

Serial 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: IITM Research Park, Phase 1, 10th Floor, No. 1 Kanagam Village (Behind Tidel Park) Taramani Chennai - 600 113

Telephone No: + 91-44-6668 7000

Website: <http://northernarc.com> / <http://capital.ifmr.co.in/>

**Information Memorandum for issue of Non-Convertible Debentures on a Private Placement Basis dated July 16, 2018**

**Issue of 2500 (Two Thousand Five Hundred) Rated, Listed, Taxable, Unsecured, Senior, Redeemable INR denominated non-convertible debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating to Rs. 250,00,00,000/- (Rupees Two Hundred and Fifty Crores only) ("Non-Convertible Debentures" or "NCDs") on a private placement basis ("the Issue").**

#### Background

This Information Memorandum is related to the Non-Convertible Debentures to be issued by Northern Arc Capital Limited (Formerly IFMR Capital Finance Limited) (the "Issuer" or "Company") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Non-Convertible Debentures. The issue of the Non-Convertible Debentures comprised in the Issue and described under this Information Memorandum has been authorised by the Issuer through a resolution passed by the shareholders and a resolution passed by the board of directors of the Issuer on June 3, 2017 and in accordance with the provisions of the Companies Act, 2013 (and the rules thereunder); Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 and the Memorandum and Articles of Association of the Company.

#### Credit Rating

The Non-Convertible Debentures proposed to be issued by our Issuer have been rated by ICRA Limited ("Rating Agency"). The Rating Agency has vide its letter dated July 10, 2018 assigned a rating of 'A+ (Stable)' in respect of the Non-Convertible Debentures. The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to Annexure II of this Information Memorandum for the letter dated July 10, 2018 issued by the Rating Agency disclosing the rating rationale adopted for the aforesaid rating.

#### Issue Schedule

Issue Opens on: July 16, 2018

Issue Closing on: July 16, 2018

Deemed Date of Allotment: July 16, 2018

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 Non-Convertible Debentures are proposed to be listed on the wholesale debt market of the Bombay Stock Exchange ("BSE")

#### Registrar & Transfer Agent

**Karvy ComputerShare Pvt Ltd**

Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad - 500  
032

#### Debenture Trustee

**Catalyst Trusteeship Ltd.**

Address: GDA House, First Floor, Plot No. 85 S. No.94 &  
95, Bhusari Colony (Right), Kothrud, Pune - 411038  
Contact Person: Mr Umesh Salvi  
Email: [umesh.salvi@ctltrustee.com](mailto:umesh.salvi@ctltrustee.com)  
Website: [www.catalysttrustee.com/](http://www.catalysttrustee.com/)

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

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# SECTION 1: DEFINITIONS AND ABBREVIATIONS

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

Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Non-Convertible Debentures pursuant to this Issue.
Applicable Law	Shall mean any statute, law, by-law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any statutory or regulatory authority whether in effect as of the date of any Transaction Documents or thereafter and in each case as amended.
Application Form	The form used by the recipient of this Disclosure Document, to apply for subscription to the Non-Convertible Debentures, which is annexed to this Information Memorandum and marked as Annex IV.
Board/Board of Directors	The Board of Directors of the Issuer
Business Day	Shall mean a day (other than a public holiday or a Sunday) on which banks are normally open for business in Mumbai.
Bond Holders/ Debenture Holders/Investors	The holders of the Non-Convertible Debentures issued by the Issuer and shall include the registered transferees of the Non-Convertible Debentures from time to time
Debenture Trustee	Catalyst Trusteeship Limited
Debenture Trustee Agreement	Agreement executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debentures Trustee to act as debenture trustee in connection with the issuance of the Non-Convertible Debentures.
Non-Convertible Debentures/NCDs	2,500 (Two Thousand Five Hundred) Rated, Listed, Taxable, Unsecured, Senior, Redeemable INR denominated non-convertible debentures bearing a face value of Rs. 10,00,000/- (Rupees Ten Lakhs Only) each, aggregating to Rs. 250,00,00,000 /- (Rupees Two Hundred and Fifty Crores only)
Deemed Date of Allotment	July 16, 2018
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant/DP	A depository participant as defined under the Depositories Act
Director(s)	Director(s) of the Issuer.
Disclosures Document/Information Memorandum	This document which sets out the information regarding the Non-Convertible Debentures being issued on a private placement basis.
Due Date	Any date on which the holders of the Non-Convertible Debentures are entitled to payments, on maturity or upon the exercise of the option to redeem the Non-Convertible Debentures prior to the Maturity Date.
EFT	Electronic Fund Transfer
Event of Default	Shall have the meaning provided to it in Clause 6.4
Financial Year/FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.
GAAP	Generally Accepted Accounting Principles
Governmental Authority	Shall mean the Government of India or the government of any other state of India or any ministry, department, board, authority, instrumentality, agency, corporation (to the extent acting in a legislative, judicial or administrative capacity and not as a contracting party with the Issuer) or commission under the direct or indirect control of the Government of India.
Interest Expense	All interest, fees, and commissions incurred on deposit accounts of clients held by the Issuer, as well as commercial or concessionary borrowings by the Issuer.
Issue	Private Placement of the Non-Convertible Debentures.
Issue Closing Date	July 16, 2018
Issue Opening Date	July 16, 2018
Issuer/Company/Northern Arc Capital	Northern Arc Capital Limited (Formerly IFMR Capital Finance Limited)

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Majority Bond Holders	Bond Holders whose participation or share in the principal amount(s) outstanding with respect to the Non-Convertible Debentures aggregate to more than 66% (Sixty Six per cent) of the value of the nominal amount of the Non-Convertible Debentures for the time being outstanding.
Material Adverse Effect	<p>i. Means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on the financial condition, business or operation of the Company, environmental, social or otherwise or prospects of the Company; or</p> <p>ii. The ability of the Company to perform its obligations under the Transaction Documents (as defined hereinafter); or</p> <p>iii. the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder);</p>
Maturity Date	July 16, 2021 or such other date on which the final payment of the principal of the Non-Convertible Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A.	Not Applicable
NBFC	Non-banking financial company as defined under Section 45(f) of the Reserve Bank of India Act, 1934.
NBFC Master Directions	NBFC Master Directions means the master directions issued by the RBI on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 or Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as may be applicable for the Borrower (as amended or modified or restated from time to time)
NSDL	National Securities Depository Limited.
PAN	Permanent Account Number.
Promoter / IFMR Holdings	Shall mean IFMR Holdings Private Limited, until proposed scheme of re-organization comes into effect.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being Karvy Computershare Private Limited
Rating Agency	ICRA Limited
RBI	Reserve Bank of India.
Record Date	The date which will be used for determining the Bond Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 3 (Three) Business Days prior to any Due Date.
ROC	Registrar of Companies.
Rs./INR	Indian National Rupee
RTGS / NEFT	Real Time Gross Settlement / National Electronic Funds Transfer
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	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 issued by SEBI, as amended from time to time.
Special Majority Debenture Holders	Means such number of Debenture Holders collectively holding more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures
TDS	Tax Deducted at Source
Terms & Conditions	Shall mean the terms and conditions pertaining to the Issue as outlined in the Transaction Documents
Tier I Capital	Shall have the meaning ascribed to it in the NBFC Master Directions.
Tier II capital	Shall have the meaning ascribed to it in the NBFC Master Directions
Transaction Documents	Shall mean the documents executed or to be executed in relation to the issuance of the Non-Convertible Debentures as more particularly set out in 6.1.
WDM	Wholesale Debt Market.

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## SECTION 2:

## NOTICE TO INVESTORS AND DISCLAIMERS

### 2.1 ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act, 2013. The issue of the Non-Convertible Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. It is not intended to be circulated to more than 49 (forty-nine) persons. 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 Non-Convertible Debentures to the public in general. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the debentures issued to the public in general. Apart from this information memorandum, no offer document or prospectus has been prepared in connection with the offering of this issue or in relation to the issuer nor is such a prospectus required to be registered under by law. Accordingly, this Information Memorandum has neither been delivered for registration nor is it intended to be registered.

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum/Disclosure Document to be filed or submitted to the SEBI for its review and/or approval. However, pursuant to the provisions of Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment Of Securities) Rules, 2014, the copy of this Information Memorandum shall be filed with the ROC and SEBI within the stipulated timelines under the Act. The Issuer having made all reasonable inquiries, accepts responsibility for and confirms that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

This Information Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations. This Information Memorandum has been prepared solely to provide general information about the Issuer to the Eligible Investors (as defined below) to whom it is addressed and who are willing and eligible to subscribe to the Non-Convertible 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 Non-Convertible 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 Non-Convertible Debentures. Each Investor contemplating subscription to any Non-Convertible 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 Non-Convertible Debentures and should possess the appropriate resources to analyse such investment and the suitability of such investment to such 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 authorised 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 being authorised by the Issuer.

The Issuer certifies that the disclosures made in this Information Memorandum are adequate and in conformity with the SEBI Debt Listing Regulations. Further, the Issuer accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at its own risk.

This Information Memorandum and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Non-Convertible 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 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 being issued have been sent. Any application by a person to whom the Information Memorandum has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum shall not reproduce or distribute in whole or 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 may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Information Memorandum) without retaining any copies hereof. If any recipient of this Information Memorandum decides not to participate in the Issue, that recipient must promptly return this Information Memorandum and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

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

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

This Information Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised 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 Non-Convertible Debentures or the distribution of this Information Memorandum in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum comes are required to inform

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themselves about and to observe any such restrictions. The Information Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

## **2.2 DISCLAIMER CLAUSE OF THE STOCK EXCHANGE**

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 Non-Convertible 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 Promoter, its management or any scheme or project of the Issuer.

## **2.3 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 Non-Convertible Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum.

## **2.4 DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is made in India to Investors as specified under the clause titled "Eligible Investors" in clause 7.14 of this Information Memorandum, who shall be / have been identified upfront by the Issuer. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to Non-Convertible Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at Mumbai. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to the Non-Convertible Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

## **2.5 DISCLAIMER IN RESPECT OF THE RATING AGENCY**

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.

Please refer to Annexure I of this Information Memorandum for the letter dated July 10, 2018 from the Rating Agency assigning the credit rating abovementioned and the letter dated July 10, 2018 issued by the Rating Agency disclosing the rating rationale adopted for the aforesaid rating.

## **2.6 ISSUE OF NON-CONVERTIBLE DEBENTURES IN DEMATERIALISED FORM**

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

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### SECTION 3: RISK FACTORS

The following are the risks relating to the Company, the Non-Convertible Debentures and the market in general envisaged by the management of the Company. Potential investors should carefully consider all the risk factors in this Information Memorandum for evaluating the Company and its business and the Non-Convertible Debentures before making any investment decision relating to the Non-Convertible Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Non-Convertible Debentures, but does not represent that the statements below regarding risks of holding the Non-Convertible 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.

#### 3.1 RISKS RELATING TO OUR BUSINESS

*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. 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.

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.

*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.

*Around 35% 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 October 2010, the Andhra Pradesh government issued an Ordinance that severely curbed the business practices of microfinance institutions in AP. This Ordinance resulted in a sharp shortfall in liquidity for the microfinance sector across the country and consequent worsening in profitability and ratings. The RBI subsequently constituted a committee chaired by Mr. YH Malegam, which released recommendations in January 2011.

Some of these regulations have been implemented by the RBI. In December 2011, the RBI has released final guidelines governing the regulation and operations of NBFC-MFIs – created as a separate category to be regulated by the RBI. These regulations are expected to provide a degree of stability to the regulation and oversight of microfinance institutions.

Since October 2010, no other state in India has come forth with any similar rule or act that affects the microfinance sector. However, it is difficult to predict with any certainty that this will not happen in the future. The sector has seen instances of disruption in business in the past

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due to episodes of political interference in districts such as Krishna in Andhra Pradesh (2006) and Kolar and Mysore in Karnataka (2010). Largely catering to a clientele which is below poverty line, the sector always remains exposed to random episodes of political interference.

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 has since inception been working towards substantially diversifying its portfolio across states and districts. As of March 31<sup>st</sup>, 2018, the Company's portfolio is spread across 34 states and union territories and 570 districts across the country

The Company has also diversified its exposure to other asset classes, which now cumulatively account for 57% 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 65% of the clients of the Company belong to the above asset classes.

***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 seeks 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, as a principal investor, is also affected by these changes.

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 Bond 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. Based on these discussions the Trustee shall decide with Majority Consent whether the prepayment of the outstanding amount of the Non-Convertible Debentures by the Company is required or not. Any such prepayments shall be made only after obtaining the necessary approvals as may be required under Applicable Law.

***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 three 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.

***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 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..

***The Company may have to change its Accounting Policy and transition to Ind AS from the Financial year 2018-19 and this may have a material 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.

***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 ten years of profitable operations and demonstrated the efficacy of its business plan by enabling financing of over Rs.530 billion for its clients till March 2018. The Company has at present, over 100 clients. Over the years, the Company has structured and implemented various kinds of capital market transactions including single originator securitizations, listed multi-originator securitizations,



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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 A+(stable) and A1+ from ICRA for long-term debt and short term debt respectively. 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.

*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 paper. 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.

*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 is quite unique with substantial focus on local underwriting, relationship building and risk monitoring. The Company's competitive advantages are as follows:

- 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.
- 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.

*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 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.

*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.

### 3.2 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 Non-Convertible 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 Non-Convertible 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 Non-Convertible Debentures may not be made or may be substantially reduced or delayed.

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### **3.3 THE SECONDARY MARKET FOR NON-CONVERTIBLE DEBENTURES MAY BE ILLIQUID**

The Non-Convertible Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Non-Convertible Debentures, may not provide significant liquidity. Potential investors may have to hold the Non-Convertible Debentures until redemption to realise any value.

### **3.4 CREDIT RISK & RATING DOWNGRADE RISK**

The Rating Agency has assigned the credit ratings to the Non-Convertible 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 Non-Convertible 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.

### **3.5 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 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 Applicable 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.

### **3.8 LEGALITY OF PURCHASE OR SUBSCRIPTION**

Potential investors of the Non-Convertible Debentures will be responsible for the lawfulness of the acquisition of the Non-Convertible Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential investor with Applicable Law.

### **3.9 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 in 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.

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## **RISKS RELATING TO THE ISSUE**

### ***The NCDs are subject to taxation requirements.***

Potential purchasers and sellers of the NCDs should be aware that they may be required to pay stamp duties or other documentary charges/taxes in accordance with the laws and practices of India. Payment and/or delivery of any amount due in respect of the NCDs will be conditional upon the payment of all applicable taxes, duties and/or expenses. Potential investors who are in any doubt as to its tax position should consult its own independent tax advisers. In addition, potential investors should be aware that tax regulations and its application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

### ***Uncertain trading market***

The Company intends to list the NCDs on the WDM segment of the BSE. The Company cannot provide any guarantee that the NCDs will be frequently traded on the BSE and that there would be any market for the NCD(s).

### ***Any downgrading in credit rating of the Company's NCDs may affect the value of NCDs and thus its ability to raise further debts.***

This Issue has been rated by the Rating Agency as having 'ICRA A+' (pronounced A plus) with a stable outlook. The rating letter is provided in Annexure 1. The Company cannot guarantee that these ratings will not be downgraded. Such a downgrade in the above credit ratings may lower the value of the NCDs and may also affect the Company's ability to raise further debt.

## **EXTERNAL RISK FACTORS**

### ***The NCDs may not be a suitable investment for all purchasers.***

Potential investors should ensure that they understand the nature of the NCDs and the extent of its exposure to risk, that they have sufficient knowledge, experience and access to professional advisers to make its own legal, tax, accounting and financial evaluation of the merits and risks of investment in the NCDs and that they consider the suitability of the NCDs as an investment in the light of its own circumstances and financial condition.

### ***Risk due to change in law through notifications, interpretation of some Indian laws is uncertain.***

Indian laws comprise but are not limited to legislation at Central and State levels and also various rules, regulations, notifications, guidelines, governmental orders, by-laws and internal policy rulings. The reporting mechanism relating to these is not entirely systematic and such laws may be published in publications not having wide circulation and not necessarily in a timely manner. There are limited and unsatisfactory facilities for verification of such laws. Such laws are not always consistent or comprehensive, and precedent to enable interpretation is limited. It is also possible that such laws may have retrospective effect. The application of such laws can therefore be uncertain.

### ***Future legal and regulatory obstructions***

Future government policies and changes in laws and regulations in India and comments, statements or policy changes by any regulator, including but not limited to the SEBI or the RBI, may adversely affect the NCDs, and restrict the Company's ability to do business in its target markets. The timing and content of any new law or regulation is not within the Company's control and such new law, regulation, comment, statement or policy change could have an adverse effect on its business, results of operations and financial condition. There can be no assurance that the laws governing the Indian financial services sector will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not adversely affect its business and future financial performance.

Further, the SEBI, the BSE or other regulatory authorities may require clarifications on this Information Memorandum, which may cause a delay in the issuance of NCDs or may result in the NCDs being materially affected or even rejected.

### ***A slowdown in economic growth in India could cause the Company's business to suffer***

See Section 3.9.

### ***Political instability or changes in the government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact the Company's financial results and prospects***

Since 1991, successive Indian governments have pursued policies of economic liberalization. The role of the Central and State governments in the Indian economy as producers, consumers and regulators has remained significant. If there was to be any slowdown in the economic liberalization, or a reversal of steps already taken, it could have an adverse effect on the Company's business. Financial difficulties and other problems in certain financial institutions in India could cause the Company's business to suffer. The Company is exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties, trends and other problems faced by certain Indian financial institutions. The problems faced by such Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create an adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect the Company's business, its future financial performance and its shareholders' funds.

Specific laws and policies affecting financial services companies, foreign investment, currency exchange rates and other matters affecting investments in Indian companies could change.

### ***The Company's business may be adversely impacted by natural calamities or unfavourable climatic changes.***

India in the recent years has experienced natural calamities such as earthquakes, floods, droughts and pandemics including the outbreak of avian flu. The extent and severity of these natural disasters and pandemics determines its impact on India's economy and in turn affects its

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financial services sector. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy which could adversely affect its business and the price of its NCDs.

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**SECTION 4: FINANCIAL STATEMENTS**

The financial statements of the Issuer for the FY 2018 are set out in **Annexure V** hereto.

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**SECTION 5: REGULATORY DISCLOSURES**

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

**5.1 Documents Submitted to the Exchanges**

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

- Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Non-Convertible Debentures;
- Copy of last 3 (Three) years audited Annual Reports;
- Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- Copy of the Shareholder and Board/Committee Resolution authorising the borrowing and list of authorised signatories;
- An undertaking from the Issuer stating that the necessary documents for the creation of the charge, 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 5 (five) working days of execution of the same; and
- Any other particulars or documents that the recognised stock exchange may call as it deems fit.

**5.2 Documents Submitted to Debenture Trustee**

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

- Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Non-Convertible Debentures;
- Copy of last 3 (Three) years audited Annual Reports;
- Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- 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; and
- An undertaking to the effect that the Issuer would, till the redemption of the debt securities, comply with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard
- Further, the Issuer shall within 180 (One Hundred and Eighty) calendar days from the end of the financial year, submit a copy of the latest annual report to the Trustee and the Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' and other existing Bond-holders within 2 (two) Business 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	:	IITM Research Park Phase 1, 10 <sup>th</sup> Floor, No. 1 Kanagam Village (behind Tidel Park) Taramani Chennai - 600 113
Compliance Officer of Issuer	:	Srividhya R.
CFO of Issuer	:	Bama Balakrishnan
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	:	<a href="mailto:srividhya.r@northernarc.com">srividhya.r@northernarc.com</a>
Website of Issuer	:	<a href="http://northernarc.com">http://northernarc.com</a> / <a href="http://capital.ifmr.co.in/">http://capital.ifmr.co.in/</a>
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	:	Karvy Compushare Pvt Ltd Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032

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Credit Rating Agency of the Issue : ICRA Limited  
1105, Kailash Building, 11<sup>th</sup> Floor, 26,  
Kasturba Gandhi Marg,  
New Delhi - 110001

Sole Arrangers of the Issue : None

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

Northern Arc Capital Limited (Formerly IFMR Capital Finance Limited) is a non-banking financial company (NBFC), which is professionally managed by its Board. Reputed investors like Dvara Trust, Leapfrog Investments, Accion, Eight Roads and Standard Chartered Private Equity are shareholders of the Company.

The Company is primarily engaged in providing diversified financing options, particularly from debt capital markets, to high quality financial 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 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 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 and experienced Board and management team 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 two independent members 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.
- 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.

##### a. 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.

##### b. Vision and Mission

Mission - To enable access to finance for the underbanked

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

##### c. Corporate Status as on 31<sup>st</sup> March 2018

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 Ltd in June 2009. The company became a public limited company in December, 2017 and changed its name to IFMR Capital Finance Limited. In February, 2017, 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. IFMR Holdings owns around 48%, LeapFrog Investments owns around 28%, Eight Roads owns around 14% and Standard Chartered Private Equity owns around 9.9% of the equity of Northern Arc Capital. 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:

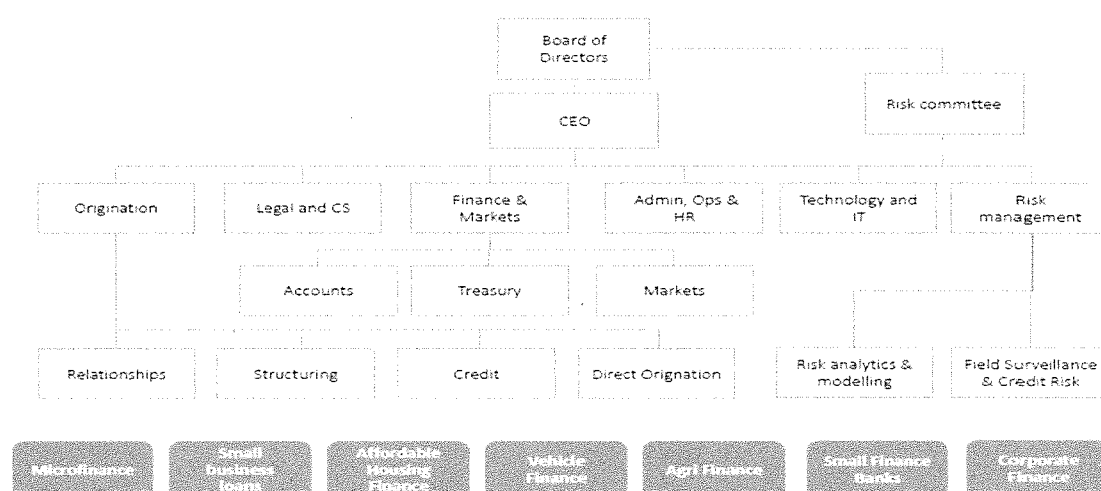
- **Access to Funds:** Commercial lenders have greater comfort lending to a regulated NBFC with transparent ownership. As an Issuer, Northern Arc Capital can raise equity and offer commercial returns.
- **Diverse Funding Sources:** An NBFC can access commercial investors and international capital markets, diversifying away from donors or members as equity funders.

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- **Commercialisation:** Classifying Northern Arc Capital as an NBFC increases its commercial credibility and integrates it and its clients into the formal financial sector which ultimately increases its outreach potential.
- **Mainstream Resources:** As a for-profit commercial NBFC, Northern Arc Capital will be more likely to attract mainstream capital resources which Societies or Trusts would find difficult to attract.
- **Regulatory Coverage:** As Northern Arc Capital 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 can bring a variety of stakeholders to the table, including clients, management, employees and investors.

#### d. Organisational Structure

Organization structure



#### e. Shareholders as on March 31, 2018

Please refer to 'Shareholding Pattern as of March 31, 2018' under Section 5.6.

#### f. Board of Directors

The Company has a well-balanced, professional Board with vast experience in banking and financial services. For further details, please refer to 'Names and Addresses of the Directors of the Issuer' under Section 5.7.

#### g. Company Credit Rating

The Company's long-term debt rating was retained at A+ (Stable) by ICRA in February 2018. The rating takes into consideration the growth in business volumes along with diversification into small business loans, commercial vehicle finance, corporate finance and affordable housing finance 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.

#### h. Investment Thesis

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

- **Proven track record:** Since inception, Northern Arc Capital has enabled financing in excess of over Rs.530 billion. Northern Arc Capital 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 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 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 reports to the Risk Committee, which includes external directors of Northern Arc Capital. 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'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 more than 570 districts across in the country.
- **Governance:** Northern Arc Capital has built over the years, unique insights into origination, policy. Further, the Company benefits from the strategic inputs provided by an experienced team of advisors and Board of Directors.



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Key Operational and Financial Parameters for the last 5 audited years (in INR Crores)							
Parameters		FY2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
Net worth		640.42	502.89	279.28	220.85	154.59	72.18
Total Debt		2857.92	2329.57	1,435.53	880.34	349.16	199.34
Comprising of	Non-Current Maturities of Long Term Borrowing	1259.40	1094.47	736.38	424.94	157.33	87.31
	Short Term Borrowing	767.89	582.31	325.1	189.96	62.5	41.11
	Current Maturities of Long Term Borrowing	830.63	652.79	374.05	265.52	129.31	70.92
Net Fixed Assets		5.29	3.87	3.27	2.07	1.18	0.19
Non-Current Assets		1882.07	1579.49	936.34	400.57	176.2	71.06
Cash and Cash Equivalents		193.05	126.27	80.81	82.34	83.07	41.72
Current Investments		310.98	367.58	74.17	118.39	93.49	89.65
Current Assets		1205.97	837.93	754.52	578.79	190.53	88.33
Other Current/Non-current Assets		35.89	43.28	102.75	77.37	39.54	19.44
Assets Under Management		3444.3	2779.6	1684.4	1018.53	411.32	225.73
Off Balance Sheet Assets					-	-	-
Contingent Liability		219.15	92.88	104.7	76.39	29.48	19.5
Interest Income		262.34	191.66	140.13	77.24	23.24	12.74
Income from investments and guarantee facilities		134.58	103.66	49.25	28.2	24.33	17.43
Fee Income		75.90	71.69	55.53	44.53	26.55	13.47
Interest Expense		229.65	176.31	117.69	66.34	32.32	15.88
Provisioning & Write-offs		29.05	33.74	2.51	1.69	0.46	0.17
PAT		86.25	63.77	60.03	38.05	12.07	7.18
Gross NPA (%)		0.13%	0.03%	-	-	-	-
Net NPA (%)		0.08%	0.00%	-	-	-	-
Tier I Capital Adequacy Ratio (%)		15.77%	16.67%	15.29%	19.21%	32.61%	27.40%
Tier II Capital Adequacy Ratio (%)		1.45%	0.22%	1.14%	0.45%	1.08%	0.10%

**Gross Debt: Equity Ratio of the Company:**

Before the issue of debt securities	4.83
After the issue of debt securities	5.07

**Calculations**

As on June 30, 2018, expected debt-to-equity ratio is calculated as follows:-

$$\frac{\text{Debt including contingent liability}}{\text{Equity}} = \frac{31,317,869,032}{6,478,626,975}$$

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

$$\frac{\text{Debt including contingent liability}}{\text{Equity}} = \frac{32,817,869,032}{6,478,626,975}$$

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

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

<b>a. Details of Share Capital as on March 31, 2018:</b>	
Share Capital	Rs.
<b>Authorised:</b>	
22,00,00,000 16,50,00,000 equity shares of Rs. 10 each, 2,00,00,000 redeemable preference shares of Rs. 10 each and 1,75,00,000 compulsorily convertible preference shares of Rs. 20 each	220,00,00,000
<b>Total</b>	<b>220,00,00,000</b>
<b>Issued, Subscribed and Fully Paid-up:</b>	
7,83,65,673 equity shares of Rs. 10 each	78,36,56,730
17,481,889 compulsorily convertible preference shares of Rs. 20 each	34,96,37,780
<b>Total</b>	<b>113,32,94,510</b>

<b>c. Changes in its capital structure as on March 31, 2018 for the last five years:</b>	
Date	Change in authorised Share Capital
April 2, 2009	Authorised share capital increased from Rs. 32,00,00,000 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

PARTICULARS							CUMULATIVE PAID UP CAPITAL		
Date of Allotment	Name of Investor	No of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration	Nature of Allotment	No of Equity Shares	Equity Share Capital (Rs in Crore)	Equity Share Premium (Rs in Crore)
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	2,36,80,000	10	10	23,68,00,000	Preferential allotment	6,00,00,000	60	Nil

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	behalf of IFMR Trust)(Now known as Dvara Trusteeship Services Private Limited and Dvara Trust respectively)								
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
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) II Limited	100	10	121.23		Allotment of Fresh Shares	78,365,573	78.36	111.23
14-10-2016	FIL Capital Investments (Mauritius) II Limited	1,979,859.00	10	121.23	240,018,307	Transfer of shares from Leapfrog Financial Inclusion India II 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 II Limited to Standard Chartered Bank (Singapore Branch)	78,365,673	78.36	NIL

e. Details of any Acquisition or Amalgamation in the last 1 (one) year: NIL

f. Details of any Reorganisation or Reconstruction in the last 1 (one) year: NIL

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

## 5.6 Details of the shareholding of the Company as on the latest quarter end i.e. June, 2018

### a. Shareholding pattern of the Company as on June 30, 2018 (on a fully diluted basis):

Sr. No.	Name of the Shareholder/Particulars	Class	Total Number of Equity Shares	Total percentage of shareholding	Number of shares held in Demat form
1.	IFMR Holding Private Limited – Holding Company	Body Corporate	45,887,686	47.88	45,887,686
2.	Leapfrog Financial Inclusion India Holdings Limited	Body Corporate	26,860,220	28.02	26,860,220
3	FIL Capital Investments (Mauritius) II Limited	Body Corporate	13,610,748	14.20	9,898,796
4	Standard Chartered Bank (Singapore Branch)	Bank	9,488,908	9.90	9,082,146

Notes: Details of shares pledged or encumbered by the Promoter (if any): NA

### b. List of top 10 holders of equity shares (on a fully diluted basis) of the Company as on June 30, 2018:

Sr. No.	Name of the Shareholder/Particulars	Class	Total Number of Equity Shares	Percentage of total shareholding	Number of shares held in Demat form
1.	IFMR Holdings Private Limited – Holding Company	Body Corporate	45,887,686	47.88	45,887,686
2.	Leapfrog Financial Inclusion India Holdings Limited	Body Corporate	26,860,220	28.02	26,860,220
3.	FIL Capital Investments (Mauritius) II Limited	Body Corporate	13,610,748	14.20	9,898,796
4	Standard Chartered Bank (Singapore Branch)	Bank	9,488,908	9.90	9,082,146

## 5.6 Following details regarding the directors of the Company:

### a. Details of directors of the Company as on June 30, 2018:

This table sets out the details regarding the Company's Board of Directors as on date of the Information Memorandum:

Sr. No	Name & Designation	Address	Date of Birth	DIN	PAN	Age (yrs)	Director of the company since	Details of other directorship
1.	Salim Gangadharan	TC No 9/738 (1), C 26, RNP Lane, Vellayambalam, Sasthamangalam, Trivandrum 695010	13 <sup>th</sup> October 1953	06796232	AALPS7 777D	64	30/04/2018	The South Indian Bank Limited – Director  National Securities Clearing Corporation Limited – Director
2.	Rajiv Lochan	“Panchajanya” Door No. 11/1, Plot 10/1, Valliammai Aachi Road, Kotturpuram Chennai 600085	23 <sup>rd</sup> July 1971	05309524	ABUPL9 403D	46	01/04/2018	Sundaram Finance Limited – Director  Kasturi & Sons Limited – Director  THG Publishing Private Limited – Director  IKP Trusteeship Services Private Limited – Director  IKP Centre for Technologies in Public Health – Director

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								KSL Digital Ventures Limited – Director Kaleidofin Private Limited – Director
3.	Kshama Fernandes	C No 81, Gyan Park, TM Maistry Road, Thiruvanniyur, Chennai – 600041, Tamil Nadu, INDIA	13 <sup>th</sup> Nov 1968	02539429	AADPF4 018J	49	01/08/2012	Dhane Kshetriya Gramin Services - Director NSE Strategic Investment Corporation Limited – Additional Director Northern Arc Investment Managers Private Limited – Director Northern Arc Investment Adviser Services Private Limited – Director
4.	Susan Thomas	Indira Gandhi Institute Of Development Research,, Gen A K Vaidya Marg Film City Road, Goregaon (East, Mumbai, 400065, Maharashtra, India	30 <sup>th</sup> July 1966	00472794	ACYPT2 275J	51	11/10/2011	Fincare Small Finance Bank Limited – Director  True North Trusteeship Private Limited – Director  True North Fund Trusteeship Private Limited – Director  Eight Asset Reconstruction Private Limited – Additional Director
5	Michael Fernandes	Suraj Millenium, 13th Floor, Bhulabhai Desai Road, Mumbai, Maharashtra, India 400026	24 <sup>th</sup> Oct 1969	00064088	NA	48	28-03-2014	IFMR Holdings Private Ltd. – Director Neogrowth Credit Private Limited – Director
6	Ms. Vedika Bhandarkar	B-8, Floor-3, Plot-50, B, Sea Face Park, Bhulabhai Desai Road, Cumballa Hill, Mumbai -400026	19 <sup>th</sup> Dec 1967	00033808	AEUPB2 687J	50	1 <sup>st</sup> Nov 2016	Tata AutoComp Systems Ltd. – Director Tata Investment Corporation Ltd. – Director Larsen & Toubro Infotech Ltd. – Director Tata Motors Finance Solutions Limited – Director Tata Sky Limited – Director Tata Motors Finance Limited – Director Foundation for Accessible Aquanir and

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								Sanitation Director –
7	Mr. John Fischer	4606, Winding Stone, CIR, Olney, MD 20832	27 <sup>th</sup> April 1966	07908218	-	52	23 <sup>rd</sup> August 2017	IFMR Holdings Private Limited
8	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 <sup>th</sup> Oct 1968	00912693	BEUPS7 327R	49	19 <sup>th</sup> Jan 2018	Pudhhuaru Financial Services Private Limited – Director IFMR Holdings Private Limited – Director Dvara Solutions Private Limited – Director
9	Mr. Rajesh Kumar Dugar	31, Chitrakoot, Altamount Road, Mumbai – 400 026	1st July 1969	00307729	ABLPD3 072B	49	21 <sup>st</sup> February 2017	PL Engineering Limited – Director Shreem Electric Limited – Director Sripan Land Development Private Limited – Director Manthan Software Services Private Limited – Nominee Director Eight Roads Investment Advisors Private Limited – Wholtime Director
10	Mr. Vijay Chakravarthi	Flat 2402, Planet Godrej, Tower Terra, Keshavrao Khadye Marg, Mumbai - 400011	10 <sup>th</sup> September 1975	08020248	AGOPN6 892K	42	19 <sup>th</sup> January 2018	-

\*Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any: Nil

**b. Details of change in directors since last five years:**

Name & Designation	DIN	Date of appointment/resignation	Director of the Company since (in case of resignation)	Remarks
Salim Gangadharan	06796232	30 <sup>th</sup> April 2018	30 <sup>th</sup> April 2018	Appointment as Independent Director
Rajiv Lochan	05309524	1 <sup>st</sup> March 2018	1 <sup>st</sup> March 2018	Appointment as Independent Director
Bindu Ananth	02456029	2 <sup>nd</sup> January 2009	2 <sup>nd</sup> January 2009	Resigned as Director of the Company with effect from 11 <sup>th</sup> May 2018
Charles David Silberstein	03295477	20 <sup>th</sup> July 2010	20 <sup>th</sup> July 2010	Resigned as Director of the Company with effect from 22nd May 2018
Kshama Fernandes	02539429	1 <sup>st</sup> August 2012	1 <sup>st</sup> August 2012	Appointed as CEO and Whole-time Director at the Board Meeting held on 23 <sup>rd</sup> July 2012

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				Re-designated as Managing Director on 5 <sup>th</sup> May 2014
Sucharita Mukherjee	02569078	1 <sup>st</sup> August 2012	1 <sup>st</sup> August 2012	Ceased to be CEO and Whole-time Director at the Board Meeting held on 23 <sup>rd</sup> July 2012. Ceased to be a director of the Company with effect from 19 <sup>th</sup> Jan 2018
Susan Thomas	00472794	11 <sup>th</sup> October 2011	11 <sup>th</sup> October 2011	Appointment as Independent Director
Samir Shah	00912693	25 <sup>th</sup> July 2013	25 <sup>th</sup> July 2013/ 19 <sup>th</sup> January 2018	Ceased to be Director at the Board Meeting held on 6 <sup>th</sup> April 2016. Re-appointed as Director of the Company with effect from 19 <sup>th</sup> Jan 2018
Puneet Gupta	01957588	15 <sup>th</sup> December 2008	15 <sup>th</sup> December 2008	Resigned as Director of the Company with effect from 25 <sup>th</sup> Jul 2017
David Ira Wallack	02635559	25 <sup>th</sup> July 2013	29 <sup>th</sup> Sep 2009	Ceased to be Director at the Board Meeting held on 25 <sup>th</sup> July 2013
Michael Fernandes	00064088	28 <sup>th</sup> March 2014	28 <sup>th</sup> March 2014	Appointed as Nominee Director
Dr Jim Roth	05100876	28 <sup>th</sup> March 2014	28 <sup>th</sup> March 2014	Resigned as Nominee Director on 21 <sup>st</sup> February 2017
Kabir Narang	03071945	14 <sup>th</sup> October 2016	14 <sup>th</sup> October 2016	Resigned as Nominee Director with effect from 24 <sup>th</sup> Jan 2017
Vedika Bhandarkar	00033808	1 <sup>st</sup> November 2016	1 <sup>st</sup> November 2016	Appointment as Independent director
Udai Dhawan	03048040	15 <sup>th</sup> December 2016	15 <sup>th</sup> December 2016	Resigned as Nominee Director with effect from 19 <sup>th</sup> Jan 2018
Nicholas Anthony Moon	07725967	21 <sup>st</sup> February 2017	21 <sup>st</sup> February 2017	Resigned as Nominee Director with effect from 19 <sup>th</sup> Jan 2018
Alexandr Vladislavovich Nisichenko	07742921	21 <sup>st</sup> February 2017	21 <sup>st</sup> February 2017	Vacated office as Alternate Director to Mr. Nicholas Moon on 19 <sup>th</sup> Jan 2018
Rajesh Dugar	00307729	21 <sup>st</sup> February 2017	21 <sup>st</sup> February 2017	Nominee Director
John Fischer	07908218	23 <sup>rd</sup> August 2017	23 <sup>rd</sup> August 2017	Director
Vijay Chakravarthi	08020248	19 <sup>th</sup> January 2018	19 <sup>th</sup> January 2018	Nominee Director

#### 5.7 Following details regarding the auditors of the Company:

##### a. Details of the Statutory auditor of the Company:

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

##### b. Details of change in auditors since the last three years:

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

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

**5.8 Details of borrowings of the Company, as on latest quarter end (March 31, 2018)**

**i. Details of secured loan facilities**

Funder Name	Type	Sanctioned Amount	O/S as on 31.03.2018	Rate of Interest
HDFC Bank	Bank OD against FD	100,300,000	-	7.25%
Kotak Mahindra Bank	Bank OD against FD	59,600,000	-	7.75%
Kotak Mahindra Bank	Cash Credit Account	300,000,000	297,025,740	9.35%
South Indian Bank	Cash Credit Account	200,000,000	195,421,494	9.40%
RBL	Cash Credit Account	100,000,000	64,827,356	9.15%
Bank of Baroda	Cash Credit Account	250,000,000	96,634,650	10.25%
IDBI Bank	Cash Credit Account	1,000,000,000	426,654,103	9.60%
Indian Bank	Cash Credit Account	500,000,000	465,658,728	9.25%
State Bank of India	Cash Credit Account	50,000,000	-	9.45%
Federal Bank	Cash Credit Account	250,000,000	193,116,700	9.45%
Axis Bank	Cash Credit Account	250,000,000	162,043,413	9.30%
HDFC Bank	WCDL	600,000,000	600,000,000	8.75%
Kotak Mahindra Bank	WCDL	330,000,000	330,000,000	9.10%
Federal Bank	WCDL	400,000,000	400,000,000	9.35%
Non Convertible Debentures	Non Convertible Debentures	750,000,000	750,000,000	10.90%
Non Convertible Debentures	Non Convertible Debentures	1,000,000,000	1,000,000,000	9.60%
Non Convertible Debentures	Non Convertible Debentures	1,000,000,000	1,000,000,000	9.80%
Non Convertible Debentures	Non Convertible Debentures	750,000,000	750,000,000	9.61%
ADCB	Term Loan	150,000,000	50,000,000	9.75%
ADCB	Term Loan	200,000,000	175,000,000	9.40%
Axis Bank	Term Loan	250,000,000	125,000,000	9.75%
Axis Bank	Term Loan	750,000,000	656,654,405	8.90%
Bank of Baroda	Term Loan	250,000,000	100,000,000	10.25%
Federal Bank	Term Loan	500,000,000	333,176,891	9.45%
Federal Bank	Term Loan	500,000,000	449,998,971	9.45%
HDFC Bank	Term Loan	250,000,000	62,500,003	10.50%
HDFC Bank	Term Loan	250,000,000	83,333,336	10.40%
HDFC Bank	Term Loan	500,000,000	333,333,336	9.15%
HDFC Bank	Term Loan	250,000,000	187,500,001	9.15%
RBL	Term Loan	250,000,000	50,000,000	9.90%
RBL	Term Loan	250,000,000	142,857,143	9.90%
RBL	Term Loan	500,000,000	392,857,143	9.15%
State Bank of India	Term Loan	1,400,000,000	560,000,000	9.25%
State Bank of India	Term Loan	2,000,000,000	1,295,000,000	9.25%
South Indian Bank	Term Loan	100,000,000	80,000,000	9.40%
ICICI Bank	Term Loan	150,000,000	135,000,000	9.05%
IDBI Bank	Term Loan	500,000,000	237,800,000	9.75%
IDBI Bank	Term Loan	500,000,000	362,000,000	10.25%
Indian Bank	Term Loan	250,000,000	250,000,000	9.50%
Indian Bank	Term Loan	250,000,000	250,000,000	9.50%
Karnataka Bank	Term Loan	500,000,000	399,958,437	9.25%
State Bank of India	Term Loan	300,000,000	108,950,625	9.25%
Axis Bank	Term Loan	500,000,000	375,000,000	8.90%
Bank of India	Term Loan	250,000,000	249,940,753	9.35%
Catholic Syrian Bank	Term Loan	250,000,000	249,991,038	9.15%
HDFC Bank	Term Loan	550,000,000	458,333,334	9.15%
HDFC Bank	Term Loan	50,000,000	41,666,668	9.15%
Vijaya Bank	Term Loan	700,000,000	700,000,000	9.30%
Vijaya Bank	Term Loan	300,000,000	300,000,000	9.30%
Kotak Mahindra Bank	WCDL	70,000,000	70,000,000	9.10%
Indian Bank	Term Loan	800,000,000	800,000,000	9.25%
Indian Bank	Term Loan	200,000,000	200,000,000	9.25%
Federal Bank	WCDL	250,000,000	249,999,524	9.35%
IDFC Bank	Term Loan	950,000,000	950,000,000	9.25%
Syndicate Bank	Term Loan	200,000,000	200,000,000	9.25%
ABFL	Term Loan	200,000,000	33,333,330	11.35%
ABFL	Term Loan	300,000,000	75,000,000	11.20%
Bajaj Finserv	Term Loan	400,000,000	290,909,092	9.70%
IFCI	Term Loan	1,000,000,000	1,000,000,000	8.90%
AU SFB	WCDL	500,000,000	499,892,908	9.50%
Sundaram Finance	Term Loan	250,000,000	225,318,069	9.30%
AU SFB	WCDL	500,000,000	500,000,000	9.00%
Mahindra & Mahindra Finance	Term Loan	500,000,000	500,000,000	9.43%



Date: July 16, 2018

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

## ii. Details of unsecured loan facilities

Unsecured Loans	Sanctioned Amount	O/S as on 31.03.2018	Tenor (days)	Rate of Interest	Type
Non Convertible Debentures	2,500,000,000	2,500,000,000	1095	10.43%	Fixed
Federal Bank	150,000,000	149,999,633	2007	10.25%	Fixed
Bajaj Finserv	250,000,000	250,000,000	2008	10.25%	Fixed
Non Convertible Debentures	75,000,000	30,000,000	1917	14.50%	Fixed
Commercial Papers	500,000,000	500,000,000	364	8.90%	Fixed
Commercial Papers	500,000,000	500,000,000	183	8.25%	Fixed
Commercial Papers	350,000,000	350,000,000	364	7.90%	Fixed
Commercial Papers	150,000,000	150,000,000	156	8.50%	Fixed
Commercial Papers	500,000,000	500,000,000	90	8.70%	Fixed
Commercial Papers	500,000,000	500,000,000	91	8.85%	Fixed
Commercial Papers	250,000,000	250,000,000	84	8.85%	Fixed
Commercial Papers	1,000,000,000	1,000,000,000	364	9.00%	Fixed
Commercial Papers	250,000,000	250,000,000	210	9.20%	Fixed
Commercial Papers	250,000,000	250,000,000	68	8.80%	Fixed

## iii. Details on Non-convertible Debentures

Sr. No.	Debenture Series	Tenor/Period of Maturity	Coupon	Amount (Rs. Mn)	Date of allotment	Redemption Date/Schedule	Credit Rating	Secured/Unsecured
1	Rated Unsecured Subordinated Listed Redeemable Non-Convertible Debentures	1917 Days	14.50%	75	18-09-2013	18-09-2015 (5%) 18-03-2016(5%) 18-09-2016 (10%) 18-03-2017(10%) 18-09-2017(15%) 18-03-2018(15%) 18-09-2018(20%) 18-12-2018(20%)	ICRA A+ (Stable)	Unsecured subordinated
2	Rated Secured Senior Listed Redeemable Non-Convertible Debentures	1095 Days	10.90%	750	24-06-2016	24-06-2019	ICRA A+ (Stable)	Secured
3	Rated Unsecured Senior Listed Redeemable Non-Convertible Debentures	1095 Days	10.43%	2500	02-08-2016	02-08-2019	ICRA A+ (Stable)	Unsecured
4	Rated Listed Taxable Secured Senior Redeemable Non-convertible debentures	1093 Days	9.60%	1000	29-12-2016	27-12-2019	ICRA A+ (Stable)	Secured
5	Rated Listed Taxable Secured Senior Redeemable Non-convertible debentures	731 Days	9.88%	1000	27-03-2018	27-03-2020	ICRA A+ (Stable)	Secured

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6	Rated Listed Taxable Secured Senior Redeemable Non-convertible debentures	400 Days	9.69%	750	28-03-2018	02-05-2019	ICRA A+ (Stable)	Secured
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iv. List of top 10 Debenture holders (as per latest available BenPos- March 31, 2018)

Debenture Holder	Amount
FRANKLIN INDIA ULTRA SHORT BOND FUND	3,120,000,000
FRANKLIN INDIA DYNAMIC ACCRUAL FUND	1,600,000,000
RELIANCE CAPITAL TRUSTEE CO LTD A/C RELIANCE MEDIUM TERM FUND	1,000,000,000
BOI AXA TRUSTEE SERVICES PVT LTD A/C BOI AXA CREDIT RISK FUND	750,000,000
RELIANCE CAPITAL TRUSTEE CO LTD A/C- RELIANCE REGULAR SAVINGS FUND-DEBT OPTION	336,000,000
FRANKLIN INDIA LOW DURATION FUND	280,000,000
RELIANCE CAPITAL TRUSTEE CO. LTD -A/C RELIANCE FIXED HORIZON FUND XXXI SERIES 2	270,000,000
RELIANCE CAPITAL TRUSTEE CO LTD-A/C RELIANCE FIXED HORIZON FUND XXXI SERIES 11	54,000,000
RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE FIXED HORIZON FUND XXXI SERIES 4	43,000,000
RELIANCE CAPITAL TRUSTEE CO LTD-A/C RELIANCE FIXED HORIZON FUND XXXI SERIES 6	35,000,000

v. 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. 219.15 crores as on March 31, 2018.

vi. Details of Commercial Paper

The issuer has outstanding commercial paper as on March 31, 2018 as follows

Sl. No	Name of Commercial Paper Holders	Amount (Rs)
1	Sundaram Finance Limited	500,000,000
2	Invesco Asset Management	500,000,000
3	SBI	350,000,000
4	SBI	150,000,000
5	UTI Mutual Fund	500,000,000
6	UTI Mutual Fund	500,000,000
7	UTI Mutual Fund	250,000,000
8	M&M Financial Services	1,000,000,000
9	DHFL Pramerica Asset Managers Pvt Ltd	250,000,000
10	Essel Mutual Fund	250,000,000

vii. Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures/Preference Shares) as on March 31, 2018: NIL

The Issuer does not have any outstanding borrowing such as hybrid debt like foreign currency convertible debentures, optionally convertible debentures as of March 31, 2018

viii. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the company, in the past 5 years:

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

ix. Details of 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.

5.9 Details of Promoter of the Company:

Date: July 16, 2018

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

## a. Details of Promoter Holding in the Company as on March 31, 2018

Sr. No.	Name of shareholders	Total No. of equity shares	No. of shares in demat form	Total shareholding as a % of total no. of equity shares	No. of shares pledged	% of shares pledged with respect to shares owned
1	IFMR Holdings Private Limited	45,887,686	45,887,686	47.88	Nil	Nil

## 5.10 Abridged version of the Audited Consolidated (wherever available) and Standalone Financial Information 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]

## CONSOLIDATED FINANCIAL STATEMENTS

Profit & Loss Statement (in Rs. Crores)	FY2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
Income							
Interest on loans	262.34	191.66	140.13	77.24	23.24	12.74	3.98
Income from investments and guarantee facilities	134.58	103.66	49.25	28.2	24.33	17.43	8.51
Fee Income	75.90	71.69	55.53	44.53	26.55	13.47	7.19
Other Income	2.82	3.13	3.97	1.99	1.84	0.29	1.17
Total Income	475.64	370.15	248.88	152.02	75.96	43.93	20.85
Expenditure/ Cost of Sales							
Personnel Expenditure	48.23	34.58	24.2	15.28	10.36	8.57	5.31
Provisioning Expenditure	29.05	33.74	2.51	1.69	0.46	0.17	0.24
Write-off Expenditure	-	-	-	-	-	-	-
Depreciation and Amortization	1.69	1.21	0.6	0.2	0.15	0.2	0.34
General and Administrative Expenditure	37.44	27.49	18.79	18.9	17.27	7.21	5.28
Total Expenditure	116.41	97.02	46.12	36.09	28.24	16.14	11.18
Operating Profit before Interest	359.22	273.12	202.76	115.93	47.72	27.79	9.67
Interest	229.65	176.32	117.69	66.34	33.78	17	5.04
Operating profit after Interest	129.58	96.81	85.07	49.59	13.93	10.79	4.63
Net non-operating income/expenses	-	-	-	-	-	-	-
Profit Before Tax	129.58	96.81	85.07	49.59	13.93	10.79	4.63
Income Tax	43.33	33.04	22.46	11.53	1.86	3.61	1.32
Net Profit	86.25	63.77	62.61	38.05	12.07	7.18	3.32
Equity Dividend paid	-	-	-	-	-	-	-
Retained Profit	86.25	63.77	62.61	38.05	12.07	7.18	3.32
Balance Sheet (in Rs Crores)	FY2018	FY 2017	FY 2016	FY2015	FY 2014	FY 2013	FY 2012
Liabilities							
Current Liabilities							
Short-term borrowings	767.89	582.31	334.15	189.86	62.50	41.11	40.95
Trade payables	8.77	9.79	8.34	5.62	6.14	2.62	2.23
Other current liabilities	876.71	709.64	410.64	316.35	155.22	83.45	22.07
Short-term provisions	62.11	33.59	3.13	1.95	0.70	0.69	0.31
Total Current Liabilities	1715.48	1335.33	756.27	513.78	224.56	127.87	65.56
Term Liabilities	1259.40	1094.47	736.38	424.94	157.33	87.31	44.89
Other Non-current Liabilities	10.90	11.88	61.26	18.91	6.81	3.6	2.67
Total Liabilities	2985.78	2441.68	1554.01	957.63	388.7	218.78	113.12
Ordinary Share Capital	113.33	105.09	78.36	78.36	73.22	60	60
Reserves & Surplus	475.19	361.37	95.22	49.77	19.4	9.74	4
Legal reserves	51.90	36.42	24.52	12.49	4.85	2.44	1
Other Capital	0	0	97.03	83.85	57.11	-	-
Net Worth	640.42	502.89	295.13	224.47	154.58	72.18	65
Total Equity & Liabilities	3626.21	2944.87	1849.15	1182.18	543.29	290.96	178.11
Assets							
Current Loan Receivables	1205.97	837.93	695.81	531.13	162.32	89.65	72.62
Current Investments	310.98	367.58	74.17	118.39	93.49	72.23	52.41
Cash and Bank Balances	193.05	126.27	80.81	82.34	83.07	41.72	7.97

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

Investments (other than long term investments)	-	-	-	-	-	-	-
Other Current Assets	34.12	33.60	40.8	28.14	28.22	16.1	6.78
Total Current Assets	1744.13	1365.38	909.52	779.53	367.09	219.71	139.79
Fixed Assets - Gross Block	3.05	2.52	4.28	1.57	1.22	0.95	0.83
Depreciation	2.69	2.20	1.8	1.25	0.91	0.76	0.6
Fixed Assets - Net Block	0.35	0.32	2.47	0.319	0.32	0.19	0.24
Goodwill	1.74	1.74	1.74	1.74			
Other Non Current Assets - Loan Receivables	1129.67	769.50	542.75	235.62	86.01	20.53	16.58
Other Non Current Assets –Investments	721.13	782.48	342.49	133.38	69.5	43.32	16.3
Other Non-Current Assets	24.23	21.89	49.35	29.81	20.37	7.21	5.19
Total Non Current Assets	1882.07	1579.50	934.59	402.64	175.88	71.06	38.07
Net Intangible assets	4.93	3.55	0.8	1.756	0	0.01	0.02
Total Assets	3626.21	2944.87	1849.15	1182.18	543.29	290.96	178.11

## STANDALONE FINANCIAL STATEMENTS

Profit & Loss Statement (in Rs. Crores)	FY2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
Income							
Interest on loans	263.88	192.43	137.09	74.54	23.24	12.74	3.98
Income from investments and guarantee facilities	130.24	100.83	51.29	30.74	24.33	17.43	8.51
Fee Income	62.05	64.03	53.77	44.53	26.55	13.47	7.19
Other Income	2.81	3.13	1.24	1.98	1.84	0.29	1.17
Total Income	458.98	360.42	243.39	151.79	75.96	43.93	20.85
Expenditure/ Cost of Sales							
Personnel Expenditure	45.34	33.37	22.53	15.16	10.36	8.57	5.31
Provisioning Expenditure	29.05	33.74	2.51	1.69	0.46	0.17	0.24
Write-off Expenditure			-	-	-	-	-
Depreciation and Amortization	1.64	1.20	0.6	0.2	0.15	0.2	0.34
General and Administrative Expenditure	35.28	25.34	17.79	18.65	17.27	7.21	5.28
Total Expenditure	111.31	93.66	43.43	35.7	28.24	16.14	11.18
Operating Profit before Interest	347.68	266.76	199.96	116.09	47.72	27.79	9.67
Interest	229.65	176.17	117.69	66.34	33.78	17	5.04
Operating profit after Interest	118.03	90.59	82.27	49.75	13.93	10.79	4.63
Net non-operating income/expenses	-	-	-	-	-	-	-
Profit Before Tax	118.03	90.59	82.27	49.75	13.93	10.79	4.63
Income Tax	40.61	31.12	22.14	11.55	1.86	3.61	1.32
Net Profit	77.42	59.47	60.13	38.2	12.07	7.18	3.32
Equity Dividend paid	-	-	-	-	-	-	-
Retained Profit	77.42	59.47	60.13	38.2	12.07	7.18	3.32
Balance Sheet (in Rs Crores)	FY2018	FY 2017	FY 2016	FY2015	FY 2014	FY 2013	FY 2012
Liabilities							
Current Liabilities							
Short-term borrowings	767.89	582.31	334.16	189.86	62.50	41.11	40.95
Trade payables	6.78	9.58	8.44	5.29	6.14	2.62	2.23
Other current liabilities	873.21	708.37	410.13	316.18	155.22	83.45	22.07
Short-term provisions	61.77	33.51	3.12	1.94	0.70	0.69	0.31
Total Current Liabilities	1709.64	1333.77	755.85	513.27	224.56	127.87	65.56
Term Liabilities	1259.40	1094.47	736.38	424.94	157.33	87.31	44.89
Other Non-current Liabilities	10.72	11.84	14.76	18.91	6.81	3.6	2.67
Total Liabilities	2979.77	2440.08	1498.05	957.00	388.7	218.78	113.12
Ordinary Share Capital	113.33	105.09	93.36	78.36	73.22	60	60
Reserves & Surplus	464.65	359.00	177.13	129.41	19.4	9.74	4
Legal reserves	51.90	36.42	24.53	12.49	4.85	2.44	1
Other Capital	0	0	0	0	57.11	-	-
Net Worth	629.88	500.51	295.02	220.26	154.58	72.18	65
Total Equity & Liabilities	3609.65	2940.59	1793.07	1177.26	543.29	290.96	178.11
Assets							
Current Loan Receivables	1204.31	834.99	695.81	531.13	162.32	89.65	72.62
Current Investments	310.21	367.58	78.18	118.28	93.49	72.23	52.41
Cash and Bank Balances	192.77	125.97	80.21	81.7	83.07	41.72	7.97
Investments (other than long term investments)	-	-	-	-	-	-	-
Other Current Assets	29.75	32.54	33.51	47.5	28.22	16.1	6.78
Total Current Assets	1737.03	1361.08	887.71	778.61	367.09	219.71	139.79
Fixed Assets - Gross Block	2.93	2.48	1.79	1.57	1.22	0.95	0.83
Depreciation	2.62	2.18	1.59	1.25	0.91	0.76	0.6

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Fixed Assets - Net Block	0.31	0.30	0.2	0.32	0.32	0.19	0.24
Goodwill	0	0	0	0			
Other Non Current Assets - Loan Receivables	1140.08	785.40	542.76	235.62	86.01	20.53	16.58
Other Non Current Assets –Investments	703.12	768.38	336.89	129.7	69.5	43.32	16.3
Other Non-Current Assets	24.17	21.88	22.46	31.72	20.37	7.21	5.19
Total Non Current Assets	1872.61	1579.51	902.31	397.36	175.88	71.06	38.07
Net Intangible assets	4.93	3.56	3.07	1.76	0	0.01	0.02
Total Assets	3609.65	2940.59	1793.09	1177.73	543.29	290.96	178.11

#### 5.11 Abridged version of Latest Audited/Limited Review Half Yearly Consolidated and Standalone Financial Information 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]

#### CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31 Mar 2018 (audited)	As at 31 Mar 2017 (audited)	As at 31 Mar 2016 (audited)	As at 31 Mar 2015 (audited)
<b>INCOME</b>				
Revenue from Operations	4,728,165,444	3,670,148,760	2,449,194,595	1,500,306,427
Other Income	28,187,699	31,324,055	14,024,610.00	19,979,615
<b>TOTAL REVENUE (I)</b>	<b>4,756,353,143</b>	<b>3,701,472,815</b>	<b>2,463,219,204</b>	<b>1,520,286,042</b>
<b>EXPENDITURE</b>				
Finance costs	2,296,454,743	1,763,195,282	1,176,944,874	663,437,207
Employee Benefits Expense	482,341,988	345,761,613	242,059,496	152,864,591
Provision and loan losses	290,458,107	337,436,709	25,119,508	16,963,149
Depreciation/ Amortisation Expense	16,946,319	12,107,778	6,087,477	2,022,914
Other Expenses	374,365,162	274,915,540	187,964,865	189,072,202
<b>TOTAL EXPENSES (II)</b>	<b>3,460,566,319</b>	<b>2,733,416,922</b>	<b>1,638,176,221</b>	<b>1,024,360,063</b>
<b>Profit before Tax (I - II)</b>	<b>1,295,786,824</b>	<b>968,055,893</b>	<b>825,042,984</b>	<b>495,925,979</b>
<b>Tax Expenses</b>				
-Current tax expense	535,770,969	429,282,151	228,949,838	132,824,120
- Deferred Tax	-102,515,093	-98,922,683	-4,290,543	-17,451,001
<b>Total Tax Expenses</b>	<b>433,255,876</b>	<b>330,359,468</b>	<b>224,659,295</b>	<b>115,373,119</b>
<b>Profit for the Year</b>	<b>862,530,948</b>	<b>637,696,425</b>	<b>600,383,688</b>	<b>380,552,860</b>

Particulars	As at 31 Mar 2018 (audited)	As at 31 Mar 2017 (audited)	As at 31 Mar 2016 (audited)	As at 31 Mar 2015 (audited)
<b>I EQUITY AND LIABILITIES</b>				
<b>Shareholders' Funds</b>				
Share Capital	1,133,294,510	1,050,920,230	933,654,730	783,654,730
Reserves and Surplus	5,270,914,045	3,973,944,810	2,009,214,469	1,417,201,729
	<b>6,404,208,555</b>	<b>5,024,865,040</b>	<b>2,942,869,199</b>	<b>2,200,856,459</b>
Preference shares issued by subsidiary companies outside the Group	-	31,00,000	8,500,000	44,500,000
<b>Non Current Liabilities</b>				
Long Term Borrowings	12,594,044,562	10,944,671,768	7,363,829,355	4,249,467,491
Other Long Term Liabilities	7,823,230	40,050,608	572,609,964	169,448,682
Long Term Provisions	101,191,934	78,778,692	39,997,305	19,723,836
	<b>12,703,059,726</b>	<b>11,063,501,068</b>	<b>7,976,436,625</b>	<b>4,438,640,009</b>

Date: July 16, 2018

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

<b>Current Liabilities</b>				
Short Term Borrowings	7,678,872,604	5,823,105,559	3,341,572,397	1,898,645,598
Trade Payables	87,747,010	97,922,329	85,501,703	56,184,528
Other Current Liabilities	8,767,094,832	7,096,393,121	4,104,133,314	3,163,511,626
Short Term Provisions	621,073,555	335,852,436	32,510,669	19,472,560
	<b>17,154,788,001</b>	<b>13,353,273,445</b>	<b>7,563,718,083</b>	<b>5,137,814,312</b>
<b>TOTAL</b>	<b>36,262,056,282</b>	<b>29,448,739,556</b>	<b>18,491,523,907</b>	<b>11,821,810,780</b>
<b>II ASSETS</b>				
<b>Non Current Assets</b>				
Fixed Assets				
Tangible Assets	3,549,375	3,160,489	2,067,773	3,185,844
Intangible Assets	35,979,682	33,785,726	22,669,157	13,173
Intangible Assets under development	13,340,994	1,769,264	8,061,377	17,561,201
	<b>52,870,051</b>	<b>38,715,479</b>	<b>32,798,308</b>	<b>20,760,218</b>
Goodwill on consolidation	17,463,289	17,463,289	17,463,293	17,463,289
Non Current Investments	7,211,300,430	7,824,855,390	3,424,936,881	1,333,860,058
Deferred Tax Assets (Net)	224,695,190	122,180,097	23,257,414	18,966,873
Receivables under Financing Activity	11,209,567,765	7,647,856,528	5,427,561,869	2,356,237,475
Long-term loans and advances	87,175,240	47,139,409	1,924,570	19,904,781
Other Non Current Assets	17,637,031	96,766,767	468,348,730	259,292,058
	<b>18,820,708,996</b>	<b>15,794,976,959</b>	<b>9,346,026,465</b>	<b>3,988,261,244</b>
Current Assets				
Current Investments	3,109,808,811	3,675,766,667	741,763,977	1,183,943,575
Receivables under Financing Activity	11,659,833,216	8,187,985,057	6,958,128,737	5,311,335,910
Cash and Cash equivalents	1,930,547,504	1,262,686,471	808,175,016	823,437,747
Short - Term Loans and Advances	399,908,350	191,340,966	179,065,302	195,136,114
Other Current Assets	341,249,405	335,983,436	408,099,810	281,472,682
	<b>17,441,347,286</b>	<b>13,653,762,597</b>	<b>9,095,232,841</b>	<b>7,795,326,028</b>
<b>TOTAL</b>	<b>36,262,056,282</b>	<b>29,448,739,556</b>	<b>18,491,523,907</b>	<b>11,821,810,780</b>

**STANDALONE FINANCIAL STATEMENTS**

Particulars	As at 31 Mar 2018 (audited)	As at 31 Mar 2017 (audited)	As at 31 Mar 2016 (audited)	As at 31 Mar 2015 (audited)
<b>INCOME</b>				
Revenue from Operations	4,561,728,426	3,572,907,004	2,421,446,029	1,498,088,242
Other Income	28,098,295	31,289,888	12,493,179	19,830,649
<b>TOTAL REVENUE (I)</b>	<b>4,589,826,721</b>	<b>3,604,196,892</b>	<b>2,433,939,208</b>	<b>1,517,918,891</b>
<b>EXPENDITURE</b>				
Finance costs	2,296,454,743	1,761,722,642	1,176,883,302	663,437,207
Employee Benefits Expense	453,412,445	333,734,518	225,264,723	151,161,104
Provision for Standard Assets	290,458,107	337,436,709	25,119,508	16,963,149
Depreciation/ Amortisation Expense	6,414,520	12,034,000	5,927,635	2,012,158
Other Expenses	352,789,066	253,369,643	177,886,157	186,489,465
<b>TOTAL EXPENSES (II)</b>	<b>3,409,528,881</b>	<b>2,698,297,512</b>	<b>1,611,081,326</b>	<b>1,020,063,083</b>
<b>Profit before Tax (I - II)</b>	<b>1,180,297,840</b>	<b>905,899,380</b>	<b>822,857,882</b>	<b>497,855,807</b>
<b>Tax Expenses</b>				
-Current tax expense	508,244,184	410,079,331	225,612,505	132,971,119
- Deferred Tax	(102,099,660)	(98,864,046)	(4,167,933)	(17,451,001)
<b>Total Tax Expenses</b>	<b>406,144,524</b>	<b>311,215,284</b>	<b>221,444,572</b>	<b>115,520,118</b>
<b>Profit for the Year</b>	<b>774,153,316</b>	<b>594,684,096</b>	<b>601,413,310</b>	<b>382,335,689</b>

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

Particulars	31-Mar-18 Audited	31-Mar-17 Audited	31-Mar-16 Audited	31-Mar-15 Audited
<b>I EQUITY AND LIABILITIES</b>				
Shareholders' Funds				
Share Capital	1,133,294,510	1,050,920,230	933,654,730	783,654,730
Reserves and Surplus	5,165,489,173	3,954,220,989	2,016,592,803	1,418,984,560
	<b>6,298,783,683</b>	<b>5,005,141,219</b>	<b>2,950,247,533</b>	<b>2,202,639,290</b>
Preference shares issued by subsidiary companies outside the Group			8,500,000	44,500,000
<b>Non Current Liabilities</b>				
Long Term Borrowings	12,594,044,562	10,944,671,768	7,363,829,353	4,249,467,491
Other Long Term Liabilities	7,823,230	40,050,608	108,447,464	145,486,454
Long Term Provisions	99,392,967	78,313,335	39,155,709	42,363,311
	<b>12,701,260,759</b>	<b>11,063,035,711</b>	<b>7,511,432,527</b>	<b>4,437,317,256</b>
<b>Current Liabilities</b>				
Short Term Borrowings	7,678,872,604	5,823,105,559	3,251,025,738	1,898,645,598
Trade Payables	67,759,014	95,752,634	84,424,718	52,910,951
Other Current Liabilities	8,732,143,608	7,083,746,790	4,102,601,106	3,161,788,500
Short Term Provisions	617,650,491	335,120,367	31,217,788	19,379,458
	<b>17,096,425,717</b>	<b>13,337,725,350</b>	<b>7,469,269,351</b>	<b>5,132,724,507</b>
<b>TOTAL</b>	<b>36,096,470,159</b>	<b>29,405,902,280</b>	<b>17,930,949,410</b>	<b>11,772,681,053</b>
<b>II ASSETS</b>				
<b>Non Current Assets</b>				
Fixed Assets				
Tangible Assets	3,067,312	3,002,560	2,031,079	2,916,488
Intangible Assets	35,979,682	33,785,726	22,669,158	13,173
Intangible Assets under development	13,340,994	1,769,264	8,061,371	17,561,201
	<b>52,387,988</b>	<b>38,557,550</b>	<b>32,761,608</b>	<b>20,490,862</b>
Goodwill on consolidation	-	-	-	-
Non Current Investments	7,031,230,100	7,683,785,060	3,368,866,551	1,296,989,728
Deferred Tax Assets (Net)	224,098,510	121,998,850	23,134,806	18,966,873
Receivables under Financing Activity	11,322,271,688	7,797,547,349	5,427,561,869	2,356,237,475
Long-term loans and advances	78,490,372	56,479,878	41,412,243	34,121,352
Other Non Current Assets	17,637,031	96,766,767	160,036,413	259,292,058
	<b>18,726,115,689</b>	<b>15,795,135,454</b>	<b>9,021,011,882</b>	<b>3,965,607,485</b>
<b>Current Assets</b>				
Current Investments	3,102,108,811	3,675,766,667	781,763,977	1,182,793,575
Receivables under Financing Activity	11,659,833,216	8,187,985,057	6,958,128,737	5,311,335,910
Cash and Cash equivalents	1,927,715,229	1,259,713,756	802,057,988	817,033,880
Short - Term Loans and Advances	383,229,120	161,915,799	177,980,873	194,108,182
Other Current Assets	297,468,094	325,385,547	157,244,344	281,311,159
	<b>17,370,354,470</b>	<b>13,610,766,826</b>	<b>8,877,175,919</b>	<b>7,786,582,706</b>
<b>TOTAL</b>	<b>36,096,470,159</b>	<b>29,405,902,280</b>	<b>17,930,949,409</b>	<b>11,772,681,053</b>

**5.12 Any material event/development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer / Promoter, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of the Issue which may affect the Issuer of 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.

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

**5.14 Rating and Rating Rationale**

The Rating Agency has assigned ratings of A+, with a stable outlook, to the Non-Convertible Debentures. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. Rating Rationale is provided under Annexure II.

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**5.15** 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 as there is no guarantee or letter of comfort being provided with the security.

**5.16** Names of all the recognised stock exchanges where the debt securities are proposed to be listed:

The Non-Convertible 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.

**5.17** Other details:

**a. Debenture Redemption Reserve Creation:**

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

**b. Issue/Instrument specific regulations**

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

**c. Application process**

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

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

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

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

Sr. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer
2	Board Resolution dated June 3, 2017 authorising issue of Non-Convertible Debentures offered under terms of this Disclosure Document
3	Copies of Annual Reports of our Company for the last three financial years
4	Credit rating letter from the Rating Agency
5	Letter from Catalyst Trusteeship Limited giving its consent to act as Debenture Trustee
6	Letter for Register and Transfer Agent
7	Certified true copy of the certificate of incorporation of the Company
8	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the National Securities Depository Limited/CDSL

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

Under the purview of the current document, the Issuer intends to raise an amount of Rs. 250,00,00,000 /- (Rupees Two Hundred Fifty Crores only) by issue of Rated, Listed, Taxable, Unsecured, Senior, Redeemable INR denominated non-convertible debentures on a private placement basis.

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

**5.20** Issue Size

The aggregate issue size for the Non-Convertible Debentures is Rs. 250,00,00,000 /- (Rupees Two Hundred Fifty Crores only).

**5.21** Utilisation of the Issue Proceeds

As per Clause 5.22 below.



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## 5.22 Issue Details

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

<b>Borrower / Company / Issuer</b>	Northern Arc Capital Limited (Formerly IFMR Capital Finance Limited)								
<b>Debenture Trustee</b>	Catalyst Trusteeship Limited								
<b>NCDs / Debentures</b>	2,500 Unsecured, senior, redeemable, taxable, non-convertible, rated, listed debentures ("Debentures"), with a face value of INR 10 lakhs per Debenture aggregating to INR 250 Crores to be issued in (3) three series as set out below. <table border="1"> <thead> <tr> <th>Series</th><th>Number of debentures</th></tr> </thead> <tbody> <tr> <td>A</td><td>800</td></tr> <tr> <td>B</td><td>800</td></tr> <tr> <td>C</td><td>900</td></tr> </tbody> </table>	Series	Number of debentures	A	800	B	800	C	900
Series	Number of debentures								
A	800								
B	800								
C	900								
<b>End use</b>	Proceeds of the Debentures shall be applied towards the normal business activity of the Issuer. For clarity, the Debentures will not be utilized for investing into real estate or equity								
<b>Rating</b>	A+ by the Rating Agency								
<b>Tenor</b>	3 years from the Deemed Date of Allotment								
<b>Amount</b>	Rs. 250,00,00,000 /- (Rupees Two Hundred and Fifty Crores only)								
<b>Interest Rate/Rate of Interest/ROI</b>	Spread of 205 bps above 6-month State Bank of India MCLR (8.10% presently) i.e. 10.15% per annum payable monthly. 6-month SBI MCLR observed on the last working day of the previous month should be used to arrive at the coupon payable for the next month.								
<b>Interest Type</b>	Floating								
<b>Interest Payment Frequency</b>	Monthly								
<b>Spread Reset Process</b>	Any spread reset shall be subject to the following floor and cap: Floor: 205 bps Cap: 305 bps Subsequent to the initial spread (205 bps), the spread shall be mutually decided between the Issuer and the investors as per the mechanism stated below and at half yearly intervals thereafter, till maturity of the instrument Reset mechanism: <ul style="list-style-type: none"> <li>The issuer will communicate via a "Spread reset notice" the proposed revised spread to NCD Holders, at least 30 calendar days prior to the Spread reset date. The issuer is mandatorily required to communicate the proposed spread for the ensuing period.</li> <li>The NCD Holders, to whom the proposed Revised spread is acceptable, shall communicate their acceptance to the Issuer at least 7 calendar days prior to the spread reset date. For these NCD Holders this shall be set as the spread for the subsequent period.</li> <li>If need be, there can be several rounds of discussion on spread revision between the NCD Holders and Issuer. However, these will have to be concluded within the above stated timelines. On agreement between the Issuer and the NCD Holders on the spread, the NCD Holders will inform their acceptance of the Spread to the Issuer, prior to each spread reset date. NCD Holders to whom the proposed revised spread is not acceptable, shall be either mandatorily redeemed on the spread reset date or spread will be reset to the cap rate (305 bps). In case of redemption, till redemption is completed, the current spread (as agreed upon between investors and issuer) will continue.</li> </ul>								
<b>Issue Price</b>	At Par								
<b>Face Value per bond</b>	Rs 10,00,000/- (Indian Rupees Ten Lakhs Only)								
<b>Minimum Subscription Amount</b>	Rs 1,00,00,000/- (Indian Rupees One Crore Only)								
<b>Listing</b>	The Debentures are proposed to be listed on the WDM segment of BSE Limited In case the Debentures are not listed within 20 days of Deemed Date of Allotment for any reason whatsoever, the Issuer shall be required to immediately redeem all the Debentures from the Debenture Holders along with the interest accrued calculated from the date of issuance at the Interest Rate till the date of redemption.								
<b>Depository</b>	National Securities Depository Ltd. (NSDL)								
<b>Business Day Convention</b>	'Business Day' shall mean a day (other than a public holiday or a Sunday) on which commercial banks are open for business in the city of Mumbai and Chennai. In the event that any of dates defined above or elsewhere in the Disclosure Document, excepting the Deemed Date of Allotment, fall on a Sunday or a public holiday in Mumbai and / or Chennai, payment shall be done as per the applicable SEBI circular in this regards.								
<b>Record Date</b>	3 Business Days prior to each Due Date.								

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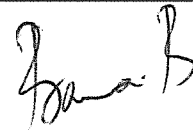
Default Interest Rate	In case of a Payment Default as defined in the Debenture Trust Deed or any other Event of Default as defined in the Debenture Trust Deed, additional interest @ 2% p.a. over the Interest Rate will be payable by the Company for the defaulting period, until such event is cured.												
Redemption Amount	The sum of:  (i) the amount outstanding under the Debentures; and  (ii) interest accrued and payable at the Interest Rate; and  (iii) Default Rate payable (if any) and other charges and fees payable by the Company.												
Step Up / Step Down Coupon Rate	(i) In case of upgrade in external credit rating of the NCDs, the Coupon Rate for the balance period would decrease by 0.25% p.a. for upgrade in rating to AA and for each upgrade in rating above AA and the same will be with effect from the rating upgrade date. (ii) In case of downgrade in external credit rating of the NCDs, the Coupon Rate for the balance period would increase 0.25% p.a. for downgrade in rating to A-, and the same will be with effect from the rating downgrade date. (iii) In case of rating from multiple rating agencies, lowest rating available shall be considered for the above purpose												
Put Option(s) and Call Option(s)	<p>The Debenture Trustee acting under the instructions of the Majority Debenture Holders shall have the absolute right but not the obligation to require the Issuer to redeem all the Debentures of one or more Series of Debentures set out below on the corresponding Option Date at the price of Rs. 10,00,000/- per Debenture (“Option Exercise Price”) by issuing a 45 days prior written note to the Issuer. Upon receipt of such notice from the Debenture Trustee, the Issuer shall redeem all the Debentures on the concerned Option Date by paying the Option Exercise Price.</p> <table><tr><th>Series</th><th>Total number of Debentures to be redeemed</th><th>Option Date</th></tr><tr><td>A</td><td>800</td><td>[End of 16 Months from of Issue]</td></tr><tr><td>B</td><td>800</td><td>[End of 17 Months from of Issue]</td></tr><tr><td>C</td><td>900</td><td>[End of 18 Months from of Issue]</td></tr></table> <p>Issuer shall have the absolute right but not the obligation to redeem all the Debentures all the Debentures of one or more Series of Debentures setout above on the Corresponding Option Date at the Option Exercise Price by issuing a 45 days prior written note to the Debenture Trustee.</p>	Series	Total number of Debentures to be redeemed	Option Date	A	800	[End of 16 Months from of Issue]	B	800	[End of 17 Months from of Issue]	C	900	[End of 18 Months from of Issue]
Series	Total number of Debentures to be redeemed	Option Date											
A	800	[End of 16 Months from of Issue]											
B	800	[End of 17 Months from of Issue]											
C	900	[End of 18 Months from of Issue]											
Call Date(s) and Put Date(s)	<table><tr><th>Series</th><th>Aggregate number of NCDs</th><th>Put/Call Option Date</th></tr><tr><td>A</td><td>800</td><td>16/11/2019</td></tr><tr><td>B</td><td>800</td><td>16/12/2019</td></tr><tr><td>C</td><td>900</td><td>16/01/2020</td></tr></table>	Series	Aggregate number of NCDs	Put/Call Option Date	A	800	16/11/2019	B	800	16/12/2019	C	900	16/01/2020
Series	Aggregate number of NCDs	Put/Call Option Date											
A	800	16/11/2019											
B	800	16/12/2019											
C	900	16/01/2020											
Redemption	Bullet on maturity												
Early Redemption	If credit rating is downgraded or company gets a new credit rating of BBB+ or below, debenture holders would have an option to ask for early redemption with 30 calendar days’ notice.												
Security	The bond shall be unsecured.												
Interest on Application Money	<p>Interest at the Interest Rate (subject to deduction of tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Debentures for the period starting from and including the date of realization of application money in Issuer’s Bank Account upto one day prior to the Deemed Date of Allotment</p> <p>Where Pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid</p>												
Transaction Documents	As specified in Clause 6.1 of this Information Memorandum.												
Conditions Precedent	Customary to facilities of this nature: <ul style="list-style-type: none"><li>• Execution of Transaction Documents</li><li>• Such other undertaking as may be required from the Company.</li></ul>												
Events of Default	<p>Customary for financings of this nature and others appropriate in the judgment of the investors, upon the occurrence of which the investors will be entitled to accelerate the financing, subject to cure periods as may be contemplated in the Debenture Trust Deed, including but not limited to:</p> <ul style="list-style-type: none"><li>(a) Non payment</li><li>(b) Failure to meet the Covenants</li></ul>												

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	<ul style="list-style-type: none"> <li>(c) Failure to perform obligations under the Bond Documentation</li> <li>(d) Misrepresentation</li> <li>(e) Cross default</li> <li>(f) Insolvency and other analogous events</li> <li>(g) Unlawfulness</li> <li>(h) Repudiation of Bond Documentation</li> <li>(i) Change / cessation of business</li> <li>(j) Material adverse effect</li> </ul>
<b>Covenants for Facility</b>	As contemplated in the Debenture Trust Deed
<b>Representations, Warranties</b>	<p>Customary for financings of this nature and others appropriate in the judgment of the investors, upon the occurrence of which the investors will be entitled to accelerate the financing, including but not limited to:</p> <ul style="list-style-type: none"> <li>(a) Corporate existence, power and authority;</li> <li>(b) Legal validity and binding nature of the transaction;</li> <li>(c) Corporate and governmental authorizations and consents;</li> <li>(d) non-contravention of existing agreements and constitutional documents and binding nature of the same;</li> <li>(e) No outstanding default or material litigation;</li> <li>(f) No violation of law or material agreements;</li> <li>(g) No occurrence of a material adverse effect;</li> <li>(h) No litigation that may have a material adverse effect on operation of business;</li> <li>(i) No insolvency or insolvency proceedings;</li> <li>(j) Completeness and accuracy of financial statements;</li> <li>(k) Fund proceeds under this transaction shall only be applied in accordance with the end use as stated in this agreement;</li> </ul>
<b>Governing Law and Jurisdiction</b>	To be governed and construed exclusively in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at Mumbai.
<b>Transaction Costs</b>	<p>The Issuer shall bear all transaction related costs incurred by the Investor with respect to legal counsel, valuers and auditors / consultants. Such costs include:</p> <ol style="list-style-type: none"> <li>1. Legal fees</li> <li>2. Trustee fees</li> <li>3. Stamping and registration in relation to creation of security and all Transaction Documents.</li> </ol>
<b>Taxes, duties costs and expenses</b>	<ol style="list-style-type: none"> <li>1. Relevant taxes, duties and levies are to be borne by the Company.</li> </ol>



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## SECTION 6: TRANSACTION DOCUMENTS AND KEYTERMS

### 6.1 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 Non-Convertible Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer (“**Debenture Trust Deed**”);
- c. Such other documents as agreed between the Issuer and the Debenture Trustee.

The Transaction Documents shall be executed on or prior to the Issue Closing Date.

### 6.2 Representations and Warranties of the Issuer

The Issuer represents and warrants to the representations and warranties contained in Clause 5.22 (Issue Details) above. The representations and warranties of the Issuer are set out in detail in the Transaction Documents.

### 6.3 Covenants of the Issuer

The Issuer agrees and undertakes to comply with the covenants contained in Clause 5.22 (*Issue Details*) above. Additionally, the Issuer agrees and undertakes to comply with covenants that are as set out in detail in the Transaction Documents

### 6.4 Events of Default and Consequences of Events of Default

If one or more of the events specified in Clause 4.2 of the Debenture Trust Deed occur(s), the Debenture Trustee may, in its discretion, that is, without requiring any consent or confirmation of the Company, and upon request in writing of Special Majority Debenture Holders or by a Special Resolution duly passed at the meeting of the Debenture Holders held in accordance with the provisions set out in Schedule II of the Debenture Trust Deed by a notice in writing to the Company initiate the following course of action:

- (a) require the Company to mandatorily redeem the Debentures and repay the principal amount on the Debentures, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with this Deed and other Transaction Documents;
- (b) declare all or any part of the Debentures to be immediately (or on such dates as the Debenture Trustee may specify) due and payable, whereupon it shall become so due and payable;
- (c) enforce any security created pursuant to the Deed of Hypothecation in accordance with its terms, as may be set out herein or therein, towards repayment of the Debentures;
- (d) appoint any independent agency to inspect and examine the working of the Company and give a report to Debenture Holders/ the Debenture Trustee. The Company shall give full co-operation and provide necessary assistance to such agency and bear all costs and expenses of the examination including the professional fees and travelling and other expenses;
- (e) take all such other action expressly permitted under this Deed or in the other Transaction Documents or permitted under the Law; and
- (f) exercise such other rights as the Debenture Trustee may deem fit under applicable Law to protect the interest of the Debenture Holders.

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## **SECTION 7: OTHER INFORMATION AND APPLICATION PROCESS**

The Non-Convertible 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.

### **7.1 Mode of Transfer/Transmission of Non-Convertible Debentures**

The Non-Convertible Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Non-Convertible Debentures to a person who is not entitled to subscribe to the Non-Convertible Debentures. The Bond(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and Applicable Law. The Non-Convertible Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DP of the transferor or transferee and 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 dematerialised form shall be followed for transfer of these Non-Convertible Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

### **7.2 Non-Convertible Debentures held in Dematerialised Form**

The Non-Convertible Debentures shall be held in dematerialised form and no action is required on the part of the Bond Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/fund transfer/RTGS to those Bond 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 Non-Convertible Debentures will be simultaneously redeemed through appropriate debit corporate action.

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

### **7.3 Trustee for the Bond Holder(s)**

The Issuer has appointed Catalyst Trusteeship Limited to act as trustee for the Bond Holder(s). The Issuer and the Debenture Trustee intends 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 Bond 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 authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Non-Convertible Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Bond Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Bond Holder(s) shall discharge the Issuer *pro tanto* to the Bond Holder(s). The Debenture Trustee will protect the interest of the Bond Holder(s) in regard to the repayment of principal and 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 Bond 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 Bond Holder(s) and the manner of enforcement thereof.

### **7.4 Sharing of Information**

The Issuer may, at its option, but subject to Applicable Law, use on its own, as well as exchange, share or part with any financial or other information about the Bond 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.

### **7.5 Bond Holder not a Shareholder**

The Bond Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Non-Convertible Debentures shall not confer upon the Bond Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

### **7.6 Modification of Non-Convertible 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 Non-Convertible Debentures shall require approval by the Special Majority Debenture Holders.

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

- a. Creating of any additional security other than for the purpose of maintain security cover in terms of the Deed of Hypothecation; and
- b. Amendment to the terms and conditions of the Non-Convertible Debentures or the Transaction Documents.

### **7.7 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 Non-Convertible Debentures, in part or in full, without assigning any reason thereof.

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**7.8 Notices**

Any notice may be served by the Issuer/Debenture Trustee upon the Bond Holders through registered post, recognised overnight courier service, hand delivery or by facsimile transmission addressed to such Bond Holder at its/his registered address or facsimile number.

All notice(s) to be given by the Bond Holder(s) to the Issuer/Debenture Trustee shall be sent by registered post, recognised overnight courier service, hand delivery 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 Non-Convertible Debentures should be marked "Private Placement of Non-Convertible Debentures".

Notice(s) shall be deemed to be effective (a) in case of registered mail, 3 (three) calendar days after posting; (b) 1 (one) Business Day after delivery by recognised overnight courier service, (c) in 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.

**7.9 Issue Procedure**

Only Eligible Investors as given hereunder and identified upfront by the Issuer may apply for the Non-Convertible 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 Non-Convertible 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 Bond. Application Form 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.

The applicant should transfer payments required to be made in any relation by NEFT/RTGS, to the bank account of the Issuer as per the details mentioned in the Application Form.

**7.10 Application Procedure**

Potential 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.

**7.11 Fictitious Application**

All fictitious applications will be rejected.

**7.12 Basis of Allotment**

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

**7.13 Payment Instructions**

The Application Form should be submitted directly. The entire amount of Rs.10,00,000 /- (Rupees Ten Lakh) per Bond is payable along with the making of an application. Applicants can remit the application amount through RTGS on Pay-in Date. The RTGS details of the Issuer are as under:

Beneficiary Name	:	Northern Arc Capital Limited
Bank Account No.	:	00040310010467
IFSC Code	:	HDFC0000004
Bank Name	:	HDFC Bank Ltd.
Branch Address	:	759, ITC Centre Anna Salai, Opp T.V.S Chennai - 600 002

**7.14 Eligible Investors**

The following categories of Investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of Non-Convertible Debentures subject to fulfilling their respective investment norms/rules and compliance with Applicable Law by submitting all the relevant documents along with Application Form:

- 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. Insurance Companies
- i. Alternative Investment Funds (AIFs)
- j. Any other person eligible to invest in the Non-Convertible Debentures

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

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**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 Applicable Law, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

#### **7.15 Procedure for Applying for Dematerialised Facility**

- a. The applicant must have at least one beneficiary account with any of the DPs of NSDL/CDSL 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 Non-Convertible Debentures in Electronic/Dematerialised Form”.
- c. Non-Convertible Debentures allotted to an applicant will be credited to the applicant’s respective beneficiary account(s) with the DP.
- d. For subscribing to the Non-Convertible 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 Non-Convertible 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 Non-Convertible 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-à-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 Bond 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 Non-Convertible 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, till 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.

#### **7.16 Depository Arrangements**

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

#### **7.17 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.

#### **7.18 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 authorised 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 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 authorised signatories must also be lodged along with the submission of the completed Application Form.

#### **7.19 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 authorising investment and containing operating instructions
- c. Specimen signature of authorised signatories

#### **7.20 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 Power of Attorney to custodian
- d. Certified true copies of Specimen signatures of the authorised signatories
- e. SEBI registration certificate (for Mutual Funds)
- f. Copy of PAN card to be submitted
- g. Application Form (including RTGS details)

#### **7.21 Applications to be accompanied with Bank Account Details**

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

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 Bond Holder(s) through NEFT/RTGS.

#### **7.22 Succession**

In the event of winding-up of the holder of the Bond(s), the Issuer will recognise the executor or administrator of the concerned Bond Holder(s), or the other legal representative as having title to the Bond(s). The Issuer shall not be bound to recognise such executor or administrator or other legal representative as having title to the Bond(s), unless such executor or administrator obtains probate or letter of administration or other legal representation, as the case may be, 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 probate or letter of administration or other legal representation, in order to recognise such holder as being entitled to the Bond(s) standing in the name of the concerned Bond Holder on production of sufficient documentary proof and/or an indemnity.

#### **7.23 Mode of Payment**

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

#### **7.24 Effect of Holidays**

In case any payment date falls on a day which is not a Business Day in Mumbai or Chennai, the payment date shall be deemed to be the immediately preceding Business day.

#### **7.25 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 Bond holders at the office of the Transfer Agents of the Corporation at least 3 (Three) 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 issuance 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, and shall pay to the Bond Holders such amounts as may be payable after withholding of tax as per Applicable Law.

#### **7.26 Letters of Allotment**

The letter of allotment, indicating allotment of the Non-Convertible Debentures, will be credited in dematerialised form within 2 (Two) Business Days from the Deemed Date of Allotment.

#### **7.27 Deemed Date of Allotment**

All the benefits under the Non-Convertible Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is July 16, 2018 by which date the Investors would be intimated of allotment.

#### **7.28 Record Date**

The Record Date will be 3 (Three) Business Days prior to any Due Date.

#### **7.29 Refunds**

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

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

#### **7.30 Interest on Application Money**

Interest shall be payable on all application monies received at the rate of 10.15% monthly coupon (linked to 6-months SBI MCLR) from the date of realisation of the application monies by the Issuer till the Deemed Date of Allotment and the same shall be paid to the relevant Investors within 3 (Three) Business Days from the Deemed Date of Allotment.

#### **7.31 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.

#### **7.32 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 Bond Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

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



Date: July 16, 2018

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

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

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

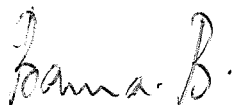
Date: July 16, 2018

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

#### SECTION 8: DECLARATION

The Issuer declared that all the relevant provisions in the regulations/guideline issued by SEBI and other Applicable Law have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other Applicable Law, as the case may be. The information contained in this Information Memorandum is as applicable to privately placed debt securities and subject to information available with the Issuer. The extent of disclosures made in 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 (formerly IFMR Capital Finance Limited)



Authorised Signatory

Name: Bama Balakrishnan

Title: Chief Financial Officer

Date: July 12, 2018

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

**ANNEXURE I: TERM SHEET**

As provided in Section 5.22 of the IM

**ANNEXURE II: RATING COMMUNICATION LETTER**



ICRA

ICRA Limited

**CONFIDENTIAL**

Ref.No. RTG/Chen/033/18-19

July 12, 2018

Ms. Kshama Fernandes  
Chief Executive Officer  
Northern Arc Capital Limited  
A1, 10<sup>th</sup> Floor, IITM Research Park  
Kanagam Village  
Taramani  
Chennai – 600113

Dear Madam,

**Re: ICRA Credit Rating for the Rs. 250.00 crore Non Convertible Debenture (NCD)  
Programme of Northern Arc Capital Limited**

Please refer to the Rating Agreement dated July 6, 2018 for carrying out the rating of the aforesaid NCD Programme. The Rating Committee of ICRA, after due consideration, has assigned a [ICRA]A+ (pronounced ICRA A plus) rating to the captioned NCD Programme. Instruments with this rating indicate adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The outlook on the long term rating is Stable.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as [ICRA] A+ (Stable). We would request if you can sign the acknowledgement and send it to us latest by July 18, 2018 as acceptance on the assigned rating. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned credit rating by the aforesaid date, the credit rating will be treated by us as non accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed in the circular dated June 30, 2017 on 'Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)' issued by the Securities and Exchange Board of India.

Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

Karumuttu Centre, 5<sup>th</sup> Floor  
634, Anna Salai, Nandanam  
Chennai 600035

Tel. : +91.44.45964300  
CIN : L74999DL1991PLC042749

Website : www.icra.in  
Email : info@icraindia.com  
Helpdesk : +91.124.2866928

Registered Office : 1105, Kailash Building, 11<sup>th</sup> Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001. Tel. : +91.11.23357940-45

**RATING • RESEARCH • INFORMATION**

**17080**

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ICRA

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.

As mentioned above and in accordance with the aforesaid circular issued by SEBI, you are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme. You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.  
With kind regards,

For ICRA Limited

(Srikumar K)  
Vice President  
[ksrikumar@icraindia.com](mailto:ksrikumar@icraindia.com)

(Govindaraj Prabhu M)  
Senior Analyst  
[govindaraj.m@icraindia.com](mailto:govindaraj.m@icraindia.com)

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

**ANNEXURE III: CONSENT LETTER FROM DEBENTURE TRUSTEE**

**CATALYST**  
Believe in yourself... Trust us!



CL/MUM/18-19/DEB/195  
07<sup>th</sup> July, 2018

**Northern Arc Capital Limited**  
10th Floor, Phase I,  
IIT Madras Research Park,  
Kanagam Village, Taramani,  
Chennai – 600 113

Kind Attn:-Ms Satya Srinivasan

Dear Sir,

**Consent to act as Trustee for Unsecured, unsubordinated, Listed, Rated, Non-Convertible Debentures aggregating upto Rs. 250 crores to be issued by your Company.**

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the Unsecured, unsubordinated, Listed, Rated, non-convertible debentures aggregating up to Rs. 250 Crores to be issued by your Company. In this connection, we are agreeable to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company.

The Company and the Trustee shall enter into relevant trustee agreements and other necessary documents for the aforesaid issue of NCDs and term loans and also agrees & undertakes to comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015 and the Listing Agreement pursuant thereto to be executed with Bombay Stock Exchange(BSE)/ National Stock Exchange(NSE), the RBI Circular No. RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013 and any other applicable statutes, regulations and provisions as amended from time to time.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Yours faithfully,

Authorized Signatory



We Accept the above terms  
For Northern Arc Capital Limited

Authorized Signatory



**CATALYST TRUSTEESHIP LIMITED** (A PRIVATE LIMITED COMPANY)  
Mumbai Office: Office No. 93 - 07, 8th Floor, B Wing, Mittal Tower, Nariman Point, Mumbai 400 021. Tel: +91 (022) 4922 0585 Fax: +91 (022) 4922 0505  
Regd. Office: CDA House, Plot No. 35, Bhamburda Colony (Right), Puri Road, Pura 611 010. Tel: +91 (020) 25280031 Fax: +91 (020) 25280275  
Delhi Office: Office No. 213, 2nd floor, Naraina House, 21 Kasturba Gandhi Marg, New Delhi- 110 001. Tel: 011 45029101  
CIN No. U74999PH997PLC110262 Email: dt@cltrustee.com Website: www.catalysttrustee.com  
Purs | Mumbai | Bangalore | Delhi | Chennai



## ANNEXURE IV: APPLICATION FORM

Website: <http://northernarc.com/>

BOND SERIES APPLICATION FORM SERIAL NO.	1	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---	---

**RS. 10,00,000/- (RUPEES TEN LACS ONLY) EACH AGGREGATING UP TO RS. 250,00,00,000 /- (RUPEES TWO HUNDRED AND FIFTY CRORES ONLY), FULLY PAID UP FOR CASH AT PAR TO THE FACE VALUE**  
Number of Non-Convertible Debentures 2500 In words Two Thousand and Five Hundred Only  
Amount Rs. 250,00,00,000 /- in words Rupees Two Hundred and Fifty Crores only

(In Figures) Rs. /- (In words) Only

[illegible][illegible]

We have read and understood the terms and conditions of the Information Memorandum (“**Terms and Conditions**”) dated July 16, 2018 for the issue and allotment of Non-Convertible Non-Convertible Debentures (NCDs) including the Risk Factors and Disclaimers 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 Non-Convertible Debentures. We request you to please place our name(s) on the Register of Bond Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

We the undersigned, are agreeable to holding the NCDs 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	

Date: July 16, 2018

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

<b>NAME OF THE APPLICANT(S)</b>	
---------------------------------	--

<b>Applicant Bank Account :</b>  (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 NCDs carried out our own due diligence and made our own decisions with respect to investment in these NCDs 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 Non-Convertible Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Non-Convertible Debentures, ii) the Applicant 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 Non-Convertible Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Non-Convertible Debentures in physical form.

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.

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> <b>SERIAL NO.</b>	1	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---	---

Received from \_\_\_\_\_

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

Date: July 16, 2018

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

**ANNEXURE V: LAST AUDITED FINANCIAL STATEMENTS**

Circulated separately.
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**ANNEXURE VI: BOND CASH FLOWS**

			Series-A				Dates	
			No Put Option exercised		Put option end of 16 months			
Sr. No.	Interest Payment	No. of Days	Cumulative Principal Repaid	Interest Payment Schedule	Cumulative Principal Repaid	Interest Payment Schedule	Exercise Put Option	Notice for Exercising Puts
0	16-07-2018	0	0	(1,000,000)	0	(1,000,000)		
1	16-08-2018	31	0	8621	0	8621		
2	16-09-2018	31	0	8621	0	8621		
3	16-10-2018	30	0	8342	0	8342		
4	16-11-2018	31	0	8621	0	8621		
5	16-12-2018	30	0	8342	0	8342		
6	16-01-2019	31	0	8621	0	8621		
7	16-02-2019	31	0	8621	0	8621		
8	16-03-2019	28	0	7786	0	7786		
9	16-04-2019	31	0	8621	0	8621		
10	16-05-2019	30	0	8342	0	8342		
11	16-06-2019	31	0	8621	0	8621		
12	16-07-2019	30	0	8342	0	8342		
13	16-08-2019	31	0	8621	0	8621		
14	16-09-2019	31	0	8621	0	8621		
15	16-10-2019	30	0	8342	0	8342		02-10-2019
16	16-11-2019	31	0	8621	1000000	8621	16-11-2019	
17	16-12-2019	30	0	8342				
18	16-01-2020	31	0	8621				
19	16-02-2020	31	0	8597				
20	16-03-2020	29	0	8042				
21	16-04-2020	31	0	8597				
22	16-05-2020	30	0	8320				
23	16-06-2020	31	0	8597				
24	16-07-2020	30	0	8320				
25	16-08-2020	31	0	8597				
26	16-09-2020	31	0	8597				
27	16-10-2020	30	0	8320				
28	16-11-2020	31	0	8597				
29	16-12-2020	30	0	8320				
30	16-01-2021	31	0	8597				
31	16-02-2021	31	0	8621				
32	16-03-2021	28	0	7786				
33	16-04-2021	31	0	8621				
34	16-05-2021	30	0	8342				
35	16-06-2021	31	0	8621				
36	16-07-2021	30	1000000	8342				

Date: July 16, 2018

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

			Series-B					
			No Put Option exercised		Put option end of 17 months		Dates	
Sr. No.	Interest Payment	No. of Days	Cumulative Principal Repaid	Interest Payment Schedule	Cumulative Principal Repaid	Interest Payment Schedule	Exercise Put Option	Notice for Exercising Puts
0	16-07-2018	0	0	(1,000,000)	0	(1,000,000)		
1	16-08-2018	31	0	8621	0	8621		
2	16-09-2018	31	0	8621	0	8621		
3	16-10-2018	30	0	8342	0	8342		
4	16-11-2018	31	0	8621	0	8621		
5	16-12-2018	30	0	8342	0	8342		
6	16-01-2019	31	0	8621	0	8621		
7	16-02-2019	31	0	8621	0	8621		
8	16-03-2019	28	0	7786	0	7786		
9	16-04-2019	31	0	8621	0	8621		
10	16-05-2019	30	0	8342	0	8342		
11	16-06-2019	31	0	8621	0	8621		
12	16-07-2019	30	0	8342	0	8342		
13	16-08-2019	31	0	8621	0	8621		
14	16-09-2019	31	0	8621	0	8621		
15	16-10-2019	30	0	8342	0	8342		
16	16-11-2019	31	0	8621	0	8621		01-11-2019
17	16-12-2019	30	0	8342	1000000	8342	16-12-2019	
18	16-01-2020	31	0	8621				
19	16-02-2020	31	0	8597				
20	16-03-2020	29	0	8042				
21	16-04-2020	31	0	8597				
22	16-05-2020	30	0	8320				
23	16-06-2020	31	0	8597				
24	16-07-2020	30	0	8320				
25	16-08-2020	31	0	8597				
26	16-09-2020	31	0	8597				
27	16-10-2020	30	0	8320				
28	16-11-2020	31	0	8597				
29	16-12-2020	30	0	8320				
30	16-01-2021	31	0	8597				
31	16-02-2021	31	0	8621				
32	16-03-2021	28	0	7786				
33	16-04-2021	31	0	8621				
34	16-05-2021	30	0	8342				
35	16-06-2021	31	0	8621				
36	16-07-2021	30	1000000	8342				

Date: July 16, 2018

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

			Series-C					
			No Put Option exercised		Put option end of 18 months		Dates	
Sr. No.	Interest Payment	No. of Days	Cumulative Principal Repaid	Interest Payment Schedule	Cumulative Principal Repaid	Interest Payment Schedule	Exercise Put Option	Notice for Exercising Puts
0	16-07-2018	0	0	(1,000,000)	0	(1,000,000)		
1	16-08-2018	31	0	8621	0	8621		
2	16-09-2018	31	0	8621	0	8621		
3	16-10-2018	30	0	8342	0	8342		
4	16-11-2018	31	0	8621	0	8621		
5	16-12-2018	30	0	8342	0	8342		
6	16-01-2019	31	0	8621	0	8621		
7	16-02-2019	31	0	8621	0	8621		
8	16-03-2019	28	0	7786	0	7786		
9	16-04-2019	31	0	8621	0	8621		
10	16-05-2019	30	0	8342	0	8342		
11	16-06-2019	31	0	8621	0	8621		
12	16-07-2019	30	0	8342	0	8342		
13	16-08-2019	31	0	8621	0	8621		
14	16-09-2019	31	0	8621	0	8621		
15	16-10-2019	30	0	8342	0	8342		
16	16-11-2019	31	0	8621	0	8621		
17	16-12-2019	30	0	8342	0	8342		02-12-2019
18	16-01-2020	31	0	8621	1000000	8621	16-01-2020	
19	16-02-2020	31	0	8597				
20	16-03-2020	29	0	8042				
21	16-04-2020	31	0	8597				
22	16-05-2020	30	0	8320				
23	16-06-2020	31	0	8597				
24	16-07-2020	30	0	8320				
25	16-08-2020	31	0	8597				
26	16-09-2020	31	0	8597				
27	16-10-2020	30	0	8320				
28	16-11-2020	31	0	8597				
29	16-12-2020	30	0	8320				
30	16-01-2021	31	0	8597				
31	16-02-2021	31	0	8621				
32	16-03-2021	28	0	7786				
33	16-04-2021	31	0	8621				
34	16-05-2021	30	0	8342				
35	16-06-2021	31	0	8621				
36	16-07-2021	30	1000000	8342				