	59,219.44	46,564.68
	1,49,281.88	1,14,719.89	67,056.01	54,401.25
Total liabilities and equity	4,48,320.96	4,12,917.38	3,64,776.46	2,95,362.97

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

ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

Illustration of Bond Cash Flows	
Company	Northern Arc Capital Limited
Effective Coupon Amount	Kindly refer to Clause 5.23
Effective Annualised Coupon Rate	Kindly refer to Clause 5.23
Face Value (per security)	Rs. 10, 000/- (Rupees Ten Thousand only)
Reference Index	Kindly refer to Clause 5.23
Tenor	Kindly refer to Clause 5.23
Initial Fixing Level	Kindly refer to Clause 5.23
Final Fixing Level	Kindly refer to Clause 5.23
Issue Date / Date of Allotment	Issue Opening Date: December 10, 2020 Deemed Date of Allotment: December 11, 2020
Scenario Analysis	Kindly refer to Clause 5.24
Redemption Date / Maturity Date	Series 1 - Redemption Date / Maturity Date: March 11,2022 Series 2 - Redemption Date / Maturity Date: June 11,2022
Frequency of the Coupon Payment with specified dates	Not applicable. Effective Coupon Amount per debenture shall be paid by the Company to the Debenture Holders as interest on the Final Redemption Date or the Early Redemption Date, as the case may be. The said, "Effective Coupon Amount" being the interest amount to be paid per Debenture by the Issuer to the Debenture Holders shall be determined in accordance with the method of calculation set out
Day Count Convention	Actual/365