

INFORMATION MEMORANDUM



INDIA SHELTER FINANCE CORPORATION LIMITED

A Public Limited Company Incorporated under the Companies Act, 1956

Date of Incorporation: 26.10.1998; CIN: U65922HR1998PLCN2782

Registered & Corporate Office: 6th Floor, Plot No- 15, Institutional Area, Sector 44,
Gurgaon, Haryana- 122002

Tel No: 01244131800; Email: contact@indiashelter.in

Website: <https://www.indiashelter.in/>

INFORMATION MEMORANDUM UNDER COMPANIES ACT, 2013, SCHEDULE I OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 ("SEBI DEBT LISTING REGULATIONS"), AS AMENDED FROM TIME TO TIME, AND HOUSING FINANCE COMPANIES ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS (NH) DIRECTIONS, 2014, AS AMENDED FROM TIME TO TIME

ISSUE: Issue of 1000 (One Thousand) partly paid, secured, rated redeemable, taxable non-convertible debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs Only) each ("Debentures" / "NCDs"), aggregating up to Rs. 100,00,00,000/- (Rupees Hundred Crores Only) issued on a private placement basis (the "Issue").

GENERAL RISKS: For taking an investment decision, investors must rely on their own examination of the Issue and the Information Memorandum including the risks involved. The Issue has not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this Information Memorandum.

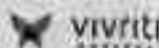
CREDIT RATING: The Debentures have been rated "A-" (Pronounced Single A minus) by ICRA Limited. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

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

ISSUER'S ABSOLUTE RESPONSIBILITY: The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Information Memorandum is true and correct in all material respects 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 makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Registrar & Share Transfer Agent
Skyline Financial Services Private
Limited
D-133 A, 1st Floor, Okhla Industrial Area
Phase - I
New Delhi - 110 020
Contact Person: Omesh Singh
Tel No: 011- 6473 2681
Email: info@skyliners.com
Website: www.skyliners.com

Sole Arranger



Vivrit Capital Private Limited
12th floor, Prestige Polygon, Anna
Salai, Rathna Nagar, Teynampet,
Chennai, Tamil Nadu - 600035
Website:

Debenture Trustee

Catalyst Trusteeship Limited
83-87, 8th Floor, 'Mittal Tower',
"B" Wing, Nariman Point,
Mumbai- 400021
Contact Person: Mr. Debashish
Karmakar
Tel: 022-49220355
Email:
clmumbai@citrustee.com

Confirmed June 19, 2024

Omesh Singh



Information Memorandum

This information memorandum prepared in conformity with SEBI (Issue & Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 8, 2008, as amended from time to time, Section 42 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and Housing Finance Companies Issuance of Non-Convertible Debentures on Private Placement Basis (NHB) Directions, 2014, and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by the issuer.



Chirag Patel



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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.

Company / Issuer / We / Us/ISPC	India Shelter Finance Corporation Limited having its registered office at 6th Floor, Plot No- 15, Institutional Area, Sector 44, Gurugram, Haryana- 122002
Arranger	Such Person(s)/entities as have been authorized by the issuer for the marketing of the Issue in this case Vivriti Capital Private Limited.
Applicant(s) / Investor(s)	Any prospective Applicant who is eligible to participate in this Issue and makes an application pursuant to the Information Memorandum in the Application Form subject to a maximum number of persons as specified in the Companies Act
Application Amount	An amount equal to the aggregate value of Debentures applied for to be paid by an Applicant at the time of making an application
Application Form	The form in which an investor can apply for subscription to the Debentures
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to the Issue
Articles	Articles of Association of the Company
Applicable Laws	includes all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof
Assets	means, for any date of determination, the assets of the Company on such date as the same would be determined in accordance with Indian GAAP
Beneficial Owners	means the holder(s) of the Debentures in dematerialized form whose name is recorded as such with the Depository in the Register of Beneficial Owners
BSE	means the BSE Limited
Board	Board of Directors of the Company or a Committee thereof
Business Day	means a day (other than a Sunday) on which banks are normally open for business in Mumbai
Call Option	has the meaning given to it in Annexure I
Call Option Interest Rate	means, if the Call Option is exercised at the end of 36 months, 10.20% per annum payable monthly, at the end of 42 months per annum payable monthly, 10.10% per annum payable monthly, at the end of 48 months, 10% per annum payable monthly, at the end of 60 months, 9.90% per annum payable monthly, to be deducted withholding taxes as applicable
Capital Adequacy Ratio	means the capital adequacy ratio as prescribed by Supervisory Authorities from time to time
CERSAI	means Central Registry of Securitisation Asset Reconstruction and Security Interest of India
CITES	means the Convention on International Trade in Endangered Species or Wild Fauna and Flora, including the protected flora and fauna as demonstrated on the website: www.cites.org
Client Loan	means each loan made by the Company as a lender including managed portfolio
Contract	has the meaning given to it in the Act



Sumit

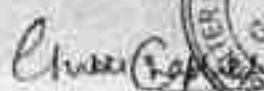
Conditions Subsequent	means the conditions subsequent set out in Annexure I
Companies Act or Act	means the Companies Act, 2013 ("2013 Act"), and for any matters or affairs prior to the notification of the relevant provisions of the Companies Act, 2013, the Companies Act, 1956 ("1956 Act"), and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time
Credit Rating Agency/ Credit Rating Agencies	Any SEBI registered Rating Agency appointed from time to time
Debenture Holders	shall mean the Initial Subscriber and thereafter the subsequent Debenture Holder(s), each of whom fulfils the following requirements:- (i) the beneficial owners whose name shall be listed in the list prepared, maintained and provided by the depositories viz., NSDL and/or CDSL, as the case may be, and/or (ii) the Debenture Holder(s) whose name shall appear in the register of debenture holders as maintained by the Company; (and shall include registered transferees of the Debentures from time to time with the Company and the Depository)
Deemed Dates of Allotment	May 4, 2018
Debentures/NCDs/Debt Securities/Securities	1000 (one thousand) partly paid, secured, rated redeemable, taxable non-convertible debentures bearing a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating to Rs. 100,00,00,000/- (Rupees Hundred Crores Only)
Debenture Trustee	Trustee for the Debenture holders, in this case being Catalyst Trusteeship Limited
Debenture Trust Mortgage Deed or DTMD	Shall mean the debenture trust cum mortgage deed executed/to be executed by and between the Debenture Trustee and the Company which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the issuer
Debt	means the aggregate of: (a) all long-term outstanding, whether secured or unsecured, plus (b) contingent liabilities pertaining to corporate / financial guarantees given on behalf of any company, special purpose vehicle (SPV), subsidiary / affiliate to the extent of outstanding of such guaranteed debt, plus, (c) any short term debt outstanding whether secured or unsecured, availed of in lieu of long term debt or by way of bridge financing for long term debt; (d) any amount raised by acceptance under any acceptance credit facility; (e) receivables sold or discounted (other than receivables to the extent they are sold on a non-recourse basis); (f) any put option, shortfall/liquidity support undertaking, debt service reserve account undertaking, keep fit letter(s), letter of comfort issued in favour of any person(s), which give or may give rise to any financial obligation(s); and (g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing.
Deed of Hypothecation	The deed of hypothecation entered into/to be entered into between the Issuer and the Debenture Trustee, pursuant to which hypothecation

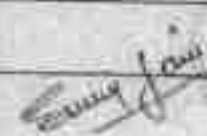
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	over Hypothecated Assets shall be created by the Issuer in favour of the Debenture Trustee (acting for and on behalf of the Debenture Holder(s)).
Depository/ies	National Securities Depository Ltd. (NSDL)
Due Date(s)	means the date on which any interest or liquidated damages, any Redemption Payment amount and/or any other monies payable, are due and payable.
DP	Depository Participant
e-payment	Real Time Gross Settlement (RTGS)/National Electronic Fund Transfer (NEFT) /Online banking or Internet banking or E-banking (e-bank)
Equity	means (A) the aggregate of the issued and paid up equity shares of the Company, all compulsorily convertible instruments and preference share capital of the Company, and all reserves (excluding revaluation reserves) of the Company, less (B) the aggregated of any dividend declared, any deferred tax liability, deferred tax assets, intangibles (including but not restricted to brand valuation, goodwill etc) as per the latest audited financials of the Company.
Event of Default	means the events of default set out in Section 5.
Exclusion List	<p>means any activity including:</p> <ul style="list-style-type: none"> (a) production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCBs, wildlife or products regulated under CITES; (b) production or trade in weapons and munitions; (c) production or trade in alcoholic beverages (excluding beer and wine); (d) production or trade in tobacco; (e) gambling, casinos and equivalent enterprises; (f) production or trade in radioactive materials (this does not apply to the purchase of medical equipment, quality control (measurement) equipment); (g) production or trade in unbonded asbestos fibers (this does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%); (h) drift net fishing in the marine environment using nets in excess of 2.5 km. in length; (i) production or activities involving harmful or exploitative forms of forced labor, or harmful child labor; (j) production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals (hazardous chemicals include gasoline, kerosene, and other petroleum products); (k) production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples; and/or <p>which may result in funding or supporting any individual or Organization designated as:</p> <ul style="list-style-type: none"> (i) terrorists or terrorist organizations by the United Nations, the European Union and any other applicable country; and/or




	European Union and any other applicable country; and/or (ii) persons, groups or entities which are subject to United Nations, European Union and the US Office of Foreign Asset Control (OFAC) sanctions.
Exercise Date	means the date occurring on the expiry of a period of 36 (thirty six) months, 42 (forty two) months, 48 (forty eight) months or 60 (sixty) months from Deemed Date of Allotment, as more particularly specified in Annexure V
Final Redemption Dates	mean May 02, 2025, unless the put or call options are exercised in accordance and as more particularly specified in Annexure V
Final Settlement Date	means the date on which all obligations of the Company have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Holders
Financial Year/ FY	means each period of 12 (Twelve) months commencing on April 1 of any calendar year and ending on March 31 of the subsequent calendar year
Management Team	Means collectively, Mr. Anil Mehta and Mr Sunil Jain
Governmental Authority	shall mean any government (central, state or otherwise) or any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, agency or authority including any stock exchange or any self-regulatory organization, established under any Applicable Law
Gross NPA	shall mean the entire outstanding principal value of the relevant portfolio of the Issuer that has one or more instalments of payments (including principal or interest) overdue for 90 days or more and any restructured loans;
Gross Loan Portfolio	means and includes the outstanding principal amount of all Client Loans originated by the Company on its own books and the Off-Balance Sheet Portfolio
Information Memorandum	means this information memorandum dated May 04, 2018
Indebtedness	means any obligation of the Company (whether incurred as principal, independent guarantor or as a surety) for the payment or repayment of borrowed money, whether present or future, actual or contingent
Indian GAAP	shall mean the generally accepted accounting principles as prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Company
Initial Debenture Holders	Means Franklin Templeton Mutual Fund
Interest	means the interest payable on the Debentures on the Interest Payment Dates, at the Interest Rate or the Revised Interest Rate as the case may be
Interest Rate	means 9.90% per annum, to be deducted withholding taxes as applicable
Interest Payment Dates	means the dates specified in Annexure VI on which payment of Interest shall be made in respect of the debentures
Issue	Has the meaning given to it on the first page
ISIN	International Securities Identification Number






Listing Date	Means the date by which the debentures are to be mandatorily listed on the Bombay Stock Exchange (BSE) or the National Stock Exchange (NSE) i.e. October 10, 2018
LODR Regulations	means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time
Majority Debenture Holders	means such number of Debenture Holders collectively holding more than 50% (Fifty percent) of the value of the Outstanding Principal Amounts of the Debentures
Majority Resolution	means a resolution approved by such number of Debenture Holders that represent more than 50% (Fifty percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting or if a poll is demanded, by such number of Debenture Holders that represent more than 50% (Fifty percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting in such poll
Material Adverse Effect	means, in relation to any entity, 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 (i) the financial condition, business or operation of the entity which results in an erosion of greater than 10% of the net worth of the Issuer and affects the ability of the entity to perform its obligations under the Transaction Documents; or (ii) the legality, validity or enforceability of any of the Transaction Documents; or (iii) the rights or remedies of the Debenture Trustee acting for the benefit of the Debenture Holders hereunder or under any other Transaction Document
Net Worth	has the meaning ascribed to it in the Companies Act, 2013
Memorandum / MoA	Memorandum of Association of the Company
NHB	National Housing Bank, established under the National Housing Bank Act, 1987
NHB NCD Directions	means the master circular on the Housing Finance Companies Issuance of Non-Convertible Debentures on Private Placement Basis (NHB) Directions, 2014 issued by the NHB (as amended, updated, modified or restated from time to time) and the Housing Finance Companies (NHB) Directions, 2010 (as amended, updated, modified or restated from time to time)
NPA or Non-Performing Assets	has the meaning given to it in the Housing Finance Companies (NHB) Directions, 2010 (as amended, updated, modified or restated from time to time)
Obligations	means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) obligations of the Company to the Debenture Holders or the Debenture Trustee under the Transaction Documents, including without limitation, all costs, charges, expenses and other monies payable by the Company in respect of the Debentures
Off Balance Sheet Portfolio	means the outstanding principal balance of all Client Loans securitized, assigned, originated on behalf of other institutions otherwise sold off in respect of which the Company has provided credit enhancements in any form or manner whatsoever including Client Loans originated on behalf of other entities by entering into partnership agreements but not included on the Company's own book, excluding interest receivables and accrued interest

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Sunil Kumar

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	included on the Company's own book, excluding interest receivables and accrued interest
Offer Schedule	Issue Open Date May 03, 2018
	Issue Close Date May 04, 2018
	First Pay-in Date May 04, 2018
	Deemed Date of Allotment May 04, 2018
	Second Pay-in Date July 10, 2018
Outstanding Principal Amounts	means, at any date, the principal amounts outstanding under the Debentures
Outstanding Amounts	means, at any date, the Outstanding Principal Amounts together with any accrued interest, additional interests, costs, fees, charges, and other amounts payable by the Company in respect of the Debentures
Payment Default	shall mean any event, act or condition which, with notice or lapse of time, or both, would constitute an Event of Default
Person	shall mean any individual, partnership, joint venture, firm, corporation, association, limited liability company, trust or other enterprise or any government or political subdivision or any agency, department or instrumentality thereof
Private Placement Offer Letters	Shall mean the offer letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014
Purpose	<p>Raising debt for general corporate purposes of the Company including repayments and/or refinancing of existing debt and costs/expenses related to the functioning of the Company and costs/expenses to be incurred for the purchase of any assets required the Company</p> <p>The issuer shall not use the proceeds of the Issue towards:</p> <ul style="list-style-type: none"> any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities; or any speculative purposes; or investment in the real estate sector; or in contravention of any guidelines, rules or regulations of the NBID applicable to housing finance companies. <p>The issuer shall be entitled to temporarily invest the funds raised by the issue in liquid mutual funds and deposits held with scheduled commercial banks for a period not exceeding 120 (One Hundred and Twenty) calendar days from the Deemed Date of Allotment for Instalment I. For the subsequent Instalment, the issuer shall be entitled to temporarily invest the funds raised by the issue in liquid mutual funds and deposits held with scheduled commercial banks for a period not exceeding 120 (One hundred and Twenty) calendar days from the date of disbursement of respective Instalment.</p> <p>The Issuer shall furnish an end use certificate to the Debenture Trustee upon utilization of the proceeds from each Instalment.</p>
Put Option	shall have the meaning given to it in Annexure I
Put Option Interest Rate	means, if the Put Option is exercised at the end of 36 months, 9.60% per annum payable monthly, at the end of 42 months, 9.70% per annum payable monthly, at the end of 48 months 9.80% per annum payable monthly and at the end of 60 months, 9.90% per annum payable monthly with income taxes to be deducted as applicable



Signature



RBI	means the Reserve Bank of India
ROC	The Registrar of Companies, NCT of Delhi & Haryana.
Rating Agency	Shall mean ICRA Limited a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Flat No.1105, Kailash Building, 11th Floor 26, Kasturba Gandhi Marg, New Delhi 110001, India, or any other SEBI registered credit rating agency appointed by the Company from time to time
Rating Downgrade	means the rating of the Company is downgraded to "BBB" or below (or its equivalent rating)
Redemption Payment	means the payment of the Outstanding Principal Amounts of the Debentures on the Exercise Date or the respective Final Redemption Dates
Record Date	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 3 (Three) Calendar Days prior to any Due Date.
Register of Beneficial Owners	means the register of beneficial owners of the Debentures maintained in the records of the Depository, as the case may be
Register of Debenture Holders	means the register maintained by the Company in accordance with Section 88 of the Act
Registrar/Registrar to the Issue (RTA)	Registrar to the Issue, in this case being Skyline Financial Services Private Limited
Revised Interest Rate	means the Put Option Interest Rate or the Call Option Interest Rate.
SEBI	means the Securities and Exchange Board of India
Secured Obligations	means the Obligations, and includes the making of payment of any interest, redemption of principal amounts, default interest, additional interest, liquidated damages and any other costs, charges and expenses
Security	means the security created in favour of the Debenture Trustee to secure this Issue
Security Cover	shall have the meaning given to it in Annexure I
SEBI Regulations/ Guidelines	The Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008 dated June 6, 2008, SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 dated October 12, 2012 and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 dated January 31, 2014 & SEBI (Issue & Listing of Debt Securities) (Amendment) Regulations, 2015 vide circular No. LAD-NRO/GN/2014-15/25/539 dated March 24, 2015.
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.
Special Resolution	Means resolution approved by such number of Debenture Holders that represent more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting or if a poll is demanded, by such number of Debenture Holders that represent more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting in such poll.
Step Down Rate	has the meaning given to it under Annexure I
Step Down	means the payment of interest at the Step Down Rate.



Chetan Chahal

Step Up	means the payment of interest at the Step Up Rate
Step Up Rate	has the meaning given to it under Annexure 1
Subordinated Debt	has the meaning given to it in the Housing Finance Companies (NHB) Directions, 2010 (as amended, updated, modified or restated from time to time)
Supervisory Authorities	means the NHB and, to the extent applicable, the RBI
Tax	means any present or future tax, levy, duty, charge, fees, deductions, withholdings, surcharges, cess, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter imposed by Law by any Governmental Authority and as maybe applicable in relation to the payment obligations of the company under the DTD
Tax Deduction	means a deduction or withholding for or on account of Tax from a payment under a Transaction Document pursuant to Applicable Law
Testing Date	means each of March 31 and September 30 and "Testing Dates" shall be construed accordingly
Instalment I Amount	means in respect of each Debenture the initial paid up amount of Rs. 2,50,000 (aggregating to a paid up amount of Rs. 25,00,00,000 (Rupees Twenty Five Crores) for all the Debentures).
Instalment I Pay-In date	Means May 4, 2018
Instalment II Amount	means in respect of each Debenture the initial paid up amount of Rs. 7,50,000 (aggregating to a paid up amount of Rs. 75,00,00,000 (Rupees Seventy Five Crores) for all the Debentures)
Instalment II Pay-in Date	Means July 10, 2018
Instalment II Amount Demand Date	means the day occurring 5 (Five) days prior to the Instalment II Pay-in Date being July 5, 2018
Transaction Documents	has the meaning given to it in Section 5
Stock Exchange	BSE Ltd. ("BSE") / NSE Ltd. ("NSE")
TDS	Tax Deducted at Source
Transaction Documents	Shall mean the documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out Section 5.1.

Srinivasa



Chandrasekhar

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

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum to be filed or submitted to the SEBI for its review and/or approval. 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/ Private Placement Offer Letter shall be filed with the ROC and SEBI within the stipulated timelines under the Companies Act, 2013.

This Information Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and applicable NHB regulations governing private placements of Debentures by Housing Finance Company(ies). This Information Memorandum has been prepared solely to provide general information about the Issuer to Eligible Investors (as defined below) to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any Eligible Investor may require. Further, this Information Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such potential investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having being authorized 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 and the Companies (Prospectus and Allotment of Securities) Rules, 2014. Further, the Issuer accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at its own risk.

This Information Memorandum and the respective contents hereof respectively, are restricted only for the intended recipient(s) who have been addressed directly and specifically through

Green Capital



2 communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations / guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum 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 in part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Information Memorandum 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 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 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 authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum comes are required to inform them of, 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 STOCK EXCHANGES

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



2.3 DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Information Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum. However the Company undertakes to file this Information Memorandum with the Registrar of Companies (through the online portal provided by the Ministry of Corporate Affairs) and SEBI within 30 days from the Deemed Date of Allotment as per the provisions of the 2013 Act and the rules thereunder.

2.4 DISCLAIMER CLAUSE OF THE SOLE ARRANGER

The issuer hereby declares that it has exercised due-diligence to ensure complete compliance with prescribed disclosure norms in this Information Memorandum. The only role of the Sole Arranger with respect to the Debentures is confined to arranging placement of the Debentures on the basis of this Information Memorandum as prepared by the issuer. Without limiting the foregoing, the Sole Arranger is not acting, and has not been engaged to act, as an underwriter, merchant banker or other intermediary with respect to the Debentures. The issuer is solely responsible for the truth, accuracy and completeness of all the information provided in this Information Memorandum. Neither is the Sole Arranger responsible for preparing, clearing, approving, scrutinizing or vetting this Information Memorandum, nor it is responsible for doing any due-diligence for verification of the truth, correctness or completeness of the contents of this Information Memorandum. The Sole Arranger shall be entitled to rely on the truth, correctness and completeness of this Information Memorandum. It is to be distinctly understood that the aforesaid use of this Information Memorandum by the Sole Arranger should not in any way be deemed or construed to mean that the Information Memorandum has been prepared, cleared, approved, scrutinized or vetted by the Sole Arranger. Nor should the contents of this Information Memorandum in any manner be deemed to have been warranted, certified or endorsed by the Sole Arranger as to the truth, correctness or completeness thereof. Each recipient must satisfy itself as to the accuracy, reliability, adequacy, reasonableness or completeness of the Information Memorandum.

The Sole Arranger has not conducted any due diligence review on behalf or for the benefit of the Debenture Trustee or any of the Debenture Holders. Each of the Debenture Holders should conduct such due diligence on the issuer and the Debentures as it deems appropriate and make its own independent assessment thereof.

Distribution of this Information Memorandum does not constitute a representation or warranty, express or implied by the Sole Arranger that the information and opinions herein will be updated at any time after the date of this Information Memorandum. The Sole Arranger does not undertake to notify any recipient of any information coming to the attention of the Sole Arranger after the date of this Information Memorandum. No responsibility or liability or duty of care is or will be accepted by the Sole Arranger for updating or supplementing this Information Memorandum or for providing access to any additional information as further information becomes available.

Neither the Sole Arranger nor any of their respective directors, employees, officers or agents shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in or omission from this Information Memorandum or in any other information or communications made in connection with the Debentures.

The Sole Arranger is acting for the Company in relation to the issue of the Debentures and not on behalf of the recipients of this Information Memorandum. The receipt of this Information

Ankur Chaudhary



Memorandum by any recipient is not to be constituted as the giving of investment advice by the Sole Arranger to that recipient, nor to constitute such a recipient a customer of the Sole Arranger. The Sole Arranger is not responsible to any other person for providing the protection afforded to the customers of the Sole Arranger nor for providing advice in relation to the Debentures.

Each recipient of this Information Memorandum acknowledges that:

- a. each recipient has been afforded an opportunity to request and to review and has received all additional information considered by the recipient to be necessary to verify the accuracy of or to supplement the information contained herein; and
- b. such recipient has not relied on the Sole Arranger in connection with its investigation of the accuracy of such information or its investment decision.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

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

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

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

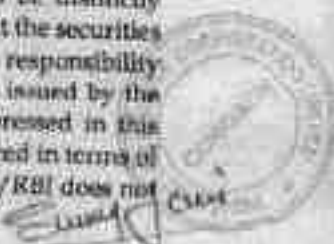
2.7 ISSUE OF DEBENTURES IN DEMATERIALIZED FORM

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

2.8 DISCLAIMER OF THE NATIONAL HOUSING BANK/RESERVE BANK OF INDIA

The Securities have not been recommended or approved by the NHB/Reserve Bank of India nor does NHB/RBI guarantee the accuracy or adequacy of this document. It is to be distinctly understood that this document should not, in any way, be deemed or construed that the securities have been recommended for investment by the NHB/RBI. It does not take any responsibility either for the financial soundness of the Issuer Company, or the securities being issued by the Issuer Company or for the correctness of the statements made or opinions expressed in this document. Potential investors may make investment decision in the securities offered in terms of this Information Memorandum solely on the basis of their own analysis and NHB/RBI does not

Chetan Chopra



accept any responsibility about servicing/ repayment of such investment.

SECTION 3: REGULATORY DISCLOSURE

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.

3.1 DOCUMENTS SUBMITTED TO THE EXCHANGES

The following documents have been / shall be submitted to the Stock Exchange if any Debenture gets listed on same:

- Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the 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 Board Resolution dated May 1, 2018 authorizing to issue Debentures and list of authorized signatories;
- Certified true copy of the shareholders resolution passed by the Company authorising the Company to borrow, upon such terms as the Board may think fit.
- Certified true copy of the shareholders resolution passed by the Company at the meeting held on July 3, 2017 authorising the Company to issue Non-Convertible Debentures for the current financial year to borrow, upon such terms as the Board may think fit, upto an aggregate limit of INR 500,00,00,000/- (Rupees Five Hundred Crores Only);
- An undertaking that permission / consent from the prior creditor for issuance of Debentures and / or creation of charge, where applicable, has been obtained.
- An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the Stock exchange where the debt securities have been listed, on or before the Listing Date.
Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

3.2 DOCUMENTS SUBMITTED TO DEBENTURE TRUSTEE

The following documents have been / shall be submitted to the Debenture Trustee in electronic form (soft copy) at the time of allotment of the Debentures

- Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the 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;
- An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in the Simplified Listing Agreement issued by SEBI vide circular No. SEBI/MD/BOND/1/2009/11/05 dated [Date to be inserted] as amended from time to time, for furnishing / publishing its half yearly / annual results.





Further, the Issuer shall within 180 (One Hundred and Eighty) days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within 2 (Two) working days of their specific request.



Anshu Chopra



3.3 NAME AND ADDRESS OF REGISTERED OFFICE OF THE ISSUER

Sr. No.	Particulars	Details
1.	Registered & Corporate Office of the Issuer	India Shelter Finance Corporation Limited 6th Floor, Plot No- 15, Institutional Area, Sector 44, Gurugram, Haryana- 122002 Tel No: 0124-4131800
2.	Compliance Officer of the Issuer	Mr. Yogesh Jain 6th Floor, Plot No- 15, Institutional Area, Sector 44, Gurugram, Haryana- 122002 Tel No: 0124-4131800; Email: yogesh.jain@indiashelter.in
3.	Chief Finance Officer (CFO) of the Issuer	Mr. Sunil Jain 6th Floor, Plot No- 15, Institutional Area, Sector 44, Gurugram, Haryana- 122002 Tel No: 0124-4131800; Email: sunil.jain@indiashelter.com
4.	Trustee to the Issue	Catalyst Trusteeship Limited 83-87, 8th Floor, 'Mittal Tower', 'B' Wing, Nariman Point, Mumbai- 400021 Tel: 022-49220555 Email: ctimumbai@ctitrustee.com
5.	Arranger to the Issue	Vivriti Capital Private Limited 12 th floor, Prestige Polygon, Anna Salai, Rathna Nagar, Teynampet, Chennai, Tamil Nadu - 600035 Email: contact@vivriticapital.com
6.	Registrar to the Issue	Skyline Financial Services Private Limited D-153 A, 1 st Floor, Okhla Industrial Area Phase - I New Delhi - 110 020 Phone: 011-26812682; Fax: 011-26812682 Email: Virender Rana Contact Person: virenr@skylinertia.com
7.	Credit Rating Agency of the Issue	ICRA Limited Flat No.1105, Kailash Building, 11th Floor 26, Kasturba Gandhi Marg, New Delhi 110001 Phone : 0124-2866928 <i>The Issuer reserves the right to obtain an at any time during the tenure of the NCDs from any SEBI registered Credit Rating Agency for full or part of the issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating in the issue.</i>
8.	Auditor(s) of the Issuer	Deloitte Haskins & Sells 7th Floor, Building 10, Tower B, DLF Cyber City Complex, DLF City Phase -II, Gurugram-122 022, Haryana



3.4 BRIEF SUMMARY OF THE BUSINESS / ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS

Overview

India Shelter Finance Corporation Limited (hereafter referred to as 'ISFC') was originally founded in 1998 as Satyaprakash Housing Finance India Limited. India Shelter was set up to provide credit to urban and peri-urban middle income households to acquire new housing or to extend and improve their current housing. In September 2009, Anil Mehta (now CEO and Managing Director) led a group of 13 individual investors to buy the entire shareholding (together with the NHB registration but not any portfolio loans) from the original investors. The company commenced operation in its current form in March 2010 and was renamed to India Shelter Finance Corporation Limited. Sequoia Capital, Nexus Venture Partners and Westbridge Crossover Fund are investors in India Shelter.

India Shelter extends loans of amount in the range of INR 3-30 lakhs to urban households with monthly incomes (documented or undocumented) of INR 14,000 and above. The focus segment of India Shelter constitutes low income households living in housing units in the urban and suburban areas of Tier-2 and Tier-3 cities. India Shelter's products include loans for home construction, extension, improvement, purchase and also Loan against Property.

India Shelter is headquartered in Gurugram, Haryana and has about 63 branch offices spread across Rajasthan, Madhya Pradesh, Maharashtra, Delhi, Chhattisgarh, Uttar Pradesh, Orissa, Gujarat and Uttarakhand.

3.5 CORPORATE STRUCTURE



संस्थापक - अध्यक्ष - कार्यकारी निदेशक

IndiaShelter
Apni Ghar, Apni Shanti

Signature



3.4 RISK FACTORS AND MANAGEMENT'S PERCEPTION OF THE RISK FACTORS

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential investors should carefully consider all the risk factors in this Information Memorandum for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures, but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.

Note: Unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below:

Risks Related to the Business of the Issuer

i. Credit risk

Adverse customer selection could lead in rise in NPA levels and affect the profitability of the company. A strong credit risk management process helps in containing the portfolio quality of the company. Key elements of the credit risk management include a structured and standardized credit approval process supported by a strong system, effective training programs, legal and technical due diligence, monitoring and robust credit risk management strategy at a senior management level.

ii. Security Risk

Lack of quality collateral or issues with the collateral might lead to collection issues to the company. We avail services of experienced local domain experts who vet the documents prior to a formal decision on the loans. Inputs from these service providers have ensured that the decision making process remains robust.

iii. Interest Rate Risk

Interest rate risk arises when there is a mismatch in the interest rate profile of assets and liabilities adversely impacting the net interest income. Organization measures interest rate risks by the 'duration gap' method. The duration gap is a risk measure that tracks the gap between assets and liabilities sensitive to interest rate changes, to assess the impact of interest rate changes on the cost of funds to the issuer. Considering the volatility of interest rates in the market, the Company strategy is to realize its borrowings between short term and long term debt as well as floating and fixed rate instruments. The Company currently lends on floating rate basis. Its borrowing lines from banks are also on floating rate basis. Thus, the basis risk is substantially mitigated. However, the loans made are for longer periods and the sourcing of funds are typically for shorter tenures. At this stage of the Company's growth, higher level of capitalization is a strong mitigant to tackle non-roll over of lines of credit from entities like banks as and when they fall due.

iv. Market Risk

An Asset Liability Management Committee (ALCO) consisting of senior management of the issuer under the directions of the Chairman reviews and approves all market risk policies and recommends the tolerance limits on borrowings, the ALM position of the Company and also fixes the framework of operations for ALCO. These limits are within the overall levels stipulated by regulators.




v. Operational Risk

The Company has instituted adequate internal control systems to monitor and contain operational risk, and is also periodically reviewed by the Risk Management Committee. Since increasingly a large proportion of the Company's operations are technologically driven, we have ensured adequate back up of company's data and have put in place a fail over infrastructure should the need arise.

vi. Regulatory Risk

The Company is governed under the NHB Directions 2010 on requirements related to capital adequacy and provisioning and various other legal and regulatory requirements from concerned authorities. Any change in the regulatory framework could have an impact on the Company. However, the current Central Government policies support heavily lending in our core customer segment and we do not foresee an immediate reversal of the policy approach in the short term.

vii. Downgrade of Credit Rating

Any downgrade of our credit rating could possibly lead to increase in our cost of borrowing and impair our ability to renew maturing debt, which may have an adverse effect on our business. The performance thus far, the level of capital cushion and the steady growth we believe ensure that unless there is a sea change in the operating environment in the sector we operate in, such eventuality is less.

External Risk**i. The Secondary market for debentures may be illiquid.**


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

ii. A slowdown in economic growth in India

A slowdown in the Indian economy / GDP may adversely affect Company's business, including its ability to enhance its asset portfolio and the quality of its assets, and its ability to implement certain measures could be adversely affected by a movement in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or a general down trend in the economy. Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. However, forecasts from leading global institutional reports indicate that Indian economy's growth rate is likely to be robust over the next few years.

iii. Material changes in regulations to which the Company is subject

A risk may arise if various concerned authorities amend the regulatory framework, which could impact the Company. NHB requires the Company to make provisions in respect of NPAs. Any changes in the regulatory framework affecting HFCs including the provisioning for NPAs or capital adequacy requirements could adversely affect the profitability of the Company or its future financial performance. As mentioned already in point vi above, the current Central Government policies support heavily lending to our core customer segment and we do not foresee an immediate reversal of the policy approach in the short term.



iv. 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.

v. 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.

vi. Security maybe insufficient to redeem the debentures.

In the event that the Company is unable to meet its payment and other obligations towards investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents. The investors recovery in relation to the Debentures will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the Security at a price sufficient to repay the potential investors amounts outstanding under the Debentures. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

vii. Legality Of Purchase

Potential investors of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential investor with any law, regulation or regulatory policy applicable to it.

viii. Political And Economic Risk In India

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.



Aravind Chhetri



3.7 KEY OPERATIONAL AND FINANCIAL PARAMETERS

Financial highlights for the last three audited financial years are as under
 (On a Standalone Basis):

Parameters Upto latest	(Rs in Lacs)		
	FY 2016-17	FY 2015-16	FY 2014-15
Net worth	35,215.4	26,328.6	6,455.3
Total Debt	24,540.0	13,477.7	15,854.2
of which - Non Current Maturities of Long Term Borrowing	20,615.9	10,350.2	11,664.6
- Current Maturities of Long Term Borrowing	3,924.2	3,127.5	3,989.6
Short Term Borrowing	-	-	-
Net Fixed Assets	264.0	146.1	57.3
Non Current Assets	51,043.20	35,683.0	20,369.7
Cash and Cash Equivalents	7,754.97	3,494.9	1,591.9
Current Investments	-	-	-
Current Assets	10,334.02	5,382.8	2,573.5
Current Liabilities	4,933.56	4,001.1	4,583.9
Assets Under Management	55,082.0	39,836.0	22,791.0
Off Balance Sheet Assets	3,551.9	4,478.6	2,902.9
Interest Income	7,595.3	4,694.8	2,573.0
Interest Expense	2,117.0	1,681.7	1,325.5
Provisioning & Write-offs	205.8	138.6	75.0
PAT	2,051.0	845.2	314.5
Gross NPA (%)**	0.74%	0.28%	0.22%
Net NPA (%)	0.51%	0.17%	0.12%
Tier I Capital Adequacy Ratio (%)	107.78%	121.02%	42.95%
Tier II Capital Adequacy Ratio (%)	1.18%	1.22%	1.02%
Interest Coverage Ratio	2.10	1.61	1.32

3.8 GROSS DEBT: EQUITY RATIO OF THE COMPANY (as on 31-03-2018)

Before the issue of debt securities	0.54
After the issue of debt securities	0.71

Calculations

Before the issue, debt-to-equity ratio is calculated as follows:

Debt (Rs in Crores)	306.51
Equity (Rs in Crores)	569.57
Debt/Equity	0.54

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




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Debt (Rs in Crores)	406.51
Equity (Rs in Crores)	569.57
Debt/Equity	0.71

2.0 RELATED PARTY TRANSACTIONS

Related party transactions entered during the last three financial years immediately preceding the year of circulation of Information Memorandum including with regard to loans made or, guarantees given or securities provided.

(a) List of related parties:

1. Key Management Personnel:
 - a. Anil Mehta (Chief Executive Officer and Managing Director)
 - b. Srinath Mukherji (Director (From 16 July 2012 till 3 June 2015))
 - c. Sunil Jain (Chief Financial Officer)
 - d. Mukti Chaplot (Company Secretary)
2. Persons having significant influence
 - a. Sequoia Capital India Investments III, Mauritius (holder of equity shares)
 - b. Nexus Ventures III Limited, Mauritius (Holder of equity shares)
 - c. WestBridge Crossover Fund, LLC (Holder of equity shares)
 - d. Sequoia India Growth Investment I (Holder of equity shares)
 - e. Aravali Investment Holdings (Holder of Equity Shares)
 - f. Milestone Trusteeship Services Private Limited (Holder of equity shares)
 - g. Nexus Opportunities Fund II (Holder of equity shares)
3. Relative of KMPs (Where there are transactions)
 - a. Gaj Singh Mehta (Father of Anil Mehta)
 - b. Vandana Jain (Wife of Sunil Jain)

(b) Disclosure of related party transactions:

(in lacs.)

Transaction	Related Party	31-Mar-17	31-Mar-16	31-Mar-15
Remuneration paid	KMP including directors	246.7	507.51	126.86
Consultancy charges	KMP	-	393	44
Exercise of ESOP	KMP	0.35	-	-
Rent paid	Relative of KMP	3.08	2.95	2.8
Car leasing paid	Relative of KMP	6	5	-
Consultancy charges	Relative of KMP	-	-	-
Reimbursement of expenses paid	Persons with significant influence	-	50	-
Asset Purchase from the Company	KMP	5.77	-	-
Issue of equity shares	Persons with significant influence	417.23	1,401.43	817.42
Proceeds from securities premium	Persons with significant influence	6,328.78	17,948.67	3,932.59




3.10 Change in accounting policies:

Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company

There has been no significant change in accounting policies.

3.11 A BRIEF HISTORY OF THE COMPANY SINCE INCORPORATION
i. Detail of share capital as on March 31, 2018:-

Share Capital	Rs. In Crores
Authorised Capital	
8,01,00,000 equity shares of INR 10/- each	81.00
Issued, Subscribed and Paid Up Capital	
3,59,18,018 equity shares of INR 10/- each	35.92

ii. Size of the present Offer

This is a private placement of partly paid, secured, rated, redeemable, taxable, non convertible debentures ("NCDs"/ "Debentures") having face value of INR 10 lakh each, for cash at par aggregating up to INR 100 crores

iii. Changes in Capital Structure as on last quarter end:

Change in Authorised Capital for the last five years is as follows:

Date of Change (AGM/EGM)	Authorised Capital in Rs.	Particulars
EGM - 12 July, 2012	81,00,00,000.00	Increase in Authorized Share Capital from 44,00,00,000 to 81,00,00,000 divided in to 1,40,00,000 Equity Shares of Rs.10/- each and 65,00,000 Compulsorily Convertible Preference Shares ("CCPS") of Rs.100/-
EGM - 16 March, 2015	81,00,00,000.00	Reclassification of Authorized Share Capital from existing Rs. 81,00,00,000 divided into 160,00,000 Equity Shares of Rs. 10 each and 65,00,000 Compulsorily Convertible Preference Shares ("CCPS") of Rs.10/- in to Rs. 81,00,00,000 divided in to 8,10,00,000 Equity Shares of Rs. 100/-

iv. Equity Share Capital History of the Company as on latest quarter end: - NIL

Changes in Issued and Subscribed capital as on March 31, 2018, during last five years is as under:

Ankur Chhabra



Sunil Jain



S. No	Date of Allotment	No. of shares	Face Value (Rs.)	Issue Price (Rs.)
1	06.11.1998	57,000	10	10
2	31.03.1999	1,93,000	10	10
3	20.10.1999	5,500	10	10
4	31.12.1999	1,200	10	10
5	05.11.2009	15,72,913	10	10
6	22.02.2010	2,80,873	10	10
7	15.03.2010	2,13,675	10	11.7
8	14.05.2010	4,50,000	10	10
9	28.02.2014	13,85,185	10	63.17
10	28.02.2014	12,34,968	10	70.85
11	12.03.2015	40,11,964	10	63.17
12	12.03.2015	8,82,120	10	70.85
13	12.03.2015	22,72,408	10	44.01
14	12.03.2015	8,64,061	10	57.87
15	12.03.2015	1,43,592	10	63.17
16	21.05.2015	31,29,126	10	153.4
17	03.06.2015	93,87,378	10	153.40
18	01.08.2016	13,418	10	11.54
19	01.08.2016	17,350	10	13.27
20	01.08.2016	8,250	10	14.18
21	01.08.2016	15,000	10	16.84
22	12.08.2016	25,03,928	10	161.69
23	18.08.2016	10,61,053	10	161.69
24	20.08.2016	6,07,202	10	161.69
25	16.10.2017	56,06,854	10	347.79
	Total existing share capital	3,59,18,018		

v. Details of any acquisition or amalgamation in the last 1 year: NA

vi. Details of reorganization or reconstruction in last 1 Year: N. A

vii. Details of Shareholding of the Company*

a) Shareholding pattern of the Company as on the last quarter is March 31, 2018:

S. No.	Name of the Shareholder / Particulars	Class	Total Number of equity shares	Total percentage (%) of Shareholding
1	Anil Mehta	Equity	2,95,367	0.75%
2	Srinath Mukherji & Saswati Mukherji	Equity	3,98,445	1.01%
3	Ajay Verma	Equity	35,564	0.09%
4	Milestone Trusteeship Services Private Limited	Equity	23,79,954	6.04%
5	Sequoia Capital India Investments III	Equity	30,17,195	7.66%
6	Nexus Ventures III Limited	Equity	99,61,798	25.30%
7	Sequoia Capital India Growth Investments I	Equity	37,01,572	9.40%
8	WestBridge Crossover Fund, LLC	Equity	1,08,54,151	27.56%
9	Aravali Investment Holdings	Equity	34,03,179	8.64%

Chetan Chandra



Shamir Jain

Information Memorandum

10	Nexus Opportunity Fund II, Ltd.	Equity	15,08,323	3.83%
11	Madison India Opportunities IV	Equity	3,62,470	0.92%
12	ESOP and Other Rights	Equity	34,62,608	8.79%
	Total			100.00%

Shares pledged or encumbered by the promoters (if any): N.A

b) List of top 10 holders of equity shares of the Company as March 31, 2018:

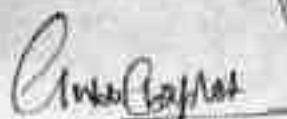
Sr. No.	Name of the Shareholder / Particulars	Class	Total Number of equity shares	Total percentage (%) of Shareholding
1	Westbridge Crossover Fund, LLC	Equity	1,08,54,151	30.22%
2	Nexus Ventures III Limited	Equity	99,61,798	25.30%
3	Sequoia Capital India Growth Investments I	Equity	37,01,572	9.40%
4	Azavali Investment Holdings	Equity	34,03,179	8.64%
5	Sequoia Capital India Investments III	Equity	30,17,195	7.66%
6	Milestone Trusteeship Services Private Limited	Equity	23,79,954	6.04%
7	Nexus Opportunity Fund II, Ltd.	Equity	15,08,323	3.83%
8	Seemath Mukherji & Saswati Mukherji	Equity	3,98,445	1.01%
9	Madison India Opportunities IV	Equity	3,62,470	0.92%
10	Anil Mehta	Equity	2,95,367	0.09%

The Company, as of the date of this Information Memorandum, does not have any shares listed on any stock exchange. The Company confirms that as of the date of this Information Memorandum no person is classified as a "Promoter" (as defined in the Companies Act)

DETAIL REGARDING THE DIRECTORS OF THE COMPANY

a. Detail of the current directors of the Company is as under:

S. N. o.	Name of the Directors	Designation	Date of Birth	Address	DI N	PAN	Director of the company since	Director in other company
1	Anil Mehta	Managing Director	21-02-1961	LCG 404 A, The Laburnum, Sushant Lok, Gurgaon - 122001, Haryana, India	021 323 15	ACC PM1 631M	16-Jul-12	NA





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2	Sumir Chaudha	Nominee Director	23-04-1971	711, Eucalyptus Ave, Hillsborough, California - 94010, USA	000 407 89	Passport No. - 0562 6958 4	03-Jun-15	<input type="checkbox"/> Vistaar Financial Services Private Limited <input type="checkbox"/> Mountain Managers Private Limited
3	Mr. Ganapathyagraham Venkataraman Ravishankar	Nominee Director	04-04-1978	17A, Ela Binny Crescent Apts, Benson Cross Road, Benson Town, Bangalore 560046, Karnataka, India	026 040 07	ADK PR11 38F	28-Aug-10	<input type="checkbox"/> K12 Techno Services Private Limited <input type="checkbox"/> Sequoia Capital India Advisors Private Limited <input type="checkbox"/> Pratuap Snacks Limited <input type="checkbox"/> Global Healthcare Systems Private Limited <input type="checkbox"/> Pure N'Sure Food Bites Private Limited <input type="checkbox"/> Suburban Diagnostics (India) Private Limited <input type="checkbox"/> Wildcraft India Private Limited <input type="checkbox"/> Go Fashion (India) Private Limited <input type="checkbox"/> Kids Clinic India Private Limited <input type="checkbox"/> Home Vista Decor and Furnishings Private Limited <input type="checkbox"/> Think & Learn Private Limited <input type="checkbox"/> Faaso's Food Services Private Limited <input type="checkbox"/> Five-Star Business Finance Limited <input type="checkbox"/> Zen Lefin Private Limited
4	Anup Kumar Gupta	Nominee Director	26-05-1972	B-1202, Raheja Atlantis, G. K. Marg, L'Paroli, Mumbai - 400013, Maharashtra, India	022 849 44	ACH G069 5F	21-Jul-12	<input type="checkbox"/> Eye-Q Vision Private Limited <input type="checkbox"/> Nexus India Capital Advisors Private Limited <input type="checkbox"/> Inaara Technologies Private Limited <input type="checkbox"/> Talentuprint Private Limited <input type="checkbox"/> Unicommence Evolutions Private Limited <input type="checkbox"/> Moveinsync Technologies Solutions Private Limited

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Information Memorandum

5	Sanjay a Gupta	Indep enden t Direct or Direct or	01- 01- 19 63	K-74 A, 2 nd Floor, Hauz Khas Enclave, New Delhi - 110016, India	029 391 28	ADG PG89 37P	21-Mar- 12	<input type="checkbox"/> Satin Creditcare Network Limited <input type="checkbox"/> PNB Housing Finance Limited
6	Anish a Motwani	Indep enden t Direct or	21- 06- 19 63	House No. 24, Block 8, South Patel Nagar, New Delhi - 110008, India	069 434 93	AAA PM1 617P	30-Mar- 15	<input type="checkbox"/> PNB Metlife India Insurance Company Limited <input type="checkbox"/> Prataap Snacks Limited <input type="checkbox"/> Quintessentially Lifestyle Services (I) P Private Limited <input type="checkbox"/> L&T Investment Management Limited <input type="checkbox"/> M/s Storm the Norm Ventures
7	Shalle sh J Medhta a	Indep enden t Direct or	22- 04- 19 49	401, El Cerrito Avenue, Hillsborough, California, 94010, USA	016 338 93	ABA PM4 682R	31-Aug- 17	<input type="checkbox"/> Aptus Value Housing Finance India Limited <input type="checkbox"/> Seed Infotech Limited <input type="checkbox"/> Netafim Agricultural Financing Agency Private Limited <input type="checkbox"/> Manappuram Finance Limited <input type="checkbox"/> All Services Global Private Limited <input type="checkbox"/> Asirvad Micro Finance Limited <input type="checkbox"/> Vistaar Financial Services Private Limited






As per declaration submitted by the Company, none of its Directors are appearing on the RBI/ECGC defaulters list.

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

Name	Designation	DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Anisha Motwani	Independent Director	6943493	Appointment - 30-03-2013	-	-
Sumir Chadha	Nominee Director	40789	Appointment - 03-06-2013	-	-
Shailesh Mehta	Independent Director	1633893	Appointment - 31-08-2017	-	-

*-Reappointment u/s 152 of Companies Act, 2013 have not been included

c. Details of Management of the Company

1. Brief profile of Directors of the Company

Board Of Directors		
Name	Designation	Experience
Anil Mehta	Managing Director	Anil is an MMS from SP Jain Institute of Management & Research and a graduate in Economics. Anil has worked with large institutions in the Mortgage, Banking and Insurance space. He has led consumer credit and business functions and helped build multiple new businesses. Anil has worked with HDFC Ltd, Bank of America, American Express, ANZ Bank and Max New York Life Insurance Co. Anil also serves as a director on the board of one other Company in financial services business.
Sumir Chadha	Director	Sumir Chadha, Co-founder and Managing Director, WestBridge Delaware Advisors LLC. Sumir has over 15 years of investing experience in India spanning public companies, private equity and venture capital. Sumir currently serves or has served on the board of many successful investments that he has been instrumental in making including Applabs, GlobalLogic, MarketRx, Pangea3, QuickHeal, Scienspire, Shaadi, Star Health Insurance and SKS Microfinance. Sumir has an MBA (with Distinction) from Harvard University and a BSE degree in Computer Science from Princeton
GV Ravishankar	Director	Mr. Ravishankar is a Managing Director with Sequoia Capital India. Prior to joining Sequoia Capital, he worked at McKinsey & Company in Mumbai, where he advised senior management of top Indian companies on a variety of issues including business building, channel management and leadership development.

Chaitanya



Sumir Chadha



Board Of Directors		
Name	Designation	Experience
Anup Kumar Gupta	Director	Anup is an MBA from IIM, Calcutta and B.Tech from IIT, Kharagpur. He has had 16+ years of experience across Booz & Company, eVentures, WNS Global Services. He is a Managing Director at Nexus Ventures Partners.
Sanjaya Gupta	Director	Sanjaya is an MBA from University of Lucknow. He has had 25+ years of experience across HDFC Ltd., ABN AMRO Bank, AIG United Guaranty. He is Director at HDFC Plc. Maldives, and is the Managing Director at PNB Housing Finance Ltd.
Anisha Motwani	Independent Additional Director	Anisha is an accomplished business leader with futuristic vision and strategic thinking skills proven across diverse industries. Deep management expertise and comprehensive business perspective with core competencies in Sales, Marketing and Digital Business Transformation. Over 26 years of experience across large brands & industries spanning advertising, automobile sector & financial services. A dynamic business strategist with a passion for overcoming challenges associated with complex product categories
Dr. Shailesh J Mehta	Director	Dr. Mehta was the Chairman of the Board and CEO of Provident Financial Corporation, from 1986 to 2001 (now merged with Washington Mutual corp.) when Dr. Mehta departed, Provident was \$30 billion in assets and over 15 million customers. Dr. Mehta also served as operating general partner of WestBridge Capital (2001-2004) (Now Sequoia Capital India). He was also the president and CDO of Capital Holding which was the 10th largest shareholder-owned insurance company in America. Dr. Mehta is Managing General Partner of Granite Hill Capital Partners (2007 - present) Dr. Mehta was awarded Hon. Doctorate from California State University. Dr. Mehta holds a Ph.D. in Operation Research and Computer Science from Case Western Reserve University and a B.Tech from Indian Institute of Technology (IIT), Bombay.

I. Brief profile of the Core Management Team

Management Details		
Name	Designation	Experience
Sunil Jain	CFO & Head of Operations	Sunil is a Chartered Accountant with over 15 years of rich experience across Businesses, Products & Structures in the Financial Services Sector. He has worked with GE capital, Magma Housing, E&Y previously. He has Expertise in the areas of Strategic/financial Planning & Analysis, Pricing & Risk Management, RBI & NHB Compliance, Treasury Management, Taxation, Secretarial, Statutory Audits, Internal control reviews, US GAAP Reporting etc.
Soumen Joardar	Head of Credit	Soumen is an MBA in Quantitative Methods. He has experience of 25 years across the entire gamut of mortgage business - asset operation, process qualification & product development, risk & policy management, credit

Quint Capital

Sunil Jain

Information Memorandum

Management Details		
Name	Designation	Experience
		underwriting & administration, customer service & loan life cycle management, recovery & collection management as well as sales and distribution. He has led operations & credit teams in Deutsche Postbank. He has also worked with Laxmi vilas bank and LIC Housing Finance in senior management positions. Soumen has handled large teams pan India & led significant initiatives successfully.
Jayaraman V	Director - Distribution	Jayaraman is an MBA from IISWBM, Kolkata and graduated as a mechanical engineer from IIST, Shibpur. He brings rich experience of over 20 years in the BPSI sector and has worked with prestigious organisations like Standard Chartered Bank, Citigroup, Fullerton India and Accenture. Jayaraman has led various initiatives successfully pan-India. His last venture before joining India Shelter was with Vistaar Finance as the Business Head.
Devraj Dutta	Head - HR	Devraj - is a Human Resources professional with 12 years of experience across Banking & Financial Institutions, Consulting, Real Estate and Manufacturing industries. His passion for business and people processes has translated into senior roles from a very early phase of his career. He has been a young achiever with his previous employers like HDFC Bank, Indust Bank and Videocon Ltd. His experience in leadership roles in start-ups as well as mature organizations over the last 7 years and exposure in consulting, gives him an edge to design optimum HR solutions to meet business challenges. Devraj is a post graduate in Human Resources from International School of Business & Media. His last assignment was with Videocon Mobiles Handset Division as HR Head since 2011. He is a keen sports and automobile enthusiast.
Varun Guliani	Head - IT	Varun brings a rich experience of more than 12 years in the technology space. Prior to joining India Shelter he was consulting in the BPSI domain for some clients like Max Life Insurance, a few Housing Finance start-ups and a fintech startup where he helped them set up their IT Infrastructure. Prior to his consulting tenure he played a pivotal role in IT by enabling business as Head IT at Hero Fin-corp. Varun is a MCA and has graduated from IMT Ghaziabad.
Vikram Chopra	Head of Alternate Channel	Graduated from Delhi University and then went on to earn an MBA from YMCA. Has extensive experience in the financial services domain and has been instrumental in launching business in many of his professional endeavours. Has worked for premier institutions like Bank of America, American Express, Tata AIG, Bajaj Capital, Hollard Insurance and NetAmbit. At India Shelter he heads the Sales and Distribution vertical.

Vikram Chopra



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d. Remuneration of directors (during the current year and last three financial years)
(Rs. in Lakhs)

2014-15	
Anil Mehta (Remuneration)	Rs. 81.28
Mr. Sumir Chadha	NA
Mr. Anup Kumar Gupta	NA
Mr. G.V. Ravishankar	NA
Mr. Sanjaya Gupta (Sitting Fees)	NA
Ms. Anisha Motwani (Sitting Fees)	NA
2013-16	
Anil Mehta (Remuneration)	Rs. 461.59
Mr. Sumir Chadha	NA
Mr. Anup Kumar Gupta	NA
Mr. G.V. Ravishankar	NA
Mr. Sanjaya Gupta (Sitting Fees)	Rs. 9.00
Ms. Anisha Motwani (Sitting Fees)	Rs. 10.50
2016-17	
Anil Mehta (Remuneration)	Rs. 188.22
Mr. Sumir Chadha	NA
Mr. Anup Kumar Gupta	NA
Mr. G.V. Ravishankar	NA
Mr. Sanjaya Gupta (Sitting Fees)	Rs. 12.75
Ms. Anisha Motwani (Sitting Fees)	Rs. 16.50

The above remuneration details include sitting fees paid to Directors.

e. Disclosures With Regard To Interest Of Directors

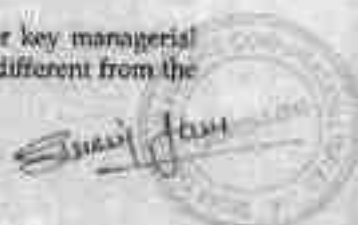
Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons. NA

f. DETAIL REGARDING THE AUDITORS OF THE COMPANY

Charu Agrawal



Shirish Jain



I. Detail of the Auditors of the Company is as under:

Name	Address	Auditor since	Remark
Deloitte Haskins & Sells	7 th Floor, Building 10, Tower B, DLF Cyber City Complex, DLF City Phase -II, Gurugram-122 022, Haryana	2010	Since Inception

II. Detail of change in Auditor since last three years:

Nil; there has been a change of partner in last year

III. Auditors Qualifications:

Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of Information Memorandum and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.

For the year 2012-13

Auditors' reservations or qualifications or adverse remarks: - Nil

For the year 2013-14

Auditors' reservations or qualifications or adverse remarks: - Nil

For the year 2014-15

Auditors' reservations or qualifications or adverse remarks: - Nil

For the year 2015-16

Auditors' reservations or qualifications or adverse remarks: - Nil

For the year 2016-17

Auditors' reservations or qualifications or adverse remarks: - Nil




II. DETAIL OF BORROWING OF THE COMPANY

Borrowing pattern of the Company as on March 31, 2018 is as under:

a. Details Secured of Loan Facilities (other than NCD's): -

(Rs. In Crore)

Lender's Name	Type of Facility	Cumulative Amount Sanctioned (in crores)	Principal Amount Outstanding as on March 31, 2018 (in crores)	Repayment Date/Schedule	Security	
					Primary Security (book debt hypothecation)	Percentage of Cash Collateral
RBL	TL	7	0.72	06-Sep-18	1.25x	NA
HDFC Bank	TL	5	0.67	22-Nov-18	1.25x	NA
HDFC Ltd.	Corporate Loan	5	1.01	01-Jan-19	1.25x	NA
DCB	TL	5	0.88	31-Jan-19	1.1x	NA
RBL	TL	8	2	30-Jun-19	1.25x	NA
HDFC Ltd.	Corporate Loan	10	4.06	30-Nov-19	1.25x	NA
DCB	TL	5	1.93	31-Jan-20	1.1x	10.00%
RBL	TL	10	7.19	31-Dec-23	1.1x	NA
IFMR	TL	7.52	0.6	30-Aug-19	1x	NA
RBL	TL	7.5	5.63	30-Mar-24	1.1x	NA
DCB	TL	7	4.34	31-Mar-21	1.1x	5.00%
RBL	TL	7.5	5.86	20-Apr-24	1.1x	NA
HDFC Ltd.	TL	15	12.2	30-Apr-23	1.1x	NA
Hero Fin Corp	TL	10	7.15	08-May-21	1.1x	NA
Kotak Mahindra	TL	15	10.34	26-Jul-21	1.1x	NA
IndusInd	TL	5	3.75	30-Sep-22	1.15x	NA
HDFC Bank	TL	5	4.29	13-Feb-24	1.1x	NA
SBI	TL	10	9.22	26-Feb-25	1.1x	NA
Federal Bank	TL	10	8.35	31-Mar-22	1.1x	NA
NHB	Refinance loan	50	39.75	27-Jun-29	1.25x	NA
PSB	TL	2	1.81	30-Jun-25	1.11x	NA
SBI	TL	10	9.22	26-Feb-25	1.1x	NA
SBI	TL	10	9.22	26-Feb-25	1.1x	NA
SBI	TL	20	18.45	26-Feb-25	1.1x	NA
HDFC Bank	TL	10	8.89	13-Feb-24	1.1x	NA
PSB	TL	4	3.63	30-Jun-25	1.11x	NA
NHB	Refinance loan	20	19.15	01-Apr-29	1.25x	NA
PSB	TL	4	3.63	30-Jul-25	1.11x	NA
Federal Bank	TL	7.5	6.75	28-Sep-22	1.1x	NA
HDFC Bank	TL	50	45.83	28-Sep-23	1.1x	NA
AK Capital	NCD	50	50	10-Feb-22	1.1x	NA
TOTAL		392.02	306.51			

Antar Capital



Sumit Jais

Information Memorandum

b. Unsecured Loan Facilities as on March 31, 2018

				(Rs. In Crores)
Lender's Name	Type of Facility	Amount Sanctioned	Principal Outstanding	Repayment Date/Schedule
NIL				

c. Details Of NCDs as on March 31, 2018

									(Rs. In Crores)
Debt Series	Term/Period of Maturity	Coupon (Rate of Interest)	Amount (Rs in Lacs)	Date of allotment	Redemption Date/Schedule	Credit Rating	Secured / Unsecured	Security	
	51 months	9.99%	5000	10-11-2017	10-02-2022	A-	Secured	Book Debts	

d. List of top 10 Debenture holders as on March 31, 2018

Sl. No.	Name of the Debenture Holder (Rs. In Crores)	Outstanding Amount
1	A K Capital Finance Private Limited	50 Crores

e. The amount of corporate guarantee issued by the issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc) on behalf of whom it has been issued as on March 31, 2018.

NIL

f. Details Of Commercial Paper

The total face value of commercial papers outstanding as on March 31, 2018

		(Rs. In Crores)
Maturity Date	Amount Outstanding	
Not Applicable		Not Applicable

g. Details Of Rest Of The Borrowing

(if any, including hybrid debt like FCCB, optionally convertible debentures / preference shares):

Party Name (in case of Facility) / Instrument Name	Type of Facility / Instrument	Amount Sanctioned / Issued	Principal Amount outstanding as on 31.03.2018	Repayment Date/Schedule	Credit Rating	Secured / Unsecured	Security
NIL							

h. Details Of All Default/S And/Or Delay In Payments Of Interest And Principal Of Any Kind Of Term Loans, Debt Securities And Other Financial Indebtedness Including Corporate Guarantee Issued By The Company, in The Past 5 Years.

There is no defaulting on date on payments/repayment of interest and principal of any

Arjun Chhabra



Shruti Patel

kind of term loans, debt securities and other financial indebtedness;

i. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of -

- a) statutory dues: NA
- b) debentures and interest thereon: NA
- c) deposits and interest thereon: NA
- d) loan from any bank or financial institution and interest thereon: NA

j. Details Of Any Outstanding Borrowings Taken/ Debt Securities Issued Where Taken / Issued (i) For Consideration Other Than Cash, Whether In Whole Or Part, (ii) At A Premium Or Discount, Or (iii) In Pursuance Of An Option

NIL

k. Details of Past Borrowings

The table below sets forth outstanding borrowing of the Company as on March 31, 2018

Secured		Total
Debentures		
1	5,000, 9.99 % non-convertible secured debentures of Rs. 1 lakhs/- each fully paid-up in cash on private placement basis	50,00,00,000
2	[•], [•] % non-convertible secured debentures of Rs. [•]/- each fully paid-up in cash on private placement basis [Fully Redeemed] [•]	0.00
Term Loans		
1	From Financial Institutions	83,92,90,015
2	From Banks	
	(a) In Rupees	1,72,58,55,462
	(b) In Foreign Currency	0.00
3	From Others	-
Working Capital Loans		
From Banks:		
1	For Working Capital	
	In Rupees	0.00
2	For Overseas Works	0.00
Loan from State Government (Interest Free)		0.00
Advances from Clients:		
From Government Departments, Public Sector Undertakings & Others - Secured against hypothecation of Construction Material and Plant & Machinery		0.00
1	Interest Bearing	0.00

Chakrabarti



Information Memorandum

1	Non Interest Bearing	0.00
	Unsecured	
	Foreign Currency Convertible Bonds	
	FCCB-I [USD]	0.00
	FCCB-II [EURO]	0.00
	FCCB-III [USD]	0.00
	Foreign Currency Loans from Banks [ECB]	0.00
	Debentures:	
1	[*], [*]% non-convertible unsecured debentures of Rs. [*]/- each fully paid-up in cash on private placement basis [*]	
	Short Term Loans from Banks	
1	From Financial Institutions	
2	From Banks	
3	From Others	
	Sales Tax Deferment Loan	0.00
	Bills Discounting	0.00
	Fixed Deposit Scheme	0.00
	Deposits [from Stockists & Sales Promoters]	0.00
	TOTAL	3,06,51,45,497

Details of Security for Secured Indebtness
NCDs

Non-Convertible Debentures (NCDs), mentioned here-under, together with interest, liquidated damages, remuneration payable to Trustees, and other monies due in respect thereof are secured as under:

NCDs at SL No.	Nature of Mortgage	Properties at	Trustee	Security Charge
(i) NA	NA	NA	NA	NA
(ii) NA	NA	NA	NA	NA

Company has issued NCD for Rs. 50 crore which are secured by receivables






Term Loans

Refer Clause a

Working Capital Loans

NA

l. An undertaking that the issuer shall use a common form of transfer

The Company will issue debentures in Demat form only and there will not be any Debentures in physical mode. However, the Company would use a common transfer form for physical holdings, if at a later stage there is any holding in physical form due to the depository giving the rematerialisation option to any investor.

m. Redemption amount, period of maturity, yield on redemption

Redemption amount: Rs 100 crores

Period of Maturity: 7 years

Yield to Maturity: Redemption at par, 10.36% YTM equivalent to 9.90%*

*Subject to TDS at applicable rate.

n. Servicing behavior on existing debt securities, payment of due interest on due dates on term loans and debt securities.

The Company is discharging all its liabilities in time and would continue doing so in future as well. The company has been paying regular interest and on redemption repaying the bank.

o. That the permission / consent from the prior creditor for a second or *pari passu* charge being created in favor of the trustees to the proposed issue has been obtained.

Not Applicable

p. The discount at which such offer is made and the effective price for the investor as a result of such discount.

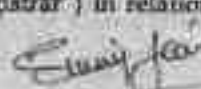

The Debentures are being issued at the face value and not at discount to offer price.

iii. DISCLOSURES WITH REGARD TO LITIGATION

A. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the Information Memorandum and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed

Mr. Anil Mehta ("Promoter") had received some show cause notices as issued by the Registrar of Companies ("Registrar") in relation to another



company (other than ISFCL) ("Another Company") in relation to some non-compliances under the Companies Act, 2013 by such Another Company, which had been suitably replied to by the Promoter. Most of the show cause notices pertain to the period when the Promoter was not a director of such other company. Post submission of the reply to such show cause notices to the Registrar, it came to the Promoter's knowledge that the Registrar has launched prosecution only in relation to one show cause notice ("Relevant Show Cause Notice"). Although, no summon was received by the Promoter in this relation, the Promoter appeared before the Hon'ble Metropolitan Magistrate, Jaipur Court (Economic Offence) suo moto. The matter is sub judice before the aforesaid court. Further, the Promoter applied to the Regional Director, Ahmedabad for compounding of the offence as mentioned in the Relevant Show Cause Notice. The Regional Director vide its order dated April 3, 2018 has compounded the offence as mentioned in the Relevant Show Cause Notice. Such order and / or other relevant documents are available for inspection by the investors at the registered office of the Company.

- B. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of Information Memorandum in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the Information Memorandum and if so, section-wise details thereof for the company and all of its subsidiaries

No prosecutions or inquiry or investigation was initiated against the Company under the Companies Act, 2013 was initiated. However, the Company is in the business of extending loans against mortgage of residential property. In the event of non-payment by the borrower company has a recourse to enforce legal proceedings against the borrowers. A brief details of the legal cases by and against the company are as below:

As on 31-03-2018	By Company	Against Company
SAEFAESI Act	171	-
Negotiable Instrument Act	50	-
Payment Settlement Act	2	-
Civil Cases	1	1
Consumer Court	-	2
Criminal Complaint	2	-

- C. Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company

The following three cases have been identified in the Last three years:

Loan No.	1	2	3
ClientID	37526	76978	118620




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LoanID	VHD100000074	HF0200000189	CLA100000454
Sanctioned Amount	8,50,000	8,28,000	3,00,000
Sanctioned Date	19-Sep-14	29-Apr-16	19-Jun-2017
Disbursement Amount	8,50,000	8,28,000	3,00,000
Disbursement Date	29-Sep-14	19-May-16	05-Aug-2017
POS Outstanding	7,05,349	8,10,763	2,92,743
Provisions in books	7,05,349	8,10,763	2,196
Written-Off	-	-	-
Total Outstanding as on Date	7,33,060	9,07,304	2,92,743
Type of Fraud	Document Forgery <ul style="list-style-type: none"> Registration slip for Sale deed provided by the borrower was false and no such Sale Deed in favor of borrowers was executed on that day 	Document Forgery <ul style="list-style-type: none"> Customer has prepared forged ID proof in the name of Actual Owner of the property. They also prepared forged property paper in his name. Seller and buyer both are involved in this Fraud transaction 	Document Forgery <ul style="list-style-type: none"> Loan Officer obtained additional PDC from customer Post disbursement associate of loan officer encashed a cheque of Rs. 24,000/- from customer account Receipt of higher fee than mandated has also been observed
Status	Company filed a criminal complaint (Complaint No. 82B/12.01.2015) dated 12th January, 2015 at Police Station Shakarpur, East District, Delhi-110092. FIR for the same has not been registered yet.	Company filed a criminal complaint dated 16th October, 2017 at Police Station Shakarpur, East District, Delhi-110092. FIR for the same has not been registered yet.	Not a fraud as customer has submitted that cheque has not been encashed by any person belonging to India Shelter

- iv. ABRIDGED VERSION OF AUDITED CONSOLIDATED (WHEREVER AVAILABLE) AND STANDALONE FINANCIAL INFORMATION (LIKE PROFIT & LOSS STATEMENT, BALANCE SHEET AND CASH FLOW STATEMENT) FOR AT LEAST LAST THREE YEARS AND AUDITOR QUALIFICATIONS, IF ANY

Please refer Annexure IV

- v. ABRIDGED VERSION OF LATEST AUDITED / LTD. REVIEW HALF YEARLY CONSOLIDATED (WHEREVER AVAILABLE) AND STANDALONE FINANCIAL INFORMATION (LIKE PROFIT & LOSS STATEMENT, AND BALANCE SHEET) AND AUDITORS QUALIFICATIONS, IF ANY

NA

- vi. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the

Chetan Chakraborty



Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of Issue which may affect the Issue or the Investor's decision to invest / continue to invest in the debt securities.

The Issuer hereby declares that there has been no material event, development or change at the time of issue from the position as on the date of the last audited financial statements of the Issuer, which may affect the Issue or the Investor's decision to invest / continue to invest in the debt securities of the Issuer.

vii. Names of the Debentures Trustees and Consents thereof

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

Role and Responsibilities of Debenture Trustee

The Company will enter into a Trustee Agreement/Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Company and the Trustees in respect of the Debentures

The Debenture holders shall, without any further act or deed, be deemed to have irrevocably given their consent to and authorized the Trustees or any of their agents or authorized officials to do, *inter alia*, all such acts, deeds and things necessary in respect of or relating to the security to be created for securing the Debentures being offered in terms of this Information Memorandum. All rights and remedies under the Debenture Trust Deed and/or other security documents shall rest in and be exercised by the Trustees without having it referred to the Debenture holders. Any payment made by the Company to the Trustees on behalf of the Debenture holder(s) shall discharge the Company pro tanto to the Debenture holder(s).

The Trustees are not borrower or Principal Debtor or Guarantors.

viii. Rating of the Instrument

The Rating Agency has assigned ratings of "ICRA A-" (pronounced as ICRA A minus) to the Debentures. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The rating letter and rationale from the Rating Agency is provided in Annexure II of this Information Memorandum

Ratings are 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 assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in future. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc.

The Issuer/Investor reserves the right to obtain an additional credit rating at any time during the tenure of the Debentures from any SEBI registered Credit Rating Agency for full or part of the issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating to the Issue.



Also the issuer reserves the right to substitute the prevailing Credit Rating to the Issue, with a credit Rating which shall be at least equivalent to the prevailing credit rating to the issue, by an alternative SEBI registered Credit Rating Agency, for full or part of the issue size, subject to the prevailing relevant regulation/rules, etc.

- ix. 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

- x. Names of all the recognized stock exchanges where the debt securities are proposed to be listed and whether in principal approval from the recognized stock exchange have been obtained?

The Debentures are proposed to be listed on the Wholesale Debt Market segment of the BSE or NSE on or before October 10, 2015 ("Listing Date"). From the Listing Date the Company shall at all times comply with all applicable NHB regulations, SEBI regulations and other Applicable Law in relation to the issuance of the Debentures and the listing of the Debentures on the BSE or NSE and shall further ensure that all government approvals and resolutions required to issue or list the Debentures are in place.

xi. Other details:

(a) Debenture Redemption Reserve Creation:

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

(b) Issue / Instrument specific regulations:

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

(c) Application process:

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

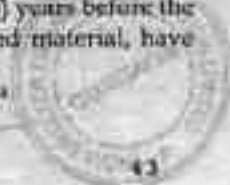
iii. A statement containing particulars of the dates of, and parties to all material contracts, agreements:

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:

Anurag Chopra



Sunil Jain



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

Sl.	Nature of Contract
1	Certified true copy of the Memorandum of Association & Articles of Association of the Issuer.
2	Board Resolution dated May 1, 2018 authorizing the issue of Debentures offered under terms of this Disclosure Document.
3	Shareholder Resolution dated July 3, 2017 authorizing the issue of non-convertible debentures by the Company.
4	Shareholder Resolutions dated August 23, 2016 authorizing the borrowing by the Company and the creation of security.
5	Copies of Annual Reports of the Company for the last three financial years.
6	Credit rating letter from the Rating Agency.
7	Letter from Catalyst Trusteeship Limited giving its consent to act as Debenture Trustee.
8	Letter for Registrar and Transfer Agent.
9	Certified true copy of the certificate of incorporation of the Company.
10	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the NSDL/CDSL.
11.	Such other documents as may be material for the present transaction of NCDs.

x. Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of INR 100,00,00,000/- (Rupees Hundred Crores Only) by issue of partly paid, secured, senior, rated, taxable, Non-Convertible Debentures, on a private placement basis.

Please refer to Annexure I to this Information Memorandum for further details on the Issue.

xi. Issue Size

The aggregate issue size for the Debentures is INR 100,00,00,000/- (Rupees Hundred Crores only) to be paid in two instalment as per Issue Schedule.

xii. Price at which the security is being offered

Each Debenture has face value of INR 10 Lakh each.

xiii. Authority for the Placement

This private placement of Debentures is being made pursuant to the resolution of the Board of Directors passed at its meeting held on May 01, 2018 which has approved the placement of Debentures upto INR 100 Crores (Rupees Hundred Crores Only) and prior approval of shareholders resolution dated July 3, 2017 pursuant to Section 42 of the Companies Act, 2013. The present issue of INR 100 Crores is within the general borrowing limits in terms of the resolution passed under Section 180(1)(c) of the Companies Act, 2013, at the Annual General Meeting of the shareholders of the Company held on August 23, 2016 giving their consent to the borrowing by the Directors of the Company from time to time not exceeding INR 1000 Crores (Rupees One Thousand Crores Only) subject to any restrictions imposed by the terms of the agreement entered into from time to time for grant of loans to the Company of all moneys deemed by them to be requisite or proper for the purpose of carrying on the business of the Company. The borrowings under these

Arundhati Chhabra

Sunil Jain

Debentures will be within the proscribed limits as aforesaid.

xvii. Objects & Utilization of the Issue Proceeds

The Issuer shall utilise the moneys received towards subscription of the Debentures for the general corporate purposes and to be utilised in the ordinary course of business of the Issuer including repayment/re-financing of existing debt.

The proceeds from the Issue shall not be used in contravention of any NHB policy applicable to mutual funds / banks on investment in HFCs and as per NHB directions shall be deployed on the Company's own balance sheet and not to facilitate resource requests of group entities/ parent company / associates.

No part of the proceeds of the NCDs would be utilized by the Issuer directly/indirectly towards Capital markets and Real Estate purposes. Hence, the subscription to the current NCD issue would not be considered /treated as a capital market exposure.

xviii. Principle Terms of Assets charged as Security

The Debentures shall be secured by way of a first ranking, exclusive and continuing charge on identified receivables ("Hypothecated Receivables") created pursuant to the unattested deed of hypothecation to be executed between the Company and the Debenture Trustee as described herein. The Hypothecated Property shall at all times be equal to the value of the outstanding principal amount of the Debentures. The issuer undertakes:

- to maintain the value of security at all times equal to 1.1x (One Decimal Point One) time or 110.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs where at least 1.1x (One Decimal Point One) time or 110.0% (One Hundred and Ten Percent) of the security cover is from principal receivables ("Security Cover");
- to create, register and perfect the security over the Hypothecated Assets as contemplated above no later than 15 (Fifteen) calendar days after the Deemed Date of Allotment by executing a duly stamped deed of hypothecation ("Deed of Hypothecation") and filing CHG-9 within the time period applicable;
- to pay a penal interest of 2.0% (Two Percent) p.a. over the coupon rate in case there is any delay in the creation, registration and perfection of the security over the Hypothecated Assets;
- to provide a list on a monthly basis, of specific loan receivables/identified book debts to the Debenture Trustee over which the charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) ("Monthly Hypothecated Asset Report")
- to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Assets is equal to 1.1x (One Decimal Point One) time or 110.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs where at least 1.1x (One Decimal Point One) time or 110.0% (One Hundred and Ten Percent) of the security cover is from principal receivables;
- to replace any Hypothecated Receivables that become overdue with current receivables. Such replacement shall be effected within 15 (Fifteen) Business Days of the receivables becoming overdue

Eligibility Criteria for the Hypothecated Receivables

- the receivables are existing at the time of execution and have not been terminated or pre-paid;
- the receivables are not overdue

Chirag Agarwal



Sunny Jain



- the receivables have not been restructured or rescheduled

all applicable "Know Your Customer" norms have been complied with as prescribed by the National Housing Bank.

xix. Minimum Subscription

As the current Issue of NCDs is being made on private placement basis, the requirement of minimum subscription as described in the SEBI Guidelines shall not be applicable and therefore the Company shall not be liable to refund the Issue subscription(s)/proceed(s) in the event of the total Issue collection falling short of Issue size or certain percentage of Issue size.

xx. Disclosure Clause

In the event of default in the repayment of the principal and/or interest on the NCDs on the due dates, the Debenture Trustee and /or the Stock Exchanges and/or NHB and/or SEBI will have an unqualified right to disclose or publish the name of the borrower and its directors as defaulter in such manner and through such medium as the Investors and/or the Reserve Bank of India in their absolute discretion may think fit. Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debenture Trust cum Mortgage Deed (DTMD) / Trustee Agreement.

xxi. Modification of Rights

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with the consent, in writing, of those holders of the Debentures who hold at least three fourth of the outstanding amount of the Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture holders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Company.

xxii. Conflict

In case of any repugnancy, inconsistency or where there is a conflict between the conditions/covenants as are stipulated in this document and any transaction document/s to be executed by the Company, the provisions mentioned in the Debenture Trust Deed shall prevail and override the provisions mentioned elsewhere.

xxiii. Interpretation

The terms and conditions mentioned in this Information Memorandum are to be read and understood in conjunction with the terms contained in the other transaction documents to be executed by the Company of this Issue. PROVIDED THAT, in the event of any conflict between this Information Memorandum and / or the Term Sheet(s), the Term Sheet shall prevail for the purposes of the series of Debentures issued thereunder. PROVIDED FURTHER THAT, in the event of any conflict between this Information Memorandum, the Term Sheet(s) and/or the Debenture Trust Deed, the terms of the Debenture Trust Deed shall prevail.



SECTION 3: TRANSACTION DOCUMENTS AND KEY TERMS

3.1 Transaction Documents

The following documents shall be executed in relation to the Issue ("Transaction Documents"):

- Debtenture Trustee Agreement, which will confirm the appointment of Trusteeship Services Private Limited as the Debtenture Trustee ("Debtenture Trustee Agreement");
- Debtenture Trust Deed, which will set out the terms upon which the Debtentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer ("Debtenture Trust Deed");
- Deed of Hypothecation whereby the Issuer will create an exclusive charge by way of hypothecation over the Hypothecated Assets in favour of the Debtenture Trustee to secure its obligations in respect of the Debtentures ("Deed of Hypothecation"); and
- Such other documents as agreed between the Issuer and the Debtenture Trustee.

3.2 Representations, Warranties and Covenants of the Issuer

1. Utilization of proceeds of the Debtentures

The Company shall utilize the moneys received towards subscription of the Debtentures for the general corporate purposes and for the ordinary course of business of the Issuer including repayment / refinancing of existing debt.

and procure and furnish to the Debtenture Trustee a certificate from the Company's auditors in respect of the utilisation of funds raised by the issue of the Debtentures. The Debtenture Trustee shall provide a copy of the aforementioned certificate to the Debtenture Holders within 5 (Five) days of receipt.

2. Representations and Warranties of the Company

The Company makes the following representations and warranties to the Debtenture Trustee for the benefit of the Debtenture Holders which shall be true and valid during until the Final Settlement Date.

(a) Status

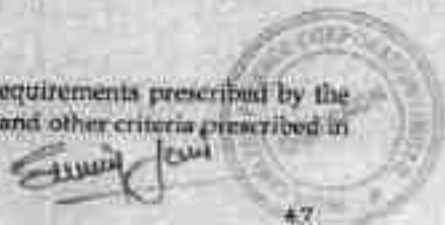
- It is a company, duly incorporated, registered and validly existing under the laws of India.
- It is registered as a Housing Finance company ("HFC") with the NHFI.
- It has the power to own its Assets and carry on its business as it is being conducted.

(b) Binding obligations

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

(c) Issue

- The Issuer and the Debtentures comply with the requirements prescribed by the NHFI (including without limitation, the eligibility and other criteria prescribed in



the Housing Finance Companies Issuance of Non-Convertible Debentures on Private Placement Basis (NHB) Directions, 2014.

- (b) The Company has obtained a rating, and the rating is current and has not fallen due for review.
- (iii) The rating fulfills the requirements prescribed under the NHB NCD Directions.
- (iv) The amount of the Debentures is within the limit prescribed by the board of directors of the Company or the amount prescribed in the rating, whichever is lower.

(d) *Non-conflict with other obligations*

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

- (i) any Law or regulation applicable to it (including without limitation, the NHB NCD Directions);
- (ii) its constitutional documents; or
- (iii) any agreement or instrument binding upon it or any of its Assets.

(e) *Power and authority*

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

(f) *Validity and admissibility in evidence*

All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:

- (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
- (ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- (iii) for it to carry on its business, and which are material,

have been obtained or effected and are in full force and effect.

(g) *No default*

No Event of Default has occurred and is continuing or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures. No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Company or any of its Assets or which might have a Material Adverse Effect.

(h) *Pari passu ranking*

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

Chirag Chhabra



Sunny Jain



(i) **No proceedings pending**

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

(j) **No misleading information**

All information provided by the Company to the Debenture Trustee/Debenture Holders for the purposes of this Issue is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated and is not misleading due to omission of material fact or otherwise.

(k) **Compliance**

- (i) The Company has, to the best of its knowledge, complied with law (including without limitation, the NHB NCD Directions) and there has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of, any Governmental Authority issued or outstanding or to the best of the Company's knowledge (after making due and careful enquiry), anticipated against the Company which would have a Material Adverse Effect on the Company, nor has any notice or other communication (official or otherwise) from any Governmental Authority been issued or outstanding or to the best of the Company's knowledge (after making due and careful enquiry), anticipated with respect to an alleged, actual or potential violation and/or failure to comply with any such applicable law or requiring them to take or omit any action.
- (ii) The Company shall complete all necessary formalities including all filings with the relevant regulatory authorities, including but not limited to SEBI, the BSE, CERSA1 and the ROC and obtain all consents and approvals required for the completion of the Issue.

(l) **Assets**

Except for the security interests and encumbrances created and recorded with the ROC updated from time to time, the Company has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all Assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(m) **Financial statements**

- (i) Its financial statements most recently supplied to the Debenture Trustee as of March 31, 2018 were prepared in accordance with Indian GAAP consistently applied save to the extent expressly disclosed in such financial statements.
- (ii) Its financial statements most recently supplied to the Debenture Trustee as of March 31, 2018, give a true and fair view and represent its financial condition and operations during the relevant Financial Year save to the extent expressly disclosed in such financial statements.

(n) **Solvency**



- (i) The Company is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it will not be deemed by a court to be unable to pay its debts within the meaning of the applicable law, nor in any such case, will it become so in consequence of entering into the Debenture Trust Deed or any other Transaction Document.
- (ii) The Company, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its indebtedness.
- (iii) The value of the Assets of the Company is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
- (iv) The Company has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.
- (v) No insolvency or bankruptcy process has commenced under the (Indian) Insolvency and Bankruptcy Code, 2016 (to the extent applicable) in respect of any of the Company.
- (vi) No reference has been made, or enquiry or proceedings commenced, in respect of the Company, before the National Companies Law Tribunal or under any mechanism or prescription of the NBH / RBI in respect of resolution/restructuring of stressed assets.

(n) **Security**

- (i) As of the date of execution of the Debenture Trust Deed, the Immovable Property and the Hypothecated Receivables are the sole and absolute property of the Company and are free from any other mortgage, charge or encumbrance and are not subject to any lis pendens, attachment, or other order or process issued by any Governmental Authority.
- (ii) The Company has power to grant, convey, transfer, assure and assign unto the Debenture Trustee the Immoveable Property according to the terms of the Debenture Trust Deed.
- (iii) The Transaction Documents executed or to be executed constitute legal, valid and enforceable security interest in favour of the Debenture Trustee and for the benefit of the Debenture Holders on all the assets thereby secured and all necessary and appropriate consents for the creation, effectiveness, priority and enforcement of such security have been obtained.

(p) **Material Adverse Effect**

No Material Adverse Effect has occurred, including without limitation, in relation to the business, condition or operations of the Company.

(q) **Illegality**

It is not illegal or unlawful for the Company to perform any of its obligations under the Transaction Documents.

(r) **Execution of Transaction Documents**



- (i) The Transaction Documents executed or to be executed constitute legal, valid and enforceable security interest in favour of the Debenture Trustee for the benefit of the Debenture Holders on all the assets thereby secured.
- (ii) The Transaction Documents executed or to be executed constitute legal, valid and enforceable obligations of the Company and all necessary and appropriate consents for the creation, effectiveness, priority and enforcement of the Transaction Documents and the security thereunder have been obtained.

3. Financial Covenants

- (a) Until the final settlement date, the Company shall maintain such capital adequacy ratio as may be prescribed by the Supervisory Authorities from time to time.
- (b) For a period of 3 (three) years commencing from the Deemed Date of Allotment ("Initial Period"), the Company shall maintain a Debt to Equity Ratio of less than 4 (four) times.
- (c) For a period after 3 (three) years upto the expiry of a period of 7 (seven) years from the deemed date of allotment the Company shall maintain the Debt to Equity Ratio of less than 6 (six) times.
- (d) Until the Final Settlement Date, ensure and procure that the Gross NPA of the Company shall be less than 5% (Five percent) of the Gross Loan Portfolio.
- (e) Commencing from March 31, 2018 until the final settlement date, the covenants prescribed in sub-paragraphs (a) to (f) above shall be tested for each of March 31 and September 30 on the basis of consolidated and standalone balance sheets of the Company.

4. Reporting Covenants

- (a) As soon as available, and in any event within 120 (One Hundred and Twenty) calendar days after the end of each Financial Year of the Company:
- (b) certified copies of its audited consolidated and non-consolidated (if any) financial statements for its most recently completed fiscal year within 45 (forty five) calendar days after each Quarterly Date:
- (i) information on financials as per the prescribed format in the Transaction Documents;
- (ii) ;
- (iii) a certificate signed by an authorized officer of the Company stating that the Company is in compliance with all the covenants prescribed in paragraph 3 (Financial Covenants) above;
- (iv) details of the shareholding structure and composition of the board of directors in the Company (including any changes from the previous instance where such information was provided);
- (v) copies of the quarterly returns filed with the RBI and SEBI;
- (c) As soon as practicable, and in any event within 15 (Fifteen) Business Days after the Company obtains or reasonably should have obtained actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect.
- (d) As soon as practicable, and in any event within 15 (Fifteen) Business Days after the Company obtains or reasonably should have obtained actual knowledge thereof,

Chetan Chandra



Shamir Khan



notice of any dispute, litigation, investigation or other proceeding affecting the Company or its property or operations, which, if adversely determined, could result in a Material Adverse Effect.

- (e) As soon as practicable, and in any event within 15 (Fifteen) Business Days after the Company obtains or reasonably should have obtained actual knowledge thereof obtains or reasonably, notice of the occurrence of any event of default including any steps taken to cure such event.
- (f) As soon as practicable, and in any event within 15 (Fifteen) Business Days, the receipt of notice of any indebtedness of the Company declared to be due and payable or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.
- (g) As soon as practicable, and in any event within 15 (Fifteen) Business Days after such default, notice of any default in the observance or performance of any agreement or condition relating to any indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such indebtedness to cause (determined without regard to whether any notice is required) any such indebtedness to become due prior to its stated maturity.
- (h) As soon as practicable, and in any event within 15 (Fifteen) Business Days of any change in its constitutional documents.
- (i) As soon as practicable and in any event within 15 (Fifteen) Business Days of any change in:
 - (i) any change in the shareholding structure of the Company;
 - (ii) any change in the board of directors of the Company;
 - (iii) any change in the Management Team of the Company;
 - (iv) any change in senior management officials of the Company being the chief executive officer or any other official discharging similar functions and responsibilities;
 - (v) approval by the board of directors of the annual business plan of the Company;
 - (vi) any change in the accounting policy of the Company, which may have a Material Adverse Effect. PROVIDED THAT nothing in this paragraph shall apply to a change in the accounting policy of the Company pursuant to applicable law;
 - (vii) details of the occurrence of any fraud amounting to more than 1% of Gross Loan Portfolio;
 - (viii) any revisions in business plans of the Company.
- (j) As soon as practicable and in any event within 30 (Thirty) calendar days of receipt of a request, such additional documents or information as the Debenture Trustee or the Debenture Holders, may reasonably request from time to time.

5. Affirmative Covenants

The Company shall:

(a) Use of Proceeds

use the proceeds of the Issue only for the Purpose and in accordance with the

Amrinder Singh



Transaction Documents:**(b) Notice of winding up or other legal process**

promptly, and in any case not later than 15 (Fifteen) Business Days, inform the Debenture Trustee if it has notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Companies Act or any other notice under any other statute relating to winding up or otherwise of any suit or other legal process intended to be filed or initiated against the Company;

(c) Costs and expenses

pay all costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges which shall not exceed Rs. One Lakh. However the aforesaid this monetary cap shall not be applicable in the Event of Default. This also has to be approved in writing by the Company before they are incurred and shall not include any foreign travel costs;

(d) Payment of Rents, etc.

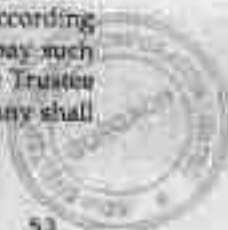
punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and surgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when the same shall become payable and when required by the Debenture Trustee produce the receipts of such payment and also punctually pay and discharge all debts and obligations and liabilities which may have priority over the Debentures and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Company under the Debenture Trust Deed;

(e) Preserve corporate status

diligently preserve and maintain its corporate existence and status and all rights, contracts, privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business and comply with each and every term of the said franchises and concessions and all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to its Assets or any part thereof provided that the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Debentures are not thereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Debentures might or would be hindered or delayed;

(f) Pay stamp duty

pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the applicable state laws and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Debenture Trustee on demand;



(g) Furnish information to trustee

- (i) provide to the Debenture Trustee or its nominee(s)/ agent(s) such information/copies of relevant extracts as they may require on any matters relating to the business of the Company or to investigate the affairs of the Company. The Company shall allow the Debenture Trustee to make such examination and investigation as and when deemed necessary and shall furnish the Debenture Trustee with all such information as they may require. Without prejudice to the foregoing, the Company undertakes that it will permit the Debenture Trustee to examine the books and records of the Company and to discuss the affairs, finances and accounts of the Company with, and be advised as to the same by, officers and independent accountants of the Company, all upon prior notice of 7 (seven) business days and at such reasonable times and intervals as the Debenture Trustee may reasonably request; or within 45 days calendar days of the respective quarter, whichever is earlier.
- (ii) shall furnish quarterly report to the Debenture Trustee (as may be required in accordance with SEBI/BSE guidelines or regulations) containing the following particulars:
 - (A) updated list of the names and addresses of the Debenture Holders;
 - (B) details of the interest due, but unpaid and reasons thereof;
 - (C) the number and nature of grievances received from the Debenture Holders and resolved by the Company; and
 - (D) a statement that the Hypothecated Receivables are sufficient to discharge the claims of the Debenture Holders as and when they become due.
- (iii) inform and provide the Debenture Trustee with applicable documents in respect of the following:
 - (A) notice of any event of default; and
 - (B) any and all information required to be provided to the Debenture Holders under the listing agreement to be entered into between the Company and the BSE.

(h) Redressal of grievances

promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance.

(i) Corporate Governance

comply with any corporate governance requirements applicable to the Company (as may be prescribed by the NSE, SEBI, or any stock exchange) and the fair practices code prescribed by the Supervisory Authorities.

(j) Further assurances

- (i) provide details of any litigation, arbitration or administrative proceedings that if determined adversely could have a Material Adverse Effect on the Company.

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- (ii) comply with any monitoring and/or servicing requests from Debenture Holders;
- (iii) comply and execute and/or do, at their own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;
- (iv) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary to enable it to lawfully enter into and perform its obligations under the DTD or to ensure the legality, validity, enforceability or admissibility in evidence in India of the DTD;
- (v) comply with:
 - (A) all laws, rules, regulations and guidelines (including but not limited to environmental, social and taxation related laws), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time;
 - (B) the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures;
 - (C) the provisions of the Companies Act in relation to the issue of the Debentures;
 - (D) procure that the Debentures are rated and a rating is continued until redemption of the Debentures; and
 - (E) ensure that, at time of making any payment of interest or repayment of the principal amount of the Debentures in full or in part, the Company shall do so in the manner that is most tax efficient for the Debenture Holders but without, in any way requiring the Company to incur any additional costs, expenses or taxes and the Company shall avail of all the benefits available under any treaty applicable to the Company and/or the Debenture Holders.

(k) **Security**

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

- (i) the Debentures shall be secured by the first ranking exclusive continuing security by way of a first ranking exclusive charge on the Hypothecated Receivables in favour of the Debenture Trustee for the benefit of the Debenture Holders;
- (ii) that all the Hypothecated Receivables that will be charged to the Debenture Trustee shall always be kept distinguishable and held as the exclusive property of the Company specifically appropriated to this Security and be dealt with only under the directions of the Debenture Trustee. The Company shall not create any charge, lien or other encumbrance upon or over the Hypothecated Receivables or any part thereof except in favour of the Debenture Trustee nor will it do or allow anything that may prejudice this

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security. The Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve this security and to maintain the same undiminished and claim reimbursement thereof;

- (iii) to create the security over the Hypothecated Receivables as contemplated in the Transaction Documents by executing the required duly stamped documents/instruments and to register and perfect the security interest created thereunder by filing Form CHG-9 with the concerned ROC and Form I with CERSAI in relation thereto as soon as practicable and no later than 30 (Thirty) calendar days after the date of execution thereof;
- (iv) until the final settlement date, the Company shall, provide a list on monthly basis of specific loan receivables / identified book debt to the Debenture Trustee over which charge is created and subsuming by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover;
- (v) the Company shall, on each top-up date, add fresh receivables to the Hypothecated Receivables so as to ensure that the Security Cover is maintained or to replace such Hypothecated Receivables that do not satisfy the eligibility criteria prescribed in the Transaction Documents;
- (vi) the Company shall, on a half yearly basis, as also whenever required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Receivables from time to time and shall furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Debenture Trustee and furnish and execute all necessary documents to give effect to the Hypothecated Receivables;
- (vii) the security interest created on the Hypothecated Receivables shall be a continuing security;
- (viii) the Hypothecated Receivables shall satisfy the eligibility criteria set out in the Transaction Documents;
- (ix) nothing contained herein shall prejudice the rights or remedies of the Debenture Trustee and/ or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any indebtedness or liability of the Company to the Debenture Trustee and/ or the Debenture Holders;
- (x) the Debenture Holders shall have a beneficial interest in the moveable Assets of the Company which have been charged to the Debenture Trustee to the extent of the Outstanding Amounts of the Debentures; and
- (xi) forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Hypothecated Receivables and such amounts shall be deemed to be secured by the Hypothecated Receivables;

(f) Filings: Compliance with BSE requirements

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





- (i) while submitting half yearly / annual financial results in accordance with Regulation 52 of the LODR Regulations, the Company shall file with the BSE for dissemination, along with a noting certificate of the Debenture Trustee, containing *inter alia* the following information:
- (A) credit rating (and any change thereto);
 - (B) asset cover, if required, accompanied with a half yearly certificate regarding maintenance of 100% asset cover in respect of the Debentures, by either a practicing company secretary or a practicing chartered accountant, within one month from the end of the half year;
 - (C) debt to equity ratio accompanied with a certificate of a practicing chartered accountant confirming such debt to equity ratio;
 - (D) previous due date for the payment of interest/principal and whether the same has been paid or not and next due date for the payment of interest/principal;
 - (E) net worth;
 - (F) net profit after tax; and
 - (G) earnings per share;
- (ii) In accordance with Regulation 52 of the LODR Regulations, the Company shall file with the BSE the prescribed statements, financial statements and noting certificate of the Debenture Trustee within the timelines prescribed therein;
- (iii) In accordance with Regulation 56 of the LODR Regulations, the Company shall submit the following to the Debenture Trustee:
- (A) a copy of the annual report at the same time as it is issued and a copy of the certificate from the Company's auditors in respect of utilisation of funds raised by the issue of the Debentures, at the same time or at the end of each Financial Year until such funds have been fully utilized or the purpose for which such funds were intended has been achieved;
 - (B) a copy of all notices, resolutions and circulars relating to any new issue of non-convertible debt securities (at the same time as they are sent to shareholders/holders of non-convertible debt securities), the meetings of holders of non-convertible debt securities (at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings);
 - (C) intimations regarding any revision in the rating or any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities issued by the Company or any failure to create charge on the assets; and
 - (D) a copy of the statement, if any filed with the BSE in compliance of Regulation 52(7) of the LODR Regulations indicating material deviations, if any, in the use of funds raised by the issue of the Debentures from the object stated in the Information Memorandum.
- (iv) In accordance with Regulation 58 of the LODR Regulations, the Company shall furnish the following to the Debenture Holders in the manner prescribed therein:
- (A) physical copies of full annual reports to those Debenture Holders who request the same;
 - (B) notice of all meetings of the Debenture Holders specifically stating that the provisions for appointment of proxy in accordance with Section 105 of the Companies Act shall be applicable for such meeting; and
 - (C) proxy forms for the Debenture Holders clearly providing the

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Debenture Holders to vote for each resolution in such a manner that they may vote either for or against each resolution;

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

(m) Execution of Security Documents

In the event of any delay in the execution of the documentation in respect of the Hypothecated Receivables, the Company will, at the option of the Debenture Holders:

- (i) pay to the Debenture Holders penal interest at the rate of 2% p.a. (two percent) charged on the Outstanding Principal Amount in addition to the interest rate till the aforementioned documentation is duly executed.

(n) Internal Control

The Company shall maintain a designated Fraud Control Unit for the purpose of:

- (i) preventing fraud on monies lent by the Company; and
- (ii) preventing money being used for money laundering or illegal purposes.

(o) Audit and Inspection

The Company shall permit visits and inspection of books of records, documents and accounts to the Debenture Trustee and representatives of Debenture Holders as and when required by them. The Company hereby authorizes the Debenture Holder to institute an audit on the Company at the Debenture Holder's cost, provided such audit and request for information does not interfere with the operations of the Company. The Company agrees to render reasonable assistance at its own cost to any enquiry, evaluation and/or audit performed by persons or institutes indicated by the Debenture Holder. The Debenture Holder shall notify the Company in writing if and when such an audit will take place. The findings of the audit will be discussed with the Company before finally being recorded in a report.

(p) Books and Records

The Company shall maintain its accounts and records in accordance with applicable law.

(q) Whistle Blower Policy

The Company shall have in place and continue to have in place for the duration of these debentures a board approved whistle blower policy

6. Negative Covenants

The Company will not take any action in relation to the items set out in this paragraph without the prior written permission of the Debenture Trustee, except if otherwise required mandatorily by Applicable Law. The Debenture Trustee shall give its prior written approval/dissent within 15 (fifteen) Business Days after receiving a request to provide its approval provided such request shall not be unreasonably withheld and is



accompanied by the relevant information substantiating the request for the Debenture Holders to make a conscious discussion. The Debenture Trustee reserves the right to take the consent of the Majority Debenture Holders prior to any such approval/dissent, if it deems necessary.

(a) Change of business

- (i) Change the general nature of its business from that which is permitted as a housing finance company registered with the NHB.
- (ii) Any changes to its Constitutional Documents where such changes will lead to or are likely to lead to a Material Adverse Effect. No approval shall be required for the second tranche of equity to be infused by the existing investors for an amount up to Rs. 195 crores in terms of the Share Subscription and Amended and Restated Shareholders' Agreement dated October 3, 2017 including consequent changes in memorandum and articles of association.

Dividend

If an event of default has occurred and is continuing, declare or pay any dividend to its shareholders during any Financial Year unless it has paid or made arrangements to pay (to the satisfaction of the Debenture Trustee) all the dues to the Debenture Holders/ Debenture Trustee upto the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions thereof.

(b) Merger, consolidation, etc.

- (i) In any Financial Year, undertake or permit any merger, acquisition, or amalgamation; and
- (ii) enter into any merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction. Provided however that this shall not apply in case where due to the Company not entering into any such any merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction, shall lead to an event of default).

(c) Change in promoter or Control

- (i) Ensure that Mr Anil Mehta continues in his capacity as Managing Director and Chief Executive Officer of the issuer. The issuer may seek consent for change in promoter or the role of Mr Anil Mehta only after March 31, 2021. If such consent is denied, the issuer has a call option to redeem the Debentures in full
- (ii) Mr Anil Mehta is permitted to sell up to 50% of current shares held without requiring consent of the Debenture Holders

(d) Disposal of Assets

Sell, transfer, or otherwise dispose of in any manner whatsoever any material Assets of the Company (whether in a single transaction or in a series of transactions (whether related or not) or any other transactions which cumulatively have the same effect) other than any securitization/ portfolio sale of assets undertaken by the Company in its ordinary course of business that has the effect of exiting the current business of the Company or re-structuring of the existing business.

(e) Anti-money laundering and exclusion list



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

(f) **Change in Financial Year**

Except if otherwise required by Applicable Law, change its Financial Year end from March 31 of each year to any other date.

(g) **Business**

Undertake any new businesses except in relation to financial services or diversify its business outside the financial services sector where the undertaking of such business may result in a Material Adverse Effect.

7. Make the Relevant Filings with the ROC/SEBI/CERSAI

Pursuant to the provisions of the Companies Act and the relevant rules thereunder, the Company undertakes to make the necessary filings of the documents mandated therein including the Private Placement Offer Letters (Form PAS 4), return of allotment (Form PAS 3), Forms CHG-9, and record of Private Placement Offer Letters (Form PAS 5) with the Registrar of Companies and/or SEBI and Form I with CERSAI within the timelines stipulated under the Companies Act and the relevant rules thereunder.

8. Register of Debenture Holders

A Register of Debenture Holders shall be maintained at the registered office of the Company or with their Registrar and the Register of Debenture Holders/ the Register of Beneficial Owners, shall be closed three (3) days prior to each Interest Payment Date, the relevant Final Redemption Dates or any other payment date by acceleration. In case of dissolution/bankruptcy/insolvency/winding up of Debenture Holders, the debenture certificates shall be transmittable to the legal representative(s) / successor(s) or the liquidator as the case may be in accordance with the applicable provisions of Law on such terms as may be deemed appropriate by the Company.

9. Future Borrowings

The Company shall be entitled to borrow or raise loans or create encumbrances or avail financial assistance in whatever form, and also issue promissory notes or debentures or other securities, without the consent of, or intimation to the Debenture Holders or the Debenture Trustee in this connection.

10. Costs

All expenses incurred by the Debenture Trustee prior to or following the occurrence of an event of default, including in connection with:

- (a) collection of amounts due under the Transaction Documents; or
 - (b) engaging all intermediaries; or
 - (c) all expenses in relation to issue of Debentures; or
 - (d) legal costs; or
 - (e) stamp duty on any Transaction Documents,
- shall be payable by the Company.

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11. The Company and the Debenture Holders will pay the fees and disbursements regarding bank costs incurred by each of them respectively, in connection with the disbursement(s), payment of interest and repayment of the Application Money. Any cost or expense incurred by the Debenture Trustee pursuant to the Transaction Documents in excess of Rs. 10,000 (Indian Rupees Ten Thousand Only) excluding taxes, shall be approved by the Majority Debenture Holders.

12. Indemnity

The Company shall, within 20 (twenty) Business Days of demand (accompanied by documentary evidence of the amount of such claim), indemnify the initial Debenture Holder(s) against any cost, expenses, loss or liability (whatsoever incurred by an initial Debenture Holder as a result of:

- (a) any Event of Default pursuant to DTMD which are not cured within 90 days from the date of such Event of Default under this Deed;
- (b) any Debenture (or part thereof) not being prepaid on any date on which it is scheduled to be prepaid.

13. Events Of Default

If one or more of the events specified herein (hereinafter, individually referred to as "Event of Default" and collectively referred to as "Events of Default") happen(s), the Debenture Trustee shall be entitled to exercise any and all rights hereunder as contained in this Deed:

- 1. The Issuer does not pay on the Due Date(s) any amount payable pursuant to this Deed (whether at scheduled maturity or by acceleration in case of an Event of Default or in case of Put Option or exercise of Call Option in terms of this Deed) at the place at and in the currency in which it is expressed to be payable;
- 2. Any failure by the Company to comply with any of the provisions of the Transaction Documentation in relation to the security including but not limited to the failure by the Company to provide additional or alternate security as per the prescribed criteria in the Deed of Hypothecation, or the security is in jeopardy, and the Issuer fails to remedy such breach or replace such security / provide additional security within 15 (Fifteen) Business Days;
- 3. Misrepresentation or misleading information in any of the Transaction Documents where such misrepresentation may lead to a Material Adverse Effect pursuant to which repayment of principal amount and interest is affected;
- 4. Admission of any insolvency, winding up, liquidation proceedings and / or appointment of a receiver or liquidator, provisional liquidator, insolvency resolution professional, receiver, administrative receiver, administrator, in respect of the Company or any of its Hypothecated Assets is appointed or allowed to be appointed in relation to the Company;
- 5. Depreciation in the value of Hypothecated Assets offered as security as defined in the Deed of Hypothecation to such an extent that they cease being current and the additional security as mentioned in the Transaction Documents is not provided within 5 (Five) Business Days;
- 6. If an attachment or expropriation or restraint of act of sequestration is levied on the Hypothecated Assets or any part thereof and such Hypothecated Assets are not replaced within 15 (Fifteen) Business Days of attachment;
- 7. The Company repudiates any of the Transaction Documents;







Information Memorandum

8. The Company ceases to carry on its business;
9. The Company has taken or suffered to be taken any action for its merger or amalgamation without the prior written approval of the Debenture Holders;
10. Occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders, which is not cured within a period of 15 (Fifteen) business days from the date of determination of such Material Adverse Effect, if curable;
11. Change in Management Control without prior written consent from the Debenture Holders / Debenture Trustee, which consent will not be unreasonably withheld by the Debenture Holders / Debenture Trustee. Provided that such consent will not be sought by the Issuer prior to March 31, 2021. Further provided that if the consent is denied, the Issuer shall have the call option to redeem the Debentures within 45 days from the date of issue of call option exercise notice. Partial redemption is not permitted;
12. A petition for the winding up or composition of debts of the Company is filed on the Company (voluntary or otherwise) under the Indian bankruptcy code, or have been admitted or makes an assignment for the benefit of its financial creditors generally and such proceeding is not contested by the company for staying, quashing or dismissed within 15 (Fifteen) Business Days;
13. The Net Worth of the Company erodes by 50% or more;
14. The Company or a Promoter commits any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the funds of the Company or revenues or any other act having a similar effect being committed by the management or an officer of the Company and such act or acts aggregate to more than INR 10 Crores (Indian Rupees Ten Crores);
15. The Promoter or directors or the CFO of the Company being declared 'willful defaulters';
16. The Promoter/s and/or the directors of the Company are arrested or convicted with a criminal offence involving dishonesty or which otherwise impinges on the integrity of the Promoter and / or directors, including any, convictions of any arrests and / or convictions of any offence which results in a Material Adverse Effect; and
17. Any Transaction Document once executed and delivered, ceases to be in full force or becomes unlawful, invalid and unenforceable.
18. **Cross default:**

Cross default- An event of default shall arise if the Issuer defaults in payment of financial Debt as due to the banks / mutual fund / financial institutions beyond the period of grace or cure period, if any.

ii. Breach of covenants

Breach of any of the following covenants under this Deed which is not cured within 30 (Thirty) calendar days:



- (a) Affirmative Covenants - (i) Preserve corporate status; authorisations, (ii) Payment of Stamp Duty in relation to the Transaction Documents, (iii) Handling Investor grievances in relation to this transaction, (iv) Regulatory filings in relation to this transaction, (vii) Maintenance of Books of Account and (viii) Corporate Governance conditions as prescribed by NHB;
- (b) Negative Covenants - (i) Change of business without approval of the Debenture Holders / Debenture Trustee; (ii) change in role of the Promoter without approval of the Debenture Holders / Debenture Trustee, (iii) decrease of Promoter stake by sale of shares beyond 50% of the current number of shares held on fully diluted basis, without approval of the Debenture Holders / Debenture Trustee and (iii) Dividend distribution in case of Event of Default; and
- (c) Breach of any of the Financial Covenants which is not cured within 60 (Sixty) calendar days.

Consequences of Events of Default

- (i) On and at any time after the occurrence of an Event of Default, unless such Event of Default as defined above, is cured within the relevant cure period, if any or at the request of the Company is expressly waived by the Debenture Trustee acting on the instructions of the Majority Debenture Holder(s) the Debenture Trustee may by a notice in writing to the Company initiate actions as contemplated below:
- (a) require the Company to mandatorily redeem the Debentures and repay the Secured 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, within a maximum period of 45 (Forty Five) days upon receipt of such notice by the Company; enforce the charge over the Secured Property in accordance with the terms of the Deed of Hypothecation; and/or
- (b) exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under Indian law.
- (ii) Provided that during the continuance of an Event of Default, the Company shall not declare or distribute any dividend.
- (iii) Until the happening of any of the Event(s) of Default set out in the Transaction Documents, the Debenture Trustee shall not be in any manner required, bound or concerned to interfere with the management of the affairs of the Company or its business thereof. The Debenture Trustee shall, on being informed by the Company of the happening of any of the Event of Default set out in the Transaction Documents or upon the happening of any of such Event of Default coming to its notice, forthwith give written notice to the Debenture Holder(s) of the same.

14. Notice on the Occurrence of an Event of Default

If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default, has happened, the Company shall, forthwith give notice thereof to the Debenture Holders and the Debenture Trustee in writing specifying the nature of such Event of Default, or of such event.

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SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

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

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



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SECTION 7: OTHER INFORMATION AND APPLICATION PROCESS

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

7.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

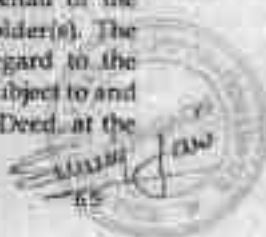
7.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/EFT/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

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

7.3 Trustee for the Debenture Holder(s)

The Issuer has appointed Catalyst Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intends to enter/have entered into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the



cost of the issuer. No Debenture Holder shall be entitled to proceed directly against the issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

7.4 Sharing of Information

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

7.5 Debenture Holder not a Shareholder

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

7.6 Modification of Debentures

The Debenture Trustee and the issuer will agree to make any modifications in the Information Memorandum which in the opinion of the Debenture Trustee is of a formal, minor or technical nature or is to correct a manifest error.

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

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

- (a) Creating of any additional security; and
- (b) Amendment to the terms and conditions of the 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 Debentures, in part or in full, without assigning any reason thereof.

7.8 Notices

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

All notice(s) to be given by the Debenture Holder(s) to the issuer/ Debenture Trustee shall be sent by registered post, electronic mail, recognized 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 Debentures should be marked "Private Placement of Debentures".



Notice(s) shall be deemed to be effective (a) in the case of registered mail, 3 (three) calendar days after posting; (b) in the case of electronic mail, at the time of sending; (c) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business Day delivery; (d) in the case of facsimile at the time when dispatched with a report confirming proper transmission; or (e) 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 Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

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

7.10 Application Procedure

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

7.11 Fictitious Applications

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 Eligible Investors

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

- (a) Mutual Funds
- (b) Non-banking financial companies
- (c) Provident Funds and Pension Funds
- (d) Trust inclusive of public charitable trust subject to their investment guidelines
- (e) Corporates
- (f) Banks
- (g) Insurance Companies

Quadrant Capital



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- (n) Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures

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

Note: Participation by potential investors in the issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

7.14 Procedure for Applying for Dematerialised Facility

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

7.15 Depository Arrangements

The Issuer shall make necessary arrangement with CDSL and / or NSDL for issue and holding




of Debentures in dematerialised form.

7.16 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.

7.17 Application under Power of Attorney

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

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

7.18 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 applications, 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

- SEBI registration certificate
- Resolution authorizing investment and containing operating instructions
- Specimen signature of authorized signatories

7.19 Documents to be provided by potential Investors

Potential Investors need to submit the following documents, as applicable

- Memorandum and Articles of Association or other constitutional documents
- Resolution authorizing investment
- Power of Attorney to custodian
- Specimen signatures of the authorised signatories
- SEBI registration certificate (for Mutual Funds)
- Copy of PAN card
- Application Form (including EFT/ RTGS details)

7.20 Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing

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direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through EFT/RTGS.

7.21 Succession

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the liquidator of the concerned Debenture Holder(s), or such other legal representative of the Debenture Holder(s) as having title to the Debenture(s).

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

7.22 Mode of Payment

All payments must be made through cheques, demand drafts, EFT/RTGS as set out in the Application Form.

7.23 Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the Debenture Holders at the office of the Registrar & Transfer Agents of the Company at least 15 (Fifteen) 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. Interest will be paid to the Debenture Holder subject to deduction of tax deducted at source at the rate prescribed from time to time under the Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time-being in force.

If the applicable rate of tax deducted at source is modified and results in a reduction of the net interest received by the Debenture Holders, the Company must give written notice to the Debenture Holders (with a copy to the Debenture Trustees) as soon as it becomes aware of such change.

7.24 Letters of Allotment

The letter of allotment, indicating allotment of the Debentures in dematerialised form, will be credited in dematerialised form within 60 (Sixty) Business Days from the Deemed Date of Allotment. The aforesaid letter of allotment shall be replaced with the actual credit of Debentures, in dematerialised form.

7.25 Business Day Convention

Any day of the week (excluding Saturdays, Sundays and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (25 of 1881) in Mumbai shall be a "Business Day."

If any Coupon Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, the payment shall be made on the immediately succeeding Business Day. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact.

If the Redemption Date/Maturity Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on



the immediately preceding Business Day, along with coupon/interest accrued on the Debentures until but excluding the date of such payment.

7.14 Deemed Date of Allotment

The Deemed Date of Allotment of the Debentures comprised in each Series will be as specified in the relevant Term Sheet (s) issued for that Series.

All benefits relating to the Debentures will be available to the investors from the respective Deemed Date of Allotment(s). The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any prior notice and shall have a right to allot the Debentures in instalments / series which shall form the part of this issue. In case, the issue closing date is changed (preponed/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Company at its sole and absolute discretion.

7.15 Record Date

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

7.16 Refunds

Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refunded amount. Where an Applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the Applicant and the cheque/ draft towards interest on the refunded money will be dispatched by registered post, courier or by way of RTGS/NEFT/direct credit. Details of allotment will be sent to every successful Applicant. In all cases, the interest instruments will be sent, at the sole risk of the Applicant. In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the Registrar shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

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

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

7.17 Interest on Application Money

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

7.18 Interest on NCDs

The Debentures shall carry coupon at the rate as specified in the relevant term sheet issued for that series (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Company) accrued to the holders of Debentures (the "Holders" and each, a "Holder") as of the relevant Record Date. The interest

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payable on any Coupon Payment Date will be paid to the Debenture holder(s) whose names appear in the list of beneficial owners given by the Depository to the Company as on the Record Date.

Interest shall be computed on the amount outstanding on an Actual/ Actual day count basis, i.e. actual number of days elapsed divided by the actual number of days in the year.

If any Coupon Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, the payment shall be made on the immediately succeeding Business Day. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact.

In case the Deemed Date of Allotment is revised (pre-poned/ postponed) then the above interest payment date may also be revised (pre-poned/ postponed) accordingly by the Company at its sole and absolute discretion.

In case of default in payment of coupon and/or principal or redemption on the due dates, additional interest of at least at the rate of 2% per annum over the Coupon Rate will be payable by the Company for the defaulting period.

7.31 Future Borrowing

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

7.32 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.

7.33 Redemption

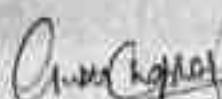
The face value of the Debentures will be redeemed at par.

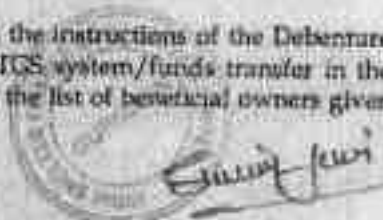
If the Redemption Date/Maturity Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day, along with coupon/interest accrued on the Debentures until but excluding the date of such payment.

The Debenture holders may at the request of the Company in suitable circumstances and also in the absolute discretion of the Debenture holders, subject to the statutory guidelines as may be applicable for the purpose, revise / pre pone / postpone redemption of the Debentures. Or any part thereof on such terms and conditions as may be decided by the Company in consultation with the Debenture holders (see Modification of Rights).

7.34 Payment on Redemption

Payment on redemption will be made in accordance with the instructions of the Debenture Holder(s) by way of electronic funds transfer through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.





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

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


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



SECTION 8: DECLARATION

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

For India Shelter Finance Corporation Limited


Authorized Signatory
Name: Sunil Jain
Title: CFO






**ANNEXURE V
REDEMPTION SCHEDULE AND EXERCISE DATES**

REDEMPTION SCHEDULE

Date	Principal Amount (INR)
May 02, 2025	1,00,00,00,000

PUT OPTION EXERCISE DATES

Put Option	Put Option Dates
At the end of 36 months from Deemed Date of Allotment	May 04, 2021
At the end of 42 months from Deemed Date of Allotment	November 04, 2021
At the end of 48 months from Deemed Date of Allotment	May 04, 2022
At the end of 60 months from Deemed Date of Allotment	May 04, 2023

CALL OPTION EXERCISE DATES

Call Option	Call Option Dates
At the end of 36 months from Deemed Date of Allotment	May 04, 2021
At the end of 42 months from Deemed Date of Allotment	November 04, 2021
At the end of 48 months from Deemed Date of Allotment	May 04, 2022
At the end of 60 months from Deemed Date of Allotment	May 04, 2023

PUT NOTIFICATION DATES

Put Option	Put Option Notification Dates
At the end of 36 months from Deemed Date of Allotment	March 20, 2021
At the end of 42 months from Deemed Date of Allotment	September 20, 2021
At the end of 48 months from Deemed Date of Allotment	March 20, 2022
At the end of 60 months from Deemed Date of Allotment	March 20, 2023

CALL NOTIFICATION DATES

Call Option	Call Option Notification Dates
At the end of 36 months from Deemed Date of Allotment	March 20, 2021
At the end of 42 months from Deemed Date of Allotment	September 20, 2021
At the end of 48 months from Deemed Date of Allotment	March 20, 2022
At the end of 60 months from Deemed Date of Allotment	March 20, 2023

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ANNEXURE VI CASH FLOWS FOR THE DEBENTURES

PART A: In case the Debentures have been subscribed for each Series of Debentures as per the schedule:

Scenario 1: If Put Option and Call Option is not exercised.

Payment Date	Principal outstanding	Principal Repayment	Interest Repayment	Total Cashflows
04-May-18	25,00,00,000	-	-	(25,00,00,000)
10-Jul-18	1,00,00,00,000	-	-	(75,00,00,000)
02-May-25	-	1,00,00,00,000	96,72,06,001	1,96,72,06,001

Scenario 2: Put or Call option exercised at the end of 5 years from the deemed date of allotment

Payment Date	Principal outstanding	Principal Repayment	Interest Repayment	Total Cashflows
04-May-18	25,00,00,000	-	-	(25,00,00,000)
10-Jul-18	1,00,00,00,000	-	-	(75,00,00,000)
04-May-23	-	1,00,00,00,000	61,55,84,269	1,61,55,84,269

Scenario 3: Put options being exercised at the end of 36, 42 and 48 months

Payment Date	Principal outstanding	Principal Repayment	Interest Repayment	Total Cashflows
04-May-18	25,00,00,000	-	-	(25,00,00,000)
10-Jul-18	1,00,00,00,000	-	-	(75,00,00,000)
04-May-21	66,86,00,000	33,34,00,000	10,50,84,366	43,84,84,366
04-Nov-21	33,33,00,000	33,33,00,000	12,82,40,149	46,15,40,149
04-May-22	-	33,33,00,000	15,27,50,036	48,60,50,036

Scenario 4: Call options being exercised at the of 36, 42 and 48 months

Payment Date	Principal outstanding	Principal Repayment	Interest Repayment	Total Cashflows
04-May-18	25,00,00,000	-	-	(25,00,00,000)
10-Jul-18	1,00,00,00,000	-	-	(75,00,00,000)
04-May-21	66,66,00,000	33,34,00,000	11,26,26,172	44,60,26,172
04-Nov-21	33,33,00,000	33,33,00,000	13,44,51,873	46,77,51,873
04-May-22	-	33,33,00,000	15,64,91,458	48,97,91,458



Confirmed true
Anil K. Singh

**INDICATIVE TERM SHEET FOR INVESTMENT IN
NON-CONVERTIBLE DEBENTURES TO BE ISSUED BY
INDIA SHELTER FINANCE CORPORATION LIMITED**

The purpose of this document ("the Indicative Term Sheet") is to outline the terms and conditions of a potential Non-Convertible Debenture issuance by the Issuer proposed to be subscribed to by the Investor. This Indicative Term Sheet does not constitute a final offer, is not exhaustive and may be subject to change.

DESCRIPTION	PARTICULARS			
Issuer/Company	India Shelter Finance Corporation Limited			
Investor(s) / Debenture Holders	Franklin India Corporate Bond Opportunities Fund Franklin India Income Opportunities Fund			
Debenture Trustee	Catalyst Trusteeship Limited			
Structurer & Arranger	Vivriti Capital Private Limited			
Rating Agency	ICRA			
Rating	A-			
Legal Counsel	Not Applicable			
Issuance	Rated, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures ("NCDs" or "Debentures") To be listed on or before October 10, 2018			
Issuance Size	INR 100,00,00,000 (Indian Rupees One Hundred Crores) split as below: May 04, 2018 Instalment I INR 25,00,00,000 July 10, 2018 Instalment II INR 75,00,00,000 <ul style="list-style-type: none">The Interest Rate on the Debentures shall be increased by 5% if any of the tranches are not issued as per the agreed scheduleThe Interest Rate on the Debentures shall be reduced by 5% if the Investor does not subscribe to tranches that are issued as per the agreed schedule			
Partly Paid up	To be paid in 2 instalments as per Issue Schedule			
Interest Rate	10.36% YTM equivalent of 9.90% payable monthly			
Interest Type	Zero Coupon			
Interest Payment Frequency	Accrued Interest at the applicable Interest Rate would be paid at the maturity of the Debentures or upon redemption following the exercise of a Put Option or Call Option.			
Tenor	84 months from the Deemed Date of Allotment.			
Put Option	At the end of 36, 42, 48 and 60 months from the Deemed Date of Allotment and / or if the issuer rating (lowest rating from any rating agency) is downgraded to BBB or lower as per the below schedule <table><tr><td>At the end of 36 months from the Deemed Date of Allotment</td><td>INR 33,34,00,000 (Indian Rupees Thirty Three Crore Thirty Four Lakhs Only)</td><td>If exercised, the Yield to Maturity for the Debenture Holders will be 10.03% YTM equivalent 9.60% pmpm</td></tr></table>	At the end of 36 months from the Deemed Date of Allotment	INR 33,34,00,000 (Indian Rupees Thirty Three Crore Thirty Four Lakhs Only)	If exercised, the Yield to Maturity for the Debenture Holders will be 10.03% YTM equivalent 9.60% pmpm
At the end of 36 months from the Deemed Date of Allotment	INR 33,34,00,000 (Indian Rupees Thirty Three Crore Thirty Four Lakhs Only)	If exercised, the Yield to Maturity for the Debenture Holders will be 10.03% YTM equivalent 9.60% pmpm		



	At the end of 42 months from the Deemed Date of Allotment	INR 33,33,00,000 (Indian Rupees Thirty Three Crore Thirty Three Lakhs Only)	If exercised, the Yield to Maturity for the Debenture Holders will be 10.14% YTM equivalent 9.70% papm
	At the end of 48 months from the Deemed Date of Allotment	INR 33,33,00,000 (Indian Rupees Thirty Three Crore Thirty Three Lakhs Only)	If exercised, the Yield to Maturity for the Debenture Holders will be 10.25% YTM equivalent 9.80% papm
	At the end of 60 months from the Deemed Date of Allotment	INR 1,00,00,00,000 (Indian Rupees hundred Crores only)	If exercised, the Yield to Maturity for the Debenture Holders will be 9.90% papm

Put Option 45 (Forty-Five) calendar days prior to the exercise date

Notification

Call Option

At the end of 36 months from the Deemed Date of Allotment	INR 33,34,00,000 (Indian Rupees Thirty Three Crore Thirty Four Lakhs Only)	If exercised, the Yield to Maturity for the Debenture Holders will be 10.69% YTM equivalent 10.20% papm
At the end of 42 months from the Deemed Date of Allotment	INR 33,33,00,000 (Indian Rupees Thirty Three Crore Thirty Three Lakhs Only)	If exercised, the Yield to Maturity for the Debenture Holders will be 10.58% YTM equivalent 10.10% papm
At the end of 48 months from the Deemed Date of Allotment	INR 33,33,00,000 (Indian Rupees Thirty Three Crore Thirty Three Lakhs Only)	If exercised, the Yield to Maturity for the Debenture Holders will be 10.47% YTM equivalent 10% papm
At the end of 60 months from the Deemed Date of Allotment	INR 1,00,00,00,000 (Indian Rupees hundred Crores only)	If exercised, the Yield to Maturity for the Debenture Holders will be 9.90% papm

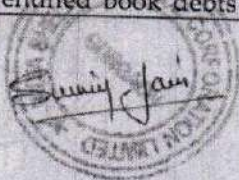
- The Issuer shall have a call option on the Debentures upon the rating of the Debentures (lowest rating from any rating agency) falling to BBB+ or lower
- The issuer shall have a call option to redeem the Debentures in full if Majority Debenture Holders deny consent for clause 1 of Negative Covenants ("Change in promoter or control") and change in role of the promoter, provided such consent is sought after March 31, 2021



Call Notification	Option	45 (Forty-Five) calendar days prior to the exercise date
Ranking		<p>Each Debenture issued by the Issuer will constitute direct, senior and secured obligations of the Issuer. The claims of the Debenture Holders shall be akin to the claims of senior, secured investors / lenders and shall rank pari passu to all senior, secured indebtedness of the Issuer.</p> <p>Each of the Debenture Holders shall inter-se rank pari passu in relation to their rights and benefits in relation to the Debentures, without any preference or privilege.</p>
Registrar & Transfer Agent		<p>Skyline Financial Services Private Limited D-153, 1st Floor, Okhla Industrial Area, Phase I, New Delhi - 110020 Contact - 011-41044923</p>
Depository		NSDL/CDSL
Issuance mode		Dematerialized, Private Placement
Trading mode		Dematerialized
Settlement mode		RTGS / NEFT
Issue Schedule		<p>Issue Open Date May 03, 2018</p> <p>Issue Close Date May 04, 2018</p> <p>First Pay-in Date May 04, 2018</p> <p>Deemed Date of Allotment May 04, 2018</p> <p>Second Pay-in Date July 10, 2018</p>
Listing		<p>The Debentures to be mandatorily listed on the Bombay Stock Exchange ("BSE") or National Stock Exchange (NSE), as the case may be, on or before October 10, 2018 ("Listing Date").</p> <p>In case of a delay by the Issuer in listing the Debentures beyond the Listing Date, the Issuer shall make payment the Debenture Holders of penal interest calculated on the face value of the Debentures at the rate of minimum of 5% (Five Percent) p.a. over the Coupon Rate from the Listing Date until the listing of the Debentures.</p> <p>In the event that the NCDs are not listed upto the Listing Date for any reason whatsoever, then the Debenture Holder have the right to seek immediate redemption of all and all Debentures within 5 (Five) Business Days of the expiry of the Listing Period.</p>
Business Days		A day (other than a Saturday, a Sunday or a Bank Holiday) on which banks are open for general business in Mumbai and Gurgaon.
Business Convention	Day	<ul style="list-style-type: none"> • If any coupon payment date falls on a day that is not a working day, the payment shall be made on the immediately succeeding working day. • If the redemption date of the Debentures falls on a day that is not a working day, the redemption proceeds shall be paid on the immediately preceding working day • If the Maturity Date (also the last coupon payment date) of the Debentures falls on a day that is not a working day, the redemption proceeds and coupon payment shall be paid on the immediately preceding working day.
Record Date		3 (Three) Business Days prior to each coupon payment date and redemption date.



End Use	<p>The proceeds of the Issuance will be utilized for the following purposes:</p> <ul style="list-style-type: none"> ▪ General corporate purposes ▪ for the ordinary course of business of the Issuer including repayment/re-financing of existing debt <p>The Issuer shall not use the proceeds of the Issue towards:</p> <ul style="list-style-type: none"> ▪ any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities; or ▪ any speculative purposes; or ▪ investment in the real estate sector; or ▪ in contravention of any guidelines, rules or regulations of the NHB applicable to housing finance companies. <p>The Issuer shall be entitled to temporarily invest the funds raised by the Issue in liquid mutual funds and deposits held with scheduled commercial banks for a period not exceeding 120 (One Hundred and Twenty) calendar days from the Deemed Date of Allotment for Tranche I. For the subsequent tranches, the Issuer shall be entitled to temporarily invest the funds raised by the Issue in liquid mutual funds and deposits held with scheduled commercial banks for a period not exceeding 120 (One hundred and Twenty) calendar days from the date of disbursement of respective tranches.</p> <p>The Issuer shall furnish an end use certificate to the Debenture Trustee upon utilization of the proceeds from each of the tranches.</p>
Issue price	At par
Security	<p>The Debentures shall be secured by way of a first ranking, exclusive and continuing charge on identified receivables ("Hypothecated Receivables") created pursuant to the deed of hypothecation to be executed between the Company and the Debenture Trustee as described herein. The Hypothecated Property shall at all times be equal to the value of the outstanding principal amount of the Debentures. The issuer undertakes:</p> <ul style="list-style-type: none"> • to maintain the value of security at all times equal to 1.1x (One Decimal Point One) time or 110.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs where at least 1.1x (One Decimal Point One) time or 110.0% (One Hundred and Ten Percent) of the security cover is from principal receivables ("Security Cover"); • to create, register and perfect the security over the Hypothecated Assets as contemplated above no later than 15 (Fifteen) calendar days after the Deemed Date of Allotment by executing a duly stamped deed of hypothecation ("Deed of Hypothecation") and filing CHG-9 within the time period applicable; • to pay a penal interest of 2.0% (Two Percent) p.a. over the coupon rate in case there is any delay in the creation, registration and perfection of the security over the Hypothecated Assets; • to provide a list on a monthly basis, of specific loan receivables/identified book debts to the Debenture Trustee over



	<p>which the charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) ("Monthly Hypothecated Asset Report")</p> <ul style="list-style-type: none"> to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Assets is equal to 1.1x (One Decimal Point One) time or 110.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs where at least 1.1x (One Decimal Point One) time or 110.0% (One Hundred and Ten Percent) of the security cover is from principal receivables. to replace any Hypothecated Receivables that become overdue with current receivables. Such replacement shall be effected within 15 (Fifteen) Business Days of the receivables becoming overdue <p><u>Eligibility Criteria for the Hypothecated Receivables:</u></p> <ul style="list-style-type: none"> the receivables are existing at the time of selection and have not been terminated or pre-paid; the receivables are not overdue the receivables have not been restructured or rescheduled all applicable "Know Your Customer" norms have been complied with as prescribed by the National Housing Bank;
Face value per Debenture	INR 10,00,000 (Indian Rupees Ten Lakh Only)
Issue Price	INR 10,00,000 (Indian Rupees Ten Lakh Only)
Minimum subscription amount	INR 1,00,00,000 (Indian Rupees One Crore Only)
Maturity Date	May 02, 2025 – 7 (seven) years from the Deemed Date of Allotment
Step Down Coupon	<ul style="list-style-type: none"> In the event of an upgrade in the credit rating of the Debentures to AA-, the Coupon Rate shall be decreased by 0.4% (Zero Decimal Point Four Percent) p.a. applicable from the date of such rating upgrade The Step Down Coupon rate will be applicable on the outstanding principal amount and accrued interest, if any, of the Debentures <p>For the purposes of this clause, if the Issuer is rated by more than one rating agency, the lowest of all ratings shall be considered.</p>
Step Up Coupon	<ul style="list-style-type: none"> In the event of a downgrade in the credit rating of the Debentures to BBB+ or lower, the Coupon Rate shall be increased by 1% (One Percent) p.a. applicable from the date of such rating downgrade The Step Up Coupon rate will be applicable on the outstanding principal amount and accrued interest, if any, of the Debentures <p>For the purposes of this clause, if the Issuer is rated by more than one rating agency, the lowest of all ratings shall be considered.</p>
Day count basis	Actual/Actual
Interest Payment Frequency	Upon redemption
Principal Amortization	Bullet
Default Interest Rate	<ul style="list-style-type: none"> In case of default in payment of interest and / or principal redemption on the due dates, additional interest @ 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period.



	In case of default by the Issuer in the performance of any of the financial covenants of this Issuance, or default in creation of Security, additional interest @ 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period
Prepayment	No prepayment is permitted.
Redemption Amount	The sum of the principal outstanding on the Debentures, accrued Coupon, Default Interest payable (if any) and other charges and fees payable.
Interest on application money	The Issuer shall be liable to pay the Debenture Holders, interest on application money at the Coupon Rate for the period commencing from the date on which the Debenture Holders have made payment of the application monies in respect of the Debenture to the Issuer and ending on one Business Day prior to the Deemed Date of Allotment. The interest on application monies, if any, shall be paid by the Issuer to the Debenture Holders within 7 (Seven) Business days from the Deemed Date of Allotment.
Transaction documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following, as required, in connection with the Issue as per latest SEBI guidelines / Companies Act 2013 (as applicable) for issuance of NCDs through Private Placement:</p> <ol style="list-style-type: none"> 1. Letter appointing Trustees to the Debenture Holders; 2. Debenture Trusteeship Agreement; 3. Debenture Trust and Mortgage Deed; 4. Deed of Hypothecation; 5. Information Memorandum; 6. Private Placement Offer Letter (Form PAS 4); 7. Board Resolution authorizing this Issuance; 8. Applicable Shareholder Resolutions under the Companies Act 2013; 9. Rating Agreement with the aforesaid Rating Agency(ies) with respect to this Issuance; and 10. Tripartite Agreements with the Depository(ies) and Registrar & Transfer Agent
Conditions Precedent	<p>The Company shall fulfil the following Conditions Precedent to the satisfaction of the Debenture Trustee and submit Conditions Precedent documentation where applicable to the Debenture Trustee, prior to the Pay in Date:</p> <ol style="list-style-type: none"> 1. All corporate approvals from the Board of Directors and shareholders of the Issuer, if applicable, shall have been received for the issuance of the NCDs, and the execution, delivery and performance by the Issuer of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed; 2. Execution of the Debenture Trustee Agreement, Deed of Hypothecation and Debenture Trust and Mortgage Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place; 3. The Issuer shall have submitted to the Debenture Trustee the rating letter and rating rationale;



	<p>4. The Issuer shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying the issuer's respective KYC requirements;</p> <p>5. The Issuer shall have submitted to the Debenture Trustee a certified true copy of the constitutional documents of the Company (the Memorandum and Articles of Association and the Certificate of Incorporation)</p> <p>6. The Issuer shall have submitted to the Debenture Trustee its audited account statements for the most recent financial year or audited financial half-year</p>
Conditions Subsequent	<p>The Issuer shall ensure that the following documents are executed/activities are completed as per the time frame stipulated in the Debenture Trust and Mortgage Deed</p> <p>1. The Issuer shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 5 along with the Information Memorandum and Form PAS 3 along with requisite fee within prescribed timelines;</p> <p>2. To create, register and perfect the security over the Hypothecated Assets no later than 60 (Sixty) calendar days from the Deemed Date of Allotment or as applicable under relevant regulation and Law, whichever is earlier.</p> <p>3. Receive final listing approval from the BSE / NSE by October 10, 2018</p> <p>4. The Issuer shall ensure credit of demat account(s) of the allottee(s) with the number of NCDs allotted within 2 (Two) Business Days of the Deemed Date of Allotment</p> <p>5. The Issuer shall ensure compliance with SEBI / Companies Act 2013 (as applicable) for issuance of NCDs.</p>



Events of Default

Customary for financings of this nature and others appropriate in the judgment of the Debenture Holders, including but not limited to:

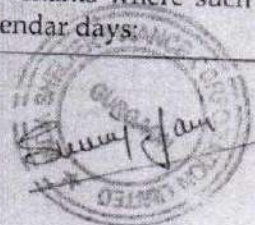
1. The Issuer does not pay on the Due Date(s) any amount payable pursuant to the DTMD at the place and in the currency in which it is expressed to be payable,
2. Cross default- An event of default shall arise if the Issuer defaults in payment of financial Debt as due to the banks / mutual fund / financial institutions beyond the period of grace or cure period, if any.
3. Misrepresentation or misleading information in any of the Transaction Documents where such misrepresentation may lead to a Material Adverse Effect and pursuant to which repayment of principal amount and interest is affected.

For the purpose of this Term Sheet, "Material Adverse Effect", wherever appearing, shall mean, in relation to any entity, 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 (i) the financial condition, business or operation of the entity which results in an erosion of greater than 10% of the net worth of the Issuer and affects the ability of the entity to perform its obligations under the Transaction Documents; or (ii) the legality, validity or enforceability of any of the Transaction Documents. Or (iii) the rights or remedies of the Debenture Trustee acting for the benefit of the Debenture Holders hereunder or under any other Transaction Document

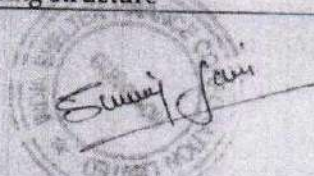
4. Admission of any insolvency, winding up, liquidation proceedings and / or appointment of a receiver or liquidator, provisional liquidator, insolvency resolution professional, receiver, administrative receiver, administrator, in respect of the Company or the hypothecated assets, is appointed or allowed to be appointed in relation to the Company;
5. Depreciation in the value of hypothecated assets offered as security as defined in the Deed of Hypothecation to such an extent that they cease being current and there is a requirement to provide further security
6. If an attachment or expropriation or restraint of act of sequestration is levied on the Hypothecated Assets or any part thereof and such Hypothecated Assets are not replaced within 15 (Fifteen) Business Days of attachment;
7. Repudiation of Transaction Documents by the Issuer
8. Cessation of business
9. Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer / Promoter funds or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer where the amount of such act is INR 10 Cr or above



10. The Company has taken or suffered to be taken any action for its merger or amalgamation without the prior written approval of the Debenture Holders
11. Promoters or directors or the CFO of the Company being declared willful defaulter
12. The promoter/s and/or the directors of the Company are arrested or convicted with a criminal offence involving dishonesty or which otherwise impinges on the integrity of the promoter/s and/or directors, including any, arrests and/or convictions of any offence which results in a Material Adverse Effect,
13. Erosion of 50% or more of the Company's net worth
14. Occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders, which is not cured within a period of 15 (Fifteen) business days from the date of determination of such Material Adverse Effect, if curable
15. Change in management control without prior written consent from the Debenture Holders / Debenture Trustee, which consent will not be unreasonably withheld by the Debenture Holders / Debenture Trustee. Provided that such consent will not be sought by the Issuer prior to March 31, 2021. Further provided that if the consent is denied, the Issuer shall have the call option to redeem the Debentures within 45 days from the date of issue of call option exercise notice. Partial redemption is not permitted.
16. Any Transaction Document once executed and delivered, ceases to be in full force or becomes unlawful, invalid and unenforceable;
17. A petition for the winding up or composition of debts of the Company is filed in relation to the Company (voluntary or otherwise) under the Indian Bankruptcy code, or have been admitted or an assignment for the benefit of its financial creditors generally (other than assignment of loan portfolio / non-performing assets in the ordinary course of business of the Company which includes securitisation of receivables by the Company, from time to time); and such petition is not contested by the company for staying, quashing or dismissed within 15 (Fifteen) days
18. Any failure by the Company to comply with any of the provisions of the Transaction Documentation in relation to the security including but not limited to the failure by the Company to provide additional or alternate security as per the prescribed criteria in the Deed of Hypothecation, or the security is in jeopardy, and the Issuer fails to remedy such breach or replace such security / provide additional security within 15 (Fifteen) Business Days;
19. Breach of the following covenants where such breach is not cured within 30 (Thirty) calendar days:



	<p>Affirmative Covenants - (i) Preserve corporate status; authorisations, (ii) Payment of Stamp Duty in relation to the Transaction Documents, (iii) Handling Investor grievances in relation to this transaction, (v) Regulatory Filings in relation to this transaction, (vii) Maintenance of Books of Account and (viii) Corporate Governance conditions as prescribed by NHB; and</p> <p>Negative Covenants - (i) Change of business without approval of the Debenture Holders / Debenture Trustee (ii) change in role of the Promoter without approval of the Debenture Holders / Debenture Trustee, (iii) decrease of Promoter stake by sale of shares beyond 50% of the current number of shares held on fully diluted basis, without approval of the Debenture Holders / Debenture Trustee and (iv) Dividend distribution in case of default</p> <p>Financial Covenants where such breach is not cured within 60 (Sixty) calendar days.</p> <p>Upon occurrence of any of the aforesaid event of default, the Debenture Trustee may by a notice in writing to the Company initiate actions as may be contemplated in the Transaction Documents including the following:</p> <p>(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, within a maximum of 45 days upon receipt of such notice in of mandatory redemption from the debenture trustee;</p>
Reporting Covenants	<p>1. Quarterly Reports - within 45 (Forty Five) calendar days from the end of each financial quarter</p> <p>a) Information on financials as per the prescribed format as annexed with this Term Sheet</p> <p>b) List of Board of Directors</p> <p>c) Shareholding Pattern</p> <p>d) Financial covenant compliance certificate signed by a Director or the Chief Financial Officer</p> <p>2. Annual Reports - within 120 (One Hundred and Twenty) calendar days from the end of each financial year</p> <p>a) Audited financial statements</p> <p>3. Event Based Reports - within 15 (Fifteen) Business Days of the event occurring</p> <p>a) Change in Shareholding structure</p>



	<ul style="list-style-type: none"> b) Change in Board composition c) Changes in Accounting Policy, which have a material impact, and excluding changes required due to compliance with statutory requirements d) Change in senior management officials (any CXO or equivalent) e) Board approval of annual business plan f) Any fraud amounting to more than 1.0% of Gross Loan Portfolio g) Change in the constitutional documents of the Company h) Material Adverse Effect i) Any dispute, litigation, investigation or other proceeding which could result in a Material Adverse Effect. j) Admission of any liquidation proceedings. k) Any Event of Default, and any steps taken / proposed to remedy the same. l) Recall of any loan by a financial creditor of the Issuer
Financial Covenants	<ol style="list-style-type: none"> 1. The Capital Adequacy Ratio (as defined under NHB regulations) shall be maintained at a minimum of the levels stipulated by the NHB at all points in time (currently 12%). 2. For the period of three years from the Deemed Date of Allotment, Debt to Equity ratio to remain less than 4 times. 3. For the period after three years from the Deemed Date of Allotment, Debt to Equity ratio to remain less than 6 times. 4. Gross Non-Performing Assets (as defined under NHB regulations) < 5% <p>All covenants would be tested on semi-annual basis for the Company, i.e. as on 31st March and 30th September every year, starting from 31st March 2018 on consolidated and standalone balance sheet till the redemption of the Debentures.</p> <p>The covenants shall be certified by the Company within 30 (Thirty) calendar days from the end of each financial half year.</p> <p>For the purpose of this aforesaid clause, the following definitions may be relied upon:</p> <p>"Debt" shall mean aggregate of</p> <ul style="list-style-type: none"> ▪ All long-term outstanding, whether secured or unsecured, plus ▪ Contingent liabilities pertaining to corporate / financial guarantees given on behalf of any company / SPV / subsidiary / affiliate to the extent of outstanding of such guaranteed debt, plus ▪ Any short term debt outstanding whether secured or unsecured, availed of in lieu of long term debt or by way of bridge financing for long term debt ▪ Any amount raised by acceptance under any acceptance credit facility ▪ Receivables sold or discounted (other than receivables to the extent they are sold on a non-recourse basis) ▪ Any put option, shortfall / liquidity support undertaking, debt service reserve account undertaking, keep fit letter(s), Letter of Comfort issued in



	<p><i>favour of any person(s), which give or may give rise to any financial obligation(s)</i></p> <ul style="list-style-type: none"> Any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; <p><i>"Equity" shall mean issued and paid up Equity, compulsorily convertible instruments and Preference Share Capital (+) all reserves (excluding revaluation reserves) (-) any dividend declared (+) deferred tax liability (-) deferred tax assets (-) intangibles (including but not restricted to brand valuation, goodwill etc) as per the latest audited financials of the Issuer.</i></p>
Early Redemption	<p>The Debentures along with the accrued interest shall become due and payable within 5 (Five) Business Days upon receipt of written notice from Debenture Trustee of happening of any of the following events ("Early Redemption Events");</p> <ul style="list-style-type: none"> The Debentures are not listed within the Listing Date from the Deemed Date of Allotment
Affirmative Covenants	<ol style="list-style-type: none"> To utilise the proceeds of this issue in accordance with the End Use as defined above. To comply with corporate governance, fair practices code prescribed by the NHB Notification of any Event of Default; Obtain, comply with and maintain all licenses / authorizations Provide details of any material litigation, arbitration or administrative proceedings (materiality threshold to be finalized during documentation) Maintain (i) Fraud Control Unit to preventing fraud on monies lent by the Company; and (ii) board approved Whistle-blower policy Permit visits and inspection of relevant books of records, documents and accounts to Debenture Trustee only during business hours. The notice of such inspection shall be given to the Company 7 days in advance. Comply with any monitoring and/or servicing requests from Debenture Trustee
Negative Covenants	<p>The Issuer shall not without the prior written permission of the Debenture Holders and Debenture Trustee, do or undertake to do any of the following, which consent shall not be unreasonably withheld:</p> <ol style="list-style-type: none"> Change in promoter or control <ol style="list-style-type: none"> Control is defined as Mr Anil Mehta continuing as the Managing Director and CEO of the Issuer. The Issuer may seek consent (for which approval may not be unreasonably withheld) for change in promoter or control (as defined above) only after March 31, 2021. If such consent is denied, the Issuer has a call option to redeem the Debentures. Partial redemption is not permitted Mr Anil Mehta is permitted to sell up to 50% of current shares held without requiring consent of the Debenture Holders



	<ol style="list-style-type: none"> 2. M&A, acquisition, amalgamation of the Issuer without approval of Debenture Holders 3. The Issuer shall not, without the prior approval of Debenture Holders, enter into any transaction of merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; provided however that this restriction shall not apply in the event that the compliance with this restriction would result in the Issuer defaulting in relation to any of its payment obligations in relation to the Debentures. 4. The Issuer will not buy back or redeem any of its paid-up shares or reduce its share capital without the Debenture Holders' prior written consent; 5. Issuer shall not amend or modify clauses in its Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect, without prior consent of the Debenture Trustee. Notwithstanding anything contained in this Terms Sheet, no approval shall be required for the second tranche of equity to be infused by the private equity players / existing investors for an amount aggregating to Rs. 195 crores in terms of Share Subscription and Amended and Restated Shareholders' Agreement dated October 5, 2017 including consequent changes in memorandum and articles of association. 6. Issuer shall not change its financial year-end from 31st March (or such other date as may be approved by Debenture Holders) without prior consent of the Debenture Trustee unless required for statutory compliance 7. Any sale of assets/business/division that has the effect of the Issuer losing its status of a Housing Finance Company to be with the prior consent of the Debenture Holders 8. No dividend, if an Event of Default has occurred and is subsisting 9. Not undertake any new major new business outside financial services or any diversification of its business outside financial services, without approval of Debenture Holders
Representations & Warranties	<ol style="list-style-type: none"> 1. The Company is registered with the NHB as an HFC 2. No Event of Default has occurred and is continuing on the date of this transaction 3. The Debentures under this Issuance shall rank pari passu amongst themselves, and with all other senior, secured creditors. Binding obligation of Transaction Documents 4. No conflict with other obligations / constitutional documents 5. No Material Adverse Change in business, condition or operations of the Issuer 6. Company has the power and authority to issue Debentures and such Transactions Documents are valid and admissible in evidence 7. Absence of any pending or threatened litigation, investigation or proceedings that may have a material adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the Issuer or that purports to affect the Facility 8. Illegality <p>And as set out in greater detail in the Transaction Documents.</p>



Indemnification	The Issuer will indemnify, and hold harmless the Debenture Holders from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer or its Promoter/s.
Confidentiality	The terms and conditions described in this Term Sheet, including its existence, shall be confidential information and shall not be disclosed to any third party except to each Party's advisors and counsel. Provided however that if any of the Parties is required by law to disclose information regarding this Term Sheet or to file this Term Sheet with any regulatory body, it shall, at a reasonable time after making any such disclosure or filing, informing the other Parties.
Governing Law & Jurisdiction	This Term Sheet shall 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, India.
Transaction Costs	The Issuer shall bear all transaction related costs incurred by the Debenture Holders with respect to legal counsel, valuers and auditors / consultants. Such costs include: <ol style="list-style-type: none"> 1. Trustee fees 2. Listing fees 3. Rating fees 4. Stamping and registration in relation to all Transaction Documents.
Taxes, Duties, Costs and Expenses	<ol style="list-style-type: none"> 1. Relevant taxes such as TDS, GST and any other applicable direct and indirect taxes for the time being in force, duties and levies are to be borne by the Issuer. 2. The charges / fees and any amounts payable under this Debentures by the Issuer as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.
Eligible investors	As permitted under Applicable Law

Accepted and agreed

For the Issuer

(Authorised signatory)



For the Investor

(Authorised signatory)



CTL/MUM/2018-19/DEB/1906

November 27, 2018

To,

Ms. Mukti Chaplot

India Shelter Finance Corporation Limited,

6th Floor, Plot No. 15, Sector 44,

Institutional Area,

Gurgaon, Haryana, 122002

Ref: CL/MUM/18-19/DEB/5 (Attached)

Dear Ma'am,

Consent to act as Trustee for Secured, Rated, Listed, Redeemable Non-Convertible Debentures aggregating upto INR 100 crores ("NCDs") issued by your Company.

This is with reference to appointment of Catalyst Trusteeship Limited (CTL) (Formerly GDA Trusteeship Limited) to act as Debenture Trustee for the Secured, Rated, Listed, Redeemable Non-Convertible Debentures aggregating upto INR 100 Crores.

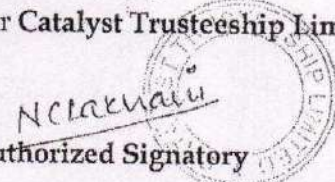
As per the transaction documents, the Debentures are required to be listed on or before November 30, 2018.

We understand that the Company has applied or shall apply to the Bombay Stock Exchange ("BSE") for listing of the aforesaid NCDs. In this regard we confirm that we shall continue to act as trustee for the aforesaid issuance of NCDs for the benefit of debentureholders in terms of the Debenture Trust Cum Mortgage Deed dated May 3, 2018, executed between us and the Company.

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,

For Catalyst Trusteeship Limited


Authorized Signatory

Certified True Copy



Encl: As Above

CATALYST TRUSTEESHIP LIMITED (FORMERLY GDA TRUSTEESHIP LIMITED)

An ISO:9001 Company

Mumbai Office Office No. 83 - 87, 8th Floor, B Wing, Mittal Tower, Nariman Point, Mumbai 400 021 Tel +91 (022) 4922 0555 Fax +91 (022) 4922 0505
Regd. Office GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune 411 038 Tel +91 (020) 25280081 Fax +91 (020) 25280275
Delhi Office Office No. 213, 2nd floor, Navrang House, 21 Kasturba Gandhi Marg, New Delhi- 110 001, Tel. 011 43029101.
CIN No. U74999PN1997PLC110262 Email dt@ctltrustee.com Website www.catalysttrustee.com
Pune | Mumbai | Bengaluru | Delhi | Chennai



CL/MUM/18-19/DEB/5

April 09, 2018

To,

Ankit Aggarwal

India Shelter Finance Corporation Limited,

6th Floor, Plot No. 15, Sector 44,

Institutional Area,

Gurgaon, Haryana, 122002

Dear Sir,

Consent to act as Trustee for Secured, Rated, Unlisted, Redeemable Non-Convertible Debentures aggregating upto INR 100 crores to be issued by your Company.

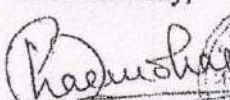
This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited (CTL) (Formerly GDA Trusteeship Limited) to act as Debenture Trustee for the Secured, Rated, Unlisted, Redeemable Non-Convertible Debentures aggregating upto INR 100 crores to be issued.

In this connection, we are agreeable to act as Trustee on the following trusteeship remuneration:

The Company and the Trustee shall enter into relevant trustee agreements and other necessary Debenture 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, the RBI Circular No.RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013, the Companies (Share Capital and Debenture) Rules, 2014 and any other applicable statutes, regulations and provisions as amended from time to time.

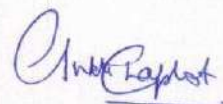
We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Yours faithfully,


Authorized Signatory



Certified True Copy



CATALYST TRUSTEESHIP LIMITED (FORMERLY GDA TRUSTEESHIP LIMITED)

An ISO:9001 Company

Mumbai Office Office No. 83 - 87, 8th Floor, B Wing, Mittal Tower, Nariman Point, Mumbai 400 021 Tel +91 (022) 4922 0555 Fax +91 (022) 4922 0505
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CIN No. U74999PN1997PLC110262 Email dt@ctltrustee.com Website www.catalysttrustee.com
Pune | Mumbai | Bengaluru | Delhi | Chennai



India Shelter Finance Corporation Limited Revised

May 03, 2018

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debenture	0.00	79.00	[ICRA]A- (Positive); Assigned
Non-convertible debenture	71.00	71.00	[ICRA]A- (Positive); Outstanding
Bank lines	250.00	250.00	[ICRA]A- (Positive); Outstanding
Total	321.00	400.00	

*Instrument details are provided in Annexure-1

Rating action

ICRA has assigned the long-term rating of [ICRA]A- (pronounced ICRA A minus) to the Rs. 79.00-crore¹ non-convertible debenture programme. ICRA has a rating outstanding of [ICRA]A- on the Rs. 250-crore bank lines and Rs. 71-crore non-convertible debenture programme of India Shelter Finance Corporation Limited (ISFC).² The outlook on the long-term rating is Positive.

Rationale

The rating factors in the company's prudent lending practices and systems, which have enabled it to report good asset quality indicators while scaling up operations (CAGR of 53% during FY2015-FY2018 and assets under management of Rs. 801 crore as on March 31, 2018), its experienced promoters and senior management team with a good second line of management and the strong capitalisation profile. The rating also takes into account the company's good credit appraisal systems and processes, with a relatively low loan to value (LTV) ratio (LTV of less than 60% for 86% of the AUM as on March 31, 2018) and its strong portfolio tracking systems, which have translated into good asset quality indicators (gross NPA of 1.3% as on March 31, 2018). Although ISFC's asset quality has deteriorated slightly over the past year owing to the impact of demonetisation and the implementation of GST, which impacted the cash flow of its borrowers, the same remains better than the industry average. The rating is also supported by the good growth prospects of the company and the sector, given the Government of India's (GoI) focus on housing for all by 2022 through the Pradhan Mantri Awas Yojana. ICRA expects the company to scale up further, supported by gradual branch expansion and stabilisation of older branches. ICRA also notes that ISFC raised Rs. 195 crore in October 2017 (net worth as on March 31, 2018 was Rs. 569.57 crore) from its existing investors, which should support its growth plans, going forward. The rating, however, is constrained by ISFC's moderate track record of operations, its focus on relatively risky segments with low income levels and limited cushion available to absorb income shocks, its exposure to geographical concentration risk with 86% of the AUM as on March 31, 2018 being concentrated in the top three states (although the company had a presence in eight states), and its moderate profitability indicators. Going forward, ISFC's ability to maintain asset quality as it expands the portfolio, tie up long-term funding at competitive rates, maintain a good liquidity profile and reduce operating expenses so as to improve its earnings profile will be key rating sensitivities.



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Chaitanya Kumar

¹ 100 lakh = 1 crore = 10 million

² For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications

Outlook: Positive

ICRA believes ISFC will continue to benefit from the extensive experience of its partners and its robust systems and internal controls. The outlook may be revised to Stable if profitability remains subdued or the scaling up of the portfolio is weaker than projected.

Key rating drivers

Credit strengths

Experienced promoters, senior management and second line of leadership; good loan origination, appraisal and MIS systems - The company's senior management team is adequately experienced in the mortgage industry. Further, the company has adequate internal controls and good portfolio tracking systems to keep a check on portfolio quality. The company has been able to maintain control over credit quality while growing the book, so far, with gross NPA of 1.3% as on March 31, 2018.

Good underwriting norms, systems and process - In the absence of formal income proof or tax returns, ISFC has developed a robust credit appraisal process including repeated discussions with the borrower, neighbourhood checks, cash flow analysis and visits to the workplace to establish income, expenses and debt repayment capacity. Strong risk management systems, in-house technical and valuation teams, use of credit scorecards and regular monitoring have translated into good asset quality indicators, so far, and the company's ability to maintain the same over a larger asset base will be a key monitorable from a credit perspective.

Focus on low LTVs, which act as a deterrent for default - The overall risk profile of ISFC's portfolio is good, with multiple earning members in the family, women being the first applicants, low portfolio LTV and fixed obligation to income ratio (FOIR), which should help support the asset quality indicators in the medium term.

Comfortable liquidity position - ISFC's liquidity remained comfortable on account of its ability to tie up longer-tenure liabilities. The average tenure of ISFC's liabilities was 8.1 years compared to 8.2 years for its assets, after factoring in a 0.8% monthly prepayment rate. The company had cash in hand of Rs. 95 crore and Rs. 40 crore investments in mutual funds as on March 31, 2018.

Credit challenges

Moderate scale of operations; focus on relatively risky assessed income segment - ISFC had 63 branches and a managed portfolio of Rs. 801 crore as on March 31, 2018. At present, the company has operations in Rajasthan, Madhya Pradesh, Maharashtra, Gujarat, Chhattisgarh, Uttar Pradesh, Uttarakhand and Odisha. ISFC offers loans to customers for improvement, home extension, construction of dwelling units on an owned plot of land, home purchase and loan against property (LAP). As on March 31, 2018, 63% of the company's managed portfolio included home loans with the balance being loans against insurance and LAP. Within the affordable segment, the company's focus is primarily on self-employed customers. As on March 31, 2018, 44% of the loans outstanding were to self-employed customers, 39% to salaried customers and 14% to daily wage earners, who have limited cushion to absorb income shocks. Therefore, ISFC's asset quality indicators could potentially exhibit more volatility.

Geographical concentration of the loan book in Rajasthan and Madhya Pradesh - As on March 31, 2018, 86% of ISFC's managed portfolio was concentrated in three states, namely Rajasthan (41%), Madhya Pradesh (25%) and Maharashtra (20%). The company's top 15 branches accounted for 49% of the managed portfolio as on March 31, 2018. However, the company has reduced geographical concentration over time and penetrated deeper in Maharashtra and Gujarat while expanding into newer geographies like Uttar Pradesh and Uttarakhand.

To diversify funding profile by tapping debt capital markets – Although ISFC had relationships with 13 lenders, it remains dependent on banks and the NHB for funding, with these two sources contributing 56% and 19%, respectively, to its total borrowings outstanding as on March 31, 2018. The company raised its first NCD funding in FY2018. The marginal cost of borrowing has come down by almost 100 bps from FY2017 to FY2018, which proves the company's capability of raising funds at a lower cost from various instruments. Going forward, the company's ability to diversify the funding mix, by drawing larger lines from funders, and raise funds from the debt market would be important for scaling-up operations.

To improve profitability in the face of competition in the affordable housing segment – ISFC's profitability indicators remained modest during FY2018 (ROE of 5.31% vis-à-vis 6.68% in FY2017) owing to a fall in yields (17.76% in FY2018 vis-à-vis 18.99% in FY2017) that was partially offset by a fall in the cost of funds (10.84% in FY2018 vis-à-vis 11.82% in FY2017). Operating expenses remained stable at 6.79% in FY2018 vis-à-vis 6.72% in FY2017. However, operating expenses have fallen over the years owing to limited branch expansion, increase in ticket sizes and scaling up of operations in existing branches. The company's ability to maintain its yield, reduce its operating expenses further, and improve profitability, given the rising competition in the segment, will be critical from a credit perspective.

Analytical approach: For arriving at the ratings, ICRA has applied its rating methodologies as indicated below.

Links to applicable criteria:

[Rating Methodology for Housing Finance Companies](#)

About the company:

India Shelter Finance Corporation Limited (ISFC) is a housing finance company incorporated in 1998 as Satyaprakash Housing Finance. The company was acquired by the current investors in September 2009. ISFC is focused on the low-cost and affordable housing segment, targeting self-employed customers in the informal low-middle income segment. The company was operating from 63 branches and had a managed portfolio of Rs. 801 crore as on March 31, 2018. At present, the company operates in eight states, namely Rajasthan, Madhya Pradesh, Maharashtra, Gujarat, Chhattisgarh, Uttar Pradesh, Uttarakhand and Odisha. ISFC offers loans to customers for home improvement, home extension, construction of dwelling units on an owned plot of land, home purchase and loan against property.

The company reported a profit of Rs. 20.52 crore on a managed asset base of Rs. 647 crore in FY2017 vis-à-vis a profit of Rs. 8.45 crore on an asset base of Rs. 456 crore in FY2016. The company reported a profit of Rs. 24.46 crore on a managed asset base of Rs. 970.24 crore during FY2018, as per provisional financials. The company's gross and net NPAs stood at 1.3% and 0.88%, respectively, as on March 31, 2018.



Key financial indicators (audited)

	FY 2016	FY 2017
Net interest income	42.4	66.3
Profit before tax	10.9	31.6
Profit after tax	8.5	20.5
Gross advances	399.00	548.25
Total assets	410.7	613.8
% Tier 1	121.0%	107.8%
% CRAR	122.2%	109.0%
Gearing	0.5	0.7
% Net profit/Average total assets	2.6%	4.0%
% Return on net worth	5.2%	6.7%
% Gross NPAs	0.28%	0.74%
% Net NPAs	0.17%	0.50%
Net NPA/Net worth	0.26%	0.74%

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Current Rating (FY2019)					Chronology of Rating History for the past 3 years			
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in FY2019	Date & Rating in FY2018	Date & Rating in FY2017	Date & Rating in FY2016	
				May-18	Mar-18	Aug-17	Sept-16	Sept-15
1 NCD	Long Term	79.00	79.00	[ICRA]A- (Positive)	-	-	-	-
2 NCD	Long Term	71.00	50.00	[ICRA]A- (Positive)	[ICRA]A- (Positive)	[ICRA]A- (Stable)	-	-
3 Bank Lines	Long Term	250.00	250.00	[ICRA]A- (Positive)	[ICRA]A- (Positive)	[ICRA]A- (Stable)	[ICRA]A- (Stable)	[ICRA]BBB+ (Stable)

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in



Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
Yet to be issued	NCD	Yet to be issued	Yet to be issued	Yet to be issued	100.00	[ICRA]A- (Positive)
INE922K07013	NCD	31-Jul-2017	9.99%	51 months	50.00	[ICRA]A- (Positive)
NA	Term Loan 1	23-Aug-13	NA	6-Sep-18	0.72	[ICRA]A- (Positive)
NA	Term Loan 2	2-Nov-13	NA	22-Nov-18	0.67	[ICRA]A- (Positive)
NA	Term Loan 3	15-Jan-14	NA	31-Jan-19	0.88	[ICRA]A- (Positive)
NA	Term Loan 4	21-Jun-14	NA	30-Jun-19	2.00	[ICRA]A- (Positive)
NA	Term Loan 5	15-Jan-15	NA	31-Jan-20	1.93	[ICRA]A- (Positive)
NA	Term Loan 6	10-Sep-15	NA	31-Dec-23	7.19	[ICRA]A- (Positive)
NA	Term Loan 7	10-Sep-15	NA	30-Mar-24	5.63	[ICRA]A- (Positive)
NA	Term Loan 8	11-Mar-16	NA	31-Mar-21	4.34	[ICRA]A- (Positive)
NA	Term Loan 9	10-Sep-15	NA	20-Apr-24	5.86	[ICRA]A- (Positive)
NA	Term Loan 10	9-Mar-16	NA	26-Jul-21	10.34	[ICRA]A- (Positive)
NA	Term Loan 11	30-Mar-16	NA	30-Sep-22	3.75	[ICRA]A- (Positive)
NA	Term Loan 12	23-Jan-17	NA	13-Feb-24	4.29	[ICRA]A- (Positive)
NA	Term Loan 13	24-Feb-17	NA	26-Feb-25	9.22	[ICRA]A- (Positive)
NA	Term Loan 14	25-Nov-16	NA	31-Mar-22	8.35	[ICRA]A- (Positive)
NA	Term Loan 15	29-Sep-16	NA	30-Jun-25	1.81	[ICRA]A- (Positive)
NA	Term Loan 16	24-Feb-17	NA	26-Feb-25	9.22	[ICRA]A- (Positive)
NA	Term Loan 17	24-Feb-17	NA	26-Feb-25	9.22	[ICRA]A- (Positive)
NA	Term Loan 18	24-Feb-17	NA	26-Feb-25	18.45	[ICRA]A- (Positive)
NA	Term Loan 19	23-Jan-17	NA	13-Feb-24	8.89	[ICRA]A- (Positive)
NA	Term Loan 20	29-Sep-16	NA	30-Jun-25	3.63	[ICRA]A- (Positive)
NA	Term Loan 21	29-Sep-16	NA	30-Jun-25	3.63	[ICRA]A- (Positive)
NA	Term Loan 22	25-Nov-16	NA	28-Sep-22	6.75	[ICRA]A- (Positive)
NA	Term Loan 23	31-Aug-17	NA	29-Sep-23	45.83	[ICRA]A- (Positive)
NA	Term Loan 24	Yet to be drawn	NA	Yet to be drawn	20.00	[ICRA]A- (Positive)
NA	Term Loan 25	Yet to be drawn	NA	Yet to be drawn	33.00	[ICRA]A- (Positive)
NA	Term Loan 26	Yet to be drawn	NA	Yet to be drawn	15.00	[ICRA]A- (Positive)

Source: India Shelter Finance Corporation Limited



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Corrigendum

Document dated May 03, 2018 has been corrected with revisions as detailed below:

- The month and year (in MMM-YY format) for FY2018 has been updated in the table capturing 'Rating history for the last three years' of the company (on page 5).



Amr Chopra



ICRA

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Tel: +91 124 4545 860

naznin.prodhani@icraindia.com

Helpline for business queries:

+91-124-2866928 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in



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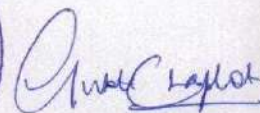
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ICRA

ICRA Limited

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Ref: D/RAT/2018-19/I74/3

April 30, 2018

Mr. Sunil Jain
Chief Financial Officer
India Shelter Finance Corporation Limited
6th Floor Plot no. 15 Institutional Area,
Sector 44, Gurugram,
Haryana – 122002

Dear Sir,

Re: ICRA Credit Rating for the Rs. 100.00 crore Non-Convertible Debenture (NCD) Programme of India Shelter Finance Corporation Limited

Please refer to the Rating Agreement dated April 20, 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 as ICRA A minus) rating to the captioned NCD Programme. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The Outlook on the long-term rating is 'Positive'.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as [ICRA]A- (Positive). We would request if you can sign the acknowledgement and send it to us latest by May 4, 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 and accepted by you, it would be subject to our review and may result in change in the rating assigned.

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ICRA

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.

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

Sabyasachi Majumdar
Senior Vice President
sabyasachi@icraindia.com

Rajat Mehta
Analyst
rajat.mehta@icraindia.com

Encl:

No default statement format





ICRA

Annexure: Instrument details

Name of the Instrument	Rated Amount	Amount outstanding	Rating
NCD-1	Rs. 21.00 crore	Rs. 21.00 crore	[ICRA]A-(Positive)
NCD-2	Rs. 79.00 crore	Rs. 79.00 crore	[ICRA]A-(Positive)
Total	Rs. 100.00 crore	Rs. 100.00 crore	



Chitra Chakraborty



ICRA

Encl:

'No Default Statement on the Company Letter Head'

To

<CRA Name and Address>

Dear Sir/ Madam,

1. We hereby Confirm that as on date there are no Over dues or default on our debt obligations
2. We also confirm that in the month ended <Month and Year name>, there has been no instance of delay in servicing of our debt obligations.
3. We also confirm that there has not been any instance of devolvement of Letter of Credit in the month ended <Month and Year name>.
4. We also confirm that in the month ended <Month and Year name>, there has been no instance of delay in servicing of debt obligations guaranteed by us.
5. We also confirm that there has been no overdraw of the drawing power sanctioned by the bank for a period of more than 30 consecutive days in case of bank facilities which do not have scheduled maturity/repayment dates.
6. Details of delay/ default/ rescheduling of interest or principal as on date/ in the month ended<Month and Year name> , in any of the above case (if any):

Name of the Instrument	ISIN	Amount to be paid	Due Date of Payment	Actual Date of Payment	Remarks

Thanking You,

Yours faithfully,

<Authorized Signatory of Issuer>

