

ONo: _____

Addressed to: _____

**INFORMATION MEMORANDUM
ESS KAY FINCORP LIMITED**

(Erstwhile Ess Kay Auto Finance Private Limited)

A public limited company incorporated under the Companies Act, 1956

Date of Incorporation: November 21, 1994

Registered Office: G 1-2, New Market, Khasa Kothi, Jaipur, Rajasthan – 302001

Telephone No.: +91 141 4734016

Website: www.skfin.in

**Information Memorandum for issue of Debentures on a private placement basis on
September 16, 2019**

Issue of 150 (One Hundred and Fifty) Rated, Listed, Fully Paid-up, Senior, Secured, Redeemable, Taxable, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 15,00,00,000/- (Rupees Fifteen Crores only) on a private placement basis (the “Issue”).

Background

This Information Memorandum is related to the Debentures to be issued by Ess Kay Fincorp Limited (the “**Issuer**” or “**Company**”) on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Information Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on June 15, 2019 and the Board of Directors of the Issuer on August 06, 2019 read with the resolution passed by the Executive Committee of the Board of Directors dated August 28, 2019 and the Memorandum and Articles of Association of the Company. Pursuant to the resolution passed by the Company’s shareholders dated June 15, 2019 in accordance with provisions of the Companies Act, 2013, the Company has been authorised to borrow, upon such terms and conditions as the Board may think fit, for amounts up to INR 3250,00,00,000/- (Rupees Three Thousand Two Hundred and Fifty Crores only). The present issue of NCDs in terms of this Information Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

General Risks

Investment in debt and debt related securities involve a degree of risk and Investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments and only after reading the information carefully. For taking an investment decision, the Investors must rely on their own examination of the Company and the Issue including the risks involved. The Debentures have not been recommended or approved by Securities and Exchange Board of India (“**SEBI**”) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of Investors is invited to the statement of Risk Factors at SECTION 4 of this memorandum of private placement for issue of Debentures on a private placement basis (“**Information Memorandum**” or “**Disclosure Document**”). This Information Memorandum has not been submitted, cleared or approved by SEBI.

Issuer’s Absolute Responsibility

The Issuer, having made all reasonable inquiries, confirms and represents that the information contained in this Information Memorandum/ Disclosure Document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed

herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Issuer is solely responsible for the correctness, adequacy and disclosure of all relevant information herein.

Credit Rating




The Debentures proposed to be issued by the Issuer have been rated by CRISIL Limited (“**Rating Agency**” / “**CRISIL**”). The Rating Agency has, vide its letter dated September 06, 2019 assigned a rating of “CRISIL A” (pronounced as “CRISIL A”) with ‘stable’ outlook in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and Investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to **Annexure II** of this Information Memorandum for the letter dated September 06, 2019 from the Rating Agency assigning the credit rating abovementioned and the rating rationale dated September 06, 2019 issued by the Rating Agency disclosing the rating rationale adopted for the aforesaid rating.

Issue Schedule

Issue Opens on: September 18, 2019
Issue Closing on: September 18, 2019
Deemed Date of Allotment: September 19, 2019

The Issuer reserves the right to change the Issue Schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

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

Sole Arranger	Debenture Trustee	Registrar and Transfer Agent
 Vivriti Capital Private Limited 12th floor, Prestige Polygon, Anna Salai, Rathna Nagar, Teynampet, Chennai, Tamil Nadu – 600035 Email: product@vivriticapital.com	 IDBI Trusteeship Services Limited Asian Building, Ground Floor 17. R. Kamani Marg, Ballard Estate Mumbai – 400001, India Phone: 022 40807000 Fax: 022 66311776 Email: itsl@idbitrustee.com	 Karvy Fintech Private Limited 46, Avenue, 4th Street, No.1, Banjara Hills, Hyderabad-500034 Tel: +91 40 33211000, 67162222 Email: rakesh.santhalia@karvy.com

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

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

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

Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue.
Applicable Law	Includes all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Application Form	The form used by the recipient of this Disclosure Document and/or the Private Placement Offer cum Application Letter(s), to apply for subscription to the Debentures, which is annexed to this Information Memorandum and marked as Annexure IV .
Arranger/Sole Arranger	Vivriti Capital Private Limited
Board/Board of Directors	The Board of Directors of the Issuer.
Business Day	any day of the week (excluding Sundays, and any day on which banks are closed for business in Mumbai) on which banks are open for business in Mumbai, and “Business Days” shall be construed accordingly;
CDSL	Central Depository Services (India) Limited.
Client Loan	Each loan made by the Issuer as a lender, and “ Client Loans ” shall refer to the aggregate of such loans.
Control	shall mean (a) the direct or indirect beneficial ownership of or the right to vote in respect of, directly or indirectly, more than 51% (Fifty One percent) of the voting shares or securities of such person; (b) the power to control the majority of the composition of the board of directors of such person; (c) the power to control the management or policy decisions exercisable by a Person or Persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder’s agreements or voting agreements or in any other manner; or (d) any combination of (a), (b) and (c). For avoidance of doubt, it is clarified that the term “Control” shall also include the instances covered within the definition of control in Section 2(27) of the Companies Act, 2013.
Debentures / NCDs	150 (One Hundred and Fifty) Rated Listed Fully Paid-up Senior Secured Redeemable Taxable Non-Convertible Debentures bearing a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating to Rs. 15,00,00,000/- (Rupees Fifteen Crores only).
Debenture Holders / Investors	The holders of the Debentures issued by the Issuer and shall include the registered transferees of the Debentures from time to time.
Debenture Trustee	IDBI Trusteeship Services Limited
Debenture Trustee Agreement	Agreement executed / to be executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trust Deed	Shall mean the debenture trust cum mortgage deed executed/to be executed by and between the Debenture Trustee and the Company <i>inter alia</i> recording the terms and conditions for the creation of a first ranking <i>pari passu</i> mortgage over certain identified immovable property of the Company situated in Tamil Nadu and setting 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.
Deemed Date of Allotment	September 19, 2019
Demat	Refers to dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	Director(s) of the Issuer.
Disclosure Document / Information Memorandum	This document which sets out the information regarding the Debentures being issued on a private placement basis.
DP ID	Depository Participant Identification Number.
Due Date	Any date on which the holders of the Debentures are entitled to any payments, whether on maturity or earlier, on exercise of the option to redeem the Debentures prior to the scheduled Maturity Date or acceleration.
EBP Guidelines	The guidelines issued by SEBI with respect to electronic book mechanism under the terms of the SEBI Circular dated January 5, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/05) read with the SEBI Circular dated August 16, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/122) and the operational guidelines issued by the relevant Electronic Book Provider, as may be amended, clarified or updated from time to time.
Electronic Book Provider / EBP	shall have the meaning assigned to such term under the EBP Guidelines.
EFT	Electronic Fund Transfer.
Final Settlement Date	the date on which the entire outstanding amounts of the Company in relation to the Debentures including the principal amounts, the Coupon accrued thereon, the Default Interest, additional interest, costs, fees, charges, etc. and all obligations of the Company under the Transaction Documents have been irrevocably and unconditionally discharged in full, to the satisfaction of the Debenture Trustee.
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.
GAAP	Generally Accepted Accounting Principles prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Issuer.
Governmental Authority	The President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same, any municipal or local government authority, any authority or private body exercising powers conferred by applicable law and any court, tribunal or other judicial or quasi-judicial body and shall include, without limitation, a stock exchange and any regulatory body.
ICCL	Indian Clearing Corporation Limited
Issue	Private Placement of the Debentures.
Issue Closing Date	September 18, 2019
Issue Opening Date	September 18, 2019
Issuer/ Company	Ess Kay Fincorp Limited.

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Majority Debenture Holders	Debtenture Holders whose participation or share in the principal amount(s) outstanding with respect to the Debtentures aggregate to more than 51% (Fifty One Percent) of the value of the nominal amount of the Debtentures for the time being outstanding.
Material Adverse Effect	The effect or consequence of an event, circumstance, occurrence or condition (not being an event or circumstance arising out of any legislative or regulatory actions) which has caused or is likely to cause, as of any date of determination, in the sole opinion of the Debtenture Trustee, a material and adverse effect on: (i) the financial condition, business or operation of the Issuer; (ii) the ability of the Issuer to perform their obligations under the Transaction Documents; or (iii) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
Maturity Date	September 13, 2022, subject to a Put Option or Call Option or, such other date on which the final payment of the principal amount of the Debtentures becomes due and payable provided by the Debtenture Holders, whether at such stated maturity date, by declaration of acceleration, or otherwise.
N.A.	Not Applicable.
NBFC	Non-banking financial company
NSDL	National Securities Depository Limited.
PAN	Permanent Account Number.
Portfolio at Risk	Shall mean the outstanding principal amount of all Client Loans that have one or more instalments of principal, interest, penalty interest, fees or any other expected payments past due more than a specified number of days.
Private Placement Offer cum Application Letter	Shall mean the private placement offer cum application letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
Rating Agency	CRISIL Limited, being a credit rating agency registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time.
RBI	Reserve Bank of India.
Record Date	The date which will be used for determining the Debtenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 7 (Seven) Business Days prior to such Due Date.
Register of Debtenture Holders	The register maintained by the Company containing the name(s) of Debtenture Holder(s) in the form and manner as prescribed under the Companies (Management and Administration Rules), 2014, which shall be maintained at the registered office of the Company.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being Karvy Fintech Private Limited
ROC	Registrar of Companies.
Rs. / INR	Indian Rupee.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 issued by SEBI, as amended from time to time.
TDS	Tax Deducted at Source.
The Companies Act/ the Act	The Companies Act, 1956 as amended from time to time and to the extent repealed and replaced, by the Companies Act, 2013 shall mean the Companies Act, 2013 and the relevant rules issued thereunder.
Terms & Conditions	Shall mean the terms and conditions pertaining to the Issue as outlined in

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	the Transaction Documents.
Transaction Documents	Shall mean the documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out in SECTION 8 and shall include the Information Memorandum, the Private Placement Offer cum Application Letter, the Debenture Trustee Agreement, shareholder resolution authorising private placement of debentures under Section 42 of the Companies Act, 2013, board resolution authorising the issuance of Debentures under Section 179 of the Companies Act, 2013, the credit rating letter from the Rating Agency, the consent letter from the Debenture Trustee, the Debenture Trust Deed and any other document that may be designated by the Debenture Trustee as a Transaction Document.
WDM	Wholesale Debt Market segment of the BSE.
Wilful Defaulter	Shall mean an issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(n) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Information Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general. The Issuer has mandated Vivriti Capital Private Limited to act as an arranger for the Debentures and to distribute either itself and/or through its affiliates this Information Memorandum to identified potential investors

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum/ Disclosure Document to be filed or submitted to the SEBI for its review and/or approval. However, pursuant to the provisions of Section 42 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the copy of this Information Memorandum/Private Placement Offer cum Application Letter(s) shall be filed with the ROC and SEBI within the stipulated timelines under the Companies Act.

This Information Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and the applicable RBI Circulars governing private placements of debentures by NBFCs. This Information Memorandum has been prepared solely to provide general information about the Issuer to the eligible investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any eligible investor may require. Further, this Information Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

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

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The Issuer certifies that the disclosures made in this Information Memorandum and/or the Private Placement Offer cum Application Letter(s) are adequate and in conformity with the SEBI Debt Listing Regulations. Further, the Issuer accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at its own risk.

This Information Memorandum, the Private Placement Offer cum Application Letter(s) and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to

apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s) are intended to be used only by those potential Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

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

The person who is in receipt of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s) shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Information Memorandum and/or the Private Placement Offer cum Application Letter(s) may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Information Memorandum) without retaining any copies hereof. If any recipient of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s) decides not to participate in the Issue, that recipient must promptly return this Information Memorandum and/or the Private Placement Offer cum Application Letter(s) and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Information Memorandum and/or the Private Placement Offer cum Application Letter(s) to reflect subsequent events after the date of Information Memorandum and/or the Private Placement Offer cum Application Letter(s) and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s) nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Information Memorandum and/or the Private Placement Offer cum Application Letter(s) does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s) in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions. The Information Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

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

be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

2.3 DISCLAIMER CLAUSE OF 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 and/or the Private Placement Offer cum Application Letter(s) with SEBI within 30 (Thirty) days from the Deemed Date of Allotment as per the provisions of the 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 and/or the Private Placement Offer cum Application Letter(s). 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 and/or the Private Placement Offer cum Application Letter(s). Neither is the Sole Arranger responsible for preparing, clearing, approving, scrutinizing or vetting this Information Memorandum and/or the Private Placement Offer cum Application Letter(s), nor is the Sole Arranger responsible for doing any due-diligence for verification of the truth, correctness or completeness of the contents of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s). The Sole Arranger shall be entitled to rely on the truth, correctness and completeness of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s). It is to be distinctly understood that the aforesaid use of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s) by the Sole Arranger should not in any way be deemed or construed to mean that the Information Memorandum and/or the Private Placement Offer cum Application Letter(s) has been prepared, cleared, approved, scrutinized or vetted by the Sole Arranger. Nor should the contents of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s) 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 and/or the Private Placement Offer cum Application Letter(s).

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 and/or the Private Placement Offer cum Application Letter(s) 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 and/or the Private Placement Offer cum Application Letter(s). 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 and/or the Private Placement Offer cum Application Letter(s). No responsibility or liability or duty of care is or will be accepted by the Sole Arranger for updating or supplementing this Information Memorandum and/or the Private Placement Offer cum

Application Letter(s) nor 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 and/or the Private Placement Offer cum Application Letter(s). The receipt of this Information Memorandum and/or the Private Placement Offer cum Application Letter(s) 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 and/or the Private Placement Offer cum Application Letter(s) acknowledges that:

- i. 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
- ii. 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 clause titled “Eligible Investors” of this Information Memorandum, who shall be/have been identified upfront by the Issuer. This Information Memorandum and/or the Private Placement Offer cum Application Letter(s) 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. This Information Memorandum and/or the Private Placement Offer cum Application Letter(s) 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 Investors on the Deemed Date of

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Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

SECTION 3: AUTHORISATION LETTER

Date: September 16, 2019

To: **Vivriti Capital Private Limited** (the “Arranger”)

Dear Sirs,

Issuance of Rated Listed Fully Paid Senior Secured Redeemable Taxable Non-Convertible Debentures on a private placement basis (the “Debentures”)

Ess Kay Fincorp Limited (the “Company” or the “Issuer”), refers to the information memorandum dated September 16, 2019 (the “Information Memorandum”) in connection with the Debentures proposed to be issued by the Issuer.

The Issuer confirms that, as at the date of this letter, the factual information contained in the Information Memorandum is true and accurate and no factual information has been omitted that renders such information contained in the Information Memorandum untrue or inaccurate in any material respect and any financial forecasts and projections contained in any part of the Information Memorandum have been prepared on the basis of recent historical information and assumptions believed by the Issuer to be fair and reasonable. All expressions of opinion, statements and estimates set forth and reflected in the Information Memorandum have been made by the Issuer after due and proper consideration. In addition, the Issuer is not aware of any information not contained in the Information Memorandum, the omission of which would lead to the Information Memorandum being inaccurate, untrue or misleading in any material respect. The Issuer further confirms that it is in compliance and shall comply with all applicable laws and regulations in relation to the proposed issue of the Debentures.

The Issuer authorises the Arranger and/or its affiliates to deliver copies of the Information Memorandum to those specified persons identified by the Company/Arranger from whom the Arranger proposes to seek participation in the Debentures. The Issuer agrees to indemnify and hold the Arranger, its affiliates and each of its and their officers, employees, representatives, and agents harmless from and against any and all losses, liabilities, damages, claims, costs or expenses which may be imposed on or incurred by the Arranger or its affiliates, officers, employees, representatives, and agents as a result of any inaccurate, untrue or misleading statement contained in the Information Memorandum or caused by an omission of any material fact which is necessary to make any of the statements contained in the Information Memorandum not misleading.

This letter and all claims arising in connection with it are governed by and are to be construed in accordance with Indian law. The Issuer submits to the exclusive jurisdiction of the courts and tribunals at Mumbai for the resolution of any dispute arising in connection with this letter.

Yours faithfully,
For and on behalf of
Ess Kay Fincorp Limited

By: _____
Name: _____
Title: _____

SECTION 4: RISK FACTORS

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential Investors should carefully consider all the risk factors in this Information Memorandum and/or the Private Placement Offer cum Application Letter(s) 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/or the Private Placement Offer cum Application Letter(s) and reach their own views prior to making any investment decision.

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

Potential Investors should be aware that receipt of the principal amount and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

4.2 THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.

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

4.3 CREDIT RISK & RATING DOWNGRADE RISK

The Rating Agency has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. In such cases, potential Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

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

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

4.5 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

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

4.6 ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are

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

4.7 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 Investor's recovery in relation to the Debentures will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the Security at a price sufficient to repay the potential Investors amounts outstanding under the Debentures. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

4.8 MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

4.9 LEGALITY OF PURCHASE

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

4.10 POLITICAL AND ECONOMIC RISK IN INDIA

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

4.11 RISKS RELATED TO THE BUSINESS OF THE ISSUER

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

The vehicle loans provided by the Issuer are secured and if the Issuer is unable to control the level of NPAs in the future, or if the loan loss reserves are insufficient to cover future loan losses, the financial condition of the Issuer and results of operations may be materially and adversely affected.

As on March 31, 2018, the gross NPA was Rs 42.20 crores on a gross portfolio of Rs 1281.98 crores (including managed / securitized portfolio of Rs. 271.55 crores).

As on March 31, 2019, the gross NPA was Rs 61.74 crores on a gross portfolio of Rs 2001.84 crores (including managed / securitized portfolio of Rs. 472.16 crores).

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

The Issuer's current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of the Issuer's total loan portfolio. As a result, if the quality of the Issuer's total loan portfolio deteriorates the Issuer may be required to increase the loan loss reserves, which will adversely affect the Issuer's financial condition and results of operations. The Issuer's members largely belong to low-income segment and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer's members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that the Issuer's monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer is unable to control or reduce the level of its NPAs or poor credit quality loans, the Issuer's financial condition and results of the Issuer's operations could be materially and adversely affected.

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

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

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

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

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

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

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

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

D. *The Issuer is exposed to certain political, regulatory and concentration of risks*

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigant to this is to expand its geographical reach and may consequently expand its operations other states. If it is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

E. *Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.*

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the vehicle finance, banking and financial services industries. The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its members. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its members over a period of time. The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

F. *The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees*

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

G. *The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position*

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

H. ***Issuer requires certain statutory and regulatory approvals for conducting business and failure to obtain or retain them in a timely manner, or at all, may adversely affect operations.***

NBFCs in India are subject to strict regulation and supervision by the RBI. The Issuer requires certain approvals, licenses, registrations and permissions for operating, including registration with the RBI as a non-deposit taking NBFC (NBFC-ND). Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. Additionally, the Issuer may need additional approvals from regulators to introduce new insurance and other fee based products to its members. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC that is subject to numerous conditions. In addition, branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, business may be adversely affected. If the Issuer fails to comply, or a regulator claims that the Issuer has not complied with any of these conditions, its certificate of registration may be suspended or cancelled and the Issuer shall not be able to carry on such activities.

I. ***Competition from banks and financial institutions, as well as state-sponsored social programs, may adversely affect our profitability and position in the Indian lending industry***

The Issuer faces most significant competition from other NBFCs and banks in India. Many of the institutions with which Issuer competes have greater assets and better access to, and lower cost of, funding than the issuer. In certain areas, they may also have better name recognition and larger member bases than Issuer. The Issuer anticipates that it may encounter greater competition as they continue expanding the operations in India, which may result in an adverse effect on the business, results of operations and financial condition.

SECTION 5: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the FY ended 31.03.2019 are set out in **Annexure V** hereto

SECTION 6: REGULATORY DISCLOSURES

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

6.1 Documents Submitted to the Exchanges

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

- A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- B. Copy of last 3 (Three) years audited Annual Reports;
- C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- D. Certified copy of the Board Resolution dated August 06, 2019 read with the resolution passed by the Executive Committee of the Board of Directors dated August 28, 2019 authorising the issuance of the Debentures;
- E. Certified true copy of the shareholders' resolution passed by the Company at the Annual General Meeting held on June 15, 2019 authorizing the Company to borrow, upon such terms as the Board may think fit, upto an aggregate limit of INR 3250,00,00,000 (Indian Rupees Three Thousand Two Hundred and Fifty Crore only);
- F. Certified true copy of the shareholders' resolution passed by the Company at the Annual General Meeting held on June 15, 2019 authorizing the Company to create security in respect of its borrowings under Section 180(1)(a) of the Companies Act, 2013;
- G. Certified true copy of the shareholders' resolution passed by the Company at the Annual General Meeting held on June 15, 2019 authorizing the Company to issue non-convertible debentures under Section 42 of the Companies Act, 2013;
- H. An undertaking from the Issuer stating that the necessary documents for the creation of the charge, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within 5 (Five) working days of execution of the same;
- I. Where applicable, an undertaking that permission / consent from the prior creditor for a second or *pari passu* charge being created, in favour of the trustees to the proposed issue has been obtained; and
- J. Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

6.2 Documents Submitted to Debenture Trustee

The following documents have been/shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the allotment of the Debentures:

- A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- B. Copy of last 3 (Three) years audited Annual Reports;
- C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- D. Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any.
- E. An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (D) above to the Debenture Trustee within the timelines

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as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred and Eighty) calendar days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' and other existing debenture-holders within 2 (two) Business Days of their specific request.

6.3 Name and Address of Registered Office of the Issuer

Name: Ess Kay Fincorp Limited

Registered Office of Issuer: G1&2, New Market,
Khasa Koti Circle, Jaipur, Rajasthan – 302006

Corporate Office of Issuer: G1&2, Adarsh Plaza,
Khasa Kothi Circle, Jaipur, Rajasthan - 302006

Compliance Officer of Issuer: Ms. Anagha Bangur,
Company Secretary
G1&2, Adarsh Plaza,
Khasa Kothi Circle, Jaipur, Rajasthan - 302006

CFO of Issuer: Mr. Atul Arora,
Phone No: 0141-4734016
Address: G1&2, Adarsh Plaza, Khasa Kothi Circle,
Jaipur, Rajasthan – 302006

Corporate Identification Number: U65923RJ1994PLC009051

Phone No.: +91 141 4734016

Fax No: -

Contact Person: Mr. Vivek Singh,
G1&2, Adarsh Plaza,
Khasa Kothi Circle, Jaipur, Rajasthan – 302006

Email: anagha.bangur@skfin.in

Website of Issuer: www.skfin.in

Auditors of the Issuer: B S R & Co. LLP
Address: 5th Floor, Lodha Excelus, Apollo Mills Compound
N.M Joshi Marg Mahalaxmi Mumbai-4000 11

Arrangers to the Issuer: Vivriti Capital Private Limited,
12th floor, Prestige Polygon, Anna Salai, Rathna Nagar,
Teynampet, Chennai, Tamil Nadu – 600035
Email: product@vivriticapital.com

Trustee to the Issue: IDBI Trusteeship Services Limited
Address: Asian Building, Ground Floor, 17. R. Kamani
Marg, Ballard Estate, Mumbai – 400001, India

Email: itsl@idbitrustee.com

Registrar to the Issue: Karvy Fintech Private Limited
46, Avenue, 4th Street, No.1, Banjara Hills,
Hyderabad-500034

Credit Rating Agency of the Issue: CRISIL Limited,
Address: Central Avenue, Hiranandani Business Park,
Powai, Mumbai- 400 076

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

A. Overview:

Ess Kay Fincorp Limited is registered as an Asset Financing Non-Banking Financial Corporation (NBFC-AFC) with the RBI. It was incorporated in 1994 and is primarily engaged in financing of commercial vehicles – mostly light commercial vehicles and multi utility vehicles. Its corporate and registered office is in Jaipur, Rajasthan.

It provides loans primarily to first time buyers and small transporters for purchase of used vehicles. The Issuer's experienced management team, knowledge of local market, good franchise in Rajasthan, good systems and processes, control on asset quality indicators and adequate profitability are credit the positives for the company.

B. Corporate Structure/Organization Structure

i. Current Corporate Status:

The Issuer was incorporated as a private limited company under the Companies Act of 1956 on November 21, 1994 and is registered with the Reserve Bank of India as a non-deposit accepting NBFC and converted from a private limited to public limited company under the Companies Act of 2013 on September 04, 2017. The Issuer derives the following benefits of being registered as an NBFC.

- **Access to Funds:** Commercial lenders have greater comfort lending to a regulated NBFC with transparent ownership. As an Issuer, Ess Kay can raise equity and offer commercial returns.
- **Diverse Funding Sources:** An NBFC can access commercial investors and international capital markets, diversifying away from donors or members as equity funders.
- **Commercialisation:** Classifying Ess Kay as an NBFC increases its commercial credibility and integrates it and its clients into the formal financial sector which ultimately increases its outreach potential.
- **Mainstream Resources:** As a for-profit commercial NBFC, Ess Kay will be more likely to attract mainstream capital resources which Societies or Trusts would find difficult to attract.
- **Regulatory Coverage:** As Ess Kay grows in size, operating as an NBFC within the regulatory framework mitigates risks from political and regulatory intervention.
- **Stakeholder Involvement:** As an NBFC, Ess Kay can bring a variety of stakeholders to the table, including clients, management, employees and investors.

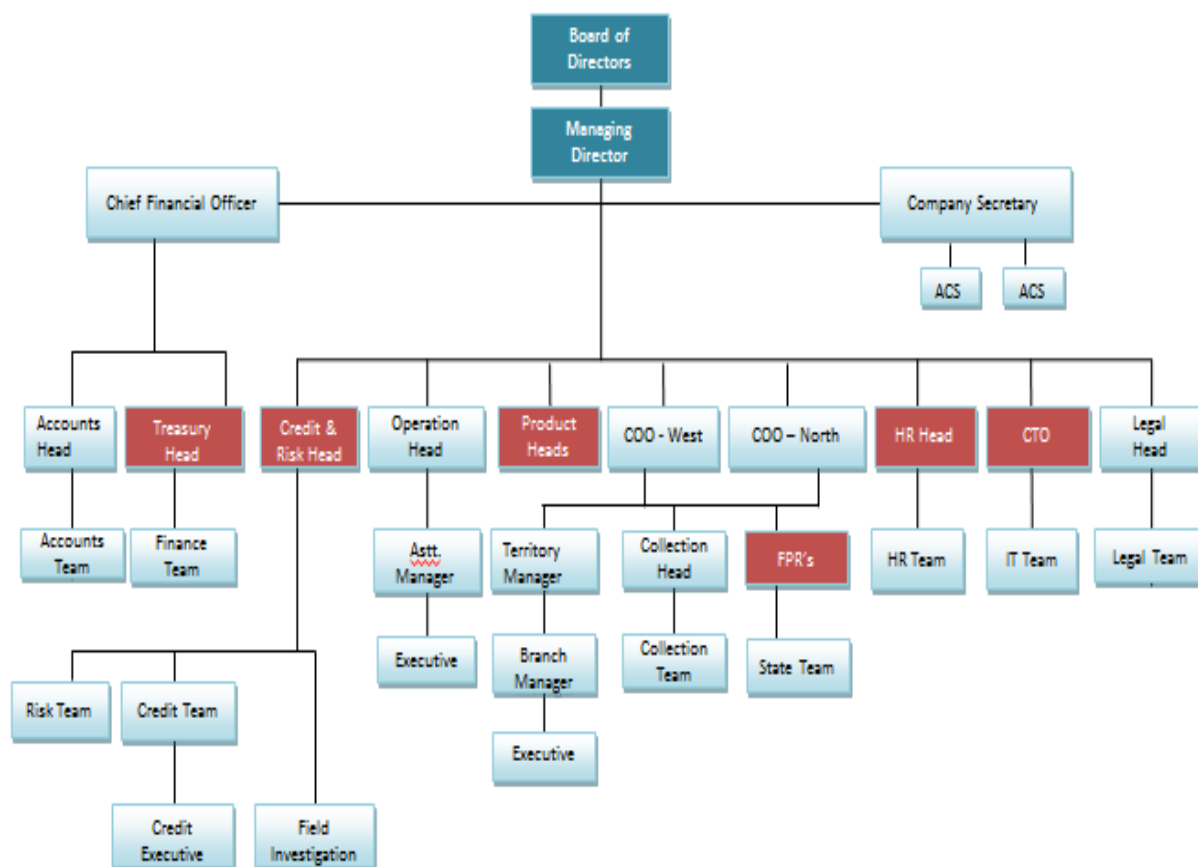
ii. Business Segments

Ess Kay lends financial assistance in the form of loans, to help meet customers' needs in the transportation life cycle from end-to-end. We finance Medium Commercial Vehicles (MCV), Light Commercial Vehicles (LCV), Multi-Utility Vehicle (MUV), Cars, Two – Wheelers and MSME financing. Apart from financing new vehicles, we have Refinancing loans available for used and pre-owned vehicles of all kinds and brands.

PRODUCT DETAILS

Product	Features	Purpose	Eligibility
Vehicles loans	Secured by hypothecation of vehicle	Purchase of vehicle	Self-occupied individuals
MSME	Secured by mortgage of property	Expansion of business	Self-occupied residential and commercial property Individuals

(i) Corporate Structure



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

(Rs. in Crores)

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Parameters	Audited 31-Mar-15	Audited 31-Mar-16	Audited 31-Mar-17	Audited 31-Mar-18	Audited 31-Mar-19
	(in Lakhs)	(in Lakhs)	(in Lakhs)	(in Lakhs)	(in Lakhs)
Net Worth	6,196	7,397	8,627	20,630	55,518
Total Debt	29,689	42,136	61462	89763	129917
- Non-current maturities of long term Borrowings	14,921	22,615	30198	42815	80262
- short term borrowings	1,650	7,331	4597	8523	6505
- Current maturities of long term Borrowings	13,118	12,191	26667	38425	43150
Net Fixed Assets	341	498	1016	1230	1704
Non-Current Assets	17,766	26,390	38367	69175	102226
Cash and Cash equivalents	2,476	2,637	5543	2937	27761
Current investments	-	-	-	-	1100
Current Assets	20,884	27,128	37714	51696	66525
Current liabilities	17,308	22,257	37811	56944	59369
Assets Under Management	38,781	52,562	82449	128198	200184
Off balance sheet assets	7,639	8,310	24931	27155	47216
Interest Income	7,284	9,403	12056	16931	28901
Interest Expense	4,073	4,749	6570	8479	13096
Provisioning for loan portfolio	148	436	674	1206	2059
PAT	905	1,201	1230	2195	5223
Gross NPA (%)	1.42%	1.85%	4.22%	3.37%	3.83%
Net NPA (%)	0.91%	1.42%	3.41%	2.57%	2.87%
Recognition of NPA	180 days	150 days	120 days	90 days	90 days
Tier I Capital Adequacy Ratio (%)	17.06%	14.60%	11.56%	16.72%	31.17%
Tier II Capital Adequacy Ratio (%)	2.64%	5.52%	6.20%	3.52%	1.85%

D. Gross Debt: Equity Ratio of the Company (As on September 16, 2019):

Before the issue of debt securities	2.36
After the issue of debt securities	2.

Calculations

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

Debt – INR crores	1349.46
Equity – INR crores	572.6
Debt/Equity	2.36

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

Debt – INR crores	1,364.46
Equity – INR crores	572.60
Debt/Equity	2.38

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

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

A. Details of Share Capital as on last quarter end i.e. June 30, 2019:

Share Capital	Rs.
Authorised	
Equity share capital	5,75,00,000
Preference share capital	Nil
TOTAL	5,75,00,000
Issued, Subscribed and Fully Paid- up	
Equity share capital	4,60,32,258
Preference Shares	Nil
TOTAL	4,60,32,258

B. Changes in its capital structure as on last quarter end i.e. June 30, 2019, for the last five years:

Changes in its capital structure as on last quarter end	Change in Authorised Share Capital (Equity and Preference) (Rs.)		Particulars
	Existing	Revised	
Date of Change (AGM/EGM)			Change in capital (Rs.)
31.12.2010	12,500,000	25,000,000	+12,500,000
31.12.2011	25,000,000	25,000,000	-
31.12.2012	25,000,000	45,000,000(E.S.) 12,500,000(P.S)	+20,000,000 +12,500,000
31.12.2013	45,000,000(E.S.) 12,500,000(P.S)	45,000,000(E.S.) 12,500,000(P.S)	-
31.12.2014	45,000,000(E.S.) 12,500,000(P.S)	45,000,000(E.S.) 12,500,000(P.S)	-
31.12.2015	45,000,000(E.S.) 12,500,000(P.S)	45,000,000(E.S.) 12,500,000(P.S)	-
31.03.2017	45,000,000(E.S.) 12,500,000(P.S)	45,000,000(E.S.) 12,500,000(P.S)	-
5.12.2017	45,000,000(E.S.) 12,500,000(P.S)	5,75,00,000(E.S.)	-
11.09.2018	5,75,00,000(E.S.)	5,75,00,000(E.S.)	Each ES of Rs. 100 was splitted into 50 ES of Rs. 02 each.

C. Equity Share Capital History of the Company as on last quarter end i.e. June 30, 2019, for the last five years:

Date of allotment	Name of equity shareholder	No. shares	Face Value (Rs.)	Issue price	Consideration Amount (Rs.)	Nature of Allotment	Cumulative paid-up capital (Rs.)			Remarks
							No. of equity shares	Equity share Capital	Equity Share Premium (in Rs.)	
31.03.2010	Asha Kothari	3650	100	500	1,825,000	Equity	123,150	12,315,000		Share transferr

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									ed on 15.1.201 2
	Mantra Trading Company	2000	100	500	1,000,000	Equity			Share transferr ed on 22.12.20 11
	Vajra Trading Company	2000	100	500	1,000,000	Equity			Share transferr ed on 22.12.20 11
	Ess Kay Finserve Pvt. Ltd.	3200	100	500	1,600,000	Equity			Share transferr ed on 22.12.20 11
	Total	10,85 0	100	500	5,425,000	Equity			
31.03. 2011	Shalini Setia	800	100	500	400,000	Equity	164,79 0	16,479,0 00	
	Arjun Das Setia	320	100	500	160,000	Equity			Shared Transfer red on 07.07.20 14
	Rajendra Kumar Setia	4052 0	100	500	20,260,00 0	Equity			
	Total	41,64 0	100	500	20,820,00 0	Equity			
27.12. 2011	Rajendra Kumar Setia	17,62 0	100	500	8,810,000	Equity	182,41 0	18,241,0 00	
05.03. 2012	BanyanTr ee Growth Capital LLC	60	100	1500	90,000	Equity	182,47 0	18,247,0 00	
31.03. 2012	Shalini Setia	2368	100	2000	1,184,000	Equity	199,51 8	19,951,8 00	
	Arjun Das Setia	1200	100	2000	600,000	Equity			Shares transferr ed on 16.08.20 14
	Rajendra Kumar Setia	1348 0	100	2000	6,740,000	Equity			
	Total	17,04 8	100	2000	34,096,00 0	Equity			
26.03. 2014	Rajendra Kumar	190	100	2632	500,080	Equity	202,41 5	20,241,5 00	

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	Setia									
	Ladder Up Corporate Advisory Private Limited	2707	100	2632	7,124,824	Equity				
	Total	2,897	100	2632	7,624,904	Equity				
	BanyanTree Growth Capital LLC	119,940	100	100	179,910,000	Preference	119,940	11,994,000		
31.03.2014							322,355	32,235,500		
31.03.2015							322,355	32,235,500		
31.03.2016							322,355	32,235,500		
12.11.2016	Yash Setia	13	100	NA	NA	Equity	322,355	32,235,500		Share received on 12.11.2016
	Shalini Setia	13	100	NA	Na	Equity				Share received on 12.11.2016
	Atul Arora	13	100	3790.68	49278.84	Equity				Share purchased from existing shareholder on 12.11.2016
27.03.2017	Banyan Tree Growth Capital LLC	68294	100	175.623	NA	Equity	270709	2707090		68294 Equity share issued in lieu of Compulsory Convertible preference shares
	Total	68333	-	3790.68	49278.84	Equity				
30.12.2017	Norwest Venture Partners X	44,468	100	12,467.26	55,43,94,17.68	Equity	350919	3509190	991977924.6	Fresh Allotment

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	– Mauritius												
	Baring Private Equity India AIF	15,963	100	12,467.26	19,90,14,871.38	Equity					Fresh Allotment		
	Karma Holdings Mauritius Limited	4,817	100	12,467.26	6,00,54,791.42	Equity					Fresh Allotment		
	Evolve India Fund II LTD	14,962	100	12,467.26	18,65,35,144.12	Equity					Fresh Allotment		
30.12.2017	Norwest Venture Partners X – Mauritius	41,356	100	12,467.26	51,55,96,004.56	Equity					Transfers from Banyan Tree Growth Capital, Rajendra Kumar Setia & Ladder Up Finance Limited		
	Baring Private Equity India AIF	14,845	100	12,467.26	18,50,76,474.70	Equity				350919	3509190	991977924.6	Transfers from Banyan Tree Growth Capital, Rajendra Kumar Setia & Ladder Up Finance Limited
	Karma Holdings Mauritius Limited	4,480	100	12,467.26	5,58,53,324.80	Equity						Transfers from Banyan Tree Growth Capital, Rajendra Kumar Setia & Ladder Up Finance Limited	
	Evolve	13,91	100	12,46	17,34,69,4	Equity						Transfer	

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	India Fund II LTD	4		7.26	55.64					s from Banyan Tree Growth Capital, Rajendra Kumar Setia & Ladder Up Finance Limited
23.02.2018	Evolvece Coinvest I	28,876	100	12,467.26	36,00,04,599.76	Equity	350919	3509190	991977924.6	Transfers
26.02.2018	Rajendra Kumar Setia HUF	1,250	100	20,000.00	2,50,00,000.00	Equity	350919	3509190	991977924.6	Transfers
11.09.2018	Splited into 50 Equity Shares having FV 02 Per Share	NA	02	NA	NA	Equity	17545950	3509190	NA	Split
13.10.2018	Rajendra Kumar Setia	754650	02	NA	NA	Equity	18300600	36601200	NA	Conversion of Warrants
31.10.2018	TPG Growth IV SF Pte Limited	167703	02	596.29	99999621.87	Equity	18468303	36936606	NA	Purchase from RKS
31.10.2018	TPG Growth IV SF Pte Limited	2904835	02	596.29	1732124062.15	Equity	18756447	37512894	2802391729.41	Fresh Allotment
31.10.2018	Evolvece Coinvest I	455847	02	596.29	271817007.63	Equity	21661282	43322564		Fresh Allotment
31.10.2018	Norwest Venture Partners X – Mauritius	1354847	02	596.29	807881717.63	Equity	23016129	46032258		Fresh Allotment

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

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

6.6 Details of the shareholding of the Company as on the latest quarter end, i.e., June 30, 2019:

A. Shareholding pattern of the Company as on the latest quarter end, i.e., June 30, 2019:

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Investor	Face Value (in Rs.)	No. of shares	% of the paid-up share capital on a fully diluted basis	Number of shares held in Demat Form
Rajendra Kumar Setia	2	96,01,097	41.71%	96,01,097
Shalini Setia	2	7,27,100	0.27%	7,27,100
Yash Setia	2	650	0.00%	650
Bhajan Devi Setia	2	650	0.00%	650
Rajendra Kumar Setia HUF	2	62,500	0.36%	62,500
Norwest Venture Partners X- Mauritius	2	56,46,047	24.53%	56,46,047
Baring Private Equity India AIF	2	15,40,400	6.69%	15,40,400
Karma Holdings Mauritius Limited	2	4,64,850	2.02%	4,64,850
Evolve Invest I	2	18,99,647	8.25%	18,99,647
Atul Arora	2	650	0.00%	650
TPG Capital	2	30,72,538	13.35%	30,72,538
TOTAL		2,30,16,129	100%	2,30,16,129

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

B. List of top 10 holders of equity shares of the Company as on June 30, 2019:

Sr. No	Name of the Shareholder / Particulars	Face Value (in Rs.)	Total Number of equity shares	Total percentage (%) of Shareholding	Number of shares held in Demat Form
1	Rajendra Kumar Setia	2	96,01,097	41.71%	96,01,097
2	Norwest Venture Partners X- Mauritius	2	56,46,047	24.53%	56,46,047
3	TPG Growth IV SF Pte Limited	2	30,72,538	13.35%	30,72,538
4	Evolve Invest I	2	18,99,647	8.25%	18,99,647
5	Baring Private Equity India AIF	2	15,40,400	6.69%	15,40,400
6	Shalini Setia	2	7,27,100	3.16%	7,27,100
7	Karma Holdings Mauritius Limited	2	4,64,850	2.02%	4,64,850
8	Rajendra Kumar Setia HUF	2	62,500	0.27%	62,500
9	Yash Setia	2	650	0.00%	650
10	Bhajan Devi Setia	2	650	0.00%	650
11	Atul Arora	2	650	0.00%	650
		Total	2,30,16,129	100	2,30,16,129

6.7 Following details regarding the directors of the Company:

A. Details of current directors of the Company:

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

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

Sr. No	Director's name	Date of Birth	Age	PAN	Director of the company since	DIN	Address	Details of other directorships
1.	Rajendra Kumar Setia	01.07.1969	49 Years	AGWP S0094 A	21.11.1994	00957374	2 Cha 12 Jawahar Nagar, Jaipur	Nil
2.	Shalini Setia	04.06.1972	47 Years	ABXP S3855 K	01.01.2010	02817624	2 Cha 12 Jawahar Nagar, Jaipur	Nil
3.	Amar Lal Daultani	13.03.1955	64 Years	AKDP D8573 G	01.04.2016	05228156	703, Dev Plaza, Near Tejaswani Hospital Kadri, Temple Road, Mangalore, Karnataka.	1. Deveni o Optimus Advisors Private Limited; 2. Ativir Stock Broking Private Limited; 3. Viraj Profiles Limited
4.	Munish Dayal	03.04.1966	53 Years	AAFP D7954 D	26.02.2018	01683836	H.N. LCG804A, Sushant Lok-1, Laburnum Apartment Gurgaon, Teh - Gurgaon	1. IVC Association 2. Manappuram Home Finance Limited 3. Starkarma Realty Holdings India Private Director Limited 4. Proactive Data Systems Private Limited 5. RMZ Infotech Private Limited RMZ Infrastech Private Limited Infrasoft Technologies Limited

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								Infrasoft Technologies Pte. Ltd., Singapore Infrasoft Technologies Sdn. Bhd., Malaysia Infrasoft Technologies Inc., USA Infrasoft Technologies Limited, UK
5.	Anand Raghvan	04.06.1961	58 Years	AACP A1877 D	07.04.2018	00243485	22/1, Warren Road, Mylapore, Chennai 600004	Sterling Holiday Resorts Limited Five-Star Business Finance Limited Five-Star Housing Finance Private Limited Chennai International Centre Nani Palkhivala Arbitration Centre
6.	Gaurav Trehan	23.11.1975	44 Years	AEWP T1544 A	31.10.2018	03467781	Flat No. 101 A, 10 th Floor, Embassy Apartment, 46 Nepean Sea Road	1. Shriram Life Insurance Company Limited 2. Five-Star Business Finance Limited 3. Shriram General Insurance Company Limited 4. Manipal Health Enterprises Private Limited 5. Jana Capital Limited

B. Details of change in directors since last three years as on June 30, 2019:

Name	Designation	DIN	Date of Appointment	Date of Resignation (in case of resignation)	Remarks
Naval Jawaharlal Totla	Independent Director	2408585	05.03.2012	20.05.2014	Appointment and Resignation
Anshuman Goenka	Independent Director	02276712	20.05.2014	25.03.2015	Appointment and Resignation
Sanjiv Singhal	Nominee Director	02408616	25.03.2015	30.12.2017	Appointment and Resignation
Govind Saboo	Independent Director	06724172	29.12.2014	01.04.2016	Appointment and Resignation
Amar Chand Chug	Independent Director	07144359	25.03.2015	08.05.2018	Appointment and Resignation
Arjun Das Setia	Director	00469127	21.11.1994	29.09.2015	Appointment and Resignation
Amar Lal Daultani	Independent Director	05228156	01.04.2016	-	Appointment
Rahul Bhasin	Nominee Director		30.12.2017	05.09.2018	Appointment and Resignation
Munish Dayal	Nominee Director	01683836	26.02.2018		Appointment
R Anand	Independent Director	00243485	07.04.2018		Appointment
Gaurav Trehan	Nominee Director	03467781	31.10.2018		Appointment

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

6.8 Following details regarding the auditors of the Company:

A. Details of the auditor of the Company:

Name	Address	Auditor since	Remark
B S R & Co. LLP	5th Floor, Lodha Excelus Apollo Mills Compound N.M Joshi Marg Mahalaxmi Mumbai-400011	11.09.2018	NA

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

Name	Address	Date of appointment	Auditor since	Remark
Gopal Ghiya and Associates	B-49 Gautam Marg Hanuman Nagar Jaipur-302021	24.11.1994	Since incorporation i.e. 24.11.1994 to 30.09.2014	NIL
SS Kothari	146-148 Tribhuvan Complex,	30.09.2014	30.09.2014 to	NIL

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Mehta	Ishwar Nagar, Mathura road, New Delhi 110017		1.09.2018	
M/s B S R & Co. LLP	5th Floor, Lodha Excelus Apollo Mills Compound N.M. Joshi Marg, Mahalaxmi, Mumbai, Maharashtra-400011	11.09.2018	11.09.2018 to 01.09.2023	NIL

6.9 Details of borrowings of the Company, as on latest quarter end i.e. June 30, 2019:

A. Details of Secured Loan Facilities as on June 30, 2019

Lender's Name	Type of Facility	Cumulative Amount Sanctioned (Rs. Crore)	Principal Amount Outstanding as on June 30 2019 (Rs. Crore.)	Security	
				Primary Security (book debt hypothecation)	Percentage of Cash Collateral
RBL Bank Limited	Secured Term Loan	15.00	4.00	133%	Nil
RBL Bank Limited	Secured Term Loan	22.90	13.61	133%	Nil
RBL Bank Limited	Secured Term Loan	40.00	36.23	133%	Nil
HDFC Bank Limited	Secured Term Loan	10.00	1.87	133%	Nil
HDFC Bank Limited	Secured Term Loan	10.00	6.48	133%	Nil
HDFC Bank Limited	Secured Term Loan	15.00	12.65	133%	Nil
HDFC Bank Limited	Secured Term Loan	25.00	23.81	133%	Nil
The South Indian Bank Limited	Secured Term Loan	5.00	1.00	125%	Nil
The South Indian Bank Limited	Secured Term Loan	12.00	4.50	125%	Nil
Karnataka Bank Limited	Secured Term Loan	5.00	1.22	133%	Nil
Oriental Bank of Commerce	Secured Term Loan	10.00	3.33	120%	Nil
Oriental Bank of Commerce	Secured Term Loan	15.00	15.00	118%	Nil
Dcb Bank Limited	Secured Term Loan	10.00	0.48	133%	Nil
Dcb Bank Limited	Secured Term Loan	13.00	5.80	133%	Nil
Yes Bank Limited	Secured Term Loan	45.00	8.37	133%	Nil
Andhra Bank	Secured Term Loan	15.00	5.00	133%	Nil
Axis Bank	Secured Term Loan	25.00	8.34	120%	10.00%

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Bank of Baroda (earlier Vijaya Bank)	Secured Term Loan	5.00	3.15	125%	Nil
Au Small Finance Bank	Secured Term Loan	55.00	18.33	110%	Nil
Au Small Finance Bank -II	Secured Term Loan	25.00	17.86	110%	Nil
Indusind Bank Limited	Secured Term Loan	25.00	12.77	133%	Nil
Indusind Bank Limited	Secured Term Loan	15.00	13.18	120%	Nil
Utkarsh Small Finance Bank	Secured Term Loan	20.00	11.67	110%	Nil
Fincare Small Finance Bank Limited	Secured Term Loan	15.00	12.39	110%	Nil
Ujjivan Small Finance Bank Ltd	Secured Term Loan	20.00	15.00	120%	Nil
Kotak Mahindra Bank Limited	Secured Term Loan	40.00	38.89	120%	Nil
Bank of Maharashtra	Secured Term Loan	15.00	15.00	133%	15%
Federal Bank Limited	Secured Term Loan	15.00	15.00	125%	Nil
IDFC First Bank Limited	Secured Term Loan	100.00	100.00	120%	Nil
Small Industries Development Bank of India II	Secured Term Loan	15.00	8.75	133%	Nil
Hinduja Leyland Finance Limited	Secured Term Loan	10.00	0.65	110%	Nil
Hinduja Leyland Finance Limited	Secured Term Loan	17.00	5.51	110%	Nil
Hinduja Leyland Finance Limited	Secured Term Loan	7.00	2.80	110%	Nil
Hinduja Leyland Finance Limited	Secured Term Loan	7.50	3.85	110%	Nil
Hinduja Leyland Finance Limited	Secured Term Loan	20.00	12.44	120%	Nil
Tata Capital Finance Service Limited	Secured Term Loan	15.00	5.10	120%	Nil
Mahindra & Mahindra Finance Services Limited	Secured Term Loan	30.00	3.30	110%	Nil
Bajaj Finance Limited	Secured Term Loan	20.00	10.77	120%	Nil
Bajaj Finance Limited-II	Secured Term Loan	25.00	22.22	120%	Nil
Nabkisan Finance Limited	Secured Term Loan	15.00	10.31	110%	Nil
Nabkisan Finance Limited	Secured Term Loan	7.75	7.75	110%	Nil
Manappuram Finance Limited	Secured Term Loan	25.00	14.29	110%	Nil
Manappuram Finance	Secured Term	50.00	46.48	110%	Nil

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Limited-II	Loan				
CLIX Capital India Unlimited	Secured Term Loan	30.00	15.37	133%	Nil
Fedbank Financial Service Limited	Secured Term Loan	15.00	4.50	110%	Nil
Magma Fincorp Limited	Secured Term Loan	10.00	5.66	100%	Nil
Tata Capital Finance Service Limited	Secured Term Loan	5.00	3.33	120%	Nil
Fedbank Financial Service Limited	Secured Term Loan	5.00	3.68	110%	Nil
Fedbank Financial Service Limited	Secured Term Loan	5.00	1.04	1.1	Nil
Volkswagen Finance Pvt Ltd.(T.L)	Secured Term Loan	20.00	16.58	110%	Nil
APAC Financial Services Pvt Ltd	Secured Term Loan	15.00	15.00	120%	Nil
Vivriti Capital Private Limited	Secured Term Loan	10.00	9.40	110%	Nil
Northern Arc Capital	Secured Term Loan	25.00	25.00	100%	Nil
Bank of Maharashtra	Cash Credit	15.00	14.30	133%	15.00%
State Bank of India	Cash Credit	6.00	4.98	133%	Immovable Property and 5%
State Bank of India - WCDL	WCDL	39.00	39.00	133%	Immovable Property and 5%
RBL Bank Limited	Cash Credit	5.00	0.00	133%	5.00%
HDFC Bank Limited	Cash Credit	10.00	8.22	133%	Nil
Au Small Finance Bank	Cash Credit	49.00	2.93	110%	Nil
Axis Bank	Cash Credit	5.00	2.29	120%	Nil
Aavas Financiers Limited	Cash Credit	25.00	0.00	120%	Nil
Tata Capital Finance Service Limited- WCDL	WCDL	10.00	10.00	120%	Nil
Total		1,211.15	760.42		Nil

B. Details of Unsecured Loan Facilities as on June 30, 2019:

Lender's Name	Type of Facility	Amount Sanctioned (in crore)	Principal Amount Outstanding (in crore)	Repayment Date/Schedule
IFMR FIMPACT Long Term Multi Asset Class Fund	NCD	20.00	20.00	72 Months

C. Details of Non-Convertible Debentures as on June 30, 2019:

Debenture	Tenor/Period	Coupon	Amount (Rs)	Date of	Redemption Date/	Credit Rating	Secured/	Including Security
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Series	of Maturity	(Rate of Interest)	in Crore)	allotment	Schedule		Unsecured	
2751-3230	5 years	14.75 %	4800.00	28/05/2014	533.33 Lacs each at 30.05.2015, 30.11.2015, 30.05.2016, 30.11.2016, 30.05.2017, 30.11.2017, 30.05.2018, 30.11.2018, 30.05.2019	CARE BBB	Secured	120% of the aggregate of the outstanding principal amount of the Debentures or 100% of the aggregate of the outstanding principal amount of the Debentures and the value of all future interest payments on those outstanding Debentures, whichever is greater.
3231-192185	3.37 years	12.05 % P.A	944.775	21/12/2015	05/02/2019 05/05/2019	CARE BBB	Secured	Secured by way of hypothecation of book debt which shall be maintained at 110% of debenture outstanding.
192186 - 192385	6 Years	13.00 %	2000.00	29/09/2016	29/09/2022	CARE BBB-	Unsecured	NIL
192586 - 194085	1.5 Years	11.50 %	15.00	20-Mar-17	20-Sep-18 Quarterly instalments after a period of 9 months	CARE BBB	Secured	Nil
195586 - 195835	42 months	Market Linked	25000000	12/07/17	12/01/21	[CARE] BBB+	Unsecured	NIL
195836 - 197335	15 months	11.00 %	15000000	16/08/18	16/02/18 16/05/18 16/08/18 16/11/18	[CARE] BBB+	Secured	And first exclusive charge with 1.33 times (133%) security cover over the book debts of the company.

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197336 - 204835	36 Months	Market Linked	15000 0000	18/0 8/17	18/08/2020	[CARE] BBB+	Secure d	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 1.1X at all times & Pari passu charge over the immovable property of the Company.
204836 - 205035	24 Months	10.85 % Mont hly	20,00, 00,000	27 Dec ember 2017	31.01.2018 28.02.2018 30.03.2018 30.04.2018 31.05.2018 29.06.2018 31.07.2018 31.08.2018 28.09.2018 31.10.2018 30.11.2018 31.12.2018 31.01.2019 28.02.2019 29.03.2019 30.04.2019 31.05.2019 28.06.2019 31.07.2019 30.08.2019 30.09.2019 31.10.2019 29.11.2019 27.12.2019	IND A (SO)	Secure d	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 1.2X at all times & Pari passu charge over the immovable property of the Company.
205036 - 205335	24 Months	10.85 % Mont hly	30,00, 00,000	28 Dec2 017	31.01.2018 28.02.2018 30.03.2018 30.04.2018 31.05.2018 29.06.2018 31.07.2018 31.08.2018 28.09.2018 31.10.2018 30.11.2018 31.12.2018 31.01.2019 28.02.2019	IND A (SO)	Secure d	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 1.2X at all times & Pari passu charge over the immovable

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					29.03.2019 30.04.2019 31.05.2019 28.06.2019 31.07.2019 30.08.2019 30.09.2019 31.10.2019 29.11.2019 27.12.2019			property of the Company.
205336 - 205685	24 Months	10.60 %	35000 0000	18th Janu ary, 2018	16.02.2018 16.03.2018 18.04.2018 18.05.2018 18.06.2018 18.07.2018 17.08.2018 18.09.2018 18.10.2018 16.11.2018 18.12.2018 18.01.2019 18.02.2019 18.03.2019 18.04.2019 17.05.2019 18.06.2019 18.07.2019 16.08.2019 18.09.2019 18.10.2019 18.11.2019 18.12.2019 17.01.2020	IND A(SO)	Secure d	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 1.2X at all times & Pari passu charge over the immovable property of the Company.
205686 - 205935	22 Months	10.60 %	25,00, 00,000	27th Febr uary, 2018	30.03.2018 30.04.2018 31.05.2018 29.06.2018 31.07.2018 31.08.2018 28.09.2018 31.10.2018 30.11.2018 31.12.2018 31.01.2019 28.02.2019 29.03.2019 30.04.2019 31.05.2019 28.06.2019 31.07.2019 30.08.2019 30.09.2019 31.10.2019	IND A(SO)	Secure d	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 1.2X at all times & Pari passu charge over the immovable property of the Company.

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					29.11.2019 27.12.2019			
205936 - 207935	18 Month	9.75 %	20,00, 00,000	12th Marc h, 2018	12.09.2018 2.10.2018 11.2018 12.12.2018 2.01.2019 12.02.2019 12.03.2019 12.04.2019 12.05.2019 12.06.2019 12.07.2019 12.08.2019 12.09.2019	[CARE] BBB+	Secure d	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 1.2X at all times & Pari passu charge over the immovable property of the Company.
207936 - 210435	1277 Days	Link ed to Refer ence Inde x	25,00, 00,000	15th May 2018	Bullet Payment	CARE PP- MLD BBB+	Secure d	First ranking, exclusive and continuing charge on identified receivables covering security of 110.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs
210436 - 211935	36 Months	11.23 % p.a	75,00, 00,000	24th May 2018	26.11.2018 24.05.2019 25.11.2019 25.05.2020 24.11.2020 24.05.2021	CARE BBB+	Secure d	The Debenture shall be first ranking exclusive charge on Hypothecated Assets of Receivables which shall be maintained at 1.20x times of debentures outstanding.
211936 - 212435	36 Months	10.90 07% p.a	50,00, 00,000	14th June 2018	31.05.2019 29.05.2020 11.06.2021	BWR A	Secure d	First ranking, exclusive and continuing charge on identified receivables

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								covering security of 105.0% the aggregate amount of principal outstanding of the NCDs
212436 - 213185	15 months	10.85 % XIR R	75,00, 00,000	29th June 2018	28-09-2018 28-12-2018 29-03-2019 28-06-2019 27-09-2019	BWR A	Secure d	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 105% aggregate amount of principal outstanding at all times & Pari passu charge over the immovable property of the Company.
213186 - 213935	36 months	10.90 07% mont hly coup on, comp ound ed mont hly and paya ble annu ally	75,00, 00,000	27th July 2018	31 May 2019 29 May 2020 11 June 2021	Brickwo rk Ratings (A Stable)	Secure d	First ranking, exclusive and continuing charge on identified receivables covering security of 105.0% the aggregate amount of principal outstanding of the NCDs
213936 - 214185	24 Months	11.14 % p.a	25,00, 00,000	31st Augu st 2018	01 March 2019 02 September 2019 02 March 2020 31 August 2020	CARE A-	Secure d	first ranking exclusive charge by way of hypothecation in favour of the Debenture Trustee on behalf of and for the benefit

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

								of the Debenture Holders over the Hypothecated Assets
214436 - 215185	24 Months	11.14 % p.a	75,00, 00,000	26th Sept 2018	22 March 2019 22 September 2019 22 March 2020 22 August 2020 22 September 2020			first ranking exclusive charge by way of hypothecation in favour of the Debenture Trustee on behalf of and for the benefit of the Debenture Holders over the Hypothecated Assets
215186 - 215935	36 months	10.90 07% mont hly coup on, comp ound ed mont hly and paya ble annu ally	75,00, 00,000	28th Sept ember 2018	31 May 2019 29 May 2020 11 June 2021	Brickwo rk Ratings (A Stable)	Secure d	First ranking, exclusive and continuing charge on identified receivables covering security of 105.0% the aggregate
215936 - 521593 5	63 Months	11.16 10% coup on (equi valen t to 11.75 % XIR R)	50,00, 00,000	21st Dec ember 2018	5th March 2024	CARE A-	Secure d	Secured by way of hypothecation of book debts which shall be maintained at 100% of debentures outstanding.
521593 6- 521993 5	731 days	PPM LD	36.65	07.0 6.20 19	04.06.2021	CRISIL A Stable	Secure d	Secured by way of hypothecation of book debts which shall be

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

								maintained at 120% of debentures outstanding.
521993 6- 522018 5	23	11.50	25	14.0 6.20 19	14.05.2021	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 105.0% of debentures outstanding.
522018 6- 522043 5	24	11.50	25	14.0 6.20 19	14.06.2021	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 105.0% of debentures outstanding.
522043 6- 522068 5	25	11.50	25	14.0 6.20 19	14.07.2021	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 105.0% of debentures outstanding.
522068 6- 522143 5	26	11.85	75	14.0 6.20 19	14.08.2021	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 105.0% of debentures outstanding.

D. List of Top 10 Debenture Holders (as on June 30, 2019):

S. No.	Name of Debenture Holders	Amount (Rs. in Crores)
1	Franklin Tempelton	200
2	Sachin Bansal	150
3	Franklin Tempelton	75
4	Karvy Capital	50

5	PPMLD	36.65
6	Axis Mutual Fund	35
7	Principal Mutual Fund	30
8	Northern Arc Capital L & Unifi AIF	25
9	Northern Arc Capital (IFMR Fimpact Income Builder)	25
10	IFMR FImpact Long Term Multi Asset Class Fund	20

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

- E. **The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group-company, etc) on behalf of whom it has been issued. (if any)**

NIL

- F. **Details of Commercial Paper:**

NIL

- G. **Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on June 30, 2019:**

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:**

NIL

- I. **Details of any outstanding borrowings taken / debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:**

NIL

6.10 Details of Promoters of the Company:

- A. **Details of Promoter Holding in Company as on latest quarter end, i.e. June 30, 2019:**

Sr No	Name of the shareholders	Total No of Equity shares	No. of shares in Demat form	Total shareholding as % of total no of equity shares	No of shares Pledged	% of shares pledged with respect to shares owned
1	Rajendra Kumar Setia	96,01,097	96,01,097	41.71%	Nil	NA
2	Shalini Setia	7,27,100	7,27,100	3.16%	Nil	NA
3	Yash Setia	650	650	0.00%	Nil	NA
4	Bhajan Devi Setia	650	650	0.00%	Nil	NA
5	Rajendra Kumar Setia HUF	62,500	62,500	0.27%	Nil	NA

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

[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009]

Profit and Loss Statement (INR)	31.03.2016	31.03.2017	31.03.2018	31.03.2019
	Audited	Audited	Audited	Audited
Interest Income	94,03,13,455	1,20,56,46,337	185,69,43,000	3,12,40,41,053
Less: Interest Expenses	47,49,48,835	65,69,90,658	89,45,06,000	1,38,46,21,714
Net Interest Income	46,53,64,620	54,86,55,679	96,24,37,000	1,73,94,19,339
Other Income	21,75,35,475	36,64,14,496	41,63,56,000	52,53,04,955
Total Income	68,29,00,095	91,50,70,175	137,87,93,000	2,26,47,24,294
Operating Expenses	44,47,31,286	65,47,22,205	88,85,62,000	1,18,58,88,937
Provisions & Write Offs	4,36,02,174	5,59,92,900	13,76,24,000	29,18,00,049
Operating Profit	19,45,66,635	20,43,55,070	35,26,07,000	78,70,35,308
Depreciation	86,84,425	1,61,32,389	2,33,62,000	3,21,24,975
Profit Before Tax	18,58,82,210	18,82,22,681	32,92,45,000	75,49,10,333
Provisions for tax	6,57,73,093	6,52,37,081	10,97,22,000	23,26,08,359
Profit After Tax	12,01,09,117	12,29,85,600	21,95,23,000	52,23,01,974

Balance Sheet (INR)	31.03.2016	31.03.2017	31.03.2018	31.03.2019
Equity capital	3,22,35,500	2,70,70,900	3,50,91,900	4,60,32,258
Reserve & Surplus	70,74,92,272	83,56,41,022	2,02,79,16,175	5,50,58,13,960
TNW (A)	73,97,27,772	86,27,11,922	2,06,30,08,075	5,55,18,46,218
Total Non-Current Liabilities	2,28,64,00,652	3,11,14,63,916	4,48,02,90,425	8,44,27,05,140
Current Liabilities+ Provisions	2,22,56,59,708	3,78,10,59,719	5,66,67,22,665	5,93,69,46,867
Total Outside Liabilities (B)	4,51,20,60,360	6,89,25,23,635	10,14,70,13,090	14,37,96,52,007
Total Liabilities (A + B)	5,25,17,88,132	7,75,52,35,557	12,21,00,21,165	19,93,14,98,225
Fixed assets (Net)	4,97,73,246	10,16,25,311	13,26,73,156	17,10,06,229
Investments	-	16,50,50,163	4,66,66,786	4,66,66,786
Gross Advances	4,66,42,44,703	6,38,30,27,785	11,10,25,76,437	16,37,96,52,511
Less: Loan Loss Reserve	-	-	-	-
Net Loan Outstanding	4,66,42,44,703	6,38,30,27,785	11,10,25,76,437	16,37,96,52,511
Cash / Liquid Investments	26,36,51,550	55,42,57,843	29,37,15,247	2,77,60,66,660
Other current assets	22,08,22,002	36,51,54,353	47,22,70,486	30,01,29,547
Deferred Tax Assets	1,76,97,256	4,32,72,147	6,23,63,995	8,24,23,239
Intangible Assets	19,11,401	21,71,405	27,03,701	59,42,878
Other Non-Current Assets	3,36,87,974	14,06,76,550	9,70,51,357	16,96,10,375
Total Assets	5,25,17,88,132	7,75,52,35,557	12,21,00,21,165	19,93,14,98,225

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

[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009]

6.13 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of Issue which may affect the issue or the Investor's decision to invest / continue to invest in the debt securities.

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

6.14 Names of the Debentures Trustees and Consents thereof

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

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

The Rating Agency has assigned ratings of "CRISIL A" (pronounced as "CRISIL A") with stable outlook to the Debentures. Instruments with this rating are considered to have moderate 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.

6.16 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.

Not Applicable.

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

The Debentures are proposed to be listed on the WDM segment of the BSE. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis. The in-principle approval of the BSE has been obtained in this regard.

6.18 Other details:

A. Debenture Redemption Reserve Creation:

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

B. 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 RBI guidelines.

C. Application process:

The application process for the Issue is as provided in SECTION 9: of this Information Memorandum.

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

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

Sr. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2	Board Resolution dated August 06, 2019 read with the resolution passed by the Executive Committee of the Board of Directors dated August 28, 2019 authorizing the issue of Debentures offered under terms of this Information Memorandum.
3	Shareholder Resolution dated June 15, 2019 authorizing the issue of non-convertible debentures by the Company.
4	Shareholder Resolution dated June 15, 2019 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 dated September 06, 2019 the rating rationale dated September 06, 2019.
7	Letter from IDBI Trusteeship Services Limited giving its consent to act as Debenture Trustee dated September 16, 2019.
8	Letter for Register and Transfer Agent.
9	Certified true copy of the certificate of incorporation of the Company.
10	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and NSDL/CDSL.
11	Copy of application made to BSE for grant of in-principle approval for listing of Debentures.

6.20 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of Rs. 15,00,00,000/- (Rupees Fifteen Crores only) by issue of Rated Listed Fully Paid-Up Senior Secured Redeemable Taxable Non-Convertible Debentures, on a private placement basis.

For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Section 6.23 of this Information Memorandum.

6.21 Issue Size

The aggregate issue size for the Debentures is Rs. 15,00,00,000/- (Rupees Fifteen Crores only).

6.22 Utilization of the Issue Proceeds

The proceeds of the issue shall be utilized towards general corporate purposes and in the ordinary course of business of the Issuer including repayment / refinancing of existing debt. No part of the proceeds of the Debentures would be utilized by the Issuer directly / indirectly towards capital markets (debt and equity), land acquisition or usages that are restricted for bank financing.

The Issuer undertakes that the proceeds of this Issue shall be used for loan portfolio growth of the company and shall not be utilized for the deployment of funds on its own balance sheet and not to facilitate resource requests of its group entities/parent company/associates.

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

The Company undertakes that proceeds of this Issue shall not be utilized for the following purposes as specified in the RBI Master Circular No. DBOD.BP.BC.No.5/21.04.172/2015-16 dated July 1, 2015 including *inter alia*:

- 1) Bills discounted / rediscounted by NBFCs, except for rediscounting of bills discounted by NBFCs arising out of: Commercial vehicles (including light commercial vehicles) and two wheeler and three wheeler vehicles, subject to the following conditions: The bills should have been drawn by the manufacturer on dealers only; The bills should represent genuine sale transactions as may be ascertained from the chassis / engine number and; Before rediscounting the bills, the bona fides and track record of NBFCs which have discounted the bills would be verified.
- 2) Investments of NBFCs both of current and long-term nature, in any company / entity by way of shares, debentures, etc. However, Stock Broking Companies may be provided need-based credit against shares and debentures held by them as stock-in-trade.
- 3) Unsecured loans / inter-corporate deposits by NBFCs to / in any company.
- 4) All types of loans and advances by NBFCs to their subsidiaries, group companies / entities.
- 5) Finance to NBFCs for further lending to individuals for subscribing to Initial Public Offerings (IPO) and for purchase of shares from secondary market.

6.23 Issue Details

Security Name	11.9414% Ess Kay Fincorp Limited 2022
Issuer	Ess Kay Fincorp Limited
Type of Instrument	Non-Convertible Debentures
Nature of Instrument	Rated Listed Fully Paid Up Senior Secured Redeemable Taxable Non-Convertible Debentures

Seniority	Secured						
Mode of Issue	Private placement						
Eligible/Identified Investors	As provided in Clause 9.14 below.						
Listing	<p>The Debentures are proposed to be listed on the WDM of the BSE within a maximum period of 20 (Twenty) calendar days from the Deemed Date of Allotment.</p> <p>In the event of any delay in listing of the debt securities beyond 20 (Twenty) calendar days from the Deemed Date of Allotment, the Issuer shall make payment to the Debenture Holders of at least 1% (One Percent) p.a. over the Coupon Rate from the expiry of 30 (Thirty) calendar days from the Deemed Date of Allotment till the listing of such Debentures.</p>						
Rating of the Instrument	CRISIL A (pronounced as “CRISIL A”) with stable outlook.						
Issue Size	Rs. 15,00,00,000/- (Rupees Fifteen Crores only).						
Option to retain oversubscription	N.A.						
Objects of the Issue	To raise secured debt to the extent upto Rs. 15,00,00,000/- (Rupees Fifteen Crores only).						
Details of the utilization of the Proceeds	<p>The Issuer shall use the proceeds from the issue of the Debentures towards general corporate purposes and in the ordinary course of business of the Company including for repayment / refinancing of existing debt of the Company. The Issuer undertakes that no part of the proceeds of the Debentures shall be utilized by the Company directly or indirectly towards capital markets (including equity, debt, debt linked and equity linked instruments or any other capital market land activities), any speculative purposes, any activity in the Exclusion List or investment in the real estate sector.</p> <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 60 (sixty) calendar days from the Deemed Date of Allotment.</p>						
Coupon Rate / Interest Rate	12.50% XIRR (Twelve Decimal Point Five Zero Percent) per annum payable quarterly on the principal amount outstanding from time to time, by the Debenture Holder(s), until the Maturity Date.						
Step Up/ Step Down Coupon Rate	<p>Step Up</p> <p>(i) If the Rating of the Issuer is downgraded by one notch or higher ("Rating Downgrade") by any of the rating agencies from the outstanding ratings as captured below, the Interest Rate shall be increased 0.25% (zero decimal point two five percent) per annum for each notch of downgrade in rating and such increased Interest Rate shall be applicable on the Outstanding Principal Amounts from the subsequent payout from the date of such downgrade. Step Up shall not require any notice, intimation or action on behalf of the Debenture Trustee or the Debenture Holders.</p> <table border="1" data-bbox="646 1921 1528 2031"> <tr> <td>Rating agency</td> <td>Outstanding rating as on September 9, 2019</td> </tr> <tr> <td>CRISIL</td> <td>A (stable)</td> </tr> <tr> <td>CARE</td> <td>A- (positive outlook)</td> </tr> </table>	Rating agency	Outstanding rating as on September 9, 2019	CRISIL	A (stable)	CARE	A- (positive outlook)
Rating agency	Outstanding rating as on September 9, 2019						
CRISIL	A (stable)						
CARE	A- (positive outlook)						

	<table border="1"> <tr> <td>Brickwork</td> <td>A (positive outlook)</td> </tr> </table> <p>(ii) In the event of a Rating Downgrade (i.e BBB+ or below), the Debenture Trustee may in its discretion, and, upon request, in writing, of the Special Majority Debenture Holders or by a Special Resolution duly passed at the meeting of the Debenture Holders held in accordance with the provisions set out in the Debenture Trust Deed by a notice in writing to the Issuer, require the Issuer to 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 the Debenture Trust Deed and other Transaction Documents.</p> <p>(iii) Where a notice is given under sub-Clause (ii) above, the Issuer shall redeem the debentures within 30 (thirty) days from the date of receipt of such notice from the Debenture Trustee.</p> <p>Step Down</p> <p>(i) If the rating of the Issuer is upgraded to A+ or above ("Rating Upgrade") by all rating agencies as captured below, the Interest Rate shall be decreased by 0.25% (zero decimal point two five percent) per annum for each notch of upgrade in rating and such reduced Interest Rate shall be applicable on the Outstanding Principal Amounts from the subsequent payout from the date of such upgrade. Step Down shall not require any notice, intimation or action on behalf of the Debenture Trustee or the Debenture Holders.</p> <table border="1"> <thead> <tr> <th>Rating agency</th> <th>Outstanding rating as on September 9, 2019</th> </tr> </thead> <tbody> <tr> <td>CRISIL</td> <td>A (stable)</td> </tr> <tr> <td>CARE</td> <td>A- (positive outlook)</td> </tr> <tr> <td>Brickwork</td> <td>A (positive outlook)</td> </tr> </tbody> </table>	Brickwork	A (positive outlook)	Rating agency	Outstanding rating as on September 9, 2019	CRISIL	A (stable)	CARE	A- (positive outlook)	Brickwork	A (positive outlook)
Brickwork	A (positive outlook)										
Rating agency	Outstanding rating as on September 9, 2019										
CRISIL	A (stable)										
CARE	A- (positive outlook)										
Brickwork	A (positive outlook)										
Coupon Payment Frequency	Quarterly										
Coupon Payment Dates	Coupon shall be payable quarterly until the Maturity Date as set out in Annexure VI (Illustration of Bond Cashflows) of this Information Memorandum										
Coupon Type	Fixed Coupon rate.										
Coupon Reset Process	N.A.										
Day Count Basis	Actual/Actual										
Interest on Application Money	At the Coupon Rate from the credit of subscription monies in respect of the Debentures in the account of the ICCL, in accordance with the EBP Guidelines, until the Deemed Date of Allotment and the same shall be paid to the relevant Investors within 7 (Seven) Business Days from the Deemed Date of Allotment.										
Default Interest Rate	In the event of failure by the Issuer in the performance of its payment obligations under the Debentures on the relevant Due Dates, the Issuer shall be liable to pay further default interest which shall be calculated at 2% (Two Percent) per annum over the Coupon Rate, computed on the entire obligations, outstanding on the Debentures, for the period commencing from the date of the default and expiring on the date on										

	<p>which the default ceases or has been remedied or waived.</p> <p>Without prejudice to any other rights and remedies available to the Debenture Trustee pursuant to the terms of Transaction Documents, in case of default by the Issuer in the performance of any other covenants, including financial covenants as set out in the Debenture Trust Deed, the Issuer shall be liable to pay default interest which shall be calculated at 2% (Two Percent) per annum over the Coupon Rate computed on the entire obligations, outstanding on the Debentures, for the period commencing from the date of the default and expiring on the date on which the default ceases or has been remedied or waived.</p>						
Delay Penalty	In the case of a delay in the execution of Debenture Trust Deed within the period specified in the sub-regulation(1) of Regulation 15 of the SEBI Debt Listing Regulations, without prejudice to any liability arising on account of violation of the provisions of the Act and these Regulations, the Issuer shall pay penal interest of at least 2% (Two Percent) per annum to the Debenture Holders, over and above the applicable Coupon Rate, until the execution of the Debenture Trust Deed.						
Tenor	35 (Thirty Five) months and 25 (Twenty Five) days from the Deemed Date of Allotment.						
Redemption Date/Maturity Date	September 13, 2022						
Principal Payment Date(s)	September 13, 2022 as set out in Annexure VI (Illustration of Bond Cashflows) of this Information Memorandum.						
Redemption Amount	The principal amount of the Debenture on the Principal Payment Date(s) plus accrued Coupon along with the Default Interest (if any), and other such costs, charges and expenses if any, payable on the Due Date(s) under the Transaction Documents.						
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture.						
Discount at which security is issued and the effective yield as a result of such discount	N.A.						
Put Option Dates	<table border="1"> <thead> <tr> <th>Put Option</th> <th>Put Option Dates</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>September 13, 2020</td> </tr> <tr> <td>2.</td> <td>September 13, 2021</td> </tr> </tbody> </table>	Put Option	Put Option Dates	1.	September 13, 2020	2.	September 13, 2021
Put Option	Put Option Dates						
1.	September 13, 2020						
2.	September 13, 2021						
Put Option Price	The principal amount of the Debenture plus accrued Coupon along with the Default Interest (if any), and other such costs, charges and expenses if any, payable under the Transaction Documents						
Put Option Notification Time	<p>The Debenture Trustee (acting on the instruction of the Debenture Holders) shall on each Put Option Date have the right to redeem the Debentures, by exercising the Put Option on behalf of the Debenture Holder(s).</p> <p>To exercise the Put Option on the relevant Put Option Date, the Debenture Holder(s) desirous of exercising the Put Option shall send a notice to the Company in writing (with a copy marked to the Debenture Trustee), to be received at least 60 (Sixty) calendar days prior to the relevant Put Option</p>						

	<p>Date, communicating the intent of such Debenture Holder(s) to exercise the Put Option (“Put Option Notice”).</p> <p>Upon issuance of the Put Option Notice, the Company shall make the payment of the Redemption Amount in 2 (Two) equal installments on (i) the relevant Put Option Date; and (ii) the date falling 31 (Thirty One) days prior to such relevant Put Option Date; in the manner set out in Annexure VI (Illustration of Bond Cashflows).</p>								
Call Option Date	<table border="1"> <thead> <tr> <th>Call Option</th> <th>Call Option Dates</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>September 13, 2020.</td> </tr> <tr> <td>2.</td> <td>September 13, 2021.</td> </tr> </tbody> </table>	Call Option	Call Option Dates	1.	September 13, 2020.	2.	September 13, 2021.		
Call Option	Call Option Dates								
1.	September 13, 2020.								
2.	September 13, 2021.								
Call Option Price	The principal amount of the Debenture plus accrued Coupon along with the Default Interest (if any), and other such costs, charges and expenses if any, payable under the Transaction Documents								
Call Option Notification Time	<p>To exercise the Call Option on the Call Option Date, the Company shall send a notice to the relevant Debenture Holder(s) for whom the Company intends to exercise the Call Option, in writing (with a copy marked to the Debenture Trustee) at least 60 (Sixty) calendar days prior to the Call Option Date, communicating the intent of the Company to exercise the Call Option on the Call Option Date (“Call Option Notice”).</p> <p>Upon issuance of the Call Option Notice, the Company shall make the payment of the Redemption Amount in 2 (Two) equal installments on (i) the Call Option Date; and (ii) the date falling 31 (Thirty One) days prior to such Call Option Date; in the manner set out in Annexure VI (Illustration of Bond Cashflows).</p>								
Face Value	Rs. 10,00,000/- (Rs. Ten Lakhs only) per Debenture								
Minimum Application size and in multiples of 1 thereafter	10 Debentures and in multiples of 1 Debenture thereafter								
Issue Timing	Issue Opening Date: September 18, 2019; Issue Closing Date: September 18, 2019; Pay-in Date: September 19, 2019; and Deemed Date of Allotment: September 19, 2019.								
Issuance mode of the Instrument	Demat only								
Trading mode of the Instrument	Demat only								
Settlement mode of the Instrument	<p>The pay-in of subscription monies for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below:</p> <table border="1"> <tbody> <tr> <td>Name of Bank</td> <td>HDFC BANK</td> </tr> <tr> <td>IFSC Code</td> <td>HDFC0000060</td> </tr> <tr> <td>Account number</td> <td>ICCLEB</td> </tr> <tr> <td>Name of beneficiary</td> <td>INDIAN CLEARING CORPORATION LIMITED</td> </tr> </tbody> </table>	Name of Bank	HDFC BANK	IFSC Code	HDFC0000060	Account number	ICCLEB	Name of beneficiary	INDIAN CLEARING CORPORATION LIMITED
Name of Bank	HDFC BANK								
IFSC Code	HDFC0000060								
Account number	ICCLEB								
Name of beneficiary	INDIAN CLEARING CORPORATION LIMITED								

	Name of Bank	ICICI Bank Ltd.
	IFSC Code	ICIC0000106
	Account number	ICCLEB
	Name of beneficiary	INDIAN CLEARING CORPORATION LTD
	Name of Bank	YES BANK
	IFSC Code	YESB0CMSNOC
	Account number	ICCLEB
	Name of beneficiary	INDIAN CLEARING CORPORATION LTD
	Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder.	
Depositories	NSDL, CDSL	
Business Days	Any day of the week (excluding Sundays, and any day on which banks are closed for business in Mumbai) on which banks are open for business in Mumbai, and “Business Days” shall be construed accordingly.	
Business Day Convention	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. 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.	
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 7 (Seven) Business Days prior to any Due Date.	

<p>Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)</p>	<p>The Issue shall be secured by a charge created by the Issuer in favour of the Debenture Trustee (for the benefit of the Debenture Holders) being: (i) a first ranking <i>pari passu</i> mortgage over certain identified immovable property of the Company situated in Tamil Nadu (“Immovable Property”) as per the terms of the Debenture Trust Deed to be executed by and between the Company and the Debenture Trustee within 30 (Thirty) calendar days from the Deemed Date of Allotment; and (ii) an exclusive first ranking charge by way of hypothecation over specific loan receivables / book debts, present and future, representing amounts due from the various borrowers of the Company at all times to the extent equal to an amount aggregating to the total outstanding in relation to the Issue (“Secured Property”) such that the value of security shall be equal to 1.05 (One Decimal Point Zero Five) times the aggregate amount of principal amount outstanding (including accrued interest) of the Debentures (“Asset Cover”). The Issuer undertakes:</p> <ul style="list-style-type: none"> (a) to maintain the value of the Asset Cover at all times till the obligations under the Issue are discharged; (b) to create the security over the Secured Property by executing a duly stamped deed of hypothecation (“Deed of Hypothecation”) within 30 (Thirty) calendar days from the Deemed Date of Allotment. (c) to create a first ranking <i>pari passu</i> mortgage over the Immovable Property by executing a duly stamped Debenture Trust Deed within 30 (Thirty) calendar days from the Deemed Date of Allotment. (d) To perfect the security created over the Secured Property by filing the relevant form with the Registrar of Companies immediately and no later than 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation. (e) To perfect and register the security created over the Immovable Property by registering the first ranking <i>pari passu</i> mortgage created over the Immovable Property with the relevant Sub-Registrar of Assurances, immediately and no later than 30 (Thirty) calendar days from the date of execution of the Debenture Trust Deed. (f) In the event of any fall in the Asset Cover, additional Secured Property shall be taken in the manner as provided for in the Deed of Hypothecation. (g) To provide a list, on a monthly basis, of specific loan receivables / identified book debt to the Debenture Trustee and over Debenture Holders over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Asset Cover (“Monthly Secured Property Report”).
<p>Transaction Documents</p>	<p>Shall be as set out in Clause 8.1 below.</p>
<p>Conditions Precedent to Disbursement</p>	<p>1. The Company shall have obtained all corporate approvals from the Board of Directors authorizing the issue of Debentures as also execution of the necessary documents in that behalf and a certified true copy of the resolution of the shareholders of the Company under section 42 of the Companies Act, 2013 and the execution, delivery and performance by the Company of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed;</p>

	<ol style="list-style-type: none"> 2. Execution by the Company of the Debenture Trust Agreement and the Deed of Hypothecation, in a form and manner satisfactory to the Debenture Trustee shall have taken place; 3. The Company shall have submitted to the Debenture Trustee, the rating letter from the Rating Agency within a minimum credit rating of CRISIL A (pronounced as “CRISIL A”) and rating rationale; 4. The Company shall have submitted to the Debenture Holders or the Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements; 5. The Company shall have submitted to the Debenture Trustee a certified true copy of the constitutional documents of the Company and the Certificate of Incorporation; 6. The Company shall have submitted to the Debenture Trustee, its audited account statements for the most recent financial year or audited financial half-year.
Conditions Subsequent to Disbursement	<ol style="list-style-type: none"> 1. Filing of the relevant documents <i>inter alia</i> Form PAS-3 for return of allotment etc. with the Registrar of Companies within the timelines specified under the rules under the Companies Act, 2013. 2. Within 20 (Twenty) calendar days from the Deemed Date of Allotment, the Company shall obtain the final listing approval from the Bombay Stock Exchange (BSE). 3. Dematerialised credit of the Debentures within 5 (Five) Business Days from the Deemed Date of Allotment. 4. Execution of the Debenture Trust Deed in form and manner satisfactory to the Debenture Trustee shall have taken place; 5. Filing of the relevant forms with the Registrar of Companies for the perfection of charge over the Secured Property and the Immovable Property within and no later 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation. 6. Registering the Debenture Trust Deed with the relevant Sub-Registrar of Assurances, within and no later than 15 (Fifteen) calendar days from the date of execution of the Debenture Trust Deed. 7. The Company shall ensure compliance with SEBI / Companies Act, 2013 (as applicable) for issuance of Debentures.
Events of Default	As mentioned in Clause 8.4 below.
Provisions related to Cross Default Clause	As mentioned in Clause 8.4 below.
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders.
Covenants	As mentioned in Clause 8.3 below.
Representation and warranties	As mentioned in Clause 8.2 below.
Terms and Conditions	The Issuer shall be required to comply with all terms and conditions in respect of the Debentures in accordance with the Annexure I of this Information Memorandum.
Illustration of Bond Cashflows	Kindly refer to Annexure VI of this Information Memorandum
Governing Law and Jurisdiction	The Debentures and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Mumbai, India and as more particularly provided for in the Debenture Trust Deed.

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Pay in Date	T+1 i.e. September 19, 2019
Manner of Bidding	Close Book Bidding
Mode of Allotment / Allocation option	Uniform Yield
Mode of Settlement	ICCL
Any other such disclosures as suggested	Nil

Note:

1. The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed.
2. The penal interest rates mentioned above as payable by the Issuer are independent of each other.

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SECTION 7: 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: NIL**
- B. **The year in which the entity is declared as a Wilful Defaulter: NIL**
- C. **Outstanding amount when the entity is declared as a Wilful Defaulter: NIL**
- D. **Name of the entity declared as a Wilful Defaulter: NIL**
- E. **Steps taken, if any, for the removal from the list of wilful defaulters: NIL**
- F. **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: NIL**
- G. **Any other disclosure as specified by the Board: NIL**

SECTION 8: TRANSACTION DOCUMENTS AND KEY TERMS

8.1 Transaction Documents

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

- A. Debenture Trustee Agreement, which will confirm the appointment of IDBI Trusteeship Services Limited as the Debenture Trustee (“**Debenture Trustee Agreement**”);
- B. Debenture Trust cum Mortgage Deed, which (i) creates a first ranking *pari passu* mortgage over certain identified Immovable Property of the Company situated in Tamil Nadu; and (ii) will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer (“**Debenture Trust Deed**”);
- C. Deed of Hypothecation whereby the Issuer will create an exclusive charge by way of hypothecation over the Secured Property in favour of the Debenture Trustee to secure its obligations in respect of the Debentures (“**Deed of Hypothecation**”); and
- D. Such other documents as agreed between the Issuer and the Debenture Trustee.

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

8.2 Representations and Warranties of the Issuer

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

(a) **STATUS:**

- (i) It is a company, duly incorporated, registered and validly existing under the Applicable Law of India.
- (ii) As on date, the Issuer is registered with the Reserve Bank of India as a non-banking financial company-asset reconstruction company (NBFC-ARC).
- (iii) It has the power to own its assets and carry on its business in substantially the same manner as it is being conducted.

(b) **BINDING OBLIGATIONS:**

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

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

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

- (i) any Applicable Law; or
- (ii) its constitutional documents; or

(iii) any agreement or instrument binding upon it or any of its assets.

(d) **POWER AND AUTHORITY:**

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

(e) **VALIDITY AND ADMISSIBILITY IN EVIDENCE:**

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

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

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

(f) **NO DEFAULT:**

No Event of Default or potential Event of Default has currently occurred and is continuing as of the date hereof or would 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 Issuer or any of its assets or which might have a Material Adverse Effect as on the date hereof.

(g) **PARI PASSU RANKING:**

Its payment obligations under the Transaction Documents rank *pari passu* with the claims of all of its present and future senior unsecured creditors except for obligations mandatorily preferred by law applying to companies generally.

(h) **NO PROCEEDINGS PENDING:**

- (i) No litigation, arbitration or administrative proceedings of or before any Governmental Authority, has been made, are pending, or is threatened, in its knowledge, against the Issuer, the adverse determination of which 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 (a) the ability of the Issuer to discharge the obligations in respect of the Debentures, or under the Transaction Documents and/or (b) the legality, validity, binding effect or enforceability of the Transaction Documents.
- (ii) There is no unsatisfied judgment or award passed by any court, arbitrator or other body against the Issuer, currently subsisting, which has not been satisfied by the Issuer within the time frame stipulated in such judgment or award.

(i) **NO MISLEADING INFORMATION:**

All information provided by the Issuer to the Debenture Holders for the purposes of this Issue is true and accurate in all respects as at the date it was provided or as at the date (if any) on which it is stated.

(j) **COMPLIANCE WITH LAW**

It is in compliance in all respects with all Applicable Law for the performance of its obligations with respect to this Issue for them to carry on their business.

(k) **ASSETS:**

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN U65923RJ1994PLC009051 on the website <http://www.mca.gov.in/MCA21/index.html> under the heading Index of Charges), the Issuer has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(l) **FINANCIAL STATEMENTS:**

(i) Its financial statements most recently supplied to the Debenture Trustee were prepared in accordance with 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, 2019 give a true and fair view and represent its financial condition and operations during the relevant financial year save to the extent expressly disclosed in such financial statements.

(m) **SOLVENCY:**

(i) The Issuer is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it will not be deemed by a court to be unable to pay its debts within the meaning of Applicable Law, nor in any such case, will it become so in consequence of entering into the Transaction Documents including the Debenture Trust Deed.

(ii) The value of the assets of the Issuer is more than its respective liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.

(iii) As on the date hereof, the Issuer has not taken any corporate action nor has taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.

(n) **TAXATION MATTERS**

The Issuer has complied with all the requirements as specified under the respective tax laws as applicable to it in relation to returns, computations, notices and information which are or are required to be made or given by the Issuer to any tax authority for taxation and for any other tax or duty purposes, have been made and are correct.

(o) **MATERIAL ADVERSE EFFECT**

The Issuer hereby represents that there is no Material Adverse Effect existing and that there are no circumstances existing which could give rise, with the passage of time or otherwise, to a Material Adverse Effect on the Debentures (or on the Debenture Holder(s)) or on the ability of the Issuer to make the scheduled Payments in relation to the Debentures.

8.3 Covenants of the Issuer

I. Affirmative Covenants

The Issuer covenants with the Debenture Trustee that until the Final Settlement Date of the Debentures, it shall (except as may otherwise be previously agreed in writing by the Debenture Trustee):

(a) **UTILISATION OF PROCEEDS OF DEBENTURES**

The Issuer shall utilise the moneys received towards general corporate purposes and for the ordinary course of business of the Issuer including towards the repayment / re-financing of existing debt of the Issuer. The Issuer undertakes that the proceeds of this Issue shall be utilised in accordance with Applicable Law and no part of the proceeds of the Debentures shall be utilized by the Issuer directly or indirectly towards capital markets (including equity, debt, debt linked and equity linked instruments or any other capital market land activities), any speculative purposes, any activity in the exclusion list or investment in the real estate sector.

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 60 (sixty) calendar days from the Deemed Date of Allotment.

(b) **LISTING**

Take all steps necessary to get the Debentures listed within 20 (Twenty) calendar days from the Deemed Date of Allotment. In case of a delay by the Issuer in listing the Debentures beyond 20 (Twenty) calendar days from the Deemed Date of Allotment the Issuer shall make payment to the Debenture Holders of additional interest calculated on the face value of the Debentures at the rate of at least 1% (One Percent) p.a. over and above the Coupon Rate from the expiry of 30 (Thirty) calendar days from the Deemed Date of Allotment until the listing of the Debentures.

(c) **PRESERVE CORPORATE STATUS**

Diligently preserve its corporate existence and status and its license to conduct business as a non-banking financial company and any other rights, licenses and franchises necessary for its obligations under the Debentures and the Transaction Documents and continue to be a validly existing organization in good standing and at all times act and proceed in relation to its affairs and business in compliance with Applicable Law.

(d) **COSTS AND EXPENSES**

Pay all costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of Debenture-holders' interests, including travelling and other

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allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Issuer before they are incurred.

(e) **INCREASED COSTS**

Defend and hold the Debenture Holders, harmless from and against any and all direct losses, costs or damages incurred by it as a result of, arising from, or in connection with or relating to (i) any matter inconsistent with, or any breach of, the representations and/or warranties made by the Issuer in the Transaction Documents; or (ii) the non-performance (in whole or in part) by the Issuer of any of its covenants, obligations or agreements contained in the Transaction Documents.

(f) **COMPLY WITH PROVISIONS OF SECTION 125 OF THE ACT**

Comply with the provisions of Section 125 of the Act relating to transfer of unclaimed and Redemption of Debentures to Investor Education and Protection Fund (“IEPF”), if applicable to it.

(g) **Security**

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

- a. The Debentures shall be secured by way of (i) a first ranking exclusive charge on the Secured Property; and (ii) a first ranking *pari passu* mortgage created over the Immovable Property;
- b. It shall perfect and register the mortgage created over the Immovable Property with the relevant Sub-Registrar of Assurances within 30 (Thirty) calendar days from the date of execution of the Debenture Trust Deed;
- c. It shall perfect the security over the Secured Property by filing Form CHG-9 with the Registrar of Companies in relation thereto within 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation;

(h) **FURNISH INFORMATION TO TRUSTEE**

- (i) Furnish quarterly report to the Debenture Trustee containing the following particulars:-
 - A. Updated list of the names and addresses of the Debenture Holder(s).
 - B. Details of the Coupon and principal payments to be made, but unpaid and reasons therefor;
 - C. The number and nature of grievances received from the Debenture Holder(s) and resolved by the Issuer, and those grievances not yet solved to the satisfaction of the Debenture Holder(s);
 - D. Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holder(s). The Issuer 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

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shall advise the Debenture Trustee periodically of its compliance.

- (ii) Inform the Debenture Trustee of any major change in the composition of its Board of Directors, which may amount to change in control as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (iii) Inform and provide the Debenture Trustee with applicable documents in respect of any and all information required to be provided to the Debenture Holders under the listing agreement entered/to be entered into between the Issuer and the stock exchange on which the Debentures are proposed to be listed.

(i) **FURTHER ASSURANCES**

The Issuer shall:

- (i) execute and/or do, at their own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;
- (ii) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all licenses or authorisations necessary to enable it lawfully to enter into and perform its obligations under the Debenture Trust Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of the Debenture Trust Deed;
- (iii) comply with any monitoring and/or servicing requests from Debenture Holder(s);
- (iv) comply with all Applicable Laws, as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following (i) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as may be in force from time to time during the currency of the Debentures; and (ii) the provisions of the listing agreement entered into by the Issuer with the Stock Exchange in relation to the Debentures.

(j) **CORPORATE GOVERNANCE**

Confirm to all mandatory recommendations on corporate governance and fair practices code as prescribed by the RBI.

(k) **INTERNAL CONTROL**

The Issuer shall maintain sufficient internal controls for the purpose of (i) preventing fraud on monies lent by the Issuer; and (ii) preventing money from being used for money laundering or for illegal purposes.

(l) **ACCESS**

- (i) The Issuer will, at the cost and expense of the Issuer, permit the Debenture Trustee, its employees, officers, consultants, agents and nominees to examine

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the relevant books and records of the Issuer upon prior notice and at such times and intervals as the Debenture Trustee may request.

- (ii) Permit the Debenture Trustee, its employees, officers, consultants, agents and nominees, at the Issuer's cost and expense, and the representatives of the Debenture Holder(s), to visit and inspect any of the premises where its business is conducted and to have access to its relevant books of account and records in relation to this Issue.
- (iii) Permit, at the cost and expense of the Issuer, visits and inspection of books of records, documents and accounts of the Issuer to the Debenture Holder(s) as and when required by them.

(m) **VALIDITY OF TRANSACTION DOCUMENTS**

Ensure that the Transaction Documents shall be validly executed and delivered and will continue in full force and effect and will constitute valid, enforceable and binding obligations of the Issuer.

(n) **FURTHER DOCUMENTS AND ACTS**

Execute all such deeds, documents and assurances and do all such acts and things including the appointment of any consultant as the Debenture Trustee may reasonably require for exercising the rights under the Transaction Documents and the Debentures for the benefit of the Debenture Holder(s).

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

Pursuant to the 2013 Act and the relevant rules issued thereunder, the Issuer undertakes to make the necessary filings of the documents mandated therein with the Registrar of Companies and/or SEBI within the timelines thereunder.

(p) **COMPLIANCE WITH LAWS**

The Issuer shall comply with:

- (i) The provisions of the Act and the notified rules issued thereunder, in relation to the issue of the Debentures.
- (ii) All the provisions as mentioned in the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Act and the rules issued thereunder, the provisions of the listing agreement entered into by the Issuer with the stock exchange in relation to the Debentures including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Issuance of Non-convertible Debentures (Reserve Bank) Directions, 2010, as amended from time to time and/or any other notification, circular, press release issued by the SEBI/RBI, from time to time.
- (iii) All the other Applicable Laws and guidelines including guidelines on liquidity coverage ratio.

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(q) FINANCIAL STATEMENTS

- (i) Submit to the Debenture Trustee (and to the Debenture Holder(s), if so requested), its duly audited annual accounts certified by its chief financial officer, within 120 (One Hundred and Twenty) calendar days from the close of each financial year.
- (ii) Submit to the Debenture Trustee (and to the Debenture Holder(s), if so requested), its provisional/unaudited quarterly financial statements, certified by its chief financial officer, within 60 (Sixty) calendar days from the close of each of its accounting quarters.

(r) FINANCIAL TERMS AND CONDITIONS

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

(s) RECORDS AND INSPECTION

The Issuer hereby undertakes that it shall:

- (i) keep such adequate accounting and control systems, management information systems, books of account, and other records as are required to be maintained under Applicable Laws and such accounts as are adequate to reflect truly and fairly the financial condition and results of operations and which shall contain full, true and correct entries in conformity with GAAP consistently applied and all requirements of Applicable Law;
- (ii) at its sole cost and expense permit the Debenture Trustee, as the representative of the Debenture Holders, to enter into its premises and carry out technical, financial and legal inspections of its assets, facilities and inspect and make copies of the books of record and accounts of the Issuer to discuss the affairs, finances and accounts of the Issuer with, and be advised as to the same, by its officers.
- (iii) in the event that the auditors acting as the statutory auditors for the Issuer cease acting as the auditors for any reason, the Issuer shall promptly inform the Debenture Trustee of the reasons for such cessation and shall appoint in accordance with Applicable Law and maintain as the auditors of the Issuer, another reputed firm of independent chartered accountants.

(t) The Issuer shall notify the Debenture Trustee of:

- (i) any potential Event of Default or Events of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence;
- (ii) any litigation, arbitration or administrative proceedings which have been started or threatened against it which, if adversely determined, would result in a liability exceeding Rs. 1,00,00,000/- (Rupees One Crore only);

(u) The Issuer shall ensure that the Debentures are rated by the Rating Agency and continue to be rated by the Rating Agency(ies) during the tenure of the Debentures.

(v) Perform all of its respective obligations under the terms of the Transaction Documents

and maintain in full force and effect each of the Transaction Documents to which it is a party.

II. REPORTING COVENANTS

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

- A. Within 45 (Forty Five) calendar days from the end of each financial quarter, the Issuer shall submit a certificate signed by the chief financial officer or a director of the Issuer confirming the Issuer's compliance with the Financial Covenants set out in Clause 8.3(IV) (*Financial Covenants*) on the basis of the Issuer's annual audited financials and half yearly un-audited financials.
- B. Within 45 (Forty Five) calendar days from the end of each financial quarter, the Issuer shall provide the list of the Board of Directors of the Issuer and the shareholding pattern of the Issuer.
- C. As soon as practical and in any case within 15 (Fifteen) business days upon the occurrence of the following event(s):
 - (i) change in the shareholding structure of the Issuer.
 - (ii) change in the composition of the Board of Directors of the Issuer.
 - (iii) change in the senior management officials including any Key Managerial Personnel of the Issuer.
 - (iv) after the Issuer obtains knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect.
 - (v) after the Issuer knew or received, notice of any dispute, litigation, investigation or other proceeding affecting the Issuer or its property or operations, which, if adversely determined, could result in a Material Adverse Effect.
 - (vi) after the Issuer obtains knowledge thereof, notice of the occurrence of any event which constitutes a potential Event of Default or an Event of Default specifying the nature of such event and any steps the Issuer is taking and proposes to take to remedy the same.
 - (vii) Any prepayment of any Financial Indebtedness by the Issuer or upon the receipt of notice of any prepayment of any Financial Indebtedness of the Issuer.
 - (viii) any winding up proceeding including initiation of any insolvency resolution process against the Issuer under the Insolvency and Bankruptcy Code, 2016 ("IBC").
 - (ix) change in the accounting policy of the Issuer, which have a material impact on the Issuer, excluding any changes in the accounting policy of the Issuer pursuant to the compliance with statutory requirements.
 - (x) approval by the Board of Directors of the annual business plan.
 - (xi) after the Issuer obtains knowledge thereof, notice of the occurrence of any fraud amounting to more than 1% (One Percent) of the gross loan portfolio of the Issuer.

- (xii) any revision in the business plan of the Issuer.
 - (xiii) any change / amendment in the constitutional documents of the Issuer
 - (xiv) any debenture issuance by the Issuer having a superior Financial Covenant as set out Clause 8.3(IV) (*Financial Covenants*) or a superior Early Redemption clause.
- D. The Issuer agrees that it shall forward to the Debenture Trustee promptly, whether a request for the same has been made or not:
- (i) a copy of the Statutory Auditors' and Directors' Annual Report, Balance Sheet and Profit & Loss Account and of all periodical and special reports at the same time as they are issued;
 - (ii) a copy of all notices, resolutions and circulars relating to new issue of debt securities at the same time as they are sent to shareholders/ holders of debt securities;
 - (iii) a copy of all the notices, call letters, circulars, proceedings, etc. of the meetings of debt security holders at the same time as they are sent to the holders of debt securities or advertised in the media.
- E. The Issuer shall, while submitting half yearly/ annual financial results to the stock exchange disclose the following line items along with the financial results accompanied by a certificate from the Debenture Trustee confirming that it has taken note of the said content and the same shall be communicated to the Debenture Holder(s) on a half-yearly basis:
- (i) Credit rating of the Issue;
 - (ii) Debt- Equity Ratio of the Issuer;
 - (iii) Previous due date for the payment of Coupon / principal and whether the same has been paid or not;
 - (iv) Next due date of payment along with the amount of interest/redemption amount payable;
 - (v) Debenture Redemption Reserve;
 - (vi) Net Worth;
 - (vii) Net profit after tax; and
 - (viii) Earnings per share
- F. **Notify the Debenture Trustee**
- The Issuer shall provide / cause to be provided information in respect of the following promptly and no later than 5 (Five) calendar days from the occurrence of such event (unless otherwise specifically provided):
- (i) notify the Debenture Trustee in writing, if it becomes aware of any fact, matter or circumstance which would cause any of the representations and warranties under any of the Transaction Documents to become untrue or inaccurate or misleading in any respect.
 - (ii) provide to the Debenture Trustee such further information regarding the financial condition, business and operations of the Issuer as the Debenture Trustee may reasonably request in relation to the Payments due to be made on the Debentures.

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- (iii) forward the details on utilisation of funds raised through the issue of Debentures duly certified by the Issuer's statutory auditors/chartered accountant, to the Debenture Trustee within 30 (Thirty) Business Days from the Deemed Date of Allotment and at the end of each financial year.
 - (iv) notify the Debenture Trustee of any revision or downgrade in the rating provided by the Rating Agency in the Issue or any downgrade in the rating of the Issuer.
 - (v) notify the Debenture Trustee of any change in the authorized signatories of the Issuer in relation to this Issue.
 - (vi) the Issuer shall inform the Debenture Trustee before declaring any dividend.
- G. The Issuer shall provide periodical status / performance reports within 7 (Seven) calendar days of the relevant board meeting or within 45 (Forty Five) calendar days of the respective quarter whichever is earlier.

III. NEGATIVE COVENANTS

The Issuer hereby covenants with the Debenture Trustee that until the Final Settlement Date, the Issuer shall not for so long as any amount remains outstanding under the Debentures, except as may otherwise be previously agreed to in writing by the Debenture Trustee (acting upon the receipt of the prior written approval of the Majority Debenture Holder(s)), take any action in relation to the items set out in this Clause 8.3(III) (*Negative Covenants*).

A. CHANGE IN PROMOTERS OR CONTROL

Approve any transaction or take any corporate action which will result in a change in the Control of the Issuer or result in a change in the existing Promoters of the Issuer.

B. CHANGE IN MANAGING DIRECTOR

Take any action resulting in the change of Mr. Rajendra Setia as the Managing Director of the Issuer.

C. CHANGE IN OWNERSHIP

Take any action resulting in the change in ownership of the existing share capital of the Issuer during a given financial year.

D. MERGER, RESTRUCTURING ETC.

Engage in or undertake any corporate restructuring, by way of merger, de-merger, acquisition, restructuring or amalgamation, consolidation.

E. ARRANGEMENT WITH CREDITORS/SHAREHOLDERS

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.

F. PURCHASE OR REDEMPTION OF SHARE CAPITAL

Shall not purchase or redeem any of its issued share capital or reduce its share capital.

G. CONSTITUTIONAL DOCUMENTS

Shall not make any amendments or modifications to the Memorandum of Association or to the Articles of Association in a manner which would, in the opinion of the Debenture Trustee would have a Material Adverse Effect.

H. CHANGE OF FINANCIAL YEAR

The Issuer shall not change its financial year-end from March 31 (or such other date as may be approved by the Debenture Holders) unless required for statutory compliance.

I. DISPOSAL OF ASSETS

Sell, transfer, or otherwise dispose of assets / business / division in any manner whatsoever, which has the effect of exiting the business or restructuring of the existing business.

J. DIVIDEND AND BUYBACK OF SHARES

Declare or pay any dividend to its shareholders during any financial year and/or buyback any of its shares unless it has paid all the amounts then due and payable on the Debentures and other amounts under the Transaction Documents or has made provisions satisfactory to the Debenture Trustee for making such payments and so long as no Event of Default exists or is continuing or would result therefrom.

K. CHANGE OF BUSINESS

Undertake any major new business outside of financial services or diversify or any change in the general nature and conduct of its business outside of financial services.

L. AMENDMENTS TO TRANSACTION DOCUMENTS

Shall not make any amendments, variations, waiver or modification to the provisions of the Transaction Documents.

IV. FINANCIAL COVENANTS

The Issuer shall ensure that until the Final Settlement Date:

- A. the Tier I Capital Ratio is maintained at a minimum of 14% (Fourteen Percent) and the Capital Adequacy Ratio is maintained at a minimum level of 16% (Sixteen) percent or as stipulated by RBI.
- B. The ratio of Debt: Equity shall not be more than 5 (Five) times.
- C. the Gross NPA (including write-offs), expressed as a percentage, is maintained at less than 6% (Six Percent).
- D. the Net NPA, expressed as a percentage, is maintained at less than 4% (Four Percent).
- E. the ratio of total Networth to Net NPA shall be at least 8 (Eight) times.

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- F. the Issuer shall ensure that there are no cumulative mismatches in the Asset Liability Management (ALM) statement of the Issuer upto 1 (One) year. It is hereby clarified that the unutilized bank lines shall not be taken into account while testing the same.
- G. the Current Ratio is minimum 1.1 (One Decimal Point One) times. The Issuer shall maintain liquidity in the form of cash, fixed deposits and/or unutilised fund-based bank lines for debt maturities due over the next 30 (Thirty) calendar days.
- H. the Issuer does not have any negative PAT in any half yearly period in a financial year.
- I. The Issuer shall ensure that Mr. Rajendra Satia at all times until the Final Settlement Date, continues to own 26% (Twenty Six Percent) on a fully diluted basis, of the equity shareholding of the Issuer and continues to have Management Control.
- J. The Issuer shall ensure that Mr. Rajendra Setia continues to remain the Managing Director of the Issuer.
- K. The SME and LAP portfolio should not exceed 15%, 20%, 25% of the assets under management on 30 September 2020, 30 September 2021 and 30 September 2022 respectively.
- L. The Issuer hereby acknowledges that in the event, for any future financial indebtedness, the Issuer agrees for any covenant or condition under the terms of such financial indebtedness where the financial covenants of such Financial Indebtedness is superior to the above mentioned Financial Covenants, the Debenture Holder(s) shall be entitled to take the benefit of the similar covenant offered to such other lender.
- M. The Issuer hereby acknowledges that in the event, for any future financial indebtedness, the Issuer agrees for any covenant or condition under the terms of such financial indebtedness where the acceleration of such Financial Indebtedness is linked to the rating of the instrument of such Financial Indebtedness at a rating threshold higher than BBB+ by the Rating Agency (or equivalent rating by any other rating agency), the Debenture Holder(s) shall be entitled to take the benefit of the similar covenant offered to such other lender

For the purposes of this sub-clause IV (*Financial Covenants*), following terms shall have the following meaning:

“*Capital Adequacy Ratio*” means the capital adequacy ratio for non-banking financial institutions as defined by the Reserve Bank of India from time to time;

“*Client Loan*” means each loan made by the Issuer as a lender;

“*Debt*” shall mean the aggregate of:

- (i) All long-term outstanding, whether secured or secured, plus;
- (ii) 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
- (iii) 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
- (iv) Any amount raised by acceptance under any acceptance credit facility
- (v) Receivables sold or discounted (other than receivables to the extent they are sold on a non-recourse basis)

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- (vi) 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)
- (vii) Any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing.”

“*Equity*” shall mean issued and paid up Equity, compulsorily convertible instruments and Compulsorily convertible Preference Share Capital (+) all reserves (excluding revaluation reserves and pertaining to instruments which are not equity or compulsorily convertible) (-) 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.

“*Gross NPA (including write-offs)*” shall mean the entire outstanding principal value of the relevant portfolio of the Issuer that has one or more instalments of payments (including principal overdue) for 90 (Ninety) days or more or any restructured loans and write-offs, if any.

“*PAT*” shall be profit after tax and shall include one-time time / exceptional items (profit or loss) in its computation;

“*Net NPA*” shall mean the difference between (i) on the Company’s entire assets under management at any point of time, as the case may be, the outstanding principal value of the relevant portfolio of the Company that has one or more instalments of principal overdue for 90 days or more, including restructured loans but excluding loans that have been written off by the Company and (ii) all provisions created against standard assets, sub-standard assets, doubtful assets and loss assets.

“*Tangible Networth*” shall mean the equity share capital plus all reserves and surplus, as reduced by the, intangible assets, deferred tax assets, revaluation reserve, miscellaneous expenses and any credit enhancement provided by the Issuer on managed asset book.

“*Tier I Capital Ratio*” shall have the meaning assigned to the applicable RBI regulations for non-banking financial companies.

On and from September 30, 2019 and until the redemption of all outstanding Debentures, the Financial Covenants under this clause shall be tested on a quarterly basis for the Issuer i.e. as on March 31, June 30, September 30 and December 31 every year, on the basis of audited financial statements (to the extent available) and where audited financial statements are not available on the basis of management statements and the Issuer shall submit a certificate signed by the chief financial officer or the director of the Issuer confirming the Issuer’s compliance with the Financial Covenants within the timelines and in the manner as set out in Clause 8.3(A) above, till the Final Settlement Date.

8.4 Events of Default

If one or more of the events specified herein (hereinafter each an “**Event of Default**” and collectively, “**Events of Default**”) happen(s), the Debenture Trustee may, in their discretion, and shall, upon request in writing of the Majority Debenture Holder(s) by a notice in writing to the Issuer take all such action, expressly or impliedly permitted under the Transaction Documents or in law.

- (a) **NON PAYMENT**

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The failure to pay any amount payable under the Debentures, including without limitation failure to make payment of the principal amount of the Debentures and/or the Coupon and/or any other amounts due in respect of the Debentures on the Due Date(s) at the place at which and in the currency in which it is expressed to be payable.

(b) **BREACH OF TERMS OF TRANSACTION DOCUMENTS**

Except for the event contained in Clause 8.4(a) (*Payment Default*) above, the Issuer defaults in the performance of any of its representations, obligations and covenants provided in terms of the Transaction Documents including the Information Memorandum and the Debenture Trust Deed and such default has continued for a period of 30 (Thirty) calendar days from the earlier of: (i) the date when the Issuer obtained actual knowledge thereof; or (ii) the Debenture Trustee has notified the Issuer of such failure.

(c) **MISREPRESENTATION**

Any representation or warranty made by the Issuer in any Transaction Document delivered to the Debenture Trustee/Debenture Holders by the Issuer shall prove to have been incorrect, false or misleading in any respect when made or deemed made and such misrepresentation.

(d) **INSOLVENCY OR INABILITY TO PAY DEBTS**

(i) The Issuer is unable or admits in writing its inability to pay its debts as they mature or, suspends making payments on any of its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or a moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Issuer.

(ii) Any application or any application has been filed or proceedings have been initiated against the Issuer by any financial creditor or any other entities under IBC and such petition is not dismissed within 3 (Three) calendar days from the date of filing / initiation.

(e) **MATERIAL ADVERSE CHANGE**

There shall have occurred a change in the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Issuer since the date hereof that has resulted in a Material Adverse Effect, as determined by the Debenture Trustee (acting solely on the instructions of the Majority Debenture Holders).

(f) **FRAUD, EMBEZZLEMENT ETC**

There shall have occurred any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the funds of the Issuer or the funds of the promoter or any other act having a similar effect being committed by the management or an officer of the Issuer.

(g) **CROSS DEFAULT**

If the Issuer, in regards to any Financial Indebtedness (A) defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created or (B)

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defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Indebtedness to become due prior to its stated maturity; or (C) due to any default or an event of default, any Financial Indebtedness of the Issuer shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof.

(h) **LIQUIDATION OR DISSOLUTION OF THE ISSUER / APPOINTMENT OF RECEIVER OR LIQUIDATOR**

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, insolvency, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer;
- (ii) a composition, compromise, assignment or arrangement with any creditor of the Issuer;
- (iii) the appointment of a liquidator, provisional liquidator, insolvency resolution professional, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of the Issuer or any of its assets for all or any part of the undertaking of the Issuer;
- (iv) enforcement of any security over any assets of the Issuer or any analogous procedure or step is taken in any jurisdiction; or
- (v) any other event occurs or proceeding is instituted that under any Applicable Law would have an effect analogous to any of the events listed in clauses (a), (b), (c) and (d) above.

(i) **DEPRECIATION IN SECURITY**

There is a depreciation in the value of assets offered as Security to such an extent that in the opinion of the Debenture Trustee, there is a requirement to provide further security / additional assets to their satisfaction and such additional security / assets is not provided within 15 (Fifteen) Business Days of the written notice served by the Debenture Trustee or when in the opinion of the Debenture Trustee the Security is in jeopardy and the Issuer does not provide additional security / assets within 15 (Fifteen) Business Days of the written notice served by the Debenture Trustee.

(j) **CREDITORS' PROCESS**

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Issuer. Provided that in the event any expropriation, attachment, sequestration, distress or execution is initiated by an individual / entity which is not a lender or a debt investor of the Issuer, a cure period of 90 (Ninety) days shall be applicable.

(k) **SECURED PROPERTY**

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Any attachment or expropriation or restraint of act of sequestration is levied on the Secured Property or any part thereof and such Secured Property (including any such part thereof) is not replaced within 15 (Fifteen) Business Days of such attachment or expropriation or restraint of act of sequestration.

(l) **TRANSACTION DOCUMENTS**

The Debenture Trust Deed or any other Transaction Document in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Issuer.

(m) **UNLAWFULNESS**

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

(n) **REPUDIATION**

The Issuer rescinds, repudiates any of the Transaction Documents, or purports to rescind or repudiate or evidences an intention to rescind or repudiate any of the Transaction Documents (in whole or in part).

(o) **WINDING UP**

If a petition is filed for the winding up of the Issuer and the same is admitted, and such petition is not dismissed or stayed within a period of 10 (Ten) Business Days of such petition being admitted;

(p) **CESSATION OF BUSINESS**

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

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

All or a material part of the undertaking, assets, rights or revenues of the Issuer are condemned, seized, nationalised, expropriated or compulsorily acquired by any Governmental Authority, or any Governmental Authority shall have assumed custody or control of the business or operations of the Issuer, or shall have taken any action for the dissolution of the Issuer, or any action that would prevent the Issuer, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or Governmental authority.

(r) **OFFENCES BY THE PROMOTER, MANAGEMENT ETC**

The promoter(s) of the Issuer or any of the senior management officials including Key Managerial Personnel (each as defined under the Act) being declared as a 'wilful defaulter' as defined under the applicable RBI regulations and/or the promoter and/or the any of the director(s) of the Issuer are accused of, charged with, arrested or convicted in a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter(s) and/or the director(s), including any accusations, charges and/or convictions of any offence relating to bribery;

(s) **NET WORTH**

There shall have been an erosion of at least 50% (Fifty Percent) of the Net Worth of the Issuer.

(t) **PETITION FOR REORGANIZATION, WINDING UP**

A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Issuer is filed on the Issuer (voluntary or otherwise) or have been admitted or makes an assignment for the benefits of its creditors generally and such proceeding is not contested by the Issuer for staying, quashing or dismissed within 15 (Fifteen) calendar days.

(u) **MANAGEMENT CONTROL**

There shall have occurred a change in the Management Control of the Issuer without the prior written consent from the Debenture Holder(s). For the purposes of this sub-clause (u), the term “Management Control” shall have the meaning ascribed to the term “Control” in this Information Memorandum.

(v) **REORGANISATION, REARRANGEMENT ETC.**

The Issuer has taken or suffered to be taken any action for re-organisation of its share capital or any rearrangement, merger or amalgamation without the prior written approval of the Debenture Holder(s).

(w) **SECURITY**

Failure of the Issuer to register and perfect the charge created over the Secured Property and/or the Immovable Property within the timelines stipulated herein.

(x) **BREACH OF COVENANTS**

Breach of any covenants under the Debenture Trust Deed and under the Information Memorandum including under Clause 8.3(I) (*Affirmative Covenants*), Clause 8.3(II) (*Reporting Covenants*), Clause 8.3(III) (*Negative Covenants*) And Clause 8.3(IV) (*Financial Covenants*).

8.5 Consequences of Events of Default

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

SECTION 9: 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.

9.1 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.

9.2 Debentures held in Dematerialised Form

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

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

9.3 Trustee for the Debenture Holder(s)

The Issuer has appointed IDBI Trusteeship Services Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intends to enter into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The 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.

9.4 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.

9.5 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.

9.6 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 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. Amendment to the terms and conditions of the Debentures or the Transaction Documents.

9.7 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.

9.8 Notices

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

All notice(s) to be given by the Debenture Holder(s) to the Issuer/ Debenture Trustee shall be sent by registered post, recognized overnight courier service, hand delivery, email or by facsimile transmission to the Issuer or to such persons at such address/ facsimile number 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, 5 (Five) Business Days after posting via certified or registered mail, return receipt requested; (b) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business day delivery (c) in the case

of facsimile at the time when dispatched with a report confirming proper transmission; (d) in the case of personal delivery, at the time of delivery or (e) or in case of e-mail at the time of the sending thereof (provided no delivery failure notification is received by the sender within 24 hours of sending such email).

9.9 Issue Procedure

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

The subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the EBP Guidelines by placing bids on the EBP Platform during the Issue period. In case the Eligible Investors are not registered on the EBP Platform, they will have to register themselves as investor on the said platform (as a one time exercise) and also complete the mandatory KYC verification process. The Eligible Investors should also refer to the operational guidelines of the EBP in this respect. The disclosures required pursuant to the EBP Guidelines are set out hereinbelow:

Details of size of the Issue including green shoe option, if any	Rs. 15,00,00,000/- (Rupees Fifteen Crores only)
Bid opening and closing date	Bid opening date: September 18, 2019; and Bid closing date: September 18, 2019
Minimum Bid lot	10 (Ten) Debentures i.e. Rs. 1,00,00,000/- (Rupees One Crore only) and in the multiples of 100 (One Hundred) Debentures thereafter i.e. Rs. 10,00,000/- (Rupees Ten Lakh only).
Manner of bidding in the Issue	Closed Bidding
Manner of allotment in the Issue	Uniform Yield
Manner of settlement in the Issue	Pay-in of funds through ICCL.
Settlement cycle	T+1, where T refers to the date of bid opening date / issue opening date

Process flow of settlement:

Eligible Investors whose bids have been accepted by the Issuer and to whom a signed copy of this Information Memorandum along with the Private Placement Offer Letter have been issued by the Issuer and who have submitted/shall submit the application form (“**Successful Bidders**”), shall make pay-in of subscription monies in respect of the Debentures towards the allocation made to them, into the bank account of the ICCL, the details of which are as set out below, on or before 10:30 a.m. on the Deemed Date of Allotment:

Name of Bank	HDFC BANK
IFSC Code	HDFC0000060
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LIMITED

Name of Bank	ICICI Bank Ltd.
IFSC Code	ICIC0000106
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

Name of Bank	YES BANK
IFSC Code	YESB0CMSNOC
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

The pay-in by the Successful Bidders will be made only from the bank account(s), which have been provided / updated by them in the EBP system. Any amount received from third party accounts or from accounts not specified in the EBP system will be refunded and no allotment will be made against such payments. Upon the transfer of funds into the aforesaid account of ICCL and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of the Successful Bidders to the ICCL, the R&T Agent and the EBP and initiating the requisite corporate action for allotment of Debentures and credit of the demat letter of allotment into the relevant demat account of the Successful Bidders through the R&T Agent, the R&T Agent shall provide corporate action file along with all requisite documents to the Depositories by 12:00 hours and also intimate the EBP of the aforesaid actions. Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account of the Successful Bidders to EBP, the subscription monies in respect of the Debentures from the aforesaid account of ICCL shall be released into the Issuer's bank account, the details of which are as set out below:

NAME	ESS KAY FINCORP LTD
ACCOUNT NO.	409001042376
IFSC CODE	RATN0000088
BANK NAME	RBL BANK LIMITED
BRANCH	Lower Parel (West)
ACCOUNT TYPE	CURRENT ACCOUNT

It must be noted that all funds pay-in obligations need to be fulfilled in totality. Partial fund receipt against any given obligation will be treated as a default and debarment penalties will be applicable as specified by the EBP Guidelines.

9.10 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). Subject to the EBP Guidelines, 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.

9.11 Fictitious Application

All fictitious applications will be rejected.

9.12 Basis of Allotment

Notwithstanding anything stated elsewhere, the Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, allotment shall be made on a "yield-time" priority basis in accordance with the EBP

Guidelines. The investors will be required to remit the funds as per the timelines prescribed above and submit the duly completed Application Form along with other necessary documents to the Issuer by the Deemed Date of Allotment.

9.13 Payment Instructions

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

9.14 Eligible Investors

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

- A. Mutual Funds
- B. Non-banking financial companies
- C. Provident Funds and Pension Funds
- D. Corporates
- E. Banks
- F. Foreign Portfolio Investors (FPIs)
- G. Foreign Institutional Investors (FIIs)
- H. Qualified Foreign Investors (QFIs)
- I. Insurance Companies
- J. Investment holding companies of high net worth individuals
- K. Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures

Without prejudice to the aforesaid, where the selection of the eligible investors is required to be done pursuant to bidding mechanism on the Electronic Platform called the “EBP Platform” under the EBP Guidelines or any other successive arrangement/platform mandated by SEBI, only those Persons Out of the aforesaid categories of investors, who have been specifically named in the “List of Eligible Investors” as placed before and approved by the Board and who are registered on the EBP Platform and eligible to make bids for Debentures of the Company and to whom allocation is to be made by the Company pursuant to selection under the electronic book mechanism for issuance of securities on private placement basis in terms of the EBP Guidelines and the Electronic Book Providers shall be considered as “identified persons” for the purposes of Section 42(2) of the Companies Act, 2013 (as amended from time to time), to whom the Company shall make private placement of the Debentures and only such “identified persons” shall receive a direct communication from the Company with offer to subscribe to the Debentures and only such “identified persons” shall be entitled to subscribe to the Debentures.

Additionally, those arrangers/brokers/intermediaries etc. (as per the defined limits under the EBP Guidelines) specifically mapped by the Company on the EBP Platform are also eligible to bid/apply/invest for this Issue.

All Eligible Investors are required to check and comply with Applicable Law(s) including the relevant rules / regulations / guidelines applicable to them for investing in this Issue of Debentures and the Company, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Company required to check or confirm the same.

Hosting of the Information Memorandum on the website of the BSE should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the same has been hosted only as it is

stipulated under the SEBI Debt Listing Regulations read with the EBP Guidelines. Eligible Investors should check their eligibility before making any investment.

All potential 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.

9.15 Procedure for Applying for Dematerialised Facility

- A. The applicant must have at least one beneficiary account with any of the DP's of NSDL/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-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- H. The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

9.16 Depository Arrangements

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

9.17 List of Beneficiaries

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

9.18 Application under Power of Attorney

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

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

9.19 Procedure for application by Mutual Funds and Multiple Applications

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

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

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

9.20 Documents to be provided by Investors

Investors need to submit the following documents, as applicable

- A. Memorandum and Articles of Association or other constitutional documents
- B. Resolution authorising investment
- C. Power of Attorney to custodian
- D. Specimen signatures of the authorised signatories
- E. SEBI registration certificate (for Mutual Funds)
- F. Copy of PAN card
- G. Application Form (including EFT/RTGS details)

9.21 Applications to be accompanied with Bank Account Details

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

9.22 Succession

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the liquidator 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.

9.23 Mode of Payment

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

9.24 Effect of Holidays

In case any Coupon Payment Date falls on a day which is not a Business Day the payment to be made on such Coupon Payment Date shall be made on the immediately succeeding Business Day. When the Redemption Date falls on a day which is not a Business Day, all payments to be made on the Redemption Date (including accrued Coupon), shall be made on the immediately preceding Business Day.

9.25 Tax Deduction at Source

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

9.26 Letters of Allotment

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

9.27 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is September 19, 2019 by which date the Investors would be intimated of allotment.

9.28 Record Date

The Record Date will be 7 (Seven) Business Days prior to any Due Date.

9.29 Refunds

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

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

9.30 Interest on Application Money

Interest shall be payable on all application monies received at the Coupon Rate. Such interest shall be payable from the from the credit of subscription monies in respect of the Debentures in the account of the ICCL, in accordance with the EBP Guidelines until the Deemed Date of Allotment and the same shall be paid to the relevant Investors within 7 (Seven) Business Days from the Deemed Date of Allotment.

9.31 PAN Number

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

9.32 Payment on Redemption

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

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL/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 10: DECLARATION

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

For Ess Kay Fincorp Limited

Authorised Signatory

Name: _____

Title: _____

Date: September 16, 2019

ANNEXURE I: TERM SHEET

DESCRIPTION	PARTICULARS												
Issuer/Company	Ess Kay Fincorp Limited												
Debenture Trustee	IDBI Trusteeship Services Limited												
Structurer & Arranger	Vivriti Capital Private Limited												
Investor(s) / Debenture Holders	As per bidding												
Rating Agency	CRISIL												
Rating	CRISIL A												
Legal Counsel	Not Applicable												
Issuance	Rated, Listed, Fully Paid-up, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures ("NCDs" or "Debentures")												
Issuance Size	INR 15,00,00,000 (Indian Rupees Fifteen Crores)												
Interest Rate / Coupon Rate	12.50% XIRR (Coupon: 11.9414% payable quarterly)												
Coupon/ Interest Payment Frequency	Quarterly												
Interest Type	Fixed												
Tenor	36 months												
Put Option	On September 13, 2020 and September 13, 2021												
Put Option Date	1 st Put Option Date: September 13, 2020 & 2 nd Put Option Date: September 13, 2021 Issuer shall repay the principal as per below schedule If exercised on 1 st Put Option Date <table border="1" data-bbox="539 1093 1420 1191"> <thead> <tr> <th>Date</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>August 13, 2020</td> <td>INR 7,50,00,000</td> </tr> <tr> <td>September 13, 2020</td> <td>INR 7,50,00,000</td> </tr> </tbody> </table> If exercised on 2 nd Put Option Date <table border="1" data-bbox="539 1249 1420 1348"> <thead> <tr> <th>Date</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>August 13, 2021</td> <td>INR 7,50,00,000</td> </tr> <tr> <td>September 13, 2021</td> <td>INR 7,50,00,000</td> </tr> </tbody> </table>	Date	Amount	August 13, 2020	INR 7,50,00,000	September 13, 2020	INR 7,50,00,000	Date	Amount	August 13, 2021	INR 7,50,00,000	September 13, 2021	INR 7,50,00,000
Date	Amount												
August 13, 2020	INR 7,50,00,000												
September 13, 2020	INR 7,50,00,000												
Date	Amount												
August 13, 2021	INR 7,50,00,000												
September 13, 2021	INR 7,50,00,000												
Put Option Notification Date	Each Investor shall, upon giving not less than 60 Calendar Days' notice to the Debenture Trustee/ Issuer, prior to the Put Option Date (s), be entitled to require the Issuer to redeem all or part of the Debentures held by them on the Put Option Date at the applicable Redemption Amount calculated up to the Put Option Date. The Debenture Trustee will intimate the Issuer of such redemption within one day from the receipt of such notice												
Call Option	On September 13, 2020 and September 13, 2021												
Call Option Notification Date	1 st Call Option Date: September 13, 2020 & 2 nd Call Option Date: September 13, 2021 Issuer shall repay the principal as per below schedule If exercised 1 st Call Option Date <table border="1" data-bbox="539 1751 1420 1850"> <thead> <tr> <th>Date</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>August 13, 2020</td> <td>INR 7,50,00,000</td> </tr> <tr> <td>September 13, 2020</td> <td>INR 7,50,00,000</td> </tr> </tbody> </table> If exercised at 2 nd Call Option Date <table border="1" data-bbox="539 1908 1420 2007"> <thead> <tr> <th>Date</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>August 13, 2021</td> <td>INR 7,50,00,000</td> </tr> <tr> <td>September 13, 2021</td> <td>INR 7,50,00,000</td> </tr> </tbody> </table>	Date	Amount	August 13, 2020	INR 7,50,00,000	September 13, 2020	INR 7,50,00,000	Date	Amount	August 13, 2021	INR 7,50,00,000	September 13, 2021	INR 7,50,00,000
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Date	Amount												
August 13, 2021	INR 7,50,00,000												
September 13, 2021	INR 7,50,00,000												
Call Option	Each Issuer shall, upon giving not less than 60 Calendar Days' notice to												

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Notification Date	the Debenture Trustee/ Investor prior to the Call Option Date (s), be entitled to require the Issuer to redeem all or part of the Debentures held by them on the Call Option Date at the applicable Redemption Amount calculated up to the Call Option Date. The Debenture Trustee will intimate the Investor of such redemption within one day from the receipt of such notice								
Step Up Coupon Rate	<p>In case of downgrade in external rating from any of the above rating agency, the Coupon Rate for the balance period would increase by 0.25% p.a. for each notch downgrade in rating and the same will be effective from the rating downgrade date unless the rating is downgraded to BBB+ or below by any rating agency, where-in the “Early Redemption” clauses would take absolute precedence.</p> <table border="1"> <thead> <tr> <th>Rating agency</th> <th>Outstanding rating as on September 9, 2019</th> </tr> </thead> <tbody> <tr> <td>CRISIL</td> <td>A (stable)</td> </tr> <tr> <td>CARE</td> <td>A- (positive outlook)</td> </tr> <tr> <td>Brickwork</td> <td>A (positive outlook)</td> </tr> </tbody> </table>	Rating agency	Outstanding rating as on September 9, 2019	CRISIL	A (stable)	CARE	A- (positive outlook)	Brickwork	A (positive outlook)
Rating agency	Outstanding rating as on September 9, 2019								
CRISIL	A (stable)								
CARE	A- (positive outlook)								
Brickwork	A (positive outlook)								
Step Down Coupon Rate	<p>In case of upgrade in external credit rating to A+ and above from all of the above mentioned rating agencies, the Coupon Rate for the balance period would decrease 0.25% p.a. for each notch upgrade and the same will be effective from the rating upgrade date</p> <table border="1"> <thead> <tr> <th>Rating agency</th> <th>Outstanding rating as on September 9, 2019</th> </tr> </thead> <tbody> <tr> <td>CRISIL</td> <td>A (stable)</td> </tr> <tr> <td>CARE</td> <td>A- (positive outlook)</td> </tr> <tr> <td>Brickwork</td> <td>A (positive outlook)</td> </tr> </tbody> </table>	Rating agency	Outstanding rating as on September 9, 2019	CRISIL	A (stable)	CARE	A- (positive outlook)	Brickwork	A (positive outlook)
Rating agency	Outstanding rating as on September 9, 2019								
CRISIL	A (stable)								
CARE	A- (positive outlook)								
Brickwork	A (positive outlook)								
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	Bigshare Services Private Limited								
Depository	NSDL/CDSL								
Issuance mode	Dematerialized, Private Placement								
Trading mode	Dematerialized								
Settlement mode	RTGS / NEFT								
Issue Schedule	<table> <tbody> <tr> <td>Issue Open Date</td> <td>September 18, 2019</td> </tr> <tr> <td>Issue Close Date</td> <td>September 18, 2019</td> </tr> <tr> <td>Pay-in Date</td> <td>September 19, 2019</td> </tr> <tr> <td>Deemed Date of Allotment</td> <td>September 19, 2019</td> </tr> </tbody> </table>	Issue Open Date	September 18, 2019	Issue Close Date	September 18, 2019	Pay-in Date	September 19, 2019	Deemed Date of Allotment	September 19, 2019
Issue Open Date	September 18, 2019								
Issue Close Date	September 18, 2019								
Pay-in Date	September 19, 2019								
Deemed Date of Allotment	September 19, 2019								
Listing	<p>The NCDs are proposed to be listed on the Bombay Stock Exchange (“BSE”) within 20 calendar days of the Deemed Date of Allotment</p> <p>In case of a delay by the Issuer in listing the Debentures beyond 20 (Twenty) days from the Deemed Date of Allotment 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 1% (One Percent) p.a. over the Coupon Rate from the expiry of 30 (Thirty) calendar days from the Deemed Date of Allotment until the listing of the Debentures.</p> <p>In the event that the NCDs are not listed within 20 (Twenty) days from the Deemed Date of Allotment for any reason whatsoever, then to the extent that any Debenture Holders are Foreign Institutional Investors or sub-accounts of Foreign Institutional Investors or Qualified Foreign Investors,</p>								

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

	the Issuer undertakes to immediately redeem and/or buyback any and all Debentures within 2 (two) Business Days of the expiry of the Listing Period.
Business Days	A day (other than a Saturday, a Sunday or a Bank Holiday) on which banks are open for general business in Mumbai.
Business Day Convention	<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	7 (Seven) 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 ▪ any activity on the Exclusion List; or ▪ investment in the real estate sector; <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 60 (sixty) calendar days from the Deemed Date of Allotment.</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 and by way of a pari-passu mortgage over certain identified immovable property of the Company located in Tamil Nadu created as per the terms of the Debenture Trust Deed ("Immovable Property"). The Hypothecated Receivables shall at all times be equal to the value of the outstanding principal amount (including accrued interest) of the Debentures. The issuer undertakes that:</p> <ul style="list-style-type: none"> • The outstanding Facility amount, together with interest, default interest, remuneration of the Trustee, charges, fees, expenses and any other charges due from the Company, shall be secured (to the satisfaction of the NCD holders) • to maintain the value of security at all times equal to 1.05x (One Decimal Point One) time or 105.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding (including accrued interest) of the NCDs where at least 1.05x (One Decimal Point Zero Five) time or 105.0% (One Hundred and Ten Percent) of the security cover is from principal receivables ("Security Cover");

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	<ul style="list-style-type: none"> to create, register and perfect the security over the Hypothecated Assets as contemplated above no later than 30 (thirty) 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 1.05x (One Decimal Point Zero Five) time or 105.0% (One Hundred and Five Percent) the aggregate amount of principal outstanding (including accrued interest) of the NCDs where at least 1.05x (One Decimal Point Zero Five) time or 105.0% (One Hundred and Five Percent) of the security cover is from principal receivables. to replace any Hypothecated Receivables that become non-performing (90 days overdue) with current receivables. Such replacement shall be effected within 15 (Fifteen) Business Days of the receivables becoming non-performing <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 on the day of selection the receivables have not been restructured or rescheduled all applicable “Know Your Customer” norms have been complied with as prescribed by the Reserve Bank of India or the National Housing Bank; All loans hypothecated under the deed of hypothecation comply with RBI norms and guidelines
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	September 13, 2022
Day count basis	Actual/Actual
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 covenants of this Issuance, including but not limited to the financial covenants of this Issuance, 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

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	<p>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.</p>
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 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 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, 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; 4. The Issuer shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements; 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) 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
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 Deed</p> <ol style="list-style-type: none"> 1. The Issuer shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 5 along with the Information Memorandum and Form PAS 3 along with requisite fee within prescribed timelines; 2. To create, register and perfect the security over the Hypothecated Assets no later than 30 (Thirty) calendar days from the Deemed Date of Allotment or as applicable under relevant regulation and Law,

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	<p>whichever is earlier.</p> <ol style="list-style-type: none">3. Receive final listing approval from the BSE within 20 calendar days from the Deemed Date of Allotment4. The Issuer shall ensure credit of demat account(s) of the allottee(s) with the number of NCDs allotted within 5 (Five) Business Days of the Deemed Date of Allotment5. Execution of the Debenture Trust Deed in form and manner satisfactory to the Debenture Trustee shall have taken place;6. The Issuer shall ensure compliance with SEBI / Companies Act 2013 (as applicable) for issuance of NCDs.
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Events of Default	<p>Customary for financings of this nature and others appropriate in the judgment of the Debenture Holders, including but not limited to:</p> <ol style="list-style-type: none">1. Non-payment of any of the dues under this Issuance,2. Default or trigger of event of default on any other indebtedness (cross default)3. Misrepresentation or misleading information in any of the Transaction Documents where such misrepresentation may lead to a Material Adverse Effect4. Issuer is unable or admits in writing its inability to pay its debts as they mature or suspends making payment of any of its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or a moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Company;5. Insolvency, winding up, liquidation6. A receiver or liquidator, provisional liquidator, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of the Company or any of its assets is appointed or allowed to be appointed of all or any part of the undertaking of the Company;7. Depreciation in the value of assets offered as security to such an extent that they cease being performing, there is a requirement to provide further security to their satisfaction and such additional security is not provided within 15 (Fifteen) Business Days of written notice served by the Debenture Trustee;8. 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;9. Creditors' processes initiated against the company<ol style="list-style-type: none">a. If initiated by a creditor that is not a lender / debt investor, cure period of 90 days10. Repudiation of Transaction Documents by the Issuer11. Cessation of business12. 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 Issuer13. The Company has taken or suffered to be taken any action for re-organisation of its capital or any rearrangement, merger or amalgamation without the prior written approval of the Debenture Holders;14. Promoters or key management personnel of the Company being declared wilful defaulter15. The promoter/s and/or the directors of the Company are accused of, charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter/s and/or director, including any accusations, charges and/or convictions of any offence relating to bribery;16. Erosion of 50% or more of the Company's net worth17. All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or Government authority;18. Occurrence of a Material Adverse Effect as determined by the
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	<p>Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders.</p> <p>19. Change in management control without prior written consent from the Debenture Holders (management control to be defined in the Debenture Trust Deed)</p> <p>20. Any Transaction Document once executed and delivered, ceases to be in full force or becomes unlawful, invalid and unenforceable;</p> <p>21. A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed on the Company (voluntary or otherwise) or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding is not contested by the company for staying, quashing or dismissed within 15 (Fifteen) days</p> <p>22. 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 to the satisfaction of the Debenture Trustee;</p> <p>23. In the opinion of the Debenture Trustee, the security is in jeopardy and the Issuer does not replace such assets within 15 (Fifteen) Business Days;</p> <p>24. Any reference to Insolvency and Bankruptcy Code / NCLT by any financial creditor(s)/other entities, and such petition not dismissed within 3 calendar days</p> <p>25. Application of insolvency petition under bankruptcy code/NCLT by the Issuer Breach of the following covenants:</p> <p>26. Affirmative Covenants – (i) Preserve corporate status; authorisations, (ii) Payment of Stamp Duty, (iii) Handling Investor grievances, (iv) Compliance with Investor Education and Protection Fund requirements, (v) Regulatory Filings, (vi) Regulatory requirements in case of a Foreign Investor, (vii) Maintenance of Books of Account and (viii) Corporate Governance; and</p> <p>27. Negative Covenants - (i) Change of business; Role of Promoter, (ii) decrease of Promoter stake beyond 5% except on account of fresh equity infusion into the company and (iii) Dividend distribution in case of default</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>28. 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;</p> <p>29. declare all or any part of the Debentures to be immediately (or on such dates as the Debenture Trustee may specify) due and payable, whereupon it shall become so due and payable.</p> <p>30. enforce security</p>
<p>Reporting Covenants</p>	<p>1. Quarterly Reports – within 45 (Forty Five) calendar days from the end of each financial quarter</p> <p>a) Information on financials b) List of Board of Directors c) Shareholding Pattern d) Financial covenant compliance certificate signed by a Director or the Chief Financial Officer/Treasury Head</p> <p>2. Annual Reports – within 120 (One Hundred and Twenty) calendar</p>

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	<p>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> <p>b) Change in Board composition</p> <p>c) Changes in Accounting Policy, which have a material impact, and excluding changes required due to compliance with statutory requirements</p> <p>d) Change in senior management officials (any CXO or equivalent)</p> <p>e) Board approval of annual business plan</p> <p>f) Any fraud amounting to more than 1.0% of Gross Loan Portfolio</p> <p>g) Change in the constitutional documents of the Company</p> <p>h) Material Adverse Effect</p> <p>i) Any dispute, litigation, investigation or other proceeding which could result in a Material Adverse Effect.</p> <p>j) Winding up proceedings</p> <p>k) Any Event of Default or Potential Default, and any steps taken / proposed to remedy the same.</p> <p>l) Any prepayment or notice of any prepayment of any Indebtedness of the Issuer</p> <p>m) IBC related application/petition</p>
<p>Financial Covenants</p>	<p>1. The Tier I Capital Ratio shall be maintained at a minimum 14% and Capital adequacy ratio to be maintained at a minimum 16% level at all times. Moreover, the Capital Adequacy Ratio shall be always compliant with minimum levels stipulated by the regulator (“RBI”) at all points in time (currently 15%)</p> <p>2. The Debt/Equity ratio shall not be more than 5 times</p> <p>3. The Gross NPA (including write-offs) shall be less than 6%</p> <p>4. The Net NPA shall be less than 4%</p> <p>5. No cumulative mismatches in ALM statement for all buckets up to 1 year. Unutilized bank lines shall not be taken into account while testing the same.</p> <p>6. Current Ratio to be minimum 1.1 times. Issuer shall maintain liquidity in the form of cash, fixed deposits and/or unutilized fund-based bank lines for debt maturities due over the next 30 calendar days. Monthly statements/details to be shared with Debenture Trustee.</p> <p>7. Total Net worth/ Net NPA minimum of 8 times;</p> <p>8. SME/LAP book should not exceed 15%, 20%, 25% of the AUM in year 1, year 2 and year 3 of the NCD respectively</p> <p>9. No negative PAT in any half-yearly period.</p> <p>10. Minimum shareholding of Mr Rajendra Setia at 26% on a fully dilutive basis. Management control to remain with the current promoter (Mr Rajendra Setia)</p> <p>11. Mr Rajendra Setia to remain the Managing Director of the Issuer</p> <p>12. Post subscription to this NCDs, if in future company provides</p>

	<p>Financial Covenants, superior to the above mentioned Financial Covenants, the same will be applicable for this issuance. Moreover, any such event has to be informed to Debenture Trustee and lender in 15 days of such event.</p> <p>13. Post subscription to this NCDs, if in future company provides credit rating related acceleration clause to any other investor which is superior to this term sheet, the same will be applicable for this issuance. Moreover, any such event has to be informed to Debenture Trustee and lender in 15 days of such event.</p> <p>All covenants would be tested on quarterly basis for the Company, i.e. as on 31st March, 30th June, 30th September and 31st December every year, on consolidated and standalone balance sheet till the redemption of the Debentures.</p> <p>The covenants shall be certified by the Company within 45 (Forty-Five) calendar days from the end of each financial half year.</p> <p><i>For the purpose of this aforesaid clause, the following definitions may be relied upon:</i></p> <p><i>“Debt” shall mean aggregate of</i></p> <ol style="list-style-type: none"> <i>a) All long-term outstanding, whether secured or unsecured, plus</i> <i>b) 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</i> <i>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</i> <i>d) Any amount raised by acceptance under any acceptance credit facility</i> <i>e) Receivables sold or discounted (other than receivables to the extent they are sold on a non-recourse basis)</i> <i>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)</i> <i>g) Any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;</i> <p><i>“Equity” shall mean issued and paid up Equity, compulsorily convertible instruments and Compulsorily convertible Preference Share Capital (+) all reserves (excluding revaluation reserves and pertaining to instruments which are not equity or compulsorily convertible) (-) 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> <p><i>“Gross NPA (including write-offs)” shall mean the entire outstanding principal value of the relevant portfolio of the Issuer that has one or more instalments of payments (including principal overdue) for 90 days or more or any restructured loans and write-offs, if any.</i></p> <p><i>“Net NPA” shall mean the difference between (i) on the Company’s entire assets under management at any point of time, as the case may be, the outstanding principal value of the relevant portfolio of the Company that has one or more instalments of principal overdue for 90 days or more, including restructured loans but excluding loans that have been written off by the Company and (ii) all provisions created against standard assets, sub-standard assets, doubtful assets and loss assets</i></p>
<p>Early Redemption</p>	<p>The Debentures along with the accrued interest shall become due and payable within 30 (Thirty) days upon receipt of written notice from Debenture Trustee of happening of any of the following events (“Early Redemption Events”):</p>

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	<ul style="list-style-type: none"> • If any time during the tenor of the Debentures, the rating of instrument is downgraded to BBB+ or below by any rating agency, the Debenture Trustee shall have the right, but not an obligation, to require the Issuer to redeem the Debentures. • Any breach in Financial Covenants (which includes the superior rating acceleration clause as well) by the Issuer.
<p>Affirmative Covenants</p>	<ol style="list-style-type: none"> 1. To utilise the proceeds of this issue in accordance with applicable laws and regulations 2. To comply with corporate governance, fair practices code prescribed by the RBI 3. To comply with latest regulatory guidelines, including on LCR, if applicable 4. Notification of any potential Event of Default or Event of Default; 5. Obtain, comply with and maintain all licenses / authorizations 6. Provide details of any material litigation, arbitration or administrative proceedings (materiality threshold to be finalized during documentation) 7. Maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes 8. Permit visits and inspection of books of records, documents and accounts to Debenture Trustee as and when required by them 9. Comply with any monitoring and/or servicing requests from Debenture Trustee
<p>Negative Covenants</p>	<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:</p> <ol style="list-style-type: none"> 1. Change in promoter 2. Change of Mr Rajendra Setia's position as the Managing Director of the Issuer 3. Ownership or control 4. M&A, acquisition, restructuring, amalgamation without approval of Debenture Holders 5. 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. 6. The Issuer will not purchase or redeem any of its issued shares or reduce its share capital without the Debenture Holders' prior written consent; 7. 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 8. 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 9. Any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business, to be with the prior consent of the Debenture Holders 10. No dividend, share buy-back, if an Event of Default has occurred and is subsisting

	11. 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 as an NBFC 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

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ANNEXURE II: RATING LETTER & RATING RATIONALE

Ratings



CONFIDENTIAL

ESKAFPL/230518/NCD/081900326

September 6, 2019

Mr. Vivek Singh
Vice President
Ess Kay Fincorp Limited
G-1 & G-2, New Market
Adarsh Plaza Building
Khasa Kothi Circle
Jaipur - 302001

Dear Mr. Vivek Singh,

Re: CRISIL Rating on the Rs.100 Crore Non-Convertible Debentures of Ess Kay Fincorp Limited

We refer to your request for a rating for the captioned Non-Convertible Debentures.

CRISIL has, after due consideration, assigned its "CRISIL A/Stable" (pronounced as CRISIL A rating with Stable outlook) rating to the captioned debt instrument. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

For the purpose of issuance of the captioned debt instrument, this letter is valid for 180 calendar days from the date of the letter. In the event of your company not placing the above instrument within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned debt instrument.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Ajit Velonic
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings



A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument or any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

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ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

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ANNEXURE IV: APPLICATION FORM

ESS KAY FINCORP LIMITED

(Erstwhile Ess Kay Auto Finance Private Limited)

A public limited company incorporated under the Companies Act, 1956

Date of Incorporation: November 21, 1994

Registered Office: G 1-2, New Market, Khasa Kothi, Jaipur, Rajasthan – 302001

Telephone No.: +91 141 4734016

Website: www.skfin.in

DEBENTURE SERIES APPLICATION FORM SERIAL NO.

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ISSUE OF UPTO 150 (ONE HUNDRED AND FIFTY) RATED LISTED FULLY PAID UP SENIOR SECURED REDEEMABLE TAXABLE NON-CONVERTIBLE DEBENTURES OF ESS KAY FINCORP LIMITED OF RS. 10,00,000/- (RUPEES TEN LAKHS ONLY) EACH AGGREGATING UPTO RS. 15,00,00,000/- (RUPEES FIFTEEN CRORES ONLY).

DEBENTURE SERIES APPLIED FOR:

Number of Debentures _____ In words _____

Amount Rs. _____/- in words Rupees _____ Crores only

DETAILS OF PAYMENT:

RTGS

No. _____ Drawn on _____

Funds transferred to Ess Kay Fincorp Limited

Dated _____

Total Amount Enclosed

(In Figures) _____ (In words) _____

APPLICANT'S NAME IN FULL (CAPITALS)

SPECIMEN SIGNATURE

--	--

APPLICANT'S ADDRESS

ADDRESS					
STREET					
CITY					
PIN		PHONE		FAX	

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APPLICANT'S PAN/GIR NO. AAICM0721B IT CIRCLE/WARD/DISTRICT _____

WE ARE () COMPANY () OTHERS () SPECIFY _____

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

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's
Signature

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

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

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

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

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Information Memorandum is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer, the Arranger and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

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

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures and shall not look directly or indirectly to the Arranger (or to any person acting on its or their behalf) to indemnify or otherwise hold us harmless in respect of any such loss and/or damage. We undertake that upon sale or transfer to subsequent investor or transferee ("**Transferee**"), we shall convey all the terms and conditions contained herein and in this Information Memorandum to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer and the Arranger (and all such persons acting on its or their behalf) and also hold the Issuer and the Arranger and each of such person harmless in respect of any claim by any Transferee.

Applicant's
Signature

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

(Note : Cheque and Drafts are subject to realisation)

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

- ACKNOWLEDGMENT SLIP -

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

Received from _____

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

ANNEXURE V: LAST AUDITED FINANCIAL STATEMENTS

ESS KAY FINCORP LIMITED			
Balance Sheet as at March 31, 2019			
Particulars	Note No.	(Amount in Rs.)	
		As at March 31, 2019	As at March 31, 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	4,60,32,258	3,50,91,900
(b) Reserves and surplus	4	5,50,58,13,960	2,02,79,16,175
		5,55,18,46,218	2,06,30,08,075
Non-current liabilities			
(a) Long-term borrowings	5	6,02,61,79,330	4,28,16,16,840
(b) Deferred tax liabilities (net)	12	-	-
(c) Other long-term liabilities	6	31,40,45,763	14,30,46,376
(d) Long-term provisions	7	10,24,00,047	5,94,11,321
		8,44,27,05,140	4,48,39,73,637
Current liabilities			
(a) Short-term borrowings	8	65,04,67,296	85,23,07,264
(b) Trade payables	9	-	-
i) total outstanding dues to micro and small enterprises; and		-	-
ii) total outstanding dues of creditors other than micro and small enterprises		29,95,63,327	30,37,69,323
(c) Other current liabilities	10	4,79,03,18,762	4,35,17,22,236
(d) Short-term provisions	7	19,65,97,470	15,52,50,730
		5,93,69,46,867	5,66,30,39,563
TOTAL		19,93,14,98,225	12,21,00,21,165
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	17,03,76,667	12,29,86,722
(ii) Intangible assets	11	59,42,878	27,03,701
(iii) Capital work-in-progress	11	5,29,562	96,86,434
(b) Non-current investments	15 (a)	4,66,66,786	4,66,66,786
(c) Deferred tax assets (net)	12	8,24,23,239	6,23,63,995
(d) Long-term loans and advances	17	9,91,72,86,530	6,89,92,84,235
(e) Other non-current assets	13	16,96,10,375	12,59,31,059
		10,39,29,36,037	7,06,96,22,933
Current assets			
(a) Current investments	15 (b)	11,00,00,000	-
(b) Trade receivables	14	2,65,143	23,84,111
(c) Cash and bank balance	16	2,77,60,66,660	29,37,15,247
(d) Short-term loans and advances	17	6,46,23,65,981	4,63,61,89,943
(e) Other current assets	18	18,93,64,404	20,81,09,931
		9,53,85,62,188	5,14,03,98,232
TOTAL		19,93,14,98,225	12,21,00,21,165
Significant accounting policies and notes to the financial statements	2-44		

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firms' Registration No: 101248/WV-100022


Manoj Kumar Vijal
Partner
M. No. : 046882

For and on behalf of the Board of Directors of
Ess Kay Fincorp Limited


Rajendra Kumar Setia
Managing Director
DIN- 00967374


Shalini Setia
Director
DIN - 02017624


Atul Arora
Chief Financial Officer


Anagha Bangur
Company Secretary

Place : Jaipur
Date : May 03, 2019

Place : Jaipur
Date : May 03, 2019

ESS KAY FINCORP LIMITED

Statement of Profit and Loss for the year ended March 31, 2019			
(Amount in Rs.)			
Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations	19	3,49,34,26,320	2,20,63,87,225
Other income	20	15,59,25,688	6,49,12,101
Total Revenue		3,64,93,46,008	2,27,32,99,326
Expense:			
Employee benefit expenses	21	70,64,46,411	50,02,04,879
Finance costs	22	1,38,46,21,714	69,45,06,497
Depreciation and amortisation expenses	23	3,21,24,975	2,33,62,425
Provisions and write offs	24	29,18,00,049	21,66,79,313
Other expenses	25	47,74,40,526	30,91,01,175
Total expenses		2,89,44,35,676	1,94,40,64,269
Profit before tax		75,49,10,333	32,92,45,037
Tax Expenses			
a. Current tax		25,49,07,427	14,19,66,102
b. Deferred tax	12	(2,09,46,680)	(1,90,91,848)
c. Taxes for earlier year		76,49,612	(1,31,51,630)
Total tax expense		23,26,08,359	10,97,22,724
Profit for the year		52,23,01,974	21,95,22,313
Basic earnings per equity share (Face value Rs. 2 each)	26	26.32	15.08
Diluted earnings per equity share (Face value Rs. 2 each)	26	26.32	15.08
Significant accounting policies and notes to the financial statements	2-44		

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

For B S R & Co. LLP
Chartered Accountants
Firms' Registration No: 101248W/W-100022

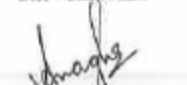

Manoj Kumar Vijal
Partner
M. No. : 646882

For and on behalf of the Board of Directors of
Ess Kay Fincorp Limited


Rajendra Kumar Setia
Managing Director
DIN- 00957374


Shalini Setia
Director
DIN - 02817624


Atul Arora
Chief Financial Officer


Anagha Bangur
Company Secretary

Place : Jaipur
Date : May 03, 2019

Place : Jaipur
Date : May 03, 2019

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

ESS KAY FINCORP LIMITED

Cash Flow Statement for the year ended March 31, 2019

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
A Cash flow from operating activities		
Profit before tax	75,49,10,333	32,92,45,037
Adjustment for		
Interest expenses	1,30,96,28,308	84,78,65,330
Interest income	(2,66,46,20,337)	(1,66,60,98,335)
Depreciation and amortization expenses	3,21,24,975	2,33,62,425
Provisions and write offs	29,18,00,049	21,68,79,313
Loss on sale of fixed assets	94,527	41,110
Provision for employee benefits	2,39,89,734	1,62,79,018
Gain on sale of investments	(4,16,652)	(7,95,569)
Operating cash flow before working capital changes	(45,24,91,063)	(22,32,21,672)
Adjustment for working capital changes		
(Increase) / decrease in trade receivables	21,18,968	1,65,40,400
(Increase) / decrease in short-term loans and advances	(2,02,98,67,384)	(2,12,18,13,038)
(Increase) / decrease in long-term loans and advances	(3,21,78,11,794)	(3,00,31,20,509)
(Increase) / decrease in other non-current assets	(4,36,79,318)	1,47,45,491
(Increase) / decrease in other current assets	(1,17,22,637)	20,08,48,284
Increase / (decrease) in other current liabilities	(27,41,29,572)	22,38,62,496
Increase / (decrease) in other long-term liabilities	17,09,99,387	8,16,57,019
Increase / (decrease) in other short-term provisions	79,71,198	(1,199)
Increase / (decrease) in other long-term provisions	(20,00,583)	(16,14,853)
Increase / (decrease) in bank deposits (having original maturity more than three months)	(1,83,14,92,970)	(4,84,86,306)
Interest paid	(1,07,36,34,761)	(81,99,73,600)
Interest received	2,89,45,88,501	1,61,22,94,473
Cash generated from operations	(5,86,11,52,026)	(4,06,82,86,014)
Direct taxes paid (net of refunds)	(28,65,12,688)	(11,58,67,540)
Net cash flow generated from / (used in) operating activities (A)	(6,14,76,64,714)	(4,18,41,52,553)
B Cash flow from investing activities		
Purchase of investments	(50,00,00,000)	-
Sale of investments	39,04,18,652	11,91,78,946
Purchase of fixed assets	(7,51,84,344)	(5,54,87,435)
Sale of fixed assets	13,92,592	4,70,000
Net cash flow generated from / (used in) investing activities (B)	(18,33,73,100)	6,41,81,511
C Cash flow from financing activities		
Proceeds from issue of share capital	1,09,40,356	80,21,000
Proceeds from share premium	2,95,56,95,812	97,27,52,840
Amount received from issuance of non-convertible debentures	6,00,00,00,000	1,85,00,00,000
Repayment of non-convertible debentures	(1,41,54,61,362)	(76,21,96,969)
Amount received from long-term borrowings	1,05,07,00,000	5,05,46,70,045
Repayment of long-term borrowings	(1,41,80,38,572)	(3,70,48,96,750)
Short-term borrowings (net)	(20,18,39,976)	39,25,90,225
Dividend tax paid	-	(251)
Net cash flow generated from / (used in) financing activities (C)	6,98,18,96,257	3,81,09,40,140
Net increase / (decrease) in cash and cash equivalent (A+B+C)	66,08,58,443	(30,90,30,907)
Add:- Cash and cash equivalent at the beginning of the year	9,18,92,940	40,09,23,842
Cash and cash equivalent at the end of the year*	74,27,51,383	9,18,92,940

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

*Components of cash and cash equivalents		
Balance with banks	64,46,86,195	1,28,79,290
Fixed deposits (having original maturity less than 3 months)	79,07,887	30,22,401
Cash on hand	9,02,66,301	7,69,81,249
Total	74,27,61,383	9,18,92,940

As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
Firms' Registration No: 101248W/W-100022


Manoj Kumar Vjai
Partner
M. No. : 046882

Place : Jaipur
Date : May 03, 2019

For and on behalf of the Board of Directors of
Ess Kay FinCorp Limited


Rajendra Kumar Setia
Managing Director
DIN-00957374


Atul Arora
Chief Financial Officer

Place : Jaipur
Date : May 03, 2019


Shalini Setia
Director
DIN - 01817624


Anagha Bangur
Company Secretary

ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

Scenario 1: In case Put Option / Call Option is not exercised:

Coupon Payment Dates	Coupon Amount (in Rupees)	Principal Payment Date(s)	Principal Amount (in Rupees)	Total
13-Dec-19	41,71,284			41,71,284
13-Mar-20	44,57,681			44,57,681
13-Jun-20	45,07,395			45,07,395
13-Sep-20	45,07,395			45,07,395
13-Dec-20	44,57,681			44,57,681
13-Mar-21	44,20,235			44,20,235
13-Jun-21	45,19,928			45,19,928
13-Sep-21	45,19,928			45,19,928
13-Dec-21	44,70,074			44,70,074
13-Mar-22	44,20,235			44,20,235
13-Jun-22	45,19,928			45,19,928
13-Sep-22	45,19,928	13-Sep-22	15,00,00,000	15,45,19,928

Scenario 2: In case Put Option / Call Option is exercised on the first Put Option Date/ Call Option Date:

Coupon Payment Dates	Coupon Amount (in Rupees)	Principal Payment Date(s)	Principal Amount (in Rupees)	Total
13-Dec-19	41,71,284			41,71,284
13-Mar-20	44,57,681			44,57,681
13-Jun-20	45,07,395			45,07,395
13-Aug-20	29,73,668	13-Aug-20	7,50,00,000	7,79,73,668
13-Sep-20	7,51,956	13-Sep-20	7,50,00,000	7,57,51,956

Scenario 3: In case Put Option / Call Option is exercised on the second Put Option Date/ Call Option Date:

Coupon Payment Dates	Coupon Amount (in Rupees)	Principal Payment Date(s)	Principal Amount (in Rupees)	Total
13-Dec-19	41,71,284			41,71,284
13-Mar-20	44,57,681			44,57,681
13-Jun-20	45,07,395			45,07,395
13-Sep-20	45,07,395			45,07,395
13-Dec-20	44,57,681			44,57,681
13-Mar-21	44,20,235			44,20,235
13-Jun-21	45,19,928			45,19,928
13-Aug-21	29,81,895	13-Aug-21	7,50,00,000	7,79,81,895
13-Sep-21	7,54,027	13-Sep-21	7,50,00,000	7,57,54,027