(THIS DISCLOSURE DOCUMENT IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS. THIS DISCLOSURE DOCUMENT HAS BEEN PREPARED IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 ISSUED VIDE NOTIFICATION NO. SEBI/LAD-NRO/GN/2021/39 DATED AUGUST 09, 2021, AS AMENDED FROM TIME TO TIME, THE OPERATIONAL CIRCULAR ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA VIDE CIRCULAR NUMBER SEBI/HO/DDHS/P/CIR/2021/613 DATED AUGUST 10, 2021, AS AMENDED FROM TIME TO TIME, THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ISSUED VIDE CIRCULAR NO. SEBI/LAD-NRO/GN/2015-16/013 DATED SEPTEMBER 02, 2015, AS AMENDED FROM TIME TO TIME, SECTION 42 OF THE COMPANIES ACT, 2013 AND THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014)

INFORMATION MEMORANDUM FOR PRIVATE PLACEMENT

Type of Information Memorandum: This Information Memorandum is for Private Placement of the debentures more particularly identified herein below
Date of Information Memorandum: [•], 2023

FEDBANK FINANCIAL SERVICES LIMITED

A public company with limited liability incorporated under the Companies Act, 1956 (registered as a non-banking financial company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934)) and validly existing under the Companies Act, 2013.

Date of Incorporation: April 17, 1995, **Place of Incorporation**: Kochi

Registered Office: Kanakia Wall Street, A Wing, 5th Floor, Unit No.511, Andheri Kurla Road, Andheri (East), Mumbai, Maharashtra – 400 093

Corporate Office: Kanakia Wall Street, A Wing, 5th Floor, Unit No.511, Andheri Kurla Road, Andheri (East), Mumbai, Maharashtra – 400 093

CIN: U65910MH1995PLC364635 | **Permanent account number (PAN)**: AAACF8662J | **RBI Registration Number**: N-16.00187

Telephone No.: +91 22 6852 0601- ext 616, **E-mail:** secretarial@fedfina.com, **Website:** https://fedfina.com

Contact Person: Rajaraman Sundaresan; Tel: +91 22 6852 0601 | **E-mail**: secretarial@fedfina.com

CFO: C. V. Ganesh | **Tel**: +91 22 68520601-ext 607 | **E-mail**: cv.ganesh@fedfina.com

Compliance Officer/Company Secretary: Rajaraman Sundaresan, **Tel. No**.: +91 22 6852 0601- ext 616, **Email**: secretarial@fedfina.com

BACKGROUND

Information memorandum dated [•], 2023 for issue of 10,000 (Ten Thousand) Unsecured, Listed, Rated, Redeemable, Transferable, Fully Paid Up, Subordinated Non-Convertible Debentures (in the form of subordinated debt eligible to be categorized as Tier II Capital in compliance with RBI Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) having a face value of Rs. 1,00,000/- (Rupees One Lakh only) each, of the aggregate nominal value of Rs. 100,00,00,000/- (Rupees One Hundred Crore only), with a green shoe option of up to 10,000/- (Ten Thousand) Unsecured, Listed, Rated, Redeemable, Transferable, Fully Paid Up, Subordinated Non-Convertible Debentures (in the form of subordinated debt eligible to be categorized as Tier II Capital in compliance with RBI Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) having a face value of Rs. 1,00,000/- (Rupees One Lakh only) each, of the aggregate nominal value of up to Rs. 100,00,00,000/- (Rupees One Hundred Crore only))on a private placement basis (the "Issue").

Debentures described under this Information Memorandum has been authorised by the Issuer through a resolution passed by the shareholders of the Issuer on August 05, 2022 pursuant to Section 42 and Section 71 of the Act read with applicable rules of the Act, a resolution passed by the shareholders of the Issuer on August 05, 2022 pursuant to Section 180(1)(c) of the Act and the resolution passed by the board of directors of the Issuer on April 28, 2023 in accordance with Section 179 of the Act and the Memorandum and Articles of the Company. The present issue of the Debentures in terms of this Information Memorandum is within the overall powers of the Board as per the above shareholder resolution.

GENERAL RISKS

As the Issue is being made on a private placement basis, this Information Memorandum has not been cleared by the Securities and Exchange Board of India ("**SEBI**"). The Issue has not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of this Information Memorandum. Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under **Section 3** of this Information Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

CREDIT RATING

The Debentures proposed to be issued by the Issuer have been rated by CARE Ratings Limited ("**Rating Agency 1**") and India Ratings and Research Private Limited ("**Rating Agency 2**"). The Debentures are assigned a rating of **"CARE AA; Stable"** (Double A; Outlook: Stable) by the Rating Agency 1 and **"IND AA-/Positive"** by the Rating Agency 2. Instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. 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 1 and Rating Agency 2 and should be evaluated independently of any other ratings. Please refer to **Annexure I** of this Information Memorandum for the letter dated May 10, 2023 from the Rating Agency 1 and the letter dated May 08, 2023 from the Rating Agency 2 assigning the credit rating abovementioned and the rating rationale adopted by the Rating Agency 1 and Rating Agency 2 for the aforesaid rating along with the latest press release.

The Issuer hereby declares the aforesaid credit ratings obtained by it in relation to the Debentures shall be valid on the date of Issue and on the date of listing of Debentures.

LISTING

The Debentures are proposed to be listed on the Wholesale Debt Market (WDM) segment of the BSE Limited ("**BSE**"). Please refer to **Annexure VIII** of this Information Memorandum for a copy of the in-principle approval letter dated May 19, 2023 issued by BSE.

Disclaimer: The issue does not fall within the ambit of Chapter V (Issuance and Listing of perpetual debt instruments, perpetual non-cumulative preference shares and similar instruments) of SEBI NCS Regulations, 2021 read with clarification provided by the SEBI on '*Clarification w.r.t. issuance and listing of perpetual debt instruments, perpetual non-cumulative preference shares and similar instruments under Chapter V of the SEBI (Issue and Listing of Non-convertible Securities) Regulations, 2021'*. The face value of each Debenture issued on private placement basis shall be Rs. 1,00,000/- (Rupees One Lakh only).

ISSUE SCHEDULE

Heads	Date
Issue Opens on	May 25, 2023
Issue Closes on	May 25, 2023
Deemed Date of Allotment	May 26, 2023
Date of Earliest Closing of the Issue	N.A.

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.

ELIGIBLE INVESTORS

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

(a) Qualified Institutional Buyers ("**QIBs**") means the following entities:

(i) A mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with SEBI;
(ii) Foreign portfolio investor other than individuals, corporate bodies and family offices;
(iii) a public financial institution;
(iv) a scheduled commercial bank;
(v) a multilateral and bi-lateral development financial institution;
(vi) a State Industrial Development Corporation;
(vii) An insurance company registered with Insurance Regulatory and Development Authority of India (IRDAI);
(viii) A provident fund with minimum corpus of Rs.25,00,00,000/- (Rupees Twenty Five Crore)
(ix) A pension fund with minimum corpus of Rs.25,00,00,000/- (Rupees Twenty Five Crores)
(x) National Investment Fund set up by resolution No: F.No.2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
(xi) An insurance fund set up and managed by Army, Navy / Air force of the Union of India;
(xii) Insurance funds set up and managed by the Department of Posts, India; and
(xiii) Systemically, important Non- Banking Financial Companies.

(b) Any non-QIB including *inter-alia* resident individual investors, Hindu Undivided Families (excluding minors and NRIs), Partnership Firms and Limited Liability partnership firms, Trusts (including public charitable trusts), association of persons, societies registered under the Applicable Laws in India, companies, bodies corporate etc, who/ which has been authorized by the Issuer, to participate in a particular issue on the EBP platform.

(c) Any other person eligible to invest in the Debentures subject the relevant prevalent guidelines and as permitted under Applicable Laws.

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

Further, 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.

BRIEF DETAILS ABOUT THE ISSUE

Details such as coupon/dividend rate, coupon/dividend payment frequency, redemption date, redemption amount and such other information pertaining to the Issue are more particularly set out under **Section 4.28** of this Information Memorandum. The Issuer further confirms that no underwriting is proposed to be undertaken in relation to the Issue.

Further, the Issuer shall maintain the Recovery Expense Fund with the BSE Limited (Please refer to the '**Summary Term Sheet'** for more details).

ELECTRONIC BOOK MECHANISM AND DETAILS PERTAINING TO THE UPLOADING OF THE PLACEMENT MEMORANDUM ON THE ELECTRONIC BOOK PROVIDER PLATFORM

The Issue shall be open for bidding and subscription in accordance with the guidelines issued by SEBI and BSE pertaining to the procedure of Electronic Book Mechanism as specified by the SEBI Operational Circular, and the related operational guidelines, regulations issued by the

concerned Electronic Book Provider ("**EBP**"), as may be amended, clarified or updated from time to time (collectively, "**Electronic Book Mechanism Guidelines**" / "**EBP Guidelines**")

Manner of bidding	Open bidding
Manner of Allotment	The allotment will be done on 'Uniform Yield' basis in accordance with Electronic Book Mechanism Guidelines.
Issue Size (and green shoe option, if any)	Rs. 100,00,00,000/- (Rupees One Hundred Crores Only) with an option to retain oversubscription up to Rs. 100,00,00,000/- (Rupees One Hundred Crores Only)
Interest Rate Parameter (being Coupon Rate and Coupon Type)	Coupon Rate: 9% per annum Coupon Type: Fixed
Manner of Settlement i.e. through clearing corpora or through escrow bank account of Issuer	The pay-in of the Application Money for the Debentures shall be made by Real Time Gross Settlement (RTGS) / NEFT by crediting the funds into the account of the clearing corporation of the Stock Exchange selected by the Issuer for pay-in of Application Money as prescribed under the electronic book building procedure, the details of which account have been specified below
Bid opening and closing date	Bid opening date: May [•], 2023 Bid closing date: May [•], 2023
Minimum Bid Lot	100 (One Hundred) Debentures having face value of Rs. 1,00,000/- (Rupees One Lakh only) each and in multiples of 1 (One) Debenture thereafter
Trading Lot Size	1 (One) Debenture
Settlement Cycle [T+1/ T+2] where T refers to the date of bidding/ issue day	The settlement shall be done on T+1

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

Debenture Trustee	**Registrar & Transfer Agent**
Axis Trustee Services Limited Registered Office Address: Axis House, Wadia International Centre, P B Marg, Worli Mumbai – 400 025 Corporate Office Address: The Ruby, 2nd Floor, SW, 29, Senapati Bapat Marg, Dadar West, Mumbai – 400 028 Contact Person: Chief Operating Officer Email: Debenturetrustee@axistrustee.in Website: www.axistrustee.in Telephone: +91 22 6230 0451	**Link Intime India Private Limited** Registered Office Address: C 101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai, Maharashtra – 400 083 Corporate Office Address: C 101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai, Maharashtra – 400 083 Contact Person: Mr. Ganesh Jadhav Email: ganesh.jadhav@linkintime.co.in Website: www.linkintime.co.in Telephone: +91 22 4918 6060 Fax No: +91 22 4918 6060
Rating Agency 1	**Compliance officer/ company secretary of the Issuer**
CARE Ratings Limited Registered Office Address: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022 Corporate Office Address: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022 Contact Person: Shweta Agrawal Email: care@careedge.in Website: www.careedge.in Telephone: +91 22 6754 3456	Mr. Rajaraman Sundaresan Telephone: 022 68520601- ext 616 E-mail: secretarial@fedfina.com
Rating Agency 2	
India Ratings and Research Private Limited	

Registered and Corporate Office Address: Wockhardt Tower, West Wing, Level 4, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Contact Person: Arunima Basu Email: infogrp@indiaratings.co.in Website: www.indiaratings.co.in Telephone: +91-22-40001700	
Chief financial officer of the Issuer	**Promoters of the Issuer/ Promoters**
C. V. Ganesh Telephone: 022 68520601-ext 607 Email: cv.ganesh@fedfina.com	**The Federal Bank Limited** Telephone: 04844364239 Email: souvik@federalbank.co.in Fax No: N/A

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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 the Issue to the successful Applicants.
Applicable Law	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 in India and any modifications or re-enactments thereof that are relevant to Debentures.
Applicants	The investor who applies for subscription to the Debentures by submitting a valid Application Form.
Application Form	The form used by the recipient of this Information Memorandum, to apply for subscription to the Debentures, which has been annexed hereto as **Annexure III**.
Application Money	The money credited by the Applicant to the bank account of the clearing corporation for the purpose of subscription of NCDs.
Approvals / Clearances	All mean any permit, permission, license, approval, authorisation, consent, clearance, waiver, no objection certificate or other authorisation of whatever nature and by whatever name called which is required to be granted by any Person including by any governmental authority, lenders, RBI, or any other authority under any Applicable Law.
Articles of Association/ Articles	The articles of association of the Issuer, as amended from time to time.
Beneficial Owner	Debenture Holder(s) of the Debentures in dematerialised form whose name is recorded as such with the Depository.
Board/ Board of Directors	The Board of Directors of the Issuer and includes any authorised committee of directors, formed or to be formed in this regard.
Business Day	Any day of the week (excluding Sundays, non-working Saturdays, and any other day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) (as may be amended/supplemented from time to time) in Mumbai and any other day on which banks are closed for customer business in Mumbai) on which the money market is functioning in Mumbai and "**Business Days**" shall be construed accordingly
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Coupon	The Coupon shall be a fixed rate and shall be 9% (Nine Percent) per annum which shall be payable on an annual basis
Coupon Payment Date	Coupon shall be payable annually. Please refer to **Annexure IX** for Illustration of cashflows.
Coupon Payment Frequency/ Coupon Period	Coupon shall be payable annually
Companies Act/ the Act	The Companies Act, 2013 as amended/replaced from time to time.
Debentures / NCDs	10,000 (Ten Thousand) Unsecured, Listed, Rated, Redeemable, Transferable, Fully Paid Up, Non Convertible Debentures (in form of subordinated debt eligible to be categorised as Tier II Capital in compliance with RBI Master Directions) having a face value of Rs. 1,00,000/- (Rupees One Lakh only) each, of the aggregate nominal value of Rs. 100,00,00,000/- (Rupees One Hundred Crore only),

	with a green shoe option of up to 10,000 (Ten Thousand) Unsecured, Listed, Rated, Redeemable, Transferable, Fully Paid Up, Subordinated Non-Convertible Debentures (in the form of subordinated debt eligible to be categorised as Tier II Capital in compliance with RBI Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) having a face value of Rs. 1,00,000/- (Rupees One Lakh only) each, aggregating up to Rs. 100,00,00,000/- (Rupees One Hundred Crore only)
Debenture Holders / Investors	Initially, the persons to whom the Information Memorandum has been issued to and who have subscribed the Debentures in the primary market and thereafter shall mean and include any Person to whom the Debentures are transferred to, each who fulfils the following requirements: (a) Persons who are registered as such as the Beneficial Owners; and (b) Persons who are registered as debenture holder(s) in the Register of Debenture Holder(s); (in the event of any inconsistency between sub paragraph (a) and (b) above, sub paragraph (a) shall prevail).
Debenture Outstandings	On any given date, shall mean any and all amounts that are outstanding in respect of the Debentures on such date (whether due or not), including Principal Amount and Coupon along with the Default Interest, liquidated damages, and all fees, costs, charges, expenses and other monies, if any, payable by the Company in accordance with the terms of the Transaction Documents.
Deemed Date of Allotment / Allotment Date	May 26, 2023 being the date on which the Debentures being issued hereunder are deemed to be allotted to the Debenture Holders.
Debenture Trustee / Trustees	Axis Trustee Services Limited
Debenture Trustee Agreement	The trustee agreement entered into by and between the Company and the Debenture Trustee dated May 17, 2023.
Debenture Trust Deed	The deed executed on or about the date hereof between the Company and the Debenture Trustee setting out the roles and responsibilities of the Debenture Trustee in connection with the issuance of the Debentures.
Default Interest	Please refer to Clause 4.28 (*Issue Details*).
Demat	Refers to dematerialised 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 with whom the Issuer has made arrangements for dematerialising the Debentures.
Depository Participant / DP	A depository participant as defined under the Depositories Act.
Director(s)	Director(s) of the Issuer unless otherwise mentioned.
Disclosure Document/ Information Memorandum/ DD	This disclosure 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, including on the Coupon Payment Dates / Redemption Dates.
Event of Default	Any of the events described as an 'Event of Default' in the Transaction Documents.
Final Settlement Date	The date on which the Debentures have been redeemed by the Company in full in accordance with the terms of the Transaction Documents and a written confirmation of the same has been provided by the Debenture Trustee (acting on the instructions of the Debenture Holders) to the Company.
Financial Indebtedness	Any indebtedness for or in respect of: (i) monies borrowed; (ii) any amount availed of by acceptance of any credit facility; (iii) any amount raised pursuant to the issuance of any notes, bonds, debentures, loan stock or any other similar securities or instruments; (iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted principles of accounting in India, be treated as a finance or capital lease; (v) receivables sold or discounted (other than any receivables sold in the ordinary course of business or to the extent that they are sold on a non-recourse basis); (vi) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (vii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); (viii) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; (ix) the amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into such agreement is to raise finance; (x) any put option, guarantees, keep fit letter(s), letter of comfort, etc by whatever name called, which gives or may give rise to any financial obligation(s); (xi) any preference shares (excluding any compulsorily convertible preference shares); (xii) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (xi) above.
Financial Year/ FY/ Fiscal	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.
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.
Issue	Issue of up to 10,000 (Ten Thousand) Unsecured, Listed, Rated, Redeemable, Transferable, Fully Paid Up, Subordinated Non Convertible Debentures (in form of subordinated debt eligible to be categorised as Tier II Capital in compliance with RBI Master Directions) having a face value of Rs. 1,00,000/- (Rupees One Lakh only) each, of the aggregate nominal value of Rs. 100,00,00,000/- (Rupees One Hundred Crore only) with a green shoe option of up to 10,000 (Ten Thousand) Unsecured, Listed, Rated, Redeemable, Transferable, Fully Paid Up, Subordinated Non-Convertible Debentures (in the form of subordinated debt eligible to be categorized as Tier II Capital in compliance with RBI Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) having a face value of Rs. 1,00,000/- (Rupees One Lakh only) each, aggregating up to Rs. 100,00,00,000/- (Rupees One Hundred Crore only) to be issued by the Issuer, in a single series, on a private placement basis, on such terms and conditions as set out in this Information Memorandum and the other Transaction Documents.
Issue Opening Date	Subject to any change to the Issue Schedule by the Issuer, the Issue Opening Date for the Debentures shall be as indicated on the cover page.
Issue Closing Date	Subject to any change to the Issue Schedule by the Issuer, the Issue Closing Date for the Debentures shall be as indicated on the cover page.
Issuer/ Company/ Fedbank	Fedbank Financial Services Limited
Majority Debenture Holders	Debenture Holder(s) holding an aggregate amount representing not less than 51% (Fifty One Percent) of the value of the nominal amount of the Debentures for the time being outstanding.
Material Adverse Effect	With respect to the Company, the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could in the opinion of the Debenture Trustee cause a material and adverse effect on: (i) the financial condition, business or operation of the Company where net worth erodes by more than 10% (Ten Percent); or (ii) the ability of the Company to perform its obligations under the Transaction Documents; (iii) the business condition (financial or otherwise), operations, performance or prospects of the Issuer; or the legality, validity or enforceability of, or the effectiveness of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
Maturity Date / Redemption Date	April 26, 2030
Memorandum of Association/ Memorandum	The Memorandum of Association of the Issuer, as amended from time to time.
N.A.	Not Applicable
NBFC	Non-Banking Financial Company

NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
Principal Amounts	Means the aggregate face value of the Debentures
Rating Agency / Rating Agency(ies)	Shall mean the Rating Agency 1 and/or the Rating Agency 2, as the context may require
Rating Agency 1	CARE Ratings Limited, a company incorporated under Companies Act, 1956 and having its registered office at 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Rating Agency 2	India Ratings and Research Private Limited, a company incorporated under Companies Act, 1956 and having its registered office at Wockhardt Tower, West Wing, Level 4, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
RBI	Reserve Bank of India
RBI Master Directions	Shall mean the RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, issued on September 01, 2016, as amended from time to time
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due with respect to the Debentures on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date. Provided that if any Record Date falls on a day other than a Business Day, the immediately succeeding Business Day shall be considered the Record Date for that particular Due Date.
Recovery Expense Fund	Fund contributed by the Company towards creation of a recovery expense fund in terms of the Transaction Documents as required to be created in terms of the SEBI DT Operational Circular.
Redemption Amount	Shall mean principal amount of Rs. 1,00,000/- (Rupees One Lakh only) per Debenture, plus the accrued Coupon and Default Interest (if any).
Register of Debenture Holder(s)	The register maintained by the Company containing the name(s) of the Debenture Holder(s), which register shall be maintained at the registered office of the Company.
R&T Agent / Registrar and Transfer Agent	Registrar and Transfer Agent to the Issue, in this case being Link Intime India Private Limited.
ROC	Registrar of Companies
Rs. / INR	Indian National Rupee
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Debenture Trustee Regulations	Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time.
SEBI NCS Regulations	The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time.
SEBI Operational Circular	SEBI circular on 'Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper' dated August 10, 2021 bearing reference number SEBI/HO/DDHS/P/CIR/2021/613, as amended from time to time

<table>
<tr><td>SEBI DT Operational Circular</td><td>SEBI circular on ‘Operational Circular for Debenture Trustees’ dated March 31, 2023 bearing reference number SEBI/HO/DDHS/P/CIR/2023/50, as amended from time to time.</td></tr>
<tr><td>SEBI (LODR) Regulations / SEBI LODR</td><td>Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.</td></tr>
<tr><td>Special Resolution</td><td>A resolution passed by the Debenture Holders (whether at a meeting of the Debenture Holders or by way of a circular resolution) with approval of the Majority Debenture Holders.</td></tr>
<tr><td>Stock Exchange</td><td>Shall mean the BSE and/ or NSE</td></tr>
<tr><td>Subordinated Debt / Subordinated</td><td>Subordinated debt means an instrument, which is fully paid up, is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the RBI.

The book value of such instrument shall be subjected to discounting as provided hereunder:

<table><tr><th>Remaining maturity of the instruments</th><th>Rate of discount</th></tr><tr><td>up to one year</td><td>100%</td></tr><tr><td>more than one year but up to two years</td><td>80%</td></tr><tr><td>more than two years but up to three years</td><td>60%</td></tr><tr><td>more than three years but up to four years</td><td>40%</td></tr><tr><td>more than four years but up to five years</td><td>20%</td></tr></table>
to the extent such discounted value does not exceed fifty per cent of Tier I capital.</td></tr>
<tr><td>TDS</td><td>Tax Deducted at Source</td></tr>
<tr><td>Tier I Capital</td><td>means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15 per cent of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.</td></tr>
<tr><td>Tier II Capital</td><td>“Tier II capital” includes the following:
(a) preference shares other than those which are compulsorily convertible into equity;
(b) revaluation reserves at discounted rate of fifty five percent;
(c) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets;
(d) hybrid debt capital instruments;
(e) subordinated debt; and
(f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier I capital.</td></tr>
</table>

Transaction Documents	The documents executed or to be executed in relation to the issuance of the Debentures, in this case being, (i) this Information Memorandum, (ii) the Debenture Trustee Agreement, (iii) the Debenture Trust Deed; and (iv) any other documents that may be designated by the Debenture Trustee as a Transaction Document.

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 is being made strictly on a private placement basis and is proposed to be listed. 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.

This Information Memorandum has been prepared solely to provide general information about the Issuer to investors to whom it is addressed and who, being permitted pursuant to the provisions of this Information Memorandum, are willing to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any potential 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 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 analyse such investment and the suitability of such investment to such Investor's particular circumstances. It is the responsibility of the Investors to also ensure that they will sell these Debentures in strict accordance with the terms and conditions of this Information Memorandum and Applicable Laws, so that the sale does not constitute an offer for sale to the public within the meaning of the Companies Act.

It is hereby clarified that, the Debentures will be in the nature of Subordinated Debt and are being issued for the purpose of inclusion as Tier II Capital and hence the claims of the holders thereof will be subordinated to the claims of other secured and other unsecured creditors of our Company, subject to and as set out under applicable statutory and/or regulatory requirements. In terms of the RBI Master Directions, Subordinated Debt is included as Tier II Capital along with preference shares and hybrid debt instruments etc. and shall be free of any restrictive clauses and shall not be redeemable at the initiative of the holder.

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

This Information Memorandum and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients may apply for the Debentures. All Investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue. The contents of this Information

Memorandum are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom the Application Form(s) along with this Information Memorandum being issued pursuant hereto have been sent. Any application by a person to whom the Information Memorandum has not been sent by the Issuer shall be rejected without assigning any reason.

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

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

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

This Information Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of thsis Information Memorandum 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.

This information memorandum includes unaudited results on the basis of a limited review report issued by our statutory auditors for the quarter ended December 31, 2022. The limited review financial statements of the Issuer as of December 31, 2022 have been disclosed in **Part B** of **Annexure IV** of this IM.

2.2 DISCLAIMER OF THE TRUSTEE

The Issuer confirms that all necessary disclosures have been made in the Information Memorandum including but not limited to statutory and other regulatory disclosures. Investors should carefully read and note the contents of the Information Memorandum. Each prospective investor should make its own independent assessment of the merit of the investment in the Debentures and the Issuer. Prospective 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 analyse such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing

in debt markets and are able to bear the economic risk of investing in such instruments. The Debenture Trustee, *ipso facto* does not have the obligations of a borrower or a principal debtor or as to the monies paid/invested by investors for the Debentures.

2.3 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to investors as specified under the clause titled "**Persons who may apply**" of this Information Memorandum, who shall be specifically approached by the Issuer. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Please refer to **Section 4.28** of this Information Memorandum, under row titled 'Governing Law and Jurisdiction' for details in relation to the governing law and jurisdiction applicable to any disputes arising out of this Issue. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.4 DISCLAIMER IN RESPECT OF RATING AGENCY

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency(ies) has/ have based its/ their ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency(ies) does/ do 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(ies) have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

2.5 FORCE MAJEURE

The Company reserves the right to withdraw the Issue at any time prior to the closing date thereof in the event of any unforeseen development adversely affecting the economic and/or regulatory environment or otherwise. In such an event, the Company will refund the Application Money, if any, collected in respect of the Issue in accordance with the Information Memorandum without assigning any reason.

2.6 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depository(ies) 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 depositary participant. The Issuer will make the allotment to Investors on the Deemed Date of Allotment after verification of the Application Form and the accompanying documents.

2.7 DISCLAIMER CLAUSE OF THE ARRANGER(S)

The Issuer hereby declares that it has exercised due diligence to ensure complete compliance with prescribed disclosure norms in this Information Memorandum. The only role of the Arranger(s) 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 and in accordance with applicable laws. Without limiting the foregoing, the Arranger(s) are not acting, and have 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 the Information Memorandum. Neither are the Arranger(s) responsible for preparing, clearing, approving, scrutinizing or vetting the Information Memorandum, nor are they responsible for doing any due diligence for

verification of the truth, correctness or completeness of the contents of the Information Memorandum. The Arranger(s) shall use this document for the purpose of soliciting subscription from Eligible Investors in the Debentures to be issued by the Issuer on private placement basis. The Arranger(s) shall be entitled to rely on the truth, correctness and completeness of the Information Memorandum. It is to be distinctly understood that the aforesaid use of the Information Memorandum by the Arranger(s) should not in any way be deemed or construed to mean that the Information Memorandum has been cleared, approved, scrutinised or vetted by the Arranger(s). Nor should the contents of the Information Memorandum in any manner be deemed to have been warranted, certified or endorsed by the Arranger(s) as to the truth, correctness or completeness thereof. Each recipient must satisfy itself as to the accuracy, reliability, adequacy, reasonableness or completeness of the Information Memorandum.

The Arranger(s) have not conducted any due diligence review on behalf or for the benefit of the 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 the Information Memorandum does not constitute a representation or warranty, express or implied by the Arranger(s) that the information and opinions herein will be updated at any time after the date of the Information Memorandum. The Arranger(s) do not undertake to notify any recipient of any information coming to the attention of the Arranger(s) after the date of the Information Memorandum. No responsibility or liability or duty of care is or will be accepted by the Arranger(s) for updating or supplementing the Information Memorandum nor for providing access to any additional information as further information becomes available.

Neither the Arranger(s) 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 the Information Memorandum or in any other information or communications made in connection with the Debentures.

The Arranger(s) are acting for the Company in relation to the Issue of the Debentures and not on behalf of the recipients of the Information Memorandum. The receipt of the Information Memorandum by any recipient is not to be constituted as the giving of investment advice by the Arranger(s) to that recipient, nor to constitute such a recipient a customer of the Arranger(s). The Arranger(s) are not responsible to any other person for providing the protection afforded to the customers of the Arranger(s) nor for providing advice in relation to the Information Memorandum.

Each recipient of this Information Memorandum 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;

(ii) such recipient has not relied on any intermediary that may be associated with the Debentures including the Arranger(s) in connection with its investigation of the accuracy of such information or its investment decision; and

The Issuer does not undertake to update the information in the Information Memorandum to reflect subsequent events after the date of the Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer. Neither the delivery of the Information Memorandum nor any sale of Debentures made hereunder 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.

2.8 DISCLAIMER CLAUSE OF STOCK EXCHANGES

As required, a copy of this Information Memorandum shall be filed with BSE in terms of the SEBI NCS 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.

2.9 DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI NCS 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.

Each recipient of the Information Memorandum acknowledges that 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 therein.

The Company has prepared this Information Memorandum and the Company is solely responsible for its contents. All the information contained in this Information Memorandum has been provided by the Company or is from publicly available information.

2.10 DISCLAIMER OF THE RESERVE BANK OF INDIA

The Company holds a certificate of registration dated August 24, 2010 bearing registration no. N-16.00187 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the Reserve Bank of India Act, 1934 ("**RBI Act**"). However, the Debentures have not been recommended or approved by the RBI nor does RBI guarantee the accuracy or adequacy of this Information Memorandum. It is to be distinctly understood that this Information Memorandum should not, in any way, be deemed or construed that the securities have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer, or the securities being issued by the Issuer or for the correctness of the statements made or opinions expressed in this Information Memorandum. Potential investors may make investment decision, in the securities offered in terms of this Information Memorandum solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/ repayment of such investment.

3. RISK FACTORS

The following are some of the important factors that could cause actual results to differ materially from the Company's expectations:

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

If any one of the following stated risks actually occurs, the Company's business, financial conditions and results of operations could suffer and, therefore, the value of the Company's Debentures could decline and/or the Company's ability to meet its obligations in respect of the Debentures could be affected. More than one risk factor may have simultaneous effect with regard to the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures.

These risks and uncertainties are not the only issues that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below.

A. INTERNAL RISK FACTORS

Risks relating to the Company and its Business.

1. Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.

Our liquidity and ongoing profitability are, in large part, dependent upon our timely access to cost effective sources of funding. Our funding requirements historically have been met through a combination of borrowings such as working capital limits, term loans, short term revolving loans, etc., from banks. Our ability to raise funds, on acceptable terms and at competitive rates, continues to depend on various factors including our credit ratings, financial performance & growth prospects of our Company, the macro economic factors including regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for securities of NBFCs. Our business depends and will continue to depend on our ability to access diversified low-cost funding sources.

In the recent past the Indian economy witnessed defaults of debt repayments by large NBFC players. Such events heightened the investor focus around the health of the broader NBFC sector as well as their sources of liquidity. This has led to crunch in liquidity available to certain NBFCs. Re-occurrence of similar events may affect the market sentiment towards NBFC sector and as a whole may affect the borrowing capability of our Company adversely.

2. ***If we are unable to manage the level of NPAs, our financial position and results of operations may suffer.***

The Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016, as amended, prescribe the provisioning required in respect of our outstanding loan portfolio. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our non-performing assets. Furthermore, although we believe that our total provision will be adequate to cover all known losses in our asset portfolio, our current provisions may not be adequate when compared to the loan portfolios of other financial institutions.

Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross non-performing assets or otherwise, or that the percentage of non-performing assets that we will be able to recover will be similar to our past experience of recoveries of nonperforming assets. In the event of any further increase in our non-performing asset portfolio, there could be an even greater, adverse impact on our results of operations.

3. ***A substantial section of our customer base comprises of individuals, small traders and business operators, who generally are more likely to be affected by declining economic conditions than larger corporate borrowers. Any decline in the repayment capabilities of our borrowers, may result in increase in default thereby adversely affecting our business and financial condition.***

Individual and small enterprise segment borrowers generally are less financially resilient than larger corporate borrowers, and, as a result, they can be more adversely affected by declining economic conditions. In addition, a significant majority of our customer base belongs to the low to medium income group and/or the small enterprises finance sector who may be more likely to be affected by declining economic conditions than large corporate houses.

Any decline in in the economic conditions may impact the repayment capabilities of our borrowers, which may result in increase in defaults, thereby adversely affecting our business and financial conditions.

4. ***We may face increasing competition in our business which may result in declining margins if we are unable to compete effectively. Increasing competition may have an adverse effect on our net interest margin, and, if we are unable to compete successfully, our market share may decline.***

The financial services market is being served by a range of financial entities, including traditional banking institutions, public sector banks, NBFCs and small finance banks. Our competitors may have greater financial resources, may be larger in terms of business volume and customer base, have greater brand recognition among customers, better institutional distribution platforms and may have lower cost of funds compared to us.

Moreover, as interest rate is a key factor driving a customers' decision in selecting a financier, competitors may offer loans at lower rates, owing to access to lower cost of capital, to retain market share. This competition is likely to further intensify as more and more international and domestic players enter into Indian financial services industry as a result of regulatory changes. Our future success will depend, to a large extent, on our ability to respond in a timely and effective manner to these competitive pressures. There can be no assurance that we will be able to compete successfully with such competitors and gain market share.

5. ***We may face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations and profitability.***

We face potential liquidity risks due to varying periods over which our assets and liabilities mature. As is typical for NBFCs, a portion of our funding requirements is met through short-term funding sources

such as bank loans, working capital demand loans, cash credit, short term loans and commercial papers. However, each of our products differs in terms of the average tenor, average yield, average interest rates and average size of loan. Our inability to obtain additional credit facilities or renew our existing credit facilities, in a timely and cost effective manner or at all, may lead to liquidation/ non building of assets, which in turn may adversely affect our operations and financial performance.

6. Any disassociation of our Company from "The Federal Bank Limited" could adversely affect our operations and profitability.

Our Promoters collectively hold 73.22% of our paid-up equity share capital as on the date of this Information Memorandum. If our Promoters cease to exercise control over our Company as a result of any transfer of shares or otherwise, our ability to derive any benefit from the brand name "Fedbank" and our goodwill associated with being a subsidiary of the "The Federal Bank Limited" may be adversely affected, which in turn could adversely affect our business and results of operations. Any such change of control could also significantly influence our business policies and operations.

7. We are required to comply with strict regulations and guidelines issued by regulatory authorities in India. Any non-compliance with such regulations/guidelines many affect our status of operations.

We are regulated principally by and have reporting obligations to the RBI. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's asset finance sector.

Compliance with many of the regulations applicable to our operations may involve significant costs and otherwise may impose restrictions on our operations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and the business of our Company could be adversely affected. Our present operations may not meet all regulatory requirements or subsequent regulatory amendments. There can be no assurance that changes in these regulations and the enforcement of existing and future rules by governmental and regulatory authorities will not adversely affect our business and future financial performance.

8. We have entered into certain related party transactions and may continue to do so in the future.

We have entered into transactions with related parties, within the meaning of AS 18 as notified by the Companies (Accounting Standards) Rules, 2006 including our Promoters, Directors and related entities. We can give no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

For further information on our related party transactions please see **Annexure V**. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

9. Our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business may have a material adverse effect on our business.

We require certain statutory and/or regulatory permits and approvals for our business. NBFCs in India are subject to strict regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as a NBFC with the RBI, we are required to maintain certain statutory and

regulatory permits and approvals for our business. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in a timely manner or at all, and/or on favourable terms and conditions. Failure by us to comply with the terms and conditions to which such permits or approvals are subject, and/or to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

In addition, our 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 we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled, and we shall not be able to carry on such activities.

10. We are subject to supervision and regulation by RBI as a non-deposit-taking systemically important NBFC, and any adverse changes in RBI's regulations governing us could adversely affect our business.

We are regulated principally by and have reporting obligations to the RBI. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's asset finance sector. We are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure and other prudential norms. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. The RBI's regulations of NBFCs could change in the future which may require us to restructure our activities, incur additional cost, impose restrictions on banks in relation to the exposure to NBFCs or could otherwise adversely affect our business and our financial performance. The RBI, from time to time, amends the regulatory framework governing NBFCs to address, among others, concerns arising from certain divergent regulatory requirements for banks and NBFCs. The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, securitisation, investments, ethical issues, money laundering and privacy. In some cases, there are overlapping regulations and enforcement authorities. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with such laws and regulations, which could materially and adversely affect our business and our financial performance. Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments, lending and other activities currently being carried out by our Company, involves a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. Further, compliance with many of the regulations applicable to our operations may involve significant costs and otherwise may impose restrictions on our operations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. We are also subject to changes in Indian laws, regulations and accounting principles and practices. There can be no assurance that the laws governing our Company and its operations will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not adversely affect our business and future financial performance.

11. Any failure or significant weakness of our internal processes or systems could cause operational errors or incidents of fraud, which would adversely affect our business, profitability and reputation.

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that business units adhere to our policies, compliance requirements and internal guidelines. While we periodically test and update our internal processes and systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

Our management information systems and internal procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal system or process weaknesses are identified, our actions may not be sufficient to correct such weakness. Failures or material errors in our internal systems may lead to deal errors, pricing errors, inaccurate financial reporting, fraud and failure of critical systems and infrastructure. Such instances may also adversely affect our reputation, business and results of operations. Adverse publicity arising from disclosure of fraud may also have an adverse impact in our customers' confidence in our security measures. We cannot assure you that that we would be able to prevent frauds in the future or that our existing internal mechanisms to detect or prevent fraud will be sufficient. Any fraud discovered in the future may have an adverse effect on our business, profitability and reputation.

12. We face operational risks as we: (i) handle high volumes of cash and gold jewellery in a dispersed network of branches, we are exposed to operational risks, including employee negligence, fraud, petty theft, burglary and embezzlement; (ii) occasionally have to overcome deficiency of internal procedures; and (iii) may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis which could harm our results of operations and financial position.

Our business involves carrying out cash and gold jewellery transactions that expose us to the risk of fraud by employees, agents, customers or third parties, theft, burglary, and misappropriation or unauthorized transactions by our employees. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or detect such activities in all cases, which may adversely affect our operations and profitability. Our employees may also become targets of the theft, burglary and other crimes if they are present when these crimes are committed and may sustain physical and psychological injuries as a result. We may encounter difficulties recruiting and retaining qualified employees due to this risk and our business and operations may be adversely affected. Publicity arising from such disclosure of fraud may also have an adverse impact on our customers' confidence in our security measures.

Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. The nature and size of the items provided as collateral allow these items to be misplaced or mistakenly delivered, which may have a negative impact on our operations and result in losses.

Additionally, we rely on our internal procedures for obtaining information on our customers and loan collateral provided. In the event of lapses or deficiencies in our procedures or in their implementation, we may be subject to business or operational risk. For example, in the event that we unknowingly receive stolen goods as collateral from a customer, the goods can be seized by the authorities. Once seized by the authorities, gold items will be stored in court storage facilities without a surety arrangement unless released to the Company from safe custody, upon a specific order. No recourse will generally be available to the Company in the event of such seizure, except the recovery of the loss from the customer.

We are required to comply with applicable anti-money-laundering, anti-terrorism laws and other applicable regulations in India. We, in the course of our operations, run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers despite putting in place systems and controls to prevent the occurrence of these risks. In our pursuit of business, we run the risk of inadvertently offering our financial products and services ignoring customer suitability and appropriateness despite having a Board approved customer suitability policy and associated processes in place. To the extent the Company fails to fully comply with applicable laws and regulations, the relevant government agencies to which the Company reports have the power and authority to impose fines and other penalties. In addition, the Company's business and reputation could suffer if customers use the Company for money-laundering or illegal or improper purposes. Any potential penalties or liabilities imposed by the relevant regulators on such matters may adversely affect the Company's financial condition and results of operations.

13. Any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations and financial condition.

The cost and availability of capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Additionally, the credit ratings of our Promoter, and the factors which impact it, have an effect on our credit ratings, given the existing relationship between us and our Promoter.

Any downgrade in our credit ratings or the credit ratings of our Promoter could increase borrowing costs, result in an event of default under certain of our financing arrangements and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows. In addition, any downgrade in our credit ratings or the credit ratings of our Promoter could increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future, impair our future issuances of debt and equity, and our ability to raise new capital on a competitive basis and adversely affect our business, results of operations and financial condition.

14. Some of our Directors and our Promoter may have interests in entities in businesses similar to ours, which may result in conflicts of interest with us.

Some of our Directors may have investments or interests in entities engaged in businesses similar to ours, which may, in the future, result in conflicts of interest with us. Our director, Maninder Singh Juneja, is involved or interested in certain companies engaged in similar business activities as us and provides similar services as some of our products.

15. Our NCDs are listed on BSE and we are subject to rules and regulations with respect to such listed NCDs. If we fail to comply with such rules and regulations, we may be subject to certain penal actions, which may have an adverse effect on our business, results of operations, financial condition and cash flows. Further, the trading in our NCDs has been and may continue to be limited or sporadic, which may affect our ability to raise debt financing in the future.

Our NCDs are listed on the debt segment of BSE. We are required to comply with various applicable rules and regulations, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, and applicable provisions of the SEBI (LODR) Regulations, in terms of our listed NCDs, and the listing agreement entered into therein. If we fail to comply with such rules and regulations, we may be subject to certain penal actions, including, without limitation, restrictions on the further issuance of non-convertible securities by us or our Promoter and the freezing of transfers of securities, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

Trading in our NCDs has been limited and we cannot assure you that the NCDs will be frequently traded on the BSE or that there would be any market for the NCDs. Further, we cannot predict if and to what extent a secondary market may develop for the NCDs or at what price the non-convertible debentures will trade in the secondary market or whether such market will be liquid or illiquid.

16. Refusal in listing of any security of the Issuer during last three years by any of the Stock Exchanges in India or abroad.

As of the date of this Information Memorandum, the Issuer has not been refused listing of any security during the last 3 (Three) years by any of the Stock Exchanges in India or abroad and therefore, this would not be applicable.

17. In case of outstanding debt instruments or deposits or borrowings, any default in compliance with the material covenants such as creation of security as per terms agreed, default in payment of interest, default in redemption or repayment, non-creation of debenture redemption reserve, default in payment of penal interest wherever applicable.

As on the date of this Information Memorandum, the Issuer has not defaulted in compliance with any material covenants agreed to by the Issuer and therefore, this would not be applicable.

B. Risks Relating to the Debentures

1. You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all.

2. Any downgrading in credit rating of our NCDs may affect the value of NCDs and thus our ability to raise further debts.

The rating of the NCDs by Rating Agency and/or agencies indicates high degree of safety regarding timely servicing of financial obligations and carrying very low credit risk. The ratings provided by Rating Agency and/or Agencies may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions.

Any adverse revisions of our credit rating may adversely impact our ability to raise additional financing, the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance and our ability to obtain financing for lending operations.

3. Our Company may raise further borrowings and charge its assets subject to receipt of necessary consents.

Our Company may, subject to receipt of all necessary consents, raise further borrowings and charge its assets. Our Company will decide the nature of security that may be provided for future borrowings. In the event of creation of a charge on the assets of the Company in favour of other lenders, there may be a reduction in the amounts recoverable by the NCD holders upon our Company's bankruptcy, winding-up or liquidation.

4. ***There may be no active market for the non-convertible debentures on the debt segment of the Stock Exchange. As a result, the liquidity and market prices of the non-convertible debentures may fail to develop and may accordingly be adversely affected.***

   There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country; (ii) the market for listed debt securities; (iii) general economic conditions; and (iv) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

5. ***Issuer's indebtedness and covenants imposed by its financing arrangements may restrict its ability to conduct its business or operations***

   The Issuer's financing arrangements require it to maintain certain security cover for some of its borrowings. Should there be any breach of financial or other covenants of any financing arrangements and such breach continues beyond the stipulated cure period (if any), the Issuer may be subjected to various consequences as a result of such default including forced repayment of such borrowings. Further, under some of the financing arrangements, the Issuer is required to inform / obtain prior approval of the lenders / debenture holders / debenture trustee for various actions. This may restrict / delay some of the actions / initiatives of the Issuer from time to time.

6. ***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.

7. ***Risk in relation to the nature of the Debentures.***

   The Debentures are subordinated in nature and intended to constitute Tier II regulatory capital of the Issuer. The Debentures and any amounts of interest due thereon are unsecured obligations of the Issuer. Accordingly, the claims of the investors in Debentures in case the Issuer goes into liquidation and is being wound up shall be subordinated to the claims of the other creditors of the Issuer.

8. ***The Debentures may not qualify as Tier II Capital***

   There is no guarantee that the Debentures shall qualify as Tier II Capital under the guidelines of RBI. The failure of the Debentures to qualify as Tier II Capital due to any reason, including changes in law, regulations, interpretations by RBI, would adversely affect the Issuer's Capital Adequacy Ratio to the extent of such disallowance.

9. ***Other risks in connection with Debentures***

   The payment of redemption of principal amount of the Debentures would be subject to the requirements of RBI, if any, including requirement of the Debentures not being redeemable at the initiative of the holder of the Debentures or without the consent of the RBI. The monies being raised

pursuant to the terms set out herein are for the purposes of augmenting the Tier II Capital of the Issuer.

C. RISKS IN RELATION TO ENFORCEMENT

1. Significant delays may be faced in court proceedings in India.

The Debenture Trustee and/or the Debenture Holders may need to seek recourse to Indian courts to enforce their rights under the Transaction Documents and/or in respect of the Debentures in the event that the Issuer fails to honour its obligations in relation to the Debentures. It is not unusual for court proceedings in India to continue for extended periods. Disposition of cases may be further subject to various delays including multiple levels of appellate adjudication.

2. Exercise of powers by the Debenture Trustee is subject to equitable principles and supervisory powers of courts.

The exercise by the Debenture Trustee of the powers and remedies conferred on it under the Debentures, and the Transaction Documents, or otherwise vested in it by law, will be subject to general equitable principles, the general supervisory powers and discretion of the Indian courts in the context thereof and the obtaining of any necessary governmental or regulatory consents, approvals, authorisations or orders.

The right of the Debenture Holders to receive payments under the Debentures will be junior to certain tax and other liabilities, including monies due and payable to secured creditors of the Issuer, preferred by law on an insolvency of the Issuer.

D. EXTERNAL RISK FACTORS

Risks Relating to the Indian Economy

1. ***A slowdown in economic growth in India could cause our business to be adversely affected.***

Our results of operations are significantly affected by factors influencing the Indian economy and the global economy in general. Any slowdown in economic growth in India could adversely affect us, including our ability to grow our loan portfolio, the quality of our assets, and our ability to implement our strategy.

Any slowdown in the growth or negative growth of sectors where we have a relatively higher exposure could adversely impact our performance. Any such slowdown, and in particular the financing requirement of our customers could adversely affect our business, prospects, results of operations and financial condition.

2. ***Political instability or changes in Government of India could adversely affect economic conditions in India generally, and consequently, our business in particular.***

The Government of India has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Since 1991, successive governments have pursued policies of economic and financial sector liberalisation and deregulation and encouraged infrastructure projects. There can be no assurance that these liberalised policies will continue in the future as well. A significant change in Government's policies in the future could affect business and economic conditions in India. This could also adversely affect our business, prospects, results of operations and financial condition.

3. ***Any downgrading of India's sovereign rating by an international rating agency(ies) may affect our business and our liquidity to a great extent.***

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional finances at favourable interest rates and other commercial terms. This could have an adverse effect on our growth, financial performance and our operations. Instances of corruption in India have the potential to discourage investors and derail the growth prospects of the Indian economy. Corruption creates economic and regulatory uncertainty and could have an adverse effect on our business, profitability and results of operations. The Indian economy has had sustained periods of high inflation. Should inflation continue to increase sharply, our profitability and results of operations may be adversely impacted. High rates of inflation in India could increase our employee costs which could have an adverse effect on our profitability and results of operations.

4. REGULATORY DISCLOSURES

PART A: DISCLOSURES UNDER SEBI NCS REGULATIONS

The Information Memorandum is prepared in accordance with the provisions of SEBI NCS Regulations and SEBI Operating Circular and in this section, the Issuer has set out the details required as per **Schedule II** of the SEBI NCS Regulations and SEBI Operating Circular.

4.1 Documents submitted to the BSE

The following documents have been submitted to the BSE:

A. Memorandum and Articles of Association and necessary resolution(s) for the allotment of the Debentures;
B. Copy of last 3 (Three) years audited annual reports;
C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
D. Copy of the resolution passed by the shareholders of the Company at the Annual General Meeting, authorising the issue/offer of non-convertible debentures by the Company;
E. Certified true copy of the resolution passed by the Company at the Annual General Meeting authorising the Company to borrow, upon such terms as the Board may think fit, up to an aggregate limit of Rs.15,000,00,00,000/- (Rupees Fifteen Thousand Crores Only);
F. Copy of the Board / Committee Resolution authorising the issue of Debentures and list of authorised signatories;
G. Undertaking from the Issuer stating that all documents required to be executed in relation with the Debentures shall be executed within the time frame specified, and uploaded on the website of the designated Stock Exchange, where the Debentures are listed, within the timelines specified under the extant regulations;
H. The Trustee shall submit a due diligence certificate to the Stock Exchange in the format as specified in **Schedule IVA** of the SEBI NCS Regulations. The Stock Exchange shall list the Debentures only upon receipt of the aforementioned due diligence certificate from the Trustee; and
I. Any other particulars or documents that the Stock Exchange may call for as it deems fit.

4.2 Documents submitted to the Debenture Trustee

The following documents have been submitted to the Debenture Trustee:

A. Memorandum and Articles of Association 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 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, till the redemption of the Debentures, submit the details mentioned in point (D) above to the Debenture Trustee within the timelines as mentioned in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Issuer shall also promptly submit to the Debenture Trustee all the other documents/intimations as are required to be submitted under the provisions of Regulation 56 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Issuer shall within 180 (One Hundred and Eighty) days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional

Buyers' (QIBs) and other existing debenture holders within 2 (Two) Business Days of their specific request.

4.3 **Issue Schedule**

Particulars	Date
Issue Opening Date	May 25, 2023
Issue Closing Date	May 25, 2023
Pay In Date	May 26, 2023
Deemed Date of Allotment	May 26, 2023

4.4 **Name, logo, address, websites, email address, telephone number and contact person of Issuer, Debenture Trustee, Rating Agency(ies), Registrar, Statutory Auditor and Legal Counsel (if any), Guarantor (if applicable) and Arranger (if any):**

Sr. No.	Particulars	Details
1.	**Issuer**	**Fedbank Financial Services Limited** **Registered office address:** Kanakia Wall Street, A Wing, 5th Floor, Unit No.511, Andheri Kurla Road, Andheri East Mumbai, Maharashtra – 400 093 **Corporate office address:** Kanakia Wall Street, A Wing, 5th Floor, Unit No.511, Andheri Kurla Road, Andheri East Mumbai, Maharashtra – 400 093 **Website**: https://fedfina.com **E-mail address**: secretarial@fedfina.com **Telephone number**: +91 22 6852 0601- ext 616 **Contact person**: Rajaraman Sundaresan *Please refer to the cover page of this Information Memorandum for the logo of the Issuer.*
2.	**Registration**	Corporate Identification Number U65910MH1995PLC364635 issued by the Registrar of Companies, Ernakulam. The Company holds a certificate of registration dated August 24, 2010 bearing registration number N-16.00187 issued by the RBI to carry on the activities of a non-banking financial institution without accepting public deposits (subject certain restrictions) under Section 45 IA of the RBI Act.
3.	**Arrangers (if any)**	**A. K. Stockmart Private Limited** Unit No. 601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400 098 (India) **Tel No**.: (+91 22) 6754 6500 **Contact Person**: Mr. Ranjit Dutta **E-mail**: stockmart@akgroup.co.in **Website**: www.akgroup.co.in
4.	**Guarantor, if applicable**	N.A

Sr. No.	Particulars	Details
5.	**Statutory Auditors of the Issuer**	B S R & Co. LLP Chartered Accountants **BSR & Co. LLP, Chartered Accountants** 14th Floor, Central B Wing and North C Wing, Nesco IT Western Express Highway, Goregaon (East), Mumbai 400063. **Tel No.**: 22 6257 1000 **Contact Person**: Mr. Ashwin Suvarna **E-mail**: asuvarna@bsraffiliates.com **Website**: https://bsrco.in/
6.	**Compliance Officer of the Issuer**	**Name**: Rajaraman Sundaresan **Address**: Kanakia Wall Street, A Wing, 5th Floor, Unit No.511 & 512, Andheri Kurla Road, Chakala, Andheri East Mumbai, Maharashtra – 400 093 **Tel**: +91 22 6852 0601- ext 616 **E-mail**: secretarial@fedfina.com
7.	**Chief Financial Officer (CFO) of the Issuer**	**Name**: C. V. Ganesh **Address**: Kanakia Wall Street, A Wing, 5th Floor, Unit No.511 & 512, Andheri Kurla Road, Chakala, Andheri East Mumbai, Maharashtra – 400 093 **Tel**: 022 68520601-ext 607 **E-mail**: cv.ganesh@fedfina.com
8.	**Debenture Trustee to the Issue**	AXIS TRUSTEE **Axis Trustee Services Limited** **Registered Office**: Axis Trustee Services Limited Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025 **Tel**: +91 22 6230 0451 **Contact person**: Chief Operating Officer **E-mail**: debenturetrustee@axistrustee.in *Please refer to the cover page of this Information Memorandum for the logo of the Debenture Trustee.*
9.	**Registrar and Transfer Agent to the Issue**	**Link Intime India Private Limited** II Floor, Kences Towers No. 1 Ramakrishna Street, T. Nagar, Chennai – 600 017, Tamil Nadu **Tel**: +91 22 49186101 **Fax**: +91 22 49186000 **Contact person**: Mr. Amit Dabhade **E-mail**: ganesh.jadhav@linkintime.co.in *Please refer to the cover page of this Information Memorandum for the logo of the Registrar and Transfer Agent.*

Sr. No.	Particulars	Details
10.	**Credit Rating Agency(ies) of the Issue**	**CARE Ratings Limited** 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022 **Tel No**: +91 22 6754 3456 **Contact Person**: Shweta Agrawal **E-mail**: care@careedge.in *Please refer to the cover page of this Information Memorandum for the logo of the Rating Agency 1.*
		India Ratings and Research Private Limited Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 **Tel No**: +91 22 4000 1700 **Contact Person**: Arunima Basu **E-mail**: infogrp@indiaratings.co.in *Please refer to the cover page of this Information Memorandum for the logo of the Rating Agency 2.*
11.	**Legal Counsel**	**Wadia Ghandy & Co.** N. M. Wadia Buildings 123, Mahatma Gandhi Road Fort, Mumbai – 400 001, Website: N/A **Phone**: +91 22 4073 5700 **Email**: N/A **Contact Person**: N/A

4.5 **A brief summary of business / activities of Issuer and its subsidiaries with the details of branches or units if any and its line of business**

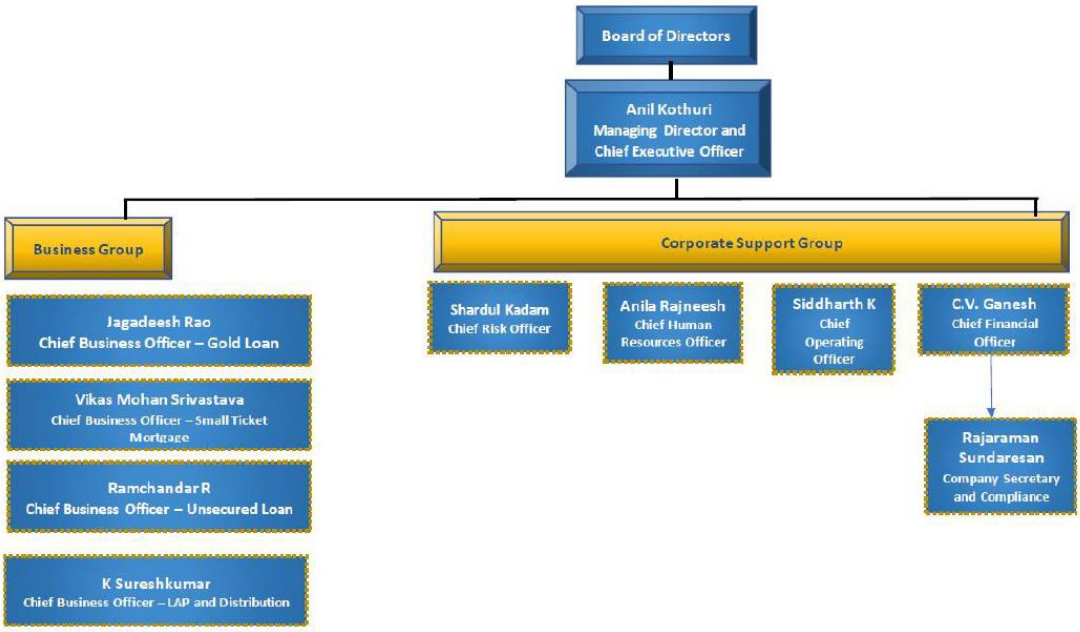
A. **Overview of the business of the Issuer:**

I. Brief overview of the Company

Our Company was incorporated as 'Fedbank Financial Services Limited' on April 17, 1995 in Kerala at Kochi as a public limited company under the Companies Act, 1956, and was granted a certificate of incorporation by the Registrar of Companies, Kerala at Kochi. Our Company received a certificate of commencement of business issued by the Registrar of Companies, Kerala at Kochi dated July 17, 1995. Subsequently, pursuant to a change in our registered office by way of a resolution passed by our shareholders on February 10, 2021, a certificate of registration in relation to the change of state was issued by the Registrar of Companies,

Maharashtra at Mumbai on July 26, 2021. Our Company is registered with the Reserve Bank of India ("RBI") to carry on the business of non-banking financial institution without accepting public deposits (certificate of registration no. N-16.00187).

B. **Corporate Structure of the Issuer:**



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

N.A.

D. **A columnar representation of the audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of this Information Memorandum or the issue opening date, as may be applicable. The above financial statements shall be accompanied with the Auditor's Report along with the requisite schedules, footnotes, summary etc.**

*(Please refer to the below columnar representation which have been derived from the audited financial statements of the Company for the last three Financial Years ended March 31, 2020, March 31, 2021 and March 31, 2022 (Audit reports for the said period and the financial statements including notes and other annexures have been annexed as Part A of **Annexure IV**)).*

	STATEMENT OF PROFIT & LOSS			
				(INR in Lakhs)
	For the Nine Months ended	**For the year ended**	**For the year ended**	**For the year ended**
	Dec 31, 2022	**Mar 31, 2022**	**Mar 31, 2021**	**Mar 31, 2020**
Revenue from operations				
(a) Interest income	79,268.00	82,189.00	65,810.00	42,548.00
Dividend income	-	-	-	-
Rental income	-	-	-	-
(b) Fee and commission income	4,017.00	4,289.47	3,174.00	2,385.00

(c) Net gain on fair value changes	802.32	453.69	198.09	9.00
Net gain on derecognition of financial instruments under amortised cost category	-	-	-	-
Premium from Insurance business	-	-	-	-
Sale of products	-	-	-	-
Sale of services	-	-	-	-
Other operating revenue	-	-	-	-
Total Revenue from operations	**84,087.00**	**86,932.16**	**69,182.09**	**44,942.00**
Other income	**2,715.00**	**1,432.00**	**575.00**	**1,665.00**
Total Revenue	**86,802.00**	**88,364.16**	**69,756.09**	**46,607.00**
Expenses				
(a) Finance costs	33,113.00	34,765.09	31,319.07	20,110.00
(b) Fees and commission expenses	1,730.00	1,470.16	1,203.65	1,239.00
Net loss on fair value changes	-	-	-	-
Net loss on derecognition of financial instruments under amortised cost category	-	-	-	-
(c) Impairment on financial instruments	3,705.00	8,387.81	7,121.00	2,188.00
Cost of materials consumed	-	-	-	-
Changes in inventories of commodities, finished goods, work-in-progress and stock-in-trade	-	-	-	-
Change in Policy Liability - Actuarial	-	-	-	-
Policy Benefit	-	-	-	-
(d) Employee benefits expense	17,869.00	17,541.20	13,158.95	10,082.00
(e) Depreciation, amortisation and impairment	3,077.00	3,669.69	2,726.85	1,921.00
(f) Other expenses	8,494.00	8,608.70	6,533.00	5,467.00
Total expenses	**67,988.00**	**74,442.65**	**62,063.00**	**41,007.00**
Profit / (loss) before exceptional items and tax	-	13,921.51	7,693.09	5,600.00
Exceptional items	-	-	-	-
Share of (loss)/ profit in Associates companies	-	-	-	-
Profit before tax (III - IV)	**18,814.00**	**13,921.00**	**7,693.09**	**5,600.00**
Tax expenses:				
Current tax	4,489.32	4,710.18	2,923.58	1,849.00
(1) Current tax	4,489.32	4,710.18	2,923.58	1,849.00
(2) Short / (Excess) provision for earlier years	-	-	-	-
Deferred tax	215.56	(1,135.16)	(1,399.15)	(163.00)
(2) MAT credit entitlement		-	-	(47.00)
(2) Deferred tax (net)	215.56	(1,135.16)	(899.15)	(116.00)
Tax expenses - Prior Period		-	(500.00)	-
Profit/(loss) for the period/year	**14,109.12**	**10,345.98**	**6,168.00**	**3,914.00**
Profit/ (Loss) from discontinuing operations	-	-	-	-
Tax expense of discontinuing operations	-	-	-	-
Profit/ (Loss) from discontinuing operations (after tax)	-	-	-	-
Profit/ (Loss) for the period	**14,109.12**	**10,345.98**	**6,168.00**	**3,914.00**
Other Comprehensive Income/(Loss)				
(1) Basic (INR)	-	3.32	2.19	1.61
(2) Diluted INR)	-	3.31	2.18	1.60
Items that will not be reclassified to profit or loss				

(i) Remeasurement gain / (loss) on defined benefit plans (OCI)	48.19	92.32	44.01	(20)
Fair value gain / loss - OCI - equity	-	-	-	-
Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent not to be reclassified into profit or loss	-	-	-	-
Less: Income tax relating to items that will not be reclassified to profit or loss	(12.62)	(23.75)	(11.08)	5
(ii) Tax effect on Remeasurement gain / (loss) on defined benefit plans (OCI)	(12.62)	(23.75)	(11.08)	-
Tax effect on Fair value gain / loss - OCI - equity	-	-	-	-
Total	**34.57**	**67.57**	**32.93**	(15)
(b) Items that will be reclassified to profit or loss				
(i) Fair value gain / loss - OCI - debt	**992.02**	-	-	-
(ii) Fair value gain - OCI - Investment in Government Securities	**(11.14)**			
Foreign Exchange Translation Reserve – OCI	-	-	-	-
Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent to be reclassified into profit or loss	-	-	-	-
Less: Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Tax effect on above (i) and (ii)	(257.04)			
Tax effect on Fair value gain / loss - OCI – debt		-	-	-
Tax effect on Foreign Exchange Translation Reserve - OCI		-	-	-
Total	**723.84**	-	-	-
Other Comprehensive Income/(Loss)	**759.44**	**67.57**	**32.93**	**(15)**
Total Comprehensive Income/(Loss)	**14,868.00**	**10,413.55**	**6,200.93**	**3900**
Earnings per equity share (EPS)				
(1) Basic (INR)	4.39	3.32	2.19	1.61
(2) Diluted INR)	4.38	3.31	2.18	1.60
Face value per share (in ₹)	10.00	10.00	10.00	10.00

BALANCE SHEET

(INR in Lakhs)

Particulars		**For the year ended**	**For the year ended**	**For the year ended**
		Mar 31, 2022	**Mar 31, 2021**	**Mar 31, 2020**
ASSETS				
Financial assets				
(a) Cash and cash equivalents		6,596.26	52,603.20	14,229.00
(b) Bank balances other than cash and cash equivalents		7,663.94	15,475.64	7,502.00
(c) Derivative financial instruments		-	-	-
(d) Stock in trade		-	-	-
(c) Receivables				

(i) Trade receivables		1,183.67	117	231.00
(ii) Other receivables		385.98	319.52	140.00
(d) Loans		5,64,481.00	4,55,214.00	3,68,652.00
(e) Investments		51,432.50	3,249.29	4,136.00
(f) Other financial assets		1,176.69	1,352.90	828.00
Total Financial assets		6,32,921.00	5,28,332	3,95,718.00
Non-financial assets				
(a) Inventories		-	-	-
(b) Reinsurance assets		-	-	-
(a) Current tax assets (net)		1,192.21	985.89	839.00
(b) Deferred tax assets (net)		3,149.83	2,038.42	650.00
(e) Investment property		-		
(c) Property, Plant and Equipment		3,086.34	1,886.00	10,466.00
(d) Right Of Use Assets		11,969.70	11,185.00	
(e) Capital work in progress		65.64	96.25	42.00
(h) Intangible assets under development		-	-	-
(i) Goodwill		-	-	-
(f) Other Intangible assets		306.37	231.43	198.00
(g) Other non- financial assets		2,880.00	1,876	705.00
Total Non-financial assets		**22,650.09**	**18,298.00**	**12,900.00**
TOTAL ASSETS		6,55,571.00	5,46,630.18	4,08,619.00
LIABILITIES & EQUITY				
Financial liabilities				
(a) Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	10.00
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		643.03	432.50	399.00
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	485.00
(c) Insurance claims payable		-	-	-
(b) Debt securities		53,341.64	59,369.81	12,178.00
(c) Borrowings (other than debt securities)		4,22,434.62	3,47,593.00	3,09,581.00
(e) Deposits		-	-	-
(d) Subordinated Liabilities		25,907.23	25,845.91	-
(e) Lease Liability		13,704.26	12,462.61	13,426.00
(f) Other financial liabilities		21,097.00	15,811.06	-
Total Financial liabilities		5,37,127.78	4,61,516	3,36,079.00
Non-financial liabilities				
(a) Current tax liabilities (net)		-	-	-
(a) Provisions		313.37	302.69	192.00
(c) Provision for policyholders' liabilities		-	-	-
(c) Deferred tax liabilities (net)		-	-	-
(b) Other non-financial liabilities		2,778.00	1,339.00	3,232.00
Total Non-financial liabilities		3,091.37	1,641.69	3,424.00

Equity				
(a) Equity share capital		32,151.76	28,992.34	27,342.00
(b) Equity component of compound financial instruments		-	-	-
(b) Other equity		83,200.00	54,480.88	41,774.00
		1,15,351.76	83,473.23	69,116.00
TOTAL LIABILITIES AND EQUITY		6,55,570.91	5,46,629.81	4,08,619.00
	CASH FLOW STATEMENT			
				(INR in Lakhs)
		For the year ended	**For the year ended**	**For the year ended**
		Mar 31, 2022	**Mar 31, 2021**	**Mar 31, 2020**
CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		**13,921.00**	**7,693.26**	**5,600.20**
Adjustments for:				
Finance cost		34,765.09	31,319.07	20,103.00
Share based payment to employee		248.6	261.7	253
Depreciation		3,669.69	2,726.90	1,921.00
Interest income from Investment		-89.31	-158	-
Liability no longer required, written back		-3.16	-11.4	-
Interest on Fixed Deposit		-818.48	-879.3	-
Loss on sale of tangible assets		74.5	12.8	18
Profit on Sale of Mutual Fund units (Net) - realised		-444.34	-197.9	-
Gain/(Loss) on fair valuation of mutual fund - unrealised		-9.35	0.2	-8
Security deposit - Fair Valuation		12.51	16.9	-
EIR impact on Loans		231.53	-309.1	-329
Interest on NPA income booked under IND AS		-	-	-
Excess interest spread on Direct Assignment Transaction (net)		-703.56	-758.9	-1,054.00
Impairment on financial instrument		8,387.81	7,174.61	2,175.00
Provision for Doubtful Interest		-	85.6	-
Provision for fraud cases		-	-	-
Provision for F&F recovery		-	-	-
CWIP written off		-	6.4	-
Reclassification of actuarial gains/losses to other comprehensive income		-	-	-
Modification gain or loss on lease asset		-	-	-
Operating profit before working capital changes		**59,242.54**	**46,984.00**	**28,679.00**
Adjustments for working capital:				
- (Increase)/decrease in loans		-1,17,035.07	-88,533	-1,70,889.00
- (Increase)/decrease in financial asset and non financial asset		-840.2	-3,101.00	469

- (Increase)/decrease in trade and other receivables		-1,279.92	-66.2	-113
- Increase/(decrease) in trade payables		-353.97	114.1	224
- Increase/(decrease) in provisions		102.69	110.9	121
- Increase/(decrease) in financial liabilities and non financial liabilities		7,290.00	8,902.86	3,944.00
Cash generated from / (used in) operating activities		**-52,873.94**	**-35,588.24**	**-1,37,564.80**
Direct taxes paid (net)		-4,916.39	-1,534.51	-1,756.00
Net cash generated from / (used in) operating activities		**-57,790.33**	**-37,122.75**	**-1,39,320.80**
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of tangible assets		-2,460.81	-1,115.40	-1,876.00
Sale of tangible assets		5.21	4	-
Purchase of intangible assets		-227.78	-	-
CWIP Written Off		-	-	
Investment in Government securities		-41,874.11	-	121
Redemption of Government securities		1,500.00	-	-
Redemption / (Investment) of NCD		0	297	-
Investment in Mutual Fund		-3,93,380.33	-2,69,128.00	-3,000.00
Interest on NCD		-	-	-
Sale of Mutual Fund		3,86,026.00	2,69,826.50	-
Redemption of fixed deposit		1,22,205.26	92,412.94	2,500.00
Investment in fixed deposit		-1,14,555.26	-1,00,386.54	4,999.00
Interest on fixed deposits		980.54	879	
Liability no longer required, written back		-	-	-
Profit on Sale of Mutual Fund units (Net)		-	-	8
Interest from Debentures		-	-	-
Investment in Deposits		-	-	-
Interest income from Investment		89.31	158	-
Net cash generated from / (used in) investing activities		**-41,691.97**	**-7,052.50**	**-7,246.00**
CASH FLOW FROM FINANCING ACTIVITIES				
Debt Securities availed		40,000.00	1,89,487.01	1,61,707.00
Debt Securities repaid		-45,000.00	-1,44,090.01	-
Borrowings availed		1,85,000.00	1,42,971.27	-
Borrowings repaid		-1,10,009.89	-1,06,222.97	-
Subordinate borrowing availed		-	24,999.00	-
Subordinate borrowing repaid		-	-	-
Finance Cost		-34,918.53	-30,215.60	-19,601.00
Lease Payment (principal)		-1,850.24	-1,277.39	-1,376.00
Lease Payment (interest)		-900.49	-1,003.00	-
Share application money pending allotment		-3.6	3.6	-
Equity Shares Issued		2,886.45	1,650.00	4,433.00
Money received on partly paid OCRPS (being fully paid)		1,896.62	-	-
Redemption of OCRPS		-842	-	-
Share Premium net of Share Issue Expenses		17,216.09	6,247.30	14,910.00

Share Issue Expenses		-	-	-188
Net cash generated from / (used in) financing activities		**53,474.40**	**82,549.21**	**1,59,885.00**
Net increase / (decrease) in cash and cash equivalents		**-46,007.90**	**38,373.97**	**13,318.00**
Cash and cash equivalents as at the beginning of the period		**52,603.20**	**14,228.61**	**911**
Closing balance of cash and cash equivalents (A+B+C)		**6,596.00**	**52,602.58**	**14,229.00**
Components of cash and cash equivalents:				
Cash on hand		1,683.98	746.94	763
Balances with banks				
- in current accounts		4,912.28	10,856.26	6,165.00
- in fixed deposit with maturity less than 3 months		-	41,000.00	7,301.00
- in deposits with financial institutions				
Bank Overdraft		-	-	-
Cash and cash equivalents		**6,596.26**	**52,603.20**	**14,229.00**

The limited review financials for the quarter/ nine months ended December 31, 2022 have been separately annexed as Part B of Annexure IV.

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

Standalone basis*

(Rs. In lakhs)

Parameters	**For the nine months period ended on Dec 31, 2022****	**31-Mar-22**	**31-Mar-21**	**31-Mar-20**
	(Unaudited)	**(Audited)**	**(Audited)**	**(Audited)**
Balance Sheets				
Net Fixed assets	-	15,428	13,398	10,466
Current assets	-	3,64,168	3,10,766	1,87,405
Non-current assets	-	2,76,347	2,22,794	2,10,747
Total assets	860,919	6,55,571	5,46,630	4,08,619
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)	-	501683	432809	321759
Financial (borrowings, trade payables, and other financial liabilities)	-	3,22,919	2,88,301	2,09,931
Provisions: *Impairment Allowance*	-	11613	7489	3492
Deferred tax liabilities (net)	-	-	-	-
Other non-current liabilities	-	-	-	2,945
Current Liabilities (including maturities of long-term borrowings)	-	217170	1,74,703	1,26,534
Financial (borrowings, trade payables, and other financial liabilities)	-	214209	1,73,215	1,26,148
Provisions	-	313	303	192

Current tax liabilities (net)	-	-	-	-
Other current liabilities	-	2,778	1,339	287
Total liabilities	7,29,902	5,40,219	4,63,157	3,39,502
Equity (equity and other equity)	-	1,15,352	83,473	69,116
Total equity and liabilities	-	6,55,571	5,46,630	4,08,618
Profit and Loss				
Total revenue	86,802	88,364	69,772	46,652
From operations	84,087	86,932	68,247	44,987
Other income	2,715	1,432	1,525	1,665
Total Expenses	67,988	74,443	62,079	41,052
Total comprehensive income	14,868	10,414	6,201	3,900
Profit / loss	18,814	10,346	6,168	3,914
Other comprehensive income	759	68	33	-15
Profit / loss after tax	14,109	10,346	6,168	3,914
Earnings per equity share:				
Continuing operations (a) Basic	4.39	3.32	2.19	1.61
Continuing operations (b) Diluted	4.38	3.31	2.18	1.6
Discontinued operations (a) Basic	-	-	-	-
Discontinued operations (b) Diluted	-	-	-	-
Total continuing and discontinued operations	-	-	-	-
Cash Flow				
Net cash generated from operating activities	-	-57,789	-37,133	-1,39,321
Net cash used in / generated from investing activities	-	-41,692	-7,042	-7,246
Net cash used in financing activities	-	53,474	82,549	1,59,885
Cash and cash equivalents	-	52,603	14,229	911
Balance as per statement of cash flows	-	6,596	52,603	14,229
Additional information				
Net worth	1,31,017	1,15,352	83,473	69,116
Cash and Cash Equivalents	-	14,260	52,603	14,229
Current Investments	-	51,433	3,249	4,136
Assets Under Management	-	6,18,720	4,86,325	38,381.73
Off Balance Sheet Assets	-	42,626	23,535	11,673.30
Total Debts to Total assets	-	0.77	0.79	0.79
Debt Service Coverage Ratios	-	-	-	-
Interest Income	79268	82,189	65,657	42,588.01
Interest Expense	-	34,765	31,319	20,110.00
Interest service coverage ratio (x)	-	1.36	1.23	1.2
Provisioning & Write-offs	-	1.51	1.33	1.37
Bad debts to Account receivable ratio	-	2.7	6.8	0.0
Gross NPA (%)	2.41%	2.2	1	1.5
Net NPA (%)	1.95%	1.7	0.70	1.10
Tier I Capital Adequacy Ratio (%)	-	19.59	17.1	17.53
Tier II Capital Adequacy Ratio (%)	-	1.75	0.71	1.07

**Numbers reported for quarter/ nine-months ended December 31, 2022, FY 22, FY 21 and FY 20 have been reported on a standalone basis.*

*** Numbers reported for the quarter/ nine months ended December 31, 2022 have been reported on a limited review basis. The limited review financial statements of the issuer for the said quarter/nine months ended December 31, 2022 have been annexed to this Information Memorandum under Part B of Annexure IV.*

F. **Debt: Equity Ratio of the Issuer:**

Before the issue of Debentures	5.26*
After the issue of Debentures	5.41**

** Debt to Tangible Net Worth. The ratio is based on the limited review financials available for the quarter/ nine-months ended December 31, 2022.*

*** The debt to equity ratio for after the issue of Debentures has been calculated assuming that the full issue size of Rs. 200,00,00,000/- (Rupees Two Hundred Crores only), has been subscribed to.*

G. **Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability:**

Particulars	As on Mar 31, 2022 (Amount in INR)
Disputed Income Taxes	-
Other Sums contingently liable for (2)	23,00,000
Total	**23,00,000**

4.6 **Brief history of Issuer since its incorporation**

A. **Details of Share Capital as on last quarter end i.e. March 31, 2023**

Share Capital	Aggregate value at face value (Rs.)	
Authorised Share Capital		
990,000,000 equity shares of Rs. 10/- each	990,00,00,000/-	
1,00,00,000 0.01% non-cumulative redeemable preference shares of Rs. 10/- each	10,00,00,000/-	
Total		**1000,00,00,000/-**
Issued and Subscribed Share Capital		
32,19,11,605 equity shares of Rs. 10/- each	321,91,16,050/-	
Total		**321,91,16,050/-**
Paid Up Share Capital		
32,19,11,605 equity shares of Rs. 10/- each	321,91,16,050/-	
Total		**321,91,16,050/-**

B. **Changes in its capital structure as on the last quarter end i.e March 31, 2023, for the last three years**:

I. Equity Shares

Date of Change (AGM/ EGM)*	Amount in Rs. #	Particulars
13/10/2020	16,50,00,000	Issue of 1,65,00,000 equity shares to The Federal Bank Limited and True North VI LLP vide rights issue
21/04/2021	1,20,000	Exercise of 12,000 stock options
29/06/2021	28,57,14,500	Issue of 2,85,71,450 equity shares to The Federal Bank Limited, True North VI LLP and B. Sivakumar vide rights issue
13/11/2021	12,00,000	Exercise of 120,000 stock options
22/12/2021	13,10,000	Exercise of 1,31,000 stock options

14/02/2022	27,297,300	Conversion of 2,729,730- 0.01% Optionally convertible redeemable preference shares ("**OCRPS**") into equity shares
28/03/2022	3,00,000	Exercise of 30,000 equity shares
6/05/2022	3,00,000	Exercise of 30,000 equity shares
21/07/2022	34,90,000	Exercise of 3,49,000 equity shares
17/10/2022	1,50,000	Exercise of 15,000 equity shares

** There was no AGM / EGM held for these allotments and hence, dates of respective allotments have been set out above.*

 # The amounts set out above, are the issue size calculated at face value of each share.

II. Preference shares

Date of Change (DATE OF ALLOTMENT)	AMOUNT (Rs.)	Particulars
31/10/2019	4,72,97,300#	Issue of 4,729,730 OCRPS vide Preferential allotment
14/02/2022	8,42,00,000*	Redemption of 2,000,000 OCRPS
14/02/2022	27,297,300**	Conversion of 2,729,730 OCRPS into equity shares

**The 20,00,000 OCRPS have been redeemed at Rs.42.10/- amounting to Rs. 8,42,00,000/-*

***27,29,730 OCRPS were converted into equity at a face value of Rs.10 and premium of Rs.32.10/-*

 # The amount set out above, is the issue size calculated at face value of each share.

C. **Equity Share Capital History of the Company, for the last three years:**

Date of Allotment of Equity Shares	Number of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Paid up Share Capital (Rs)	Equity Share Premium (in Rs)	
13-10-2020	1,65,00,000	10	48	Cash	Rights issue	28,99,23,425	2,89,92,34,250	3,35,78,24,772	NIL
21-04-2021	12,000	10	30	Cash	Exercise of stock options	28,99,35,425	2,89,93,54,250	3,35,80,64,772	NIL
29-06-2021	2,85,71,450	10	70	Cash	Rights issue	31,85,06,875	3,18,50,68,750	5,06,97,42,772	NIL
13-11-2021	1,20,000	10	30	Cash	Exercise of stock options	31,86,26,875	3,18,62,68,750	5,06,79,86,992	NIL
22-12-2021	91,000	10	42.11	Cash	Exercise of stock options	31,87,17,875	3,18,71,78,750	5,06,03,29,327	NIL
22-12-2021	40,000	10	30	Cash	Exercise of stock options	31,87,57,875	3,18,75,78,750	5,06,11,29,327	NIL
14-02-2022	27,29,730	10	42.1	Cash	Conversion of OCRPS into equity shares	32,14,87,605	3,21,48,76,050	5,16,37,28,605	NIL
28-03-2022	10,000	10	30	Cash	Exercise of stock options	321497605	3214976050	5,16,39,28,605	NIL
28-03-2022	20,000	10	48	Cash	Exercise of stock options	321517605	3215176050	5,16,46,88,605	NIL
06-05-2022	30,000	10	30	Cash	Exercise of stock options	32,15,47,605	3,21,54,76,050	5,16,74,92,625	NIL
21-07-2022	60,000	10	30	Cash	Exercise of stock options	32,16,07,605	3,21,60,76,050	5,16,86,92,625	NIL

21-07-2022	2,60,000	10	48	Cash	Exercise of stock options	32,18,67,605	3,21,86,76,050	5,17,85,72,625	NIL
21-07-2022	29,000	10	42.11	Cash	Exercise of stock options	32,18,96,605	3,21,89,66,050	5,17,95,03,815	NIL
17-10-2022	15,000	10	42.11	Cash	Exercise of stock options	32,19,11,605	3,21,91,16,050	5,17,99,85,465	NIL

Date of Allotment	No of Preference Shares	Face Value (Rs)	Issue Price (Rs)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative			Remarks
						No. of Preference Shares	Preference Share Capital (Rs)	Preference Share Premium (in Rs)	
31/10/2019	47,29,730*	10	42.10	Cash	0.01% Optionally Convertible Redeemable Preference Shares	47,29,730	4,72,97,300	15,18,24,333	Partly paid-up shares

**Out of 47,29,730 OCRPS, 20,00,000 OCRPS have been redeemed at Rs.42.10/- amounting to Rs.8,42,00,000/- and 27,29,730 OCRPS were converted into equity at a face value of Rs.10 and premium of Rs.32.10/-*

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

E. **Details of any Reorganisation or Reconstruction in the last 1 (One) year:** NIL

4.7 **Details of the shareholding of the Company as on the latest quarter end i.e. March 31, 2023 as per the format specified under the listing regulations:**

A. **Shareholding pattern of the Company as on last quarter end i.e. March 31, 2023:**

Sr. No.	Name of the Shareholder	Total No. of Equity Shares held	No of Shares held in Demat Form	Total Shareholding as % of total no. of equity shares
1.	The Federal Bank Ltd	23,56,84,927	23,56,84,927	73.22
2.	Mr. Samir Pravinbhai Rajdev Jointly with The Federal bank Ltd*	1	1	
3.	Mr. Shyam Srinivasan Jointly with The Federal Bank Ltd*	200	200	
4.	Mr. Ashutosh Khajuria Jointly with The Federal Bank Ltd*	1	1	
5.	Mr. Ajith Kumar K K Jointly with The Federal Bank Ltd*	1	1	
6.	Mr. Lakshmanan Venkateswaran Jointly with The Federal Bank Ltd*	100	100	
7.	Mrs. Shalini Warrier Jointly with The Federal Bank Ltd*	100	100	
8.	Mr. Divakar Dixit Jointly with The Federal Bank Ltd*	1	1	
9.	Mr. Sreekanth I V Jointly with The Federal Bank Ltd*	1	1	
10.	True North Fund VI LLP	8,28,08,361	8,28,08,361	25.72

Sr. No.	Name of the Shareholder	Total No. of Equity Shares held	No of Shares held in Demat Form	Total Shareholding as % of total no. of equity shares
11.	Mr. Sivakumar B	13,182	13,182	0.00
12.	Mr. Amit Gupta	40,000	40,000	0.01
13.	Mr. Aliasad M. Ansari	60,000	60,000	0.02
14.	Mr. Shekaar Subramanian	60,000	60,000	0.02
15.	Mr. Paramjit Chawla	40,000	40,000	0.01
16.	Mr. Ashish Gautam	40,000	40,000	0.01
17.	Mr. Sivakumar Nandipati	80,000	80,000	0.02
18.	Mr. Anil Kothuri	27,29,730	27,29,730	0.85
19.	Mr. Sudeep Agrawal	80,000	80,000	0.02
20.	Mr. Chattapuram Venkatraman Ganesh	2,60,000	2,60,000	0.09
21.	Mr. Jagadeesh Rao	15,000	15,000	0.00
	Total	32,19,11,605	32,19,11,605	100%

*Note: *8 individual shareholders are holding 405 shares as nominees of The Federal Bank Limited, none of the shares of Promoters have been pledged or encumbered by the promoters of the Company.*

B. **List of top 10 holders of equity shares of the Company as on the latest quarter end i.e. March 31, 2023:**

Sr. No.	Name of the Shareholder	Total No. of Shares	Number of shares in demat form	Total shareholding as % of total number of Equity Shares
1.	The Federal Bank Limited	23,56,85,332	23,56,85,332	73.22%
2.	True North Fund VI LLP	8,28,08,361	8,28,08,361	25.72%

4.8 **Following details regarding the directors of the Company:**

A. **Details of current directors of the Issuer*:**

Name, designation and Director's Identification Number (DIN)	Age	Address	Date of appointment	Details of other directorships	Whether wilful defaulter (Yes/No)
Mr. Balakrishnan Krishnamurthy; Chairman and Independent Director (**DIN**: 00034031)	63 years	2, Lloyds Garden, Appa Saheb Marathe Marg, Prabhadevi Mumbai – 400 02s5	28/09/2019	Kriscore Financial Advisors Private Limited, Kriscore Ventures Private Limited, XPRO India Limited	No

Name, designation and Director's Identification Number (DIN)	Age	Address	Date of appointment	Details of other directorships	Whether wilful defaulter (Yes/No)
Mr. Anil Kothuri, MD & CEO; (**DIN**: 00177945)	50 years	B-703, Rustomjee Oriana, Dharmadhikari Marg, Near Navjeevan School, Bandra East, Mumbai – 400 051	11/12/2018	NIL	No
Mr. Shyam Srinivasan, Non-Executive Director; (**DIN**: 02274773)	60 years	Federal Villa, Althara, GCDA Road, Thottakattukara P O, Aluva, Ernakulam – 683 108	18/03/2011	The Federal Bank Limited, Ageas Federal Life Insurance Company Limited	No
Mr. Ashutosh Khajuria, Nominee Director; (**DIN**: 05154975)	61 years	Flat No. 2901, 29th Floor, Ashok Towers, C Wing Parel, Near Hotel Grand Central Mumbai, Mumbai – 400 012	30/04/2020	The Federal Bank Limited	No
Mr. Maninder Juneja Singh, Nominee Director; (**DIN**: 02680016)	56 years	Flat 1002, Floor-10, Wing D, Mayfair Meridian Ceasar Road, Near Filmalaya Studio, Andheri West Mumbai 400 058	20/12/2018	Fincare Business Services Limited, Home First Finance Company India Limited, Indifi Technologies Private Limited, Niva Bupa Health Insurance Company Limited	No
Mrs. Gauri Rushabh Shah, Independent Director;	48 years	Flat No 5/3, Indian Mercantile Mansion, Madam Cama	13/02/2015	NIL	No

Name, designation and Director's Identification Number (DIN)	Age	Address	Date of appointment	Details of other directorships	Whether wilful defaulter (Yes/No)
(**DIN**: 06625227)		Road, Colaba Mumbai – 400 039			
Mr. Peruvemba Ramachandran Seshadri, Additional Director (in capacity of Independent Director), (**DIN**: 07820690)	59 years	107 Sowmya Springs, Diwan Madhavarao Road, Bangalore – 560 004	12/08/2022	Protium Finance Limited, Orocorp Technologies Private Limited, Orocorp Finance Private Limited	No

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

B. **Details of change in directors since last three years:**

Name, Designation and DIN	Date of Appointment	Date of cessation, if applicable	Date of resignation, if applicable	Remarks
Mr. Ashutosh Khajuria; Nominee Director (**DIN**: 05154975)	30/04/2020	-	-	Appointment as a Non-Executive Nominee Director of The Federal Bank Limited
Mr. Peruvemba Ramachandran Seshadri, Additional Director (in capacity of Independent Director), (**DIN**: 07820690)	12/08/2022	-	-	Appointment as an Additional Director (in capacity of Independent Director)

4.9 **Following details regarding the auditors of the Company:**

A. **Details of the auditor of the Company:**

Name	Address	Auditor since
BSR & Co. LLP, Chartered Accountants	14th Floor, Central B Wing and North C Wing, Nesco IT Western Express Highway, Goregaon (East), Mumbai – 400 063.	September 24, 2021

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

Name of the Auditor	Address	Date of Appointment	Date of Cessation, if applicable	Date of Resignation, if applicable
Varma & Varma	Unit no. 101, Option Primo, Plot No. X21, MIDC Road, No. 21, Andheri East, Mumbai – 400 093	August 11, 2016	September 24, 2021	N/A as it was end of tenure
BSR & Co. LLP, Chartered Accountants	14th Floor, Central B Wing and North C Wing, Nesco IT Western Express Highway, Goregaon (East), Mumbai – 400 063.	September 24, 2021	-	-

4.10 **Details of the following liabilities of the Company at the end of the last quarter or if available, a later date:**

A. **Details of outstanding secured loan facilities, as on the latest quarter end i.e. March 31, 2023:**

(Rs. in crore)

Name of Lender	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Schedule	Repayment Date	Security*
Axis Bank	Term Loan	650	75.00	Quarterly	31-03-28	1.10
Axis Bank	Term Loan		75.00	Quarterly	01-04-38	
Axis Bank	Term Loan		7.37	Quarterly	28-11-24	
Axis Bank	Term Loan		63.16	Quarterly	31-03-25	
Axis Bank	Term Loan		15.79	Quarterly	30-03-26	
Axis Bank	Term Loan		31.58	Quarterly	30-03-26	
Axis Bank	Term Loan		17.11	Quarterly	30-03-26	
Axis Bank	Term Loan		100.00	Quarterly	15-11-27	
Bajaj Finance	Term Loan	275	4.69	Quarterly	31-10-23	1.15
Bajaj Finance	Term Loan		9.38	Quarterly	07-08-24	
Bajaj Finance	Term Loan		43.75	Quarterly	29-06-26	1.10
Bajaj Finance	Term Loan		43.75	Quarterly	30-08-26	
Bajaj Finance	Term Loan		93.75	Quarterly	30-11-26	
Bank of Baroda	Term Loan	1100	60.00	Quarterly	30-09-24	1.10
Bank of Baroda	Term Loan		40.00	Quarterly	30-09-24	
Bank of Baroda	Term Loan		50.00	Quarterly	31-03-26	
Bank of Baroda	Term Loan		175.00	Quarterly	25-09-24	
Bank of Baroda	Term Loan		100.00	Quarterly	25-06-25	
Bank of Baroda	Term Loan		98.83	Quarterly	25-03-26	
Bank of Baroda	Term Loan		234.38	Quarterly	30-12-26	
Bank of India	Term Loan	200	34.64	Quarterly	30-09-26	1.10
Bank of India	Term Loan		105.00	Quarterly	30-09-26	
Bank of Maharashta	Term Loan	300	74.85	Quarterly	31-03-26	1.10
Bank of Maharashta	Term Loan		74.85	Quarterly	31-03-26	

Bank of Maharashta	Term Loan		100.00	Quarterly	31-12-27	
Canara Bank	Term Loan	700	122.23	Quarterly	31-12-25	1.11
Canara Bank	Term Loan		100.00	Quarterly	03-02-24	
Canara Bank	Term Loan		100.00	Quarterly	03-02-25	
Canara Bank	Term Loan		100.00	Quarterly	03-02-26	
Canara Bank	Term Loan		100.00	Quarterly	03-02-27	
Canara Bank	Term Loan		100.00	Quarterly	03-02-28	
Cathoic Syrian Bank	Term Loan	25	8.33	Annually	31-12-23	1.10
Central Bank	Term Loan	200	37.50	Quarterly	29-12-26	1.11
Central Bank	Term Loan		120.00	Quarterly	28-03-27	
DCB Bank	Term Loan	85	84.83	Annually	13-10-27	1.15
Dhanlaxmi Bank	Term Loan	50	50.00	Semi-Annually	31-03-26	1.11
Federal Bank	Term Loan	1550	33.33	Quarterly	30-04-24	1.18
Federal Bank	Term Loan		1.56	Quarterly	26-06-23	
Federal Bank	Term Loan		1.56	Quarterly	27-06-23	
Federal Bank	Term Loan		12.50	Quarterly	26-09-23	
Federal Bank	Term Loan		33.33	Quarterly	26-10-23	
Federal Bank	Term Loan		83.29	Quarterly	24-05-24	
Federal Bank	Term Loan		38.89	Quarterly	31-12-24	
Federal Bank	Term Loan		44.44	Quarterly	30-01-25	
HDFC Bank	Term Loan	640	3.75	Quarterly	27-12-23	1.18
HDFC Bank	Term Loan		2.81	Quarterly	27-12-23	
HDFC Bank	Term Loan		0.94	Quarterly	27-12-23	
HDFC Bank	Term Loan		14.00	Quarterly	30-12-24	
HDFC Bank	Term Loan		7.00	Quarterly	30-12-24	
HDFC Bank	Term Loan		60.00	Quarterly	18-03-25	
HDFC Bank	Term Loan		12.50	Quarterly	19-03-24	
HDFC Bank	Term Loan		27.50	Quarterly	26-11-25	
HDFC Bank	Term Loan		27.50	Quarterly	26-11-25	
HDFC Bank	Term Loan		91.67	Monthly	30-11-26	1.11
HDFC Bank	Term Loan		150.00	Quarterly	10-03-28	
ICICI Bank Ltd	Term Loan	615	4.44	Quarterly	31-08-23	1.15
ICICI Bank Ltd	Term Loan		6.67	Quarterly	26-02-24	
ICICI Bank Ltd	Term Loan		10.00	Quarterly	26-02-24	
ICICI Bank Ltd	Term Loan		16.67	Quarterly	03-03-24	
ICICI Bank Ltd	Term Loan		13.33	Quarterly	05-03-24	
ICICI Bank Ltd	Term Loan		100.00	Quarterly	31-03-25	
ICICI Bank Ltd	Term Loan		137.50	Quarterly	31-12-25	1.10
IDBI Bank	Term Loan	300	40.00	Quarterly	31-03-31	1.18
IDBI Bank	Term Loan		42.50	Quarterly	30-09-31	
IDBI Bank	Term Loan		190.00	Quarterly	30-09-32	
Indian Bank	Term Loan	800	6.03	Quarterly	30-06-23	1.18
Indian Bank	Term Loan		130.00	Quarterly	30-06-26	1.15
Indian Bank	Term Loan		120.00	Monthly	30-03-27	
Indian Bank	Term Loan		90.00	Quarterly	19-09-27	1.10
Indian Bank	Term Loan		89.84	Quarterly	27-09-27	
Indian Bank	Term Loan		150.00	Quarterly	30-03-26	
Indian Overseas Bank	Term Loan	200	54.45	Quarterly	30-06-24	1.10
Indian Overseas Bank	Term Loan		90.00	Quarterly	30-06-26	

Karnataka Bank	Term Loan	350	29.99	Annually	27-11-24	1.11
Karnataka Bank	Term Loan		75.00	Annually	30-12-25	1.10
Karnataka Bank	Term Loan		81.25	Quarterly	30-06-26	
Karnataka Bank	Term Loan		100.00	Quarterly	31-03-28	
Karur Vysa Bank	Term Loan	150	2.08	Quarterly	30-06-23	1.15
Karur Vysa Bank	Term Loan		6.25	Quarterly	29-02-24	
Karur Vysa Bank	Term Loan		93.75	Quarterly	31-12-26	
SIDBI	Term Loan	800	12.90	Quarterly	10-06-24	1.15
SIDBI	Term Loan		15.55	Quarterly	10-07-24	
SIDBI	Term Loan		15.55	Quarterly	10-07-24	
SIDBI	Term Loan		30.00	Quarterly	10-09-24	1.10
SIDBI	Term Loan		60.00	Quarterly	10-09-24	
SIDBI	Term Loan		60.00	Quarterly	10-09-24	
SIDBI	Term Loan		350.00	Quarterly	10-12-27	
South Indian Bank	Term Loan	50	20.00	Quarterly	25-02-25	1.10
State Bank of India	Term Loan	461	20.00	Quarterly	14-02-25	1.15
State Bank of India	Term Loan		19.99	Quarterly	27-02-25	
State Bank of India	Term Loan		19.99	Quarterly	28-02-25	
State Bank of India	Term Loan		19.99	Quarterly	28-02-25	
State Bank of India	Term Loan		223.19	Quarterly	30-06-27	
Union Bank of India	Term Loan	100	100.00	Quarterly	31-10-27	1.11
Federal Bank CC	CC/WCDL	100	24.26	Bullet	03-04-23	1.18
Federal Bank WCDL	CC/WCDL		60.00	Bullet	22-08-23	
ICICI BANK WCDL	CC/WCDL	35	10.28	Bullet	06-04-23	1.15
IDBI Bank WCDL	CC/WCDL	15	15.00	Bullet	12-04-23	1.18
Indian Bank WCDL	OD/WCDL	50	50.00	Bullet	04-04-23	1.10
CITI Bank STL	Short Term Loan	150	150.00	Bullet	10-12-23	1.10
IndusInd Bank	Short Term Loan	300	0.00	Bullet	NA	1.10
Bajaj Finance	Short Term Revolving Loan	10	0.00	Bullet	NA	1.10
Axis Bank	CC/WCDL	10	0.00	Bullet	NA	1.10
DCB Bank	CC/WCDL	40	0.00	Bullet	NA	1.18
Total		**10311**	**6253.79**			

****** These borrowings have been secured by way of a first ranking pari passu charge created by way of hypothecation over the receivables from the loans originated by the Company. The information in the column sets out the security cover to be provided against the receivables, in respect of each loan.*

B. **Details of outstanding unsecured loan facilities, as on the latest quarter end i.e. March 31, 2023**

(Rs. In crore)

Name of Lender	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Schedule	Repayment Date
Bajaj Finance	Unsecured Term Loan	25	25	Bullet	02-05-2025

C. **Details of outstanding non-convertible securities, as on the latest quarter end i.e. March 31, 2023**

(Rs. in crore)

Debenture Series	Tenor/ Period of Maturity	Coupon	Amount (Rs. in Cr.)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / Unsecured	Security
1	36 months	9%	187.5	June 18, 2020	June 18, 2023	CARE AA-	Secured	First ranking *pari passu* charge over standard book debt receivables, current assets and investments (present and future) subject to a minimum security cover of 1.1 (one decimal point one) times the amount due and payable in relation to the Debentures
2	84 months	9.90%	250	September 30, 2020	September 30, 2027	INDIA Rating AA-	Unsecured	N/A
3	39 months**	8.30%*	200	January, 04, 2023	April, 04, 2023	INDIA Rating AA-	Secured	First ranking pari passu charge to the extent of Asset Cover of 1.1x on all present and future gold receivables which are standard and form a part of the receivables (except receivables which have been hypothecated by way of exclusive charge, if any, to any of the Identified Lenders

Note:
Fedbank Financial Services Limited NCDs 2026 - Market Linked Debentures
****Interest amount calculated @8.30%, however it may vary subject to following***
1) If Underlying Performance >=75% of the Initial Fixing level, then Annualised Coupon / Effective Yield (on XIRR basis) is 8.30%
2) If Underlying Performance <75% but >= 25% of the Initial Fixing level, then Annualised Coupon / Effective Yield (on XIRR basis) is 8.25%
2) If Underlying Performance <25% of the Initial Fixing level, then Annualised Coupon / Effective Yield (on XIRR basis) is 0%

*****Tenor of the instrument is 39 months with Put Option***

D. **List of top 10 holders of non-convertible securities in terms of value (in cumulative basis) as on latest quarter ended on March 31, 2023:**

(Rs. in crore)

Sr. No.	Name of holders of non-convertible securities	Amount	% of total NCS outstanding
1	The Federal Bank Limited	235	36.82%
2	Canara Bank-Mumbai	73	11.37%

3	Indian Bank	50	7.84%
4	Punjab National Bank	50	7.84%
5	DCB Bank Limited	15	2.35%
6	Anthem Biosciences Private Limited	11	1.73%
7	Lakshmi Machine Works Limited	10	1.57%
8	Safexpress Private Limited	10	1.57%
9	Kisha Private Limited	10	1.57%
10	The Indian Express Pvt Ltd	5	0.78%
Total		**468**	**73.44%**

E. **Details of Commercial Paper: The total face value of commercial papers outstanding, as on latest quarter end i.e. March 31, 2023:**

(Rs. In crore)

Sr. No.	ISIN of Commercial Paper	Maturity Date	Amount Outstanding
1	INE007N14DJ8	15-JUN-2023	210
Total			**210**

F. **Details of rest of the borrowings (if any, including hybrid debt like FCCB, optionally convertible debentures/ preference shares) as on latest quarter end i.e. March 31, 2023:**

Party Name (in case of Facility) / Instrument Name	Type of Facility / Instrument	Amount Sanctioned / Issued	Principal Amount Outstanding	Repayment Date / Schedule	Credit Rating	Secured / Unsecured	Security
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

4.11 **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, as on the latest quarter end:**

NIL.

4.12 **Where the issuer is a Non-Banking Finance Company or Housing Finance Company the following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials*:**

Sr. No.	Particulars of disclosure	Details
1.	Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC	- Lending Policy: *Please refer to Annexure XIV* - Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc: *NIL* - Classification of loans into several maturity profile denomination: *Please refer to Part B (Additional disclosures pursuant to the SEBI Operational Circular) of Section 4 (Regulatory Disclosures).* - Aggregated exposure to top 20 borrowers: *As set out under* ***Annexure XV***

		Details of loans overdue and classified as non-performing assets (NPA): *Please refer to Part B (Additional disclosures pursuant to the SEBI Operational Circular) of Section 4 (Regulatory Disclosures)*
2.	Details of borrowings made by NBFC	- Portfolio Summary of borrowings made by NBFC: *Please refer to Part B (Additional disclosures pursuant to the SEBI Operational Circular) of Section 4 (Regulatory Disclosures) for detailed disclosures* - Quantum and percentage of Secured vs. Unsecured borrowings Secured borrowings: *Please refer to Part B (Additional disclosures pursuant to the SEBI Operational Circular) of Section 4 (Regulatory Disclosures) for detailed disclosures.*
3.	Details of change in shareholding	- Any change in promoters holding in NBFC during last financial year beyond the threshold prescribed by Reserve Bank of India: *No change beyond threshold as prescribed by RBI*
4.	Disclosure of Assets under management	- Segment wise break up: *Please refer to Part B (Additional disclosures pursuant to the SEBI Operational Circular) of Section 4 (Regulatory Disclosures)* Type of loans: ***(AUF)** – Secured: **Rs. 4875.97 Cr**. Unsecured – **Rs. 884.96 Cr***
5.	Details of borrowers	- Geographical location wise: *Please refer to Part B (Additional disclosures pursuant to the SEBI Operational Circular) of Section 4 (Regulatory Disclosures).*
6.	Details of Gross NPA	- Segment wise: *Gold Loan: 1.30 %* *LAP: 2.87%* *Small Ticket LAP: 2.712 %* *Housing Loan: 2.07%* *Business Loan: 0.60%* *Please refer to Part B (Additional disclosures pursuant to the SEBI Operational Circular) of Section 4 (Regulatory Disclosures) for detailed disclosures.*
7.	Details of Assets and Liabilities	- Residual maturity profile wise into several bucket: *Advances falling within 1 year maturity*: 52.07% *Borrowings falling within 1 year maturity*: 37.91%

		Please refer to Part B (Additional disclosures pursuant to the SEBI Operational Circular) of Section 4 (Regulatory Disclosures) for detailed disclosures.
8.	Additional details of loans made by, Housing Finance Company	N/A
9.	Disclosure of latest ALM statements to Stock Exchange	*Please refer to Annexure XIII*

**Note: The figures disclosed above have been disclosed as per the audited financial statements of the Issuer as on March 31, 2022.*

4.13 **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 3 years including the current financial year:**

None

4.14 **Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, 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 non-convertible securities.**

None

4.15 **Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of this Information Memorandum against the promoter of the Issuer:**

NIL.

There were no legal actions taken by a Government department or statutory body during the last three years immediately preceding the year of the issue of this Information Memorandum against the promoter of the Issuer.

4.16 **Details of default and non-payment of statutory dues:**

NIL

4.17 **Details of Promoters of the Company**

Profile of the Promoters:

Please refer to **Annexure XII** of this Information Memorandum.

Further, the Company confirms that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to BSE, at the time of filing the draft offer document.

The Federal Bank Limited was incorporated on April 23, 1931, under the Travancore Companies Regulation, 1 of 1092. The registered office of Federal Bank is Federal Towers, P B No. 103, Aluva, Ernakulam 683 101, Kerala, India. Federal Bank is a professionally managed company and does not have an identifiable promoter in terms of the SEBI ICDR Regulations and the Companies Act.

Federal Bank is a listed company having its equity shares listed on BSE and NSE. It was incorporated as 'Travancore Federal Bank Limited, Nedumpram' under the Travancore Companies Regulation, 1 of 1092 on April 23, 1931. It was renamed to 'The Federal Bank Limited', and the certificate of incorporation on change of name was obtained on December 2, 1949. Federal Bank was thereafter registered under the Companies Act, 1956 on April 1, 1956. Subsequently, it received a license to commence banking operations from the Reserve Bank of India on July 11, 1959.

4.18 **Details of Promoter Holding in Company as on the latest quarter end i.e. March 31, 2023:**

Sr. No.	Name of the Shareholder	Total No. of Equity Shares held	No of Shares held 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.	The Federal Bank Limited	23,56,85,332	23,56,85,332	73.22	NIL	NIL

4.19 **The name of the Debenture Trustee shall be mentioned with statement to the effect that debenture trustee has given his consent to the Issuer for his appointment under regulation 4(4) and in all the subsequent periodical communications sent to the Debenture Holders.**

The Debenture Trustee appointed is Axis Trustee Services Limited. Axis Trustee 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 II** of this Information Memorandum.

4.20 **The detailed 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) by the Rating Agencies shall be disclosed.**

The Debentures are assigned ratings of "CARE AA; Stable" (Double A; Outlook: Stable) by the Rating Agency 1 and "IND AA-/Positive" by the Rating Agency 2. Instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry a very low credit risk. The rating letter and rationale is provided in **Annexure I** of this Information Memorandum.

4.21 **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

4.22 **Copy of consent letter of Debenture Trustee to act as the debenture trustee to the issue to be disclosed.**

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

4.23 **Disclosure of Cashflow with the date of interest/ dividend/ redemption payment as per day count convention.**

A. **The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made:**

Please refer to **Annexure IX** for Illustration of cashflows.

B. **Procedure and time schedule for allotment and issue of securities:**

As per **Section 7** (*Other Information and Application Process*).

C. **Cash flows emanating from the non-convertible securities shall be mentioned in the offer document, by way of an illustration:**

Please refer to **Annexure IX** for Illustration of cashflows.

4.24 **Disclosures pertaining to wilful defaulter.**

Please refer to **Section 5** of this Information Memorandum for details.

4.25 **Undertaking by the Issuer**

(i) Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the 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' given under Section 3 of this Information Memorandum.

(ii) The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to the Issuer and the Issue, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

(iii) The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the Information Memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

4.26 **Names of all the recognised stock exchanges where the debt securities are proposed to be listed clearly indicating the designated stock exchange**.

The Debentures are proposed to be listed on the Wholesale Debt Market (WDM) segment of the BSE.

4.27 **Other details**

i. **Debenture Redemption Reserve Creation – relevant legislations and applicability:**

As per Rule 18(7)(b)(ii) of the Companies (Share Capital and Debentures) Rules, 2014, Debenture Redemption Reserve is not required to be created for issue of privately placed debentures by Non-Banking Finance Companies registered with the RBI under Section 45 IA of the RBI (Amendment) Act 1997.

The Company also undertakes that, if any further guidelines are formulated (or modified or revised) by the Central Government or any other authority in respect of creation of Debenture Redemption Reserve the Company shall abide by such revised guidelines.

ii. **Issue / instrument specific regulations-relevant details (Companies Act, RBI guidelines, etc.):**

The Issue of Debentures shall be in conformity with the applicable provisions of the Act including the notified rules thereunder and the applicable regulatory guidelines including the SEBI NCS Regulations, SEBI Operational Circular and SEBI (LODR) Regulations and the Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 as may be updated from time to time.

iii. **Default in Payment:**

As provided under Section 4.28 of this Information Memorandum

iv. **Delay in Listing:**

As provided under Section 4.28 of this Information Memorandum.

v. **Delay in allotment of securities:**

As provided under Section 4.28 of this Information Memorandum.

vi. **Application process**

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

vii. **Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any:**

Please refer to **Section 6** of this Information Memorandum.

viii. **Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project:**

Not applicable.

4.28 **Issue Details**

Issuer	Fedbank Financial Services Limited
Security Name	9% Fedbank Financial Services Limited Subordinated NCDs 2030
Type of Instrument	Unsecured, Listed, Rated, Redeemable, Subordinated, Transferable, Fully Paid Up, Non-Convertible Debentures (in form

	of subordinated debt eligible to be categorised as Tier II Capital in compliance with RBI Master Directions)
Nature of Instrument **(Secured or Unsecured)**	Unsecured The Debentures are fully paid up, unsecured, subordinated to the claims of other creditors, free of restrictive clauses and not redeemable at the initiative of the holder or without the consent of the Reserve Bank of India. The Debentures comprising the Issue are being issued pursuant to RBI Master Directions which do not require the Issuer/RBI to be granted a discretion with respect to events including any of the below events: • conversion into equity; • write-off of interest/ principal; • skipping/ delaying payment of interest/principal; • making an early recall; • changing any terms of issue of the instrument. Therefore, in light of the clarification provided in SEBI circular bearing reference number SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/027 dated February 08, 2023 this Issue does not fall within the ambit of Chapter V of the SEBI NCS Regulations. The face value of each Debenture issued on a private placement basis under this Issue shall accordingly be INR 1,00,000/- (Indian Rupees One Lakh only).
Mode of Issue	Private placement
Seniority (Senior or Subordinated)	Subordinated to the claims of the other creditors of the Issuer
Eligible investors	Please refer to '*Persons who may apply*' under **Section 7.15** of the Information Memorandum
Applicable Guidelines	These Debentures will *inter alia* be governed by: 1. RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, issued on September 01, 2016, as amended from time to time 2. The SEBI NCS Regulations. 3. The Companies Act, 2013 and rules issued thereunder. 4. Securities and Exchange Board of India's Operational Circular for issue and listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 (bearing reference no. SEBI/HO/DDHS/P/CIR/2021/613) as updated vide the SEBI circular dated April 13, 2022 (bearing reference no. SEBI/HO/DDHS/P/CIR/2021/613).
Listing (name of Stock Exchange(s) where it will be listed and timeline for listing)	The Debentures are proposed to be listed on the Wholesale Debt Market (WDM) Segment of the BSE within a period of 3 (Three) working days from the closing date of the Issue.

	The Company shall at all times comply with Applicable Law in relation to the issuance of the Debentures and the listing of the Debentures on the BSE and shall further ensure all approvals required from any governmental authority and resolutions required to issue, list or maintain such listing of the Debentures are in place. The Company does hereby agree and undertake that it shall furnish all such information and documents as may be required by the BSE and by SEBI for the continuous listing of the Debentures. All expenses, costs, charges incurred for the purpose of listing of the Debentures shall be borne and paid by the Company. In case of delay in listing of the Debentures beyond 3 (Three) working days from the closing date of the Issue, the Company will pay a penal interest of 1% (One Percent) p.a. over and above the Coupon Rate from the Deemed Date of Allotment and till the listing of the Debentures, to the investors.
Rating of the instrument	'CARE AA; Stable' (Double A; Outlook: Stable) by CARE Ratings Limited and 'IND AA-/Positive' by India Ratings and Research Private Limited
Issue Size	Rs. 100,00,00,000/- (Rupees One Hundred Crores Only) along with an option to retain oversubscription up to Rs. 100,00,00,000/- (Rupees One Hundred Crores Only)
Minimum Subscription	100 (One Hundred) Debentures having a face value of Rs. 1,00,000/- (Rupees One Lakh only) each and in multiples of 1 (One) Debenture thereafter
Option to retain oversubscription (Amount)	Up to Rs. 100,00,00,000/- (Rupees One Hundred Crore Only)
Objects of the Issue/ Purpose for which there is requirement of funds	To augment the Tier II Capital of the Company for strengthening its capital adequacy and for enhancing its long term resources and for the regular business activities of the Company
In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format	N.A.
Details of the utilisation of the proceeds	Proceeds of the proposed Issue shall be utilized to augment the Tier II Capital of the Company for strengthening its capital adequacy and for enhancing its long term resources and for the regular business activities of the Company
Business Day	Any day of the week (excluding Sundays, non-working Saturdays, and any other day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) (as may be amended/supplemented from time to time) in Mumbai and any other day on which banks are closed for customer business in Mumbai) on which the money market is functioning in Mumbai and "**Business Days**" shall be construed accordingly.
Business Day Convention	Whenever any Record Date falls on a day other than a Business

	Day, the Record Date shall be moved to the immediately following Business Day. If any of the Coupon Payment Date(s), other than the ones falling on the Redemption Date, falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day, which becomes the Coupon Payment Date for that Coupon. However, the future Coupon Payment Date(s) would be as per the schedule originally stipulated at the time of issuing the Debentures. To clarify, the subsequent Coupon Payment Date(s) would not be changed merely because the payment date in respect of one particular Coupon payment has been postponed earlier because of it having fallen on a non-Business Day. If the Maturity Date/ Redemption Date and the last Coupon Payment Date of the Debentures falls on a day that is not a Business Day, the Redemption Amount in respect of the Debentures shall be paid by the Issuer on the immediately preceding Business Day which shall thereafter be considered the revised Maturity Date/ Redemption Date, along with Coupon accrued thereon, until but excluding the date of such payment. It is hereby clarified that any payments shall also be subject to the day count convention as per the SEBI NCS Regulations.
Coupon Rate	9% (Nine Percent) per annum
Step Up/Step Down Coupon rate	N.A.
Coupon Payment Frequency	Annual
Coupon Payment Dates	Coupon shall be payable annually. Please refer to **Annexure IX** for Illustration of cashflows and the indicative dates on which the Coupon shall be payable.
Coupon Type (Fixed, floating or other structure)	Fixed
Coupon Reset process	N.A.
Day Count Basis	The Coupon for each of the Coupon periods shall be computed as per 'Actual / Actual' day count convention (as per the SEBI Operational Circular) on the Face Value/ principal outstanding, at the Coupon Rate rounded off to the nearest Rupee. The Coupon Period means each period beginning on (and including) the Deemed Date of Allotment(s) or any Coupon Payment Date and ending on (but excluding) the next Coupon Payment Date. It is clarified that in case a leap year (i.e. February 29) falls during the tenor of the Debentures, then the number of days for calculation of Coupon, shall be reckoned as 366 days (Actual/ Actual day count convention) for the entire year, irrespective of the Coupon payment frequency.
Interest on Application Money	The Issuer shall be liable to pay to each Debenture Holder, interest on Application Money which will be the same as the Coupon Rate (subject to deduction of tax at source at the rate prevailing from

	time to time under the provisions of the Income Tax Act, 1961 or any other statutory modifications or re-enactment thereof) and will be paid on Application Money for the period commencing from the date on which the said Debenture Holder has made payment of the Application Monies in respect of the Debentures and ending on the day prior to the Deemed Date of Allotment. Provided that, notwithstanding anything contained herein above, the Company shall not be liable to pay any interest on monies liable to be refunded in case of invalid Applications or Applications. The interest on the Application Monies shall be paid by the Issuer to the Debenture Holders within 7 (Seven) Business Days from the Deemed Date of Allotment.
Default Interest Rate	In case of default in monies due and payable in connection with the Debentures on the respective Due Dates, the defaulted amount thereof shall carry Default Interest, at the rate of 2% (Two Percent) per annum over and above the Coupon Rate, from the date of the occurrence of the default until the default is cured or the Debentures are redeemed pursuant to such default, as applicable. The Issuer and the Debenture Trustee shall execute the Debenture Trust Deed within such timelines as may be specified by SEBI. Where an Issuer fails to execute the Debenture Trust Deed within the period specified, without prejudice to any liability arising on account of violation of the provisions of the Companies Act, 2013 and SEBI (Issue and Listing of Non-convertible Securities), 2021, the Issuer shall also pay interest of at least 2% (two percent) per annum or such other rate, as specified by SEBI to the holder of Debentures, over and above the agreed Coupon Rate, till the execution of the Debenture Trust Deed. In case of delay in listing of the Debentures beyond 3 (three) trading days from the Issue Closing Date, the Issuer will make payment to the Debenture Holders of penal interest at the rate of 1% (One Percent) per annum on the outstanding principal amount of the Debentures over and above the Coupon Rate for the period commencing from the Deemed Date of Allotment till the date of listing of the Debentures on BSE.
Tenor	6 (Six) years and 11 (Eleven) months from the Deemed Date of Allotment
Redemption Date	April 26, 2030
Redemption Amount	Rs. 1,00,000/- (Rupees One Lakh only) per Debenture along with Coupon accrued and default interest (if any) and payable on the Redemption Date.
Redemption Premium/Discount	N.A.
Issue Price	Rs. [•]/- (Rupees [•] only) per Debenture *[To be discovered during bidding on EBP Portal of the Stock Exchange]*

Discount at which security is issued and the effective yield as a result of such discount	N.A.
Put Option Date	N.A.
Put Option price	N.A.
Call Option Date	N.A.
Call Option price	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A.
Face Value	Rs. 1,00,000/- (Rupees One Lakh only) per Debenture
Minimum Application and in multiples of thereafter	100 (One Hundred) Debentures having face value of Rs. 1,00,000/- (Rupees One Lakh only) each and in multiples of 1 (One) Debenture thereafter
Issue Opening Date	May 25, 2023
Issue Closing Date	May 25, 2023
Date of earliest closing of the issue, if any	N.A.
Pay-in Date	May 26, 2023
Deemed Date of Allotment	May 26, 2023
Settlement mode of the instrument	cheque(s) / demand draft (s) / interest warrant(s) / pay order(s) / direct credit / ECS / NEFT / RTGS / other permitted mechanisms
Depository	National Securities Depository Ltd. and Central Depository Services (India) Ltd.
Disclosure of Interest/Dividend / redemption dates	Please see the section on '**Coupon Rate**' and '**Redemption Date**' above.
Record Date	The date which will be used for determining the Debenture holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the date being 15 (Fifteen) calendar days prior to the Due Date on which any payments are to be made to the Debenture Holder(s) in accordance with the terms of the Debentures on the basis of which the determination of the persons entitled to receive redemption of principal, Coupon, and other payments, if any, as the case may be, in respect of the Debentures shall be made. Whenever any Record Date falls on a day other than a Business Day, the Record Date shall be moved to the immediately following Business Day.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	Please refer to the **Annexure X** (*Key Terms of the Issue*) of this Information Memorandum. The Issuer confirms that the Issuer has no side letter with any Debenture Holder, except as disclosed under this Information Memorandum. Any covenants pertaining to the Issue and added later, shall be disclosed on the website of the BSE.
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/likely date of creation of security, minimum security cover, revaluation,	N.A. as the Debentures are unsecured.

replacement of security, interest to the Bond Holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/Information Memorandum.	
Bidding opening and closing date	Bid opening date: May [●], 2023 Bid closing date: May [•], 2023
Bidding Time	[●]
Manner of Bidding	Open bidding
Manner of Allotment	The allotment will be done on 'Uniform Yield' basis in accordance with Electronic Book Mechanism Guidelines
Issue Size (and green shoe option, if any)	Rs. 100,00,00,000/- (Rupees One Hundred Crores Only) with an option to retain oversubscription up to Rs. 100,00,00,000/- (Rupees One Hundred Crores Only)
Interest Rate Parameter (Coupon Rate and Coupon Type)	Coupon Rate: 9% per annum Coupon Type: Fixed
Manner of Settlement i.e. through clearing corporation or through escrow bank account of Issuer	The payment of the Application Money for the Debentures shall be made by Real Time Gross Settlement (RTGS) / NEFT by crediting the funds to the account of the clearing corporation of the Stock Exchange selected by the Issuer for pay-in of subscription monies as prescribed under the electronic book building procedure, the details of which account have been specified in Clause 7.14 of Section 7 (*Other Information and Application Process*) in this Information Memorandum
Minimum Bid Lot	100 (One Hundred) Debentures having face value of Rs. 1,00,000/- (Rupees One Lakh only) each and in multiples of 1 (One) Debenture thereafter
Trading Lot Size	1 (One) Debenture
Settlement Cycle [T+1 / T+2] where T refers to the date of bidding / issue day	The Issue shall be done on T+1
Transaction documents	(a) Debenture Trustee Agreement; (b) This Information Memorandum; (c) Debenture Trust Deed; (d) Any other document that may be designated as a transaction document by the Debenture Trustee.
Conditions Precedent to Disbursement	The Company shall have fulfilled each of the following conditions precedent prior to issuance of the Debentures, in the form and substance satisfactory to the Debenture Holders/ Debentures Trustee (subject to any waiver by the Debenture Trustee), including providing the documents referred to herein below, in the form and substance satisfactory to the Debenture Holders/ Debentures Trustee: (a) A certified true copy of the constitutional documents of the Issuer (being its memorandum and articles of association and certificate of incorporation) should have been submitted to the Debenture Trustee. (b) A copy of a resolution of the shareholders of the Company should have been submitted to the Debenture Trustee in

	relation to approval under Section 180(1)(c), Section 42 of the Companies Act, 2013 read with the applicable rules in relation to the private placement; (c) A copy of a resolution of the board of directors of the Company or any committee thereof should have been submitted to the Debenture Trustee: i) Authorising the Company to issue Debentures; ii) Authorising the Company, for creation/ declaration of trust, appointment of the Debenture Trustee and issue of Debentures in accordance with the terms hereof; iii) Authorising a specified person, on its behalf, to sign and/or execute and/or stamp and/or get registered and/or despatch all documents and/or notices required so to be done, under or in relation to the issuance of the Debentures; (d) Letter of consent for appointment of Debenture Trustee as debenture trustee in relation to the Debenture Trustee; (e) The Company shall have executed the Debenture Trustee Agreement, Debenture Trust Deed and have issued the Information Memorandum (including Form PAS-4) prior to the Deemed Date of Allotment; (f) Receipt of the rating letter and rating rationale from the Rating Agencies; (g) Receipt by the Debenture Trustee of copy of in-principle approval obtained by the Company from the BSE, for listing the Debentures on the Wholesale Debt Market ("**WDM**") segment of the BSE; (h) Receipt by the Debenture Trustee of certified copy of the depository arrangements made by Company with NSDL and/or CDSL for issue of Debentures in dematerialised form; (i) Submission of all 'Know Your Customer' requirements to the satisfaction of the Debenture Trustee; (j) Provide such other information, documents, certificates, opinions and instruments as the Debenture Trustee (on behalf of the Debenture Holders) may reasonably request; (k) Execution of the tripartite agreement by, inter-alia, the Registrar and Transfer Agent, Depository and the Company; (l) The Company shall submit to the Debenture Trustee, all required documents for the purpose of satisfying the Debenture Trustee's KYC requirements.
Conditions Subsequent to	1. Credit of demat account(s) of the allottee(s) by number of

Disbursement	Debentures allotted within 2 (Two) Business Days from the Deemed Date of Allotment. 2. Filing of the return of allotment (Form PAS-3) with the relevant Registrar of Companies within 15 (Fifteen) days from the Deemed Date of Allotment. 3. Complete the listing of Debentures on the BSE within 3 (three) working days from the Issue Closing Date. 4. Submit the end use certificate within a period of 90 (Ninety) days from the Deemed Date of Allotment. 5. Compliance/Execution of any other documents as customary for transaction or required as per SEBI guidelines.
Debenture Trustee	Axis Trustee Services Limited
Registrar & Transfer Agent	Link Intime India Private Limited
Events of Default (including manner of voting / conditions of joining Inter Creditor Agreement)	Please refer to Annexure X (*Key Terms of the Issue*) of this Information Memorandum
Creation of recovery expense fund	SEBI has issued the SEBI DT Operational Circular, the guidelines/ instructions in relation to creation of Recovery Expense Fund ("**REF**") in order to enable the debenture trustees to take prompt action for enforcement of security / legal proceedings in case of 'default' in listed debt securities to be used in the manner decided in the meeting of the holders of debt securities. The Company will create and maintain an REF as per the provisions of the regulations issued by SEBI and the SEBI DT Operational Circular, as amended form time to time, and if during the currency of these presents, any guidelines are formulated (or modified or revised) by any Governmental Authority under Applicable Law in respect of creation/maintenance of the REF, the Company shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Debenture Trustee (who shall forthwith forward them to the Debenture Holders) and shall also cause the same to be registered, where necessary. Details: The Company shall within the timelines prescribed under the provisions of SEBI DT Operational Circular create REF in relation to the Issue, by deposit of an amount equal to 0.01% of the Issue size subject to maximum of Rs. 25 lakhs towards REF with BSE in such form as prescribed under the SEBI DT Operational Circular. Purpose: Upon occurrence of an event of default, the Debenture Trustee shall obtain the consent of Debenture Holders for enforcement of security /legal proceedings and shall inform the same to BSE. BSE

	will release the amount lying in the REF to the Debenture Trustee within 5 (Five) working days of receipt of such intimation. The REF will be refunded to the Issuer in accordance with the SEBI DT Operational Circular.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Please refer to Annexure X (*Key Terms of the Issue*) in this Information Memorandum.
Provisions related to Cross Default Clause	None
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture holders as customary for transaction of a similar nature and size and as executed under the appropriate Transaction Documents.
Risk Factors pertaining to the Issue	Please refer to Section 3 (*Risk Factors*) in this Information Memorandum.
Governing law and jurisdictions	The Debentures and documentation will be governed by and construed in accordance with the laws of India and the courts in Mumbai shall have the non-exclusive jurisdiction to determine any dispute arising in relation to the Debentures.
Further Issuance	The Issuer reserves the right to make multiple issuances under the Information Memorandum under the same ISIN with reference to SEBI circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10th August 2021 or such other amended circular issued by the SEBI from time to time. Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium / par / discount as the case may be in line with aforesaid SEBI circular.
Anchor Portion within the Base Issue Size subject to a maximum of 30% of Base Issue Size	N.A.
Remaining portion of the Base Issue Size under the non anchor portion available for bidding in EBP	Rs. 100,00,00,000/- (One Hundred Crores only)
Total non-anchor portion available for bidding in EBP including oversubscription	Up to Rs. 200,00,00,000/- (Rupees Two Hundred Crores only)
Premium / Discount at which security is issued/ reissue/ added further to existing ISIN	The Debenture are being issued at par / premium, as may be applicable.
Trading/ Issuance mode of the instrument	The Debentures are being issued in dematerialised form
Due Diligence Certificate	The due diligence certificate issued by the Debenture Trustee to BSE in accordance with the SEBI DT Operational Circular and the SEBI NCS Regulations is annexed hereto as **Annexure XI** of this Placement Memorandum.

Notes:

a. If there is any change in Coupon Rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed.
b. The list of documents which have been executed in connection with the issue and subscription of the

Debentures have been identified as Transaction Documents in '*Definitions and Abbreviations*' section above.

c. The Company has provided granular disclosures in this Information Memorandum, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue.

PART B: ADDITIONAL DISCLOSURES PURSUANT TO THE SEBI OPERATIONAL CIRCULAR.

(i) A portfolio summary with regard to industries/ sectors to which borrowings have been made;

Borrowing profile as on March 31, 2022:

(Rs. in Crores)

Particulars	Amount
Senior secured notes	-
Secured NCD	-
External commercial bond –Secured	-
Unsecured NCD	-
Subordinated Debt	-
Secured Term Loans	4875.97
Unsecured Term Loans	884.97
Secured Working Capital Facility	-
External commercial borrowing	-
Fixed Deposit	-
Commercial Paper	-
Securitisation	426.01
Total	**6186.95**

(ii) NPA exposures of the issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the Issuer.

Sr. No.	Particulars (Rs. in Crs)	Mar-22	Mar-21	Mar-20
1	Gross Stage 3	128.58	46.81	54.73
2	ECL Provision Stage 3	28.38	13.99	14.85
3	Net Stage 3	100.20	32.82	39.88
4	Gross Stage 1 & 2	5,632.36	4,580.22	3,666.71
5	ECL Provision Stage 1 & 2	87.75	60.92	20.07
6	Net Stage 1 & 2	5,544.61	4,519.30	3,646.64

(iii) Quantum and percentage of secured vis-à-vis unsecured borrowings made; and

Secured Borrowings - Rs. 4875.97 Crore – 84.64%

Unsecured Borrowings - Rs. 884.97 Crore – 15.36%

Total - Rs. 5760.94 – 100%

Note: The figures disclosed above have been disclosed as per the audited financial statements of the Issuer as on March 31, 2022.

(iv) Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI.

No change in promoters' holdings have been made beyond thresholds as prescribed by RBI, during the last financial year.

(v) Type of Loans as on March 31, 2022:

Sr. No.	Type of Loans	Rs. (in crore)	Percentage
1	Secured	4875.97	78.81%
2	Unsecured	884.97	14.30%
3	Securitisation	426.01	6.89%
	Total assets under management (AUM)*^	**6186.95**	**100%**

**Information required at borrower level (and not by loan account as customer may have multiple loan accounts);*

^Issuer is also required to disclose off balance sheet items;

(vi) Denomination of loans outstanding by loan-to-value as on March 31, 2022:

Details of LTV

SI. No.	LTV (at the time of origination)	Percentage of AUM
1.	Upto 40%	16.35%
2.	41-60%	18.19%
3.	61-80%	46.76%
4.	81-90%	3.04%
5.	>90%	0.80%
6.	Unsecured	14.87%
7.	**Total**	**100.00%**

(vii) Sectoral Exposure as on March 31, 2022:

SI. No.	Segment-wise break-up of AUM	Amount (In Crs.)	Percentage of AUM
1	**Retail**		
A	Mortgages (home loans and loans against property)	2954.09	47.75%
B	Gold Loans	2247.53	36.33%
C	Vehicle finance	-	-
D	MFI	15.21	0.25%
E	MSME	-	-
F	Capital market funding (loans against shares, margin funding)	-	-
G	Others	904.54	14.62%
2	**Wholesale**		
A	Infrastructure	-	-
B	Real estate (including builder loans)	57.34	0.93%
C	Promoter funding	-	-
D	Any other sector (as applicable)	-	-
E	Others	8.24	0.13%
	Total	**6186.95**	**100.00%**

(viii) Denomination of loans outstanding by ticket size as on March 31, 2022*:

SI. No.	Ticket size (at the time of origination)	Percentage of AUM
1	Upto Rs. 2 Lakh	22.17%
2	Rs. 2-5 Lakh	9.05%
3	Rs. 5-10 Lakh	9.21%

4	Rs. 10-25 Lakh	26.63%
5	Rs. 25 – 50 Lakh	13.38%
6	Rs. 50 lakh – 1 crore	7.66%
7	Rs. 1 – 5 Crore	10.91%
8	Rs. 5 – 25 crore	0.99%
9	Rs. 25 – 100 crore	-
10	>Rs. 100 crore	-
	Total	**100.00%**

*Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts)

(ix) Geographical classification of borrowers as on March 31, 2022:

Top 5 states borrower wise

SI. No.	Top 5 states	Percentage of AUM
1	Karnataka	22.35%
2	Tamil Nadu	17.92%
3	Maharashtra	17.43%
4	Gujarat	12.84%
5	Telangana	8.86%
	Total	**79.40%**

(x) Details of loans overdue and classified as non-performing in accordance with RBI's stipulations:

I. Movement of gross NPA as on March 31, 2022

Movement of gross NPA*	Rupees (in crores)
Opening gross NPA	46.81
- Additions during the year	129.74
- Reductions during the year	47.96
Closing balance of gross NPA	128.59

*Please indicate the gross NPA recognition policy (Day's Past Due)

90 days past due is the NPA Recognition Policy of the Issuer

II. Movement of provisions for NPA as on March 31, 2022

Movement of provisions for NPA	Rupees (in crores)
Opening gross NPA	13.99
- Provisions during the year	35.89
- Write-off/Write-back of excess Provisions	21.5
Closing balance	28.38

90 days past due is the NPA Recognition Policy of the Issuer

(xi) Segment-wise gross NPA as on March 31, 2022:

SI. No.	Segment-wise gross NPA	Gross NPA Amount (In Cr.)	Gross NPA (%)
1	**Retail**		

A	**Mortgages (home loans and loans against property)***	**69.22**	**1.20%**
B	Gold Loan	29.17	0.51%
C	Vehicle finance	-	-
D	MFI	-	-
E	MSME	-	-
F	Capital Market Funding (loans against shares, margin funding)	-	-
G	Others **	5.06	0.09%
2	**Wholesale**		
B	Infrastructure	-	-
C	Real estate (including builder loans)	-	-
D	Promoter funding	-	-
E	Any other sector (as applicable) ***	24.69	0.43%
F	Others	0.45	0.01%
	Total	**128.59**	**2.24%**

**** The segment-wise gross NPA for Mortgages (home loans and loans against property) may be further broken down into the following sub-categories:***

SI. No.	*Segment-wise gross NPA*	*Gross NPA Amount*	*Gross NPA (%)*
a.	*Loan Against Property*	*37.62*	*0.65%*
b.	*Small Ticket Loan Against Property*	*24.97*	*0.43%*
c.	*Home Loan*	*6.63*	*0.12%*

*** **The disclosure under 'Others' under the retail sector, consists of Business Loans originated by the Issuer.***
**** **The disclosure under 'Any other sector' under the wholesale sector, consists of loans originated to the Construction Finance sector by the Issuer**.*

(xii) Residual maturity profile of assets and liabilities (in line with the RBI format) as on March 31, 2022:

(Rs. In crores)

Category	Upto 30/31 days	>1 month – 2 months	>2 months – 3 months	>3 months – 6 months	>6 months – 1 year	>1 year – 3 years	>3 years – 5 years	>5 years	Total
Deposits *	-	-	-	-	-	-	-	-	-
Advances**	192.70	363.85	492.94	696.28	1,197.23	1,160.92	743.54	804.84	5,652.31
Investments	406.83	-	-	100.00	-	-	-	-	506.83
Borrowings ***	98.03	115.95	253.99	351.33	1,082.38	2,255.14	558.51	301.50	5,016.84
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

** includes deposits from corporates and unclaimed matured deposit.*
*** net of Impairment loss allowance.*
**** Excludes deposits which are shown separately and external commercial borrowings and external commercial bond which are shown separately under Foreign Currency Liabilities*

5. DISCLOSURES PERTAINING TO WILFUL DEFAULT

1.1 Name of the bank declaring the entity as a wilful defaulter: NIL

1.2 The year in which the entity is declared as a wilful defaulter: N.A.

1.3 Outstanding amount when the entity is declared as a wilful defaulter: N.A.

1.4 Name of the entity declared as a wilful defaulter: N.A.

1.5 Steps taken, if any, for the removal from the list of wilful defaulters: N.A.

1.6 Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: None

1.7 Any other disclosure as specified by SEBI: NIL

6. DISCLOSURES UNDER THE COMPANIES ACT

FORM NO. PAS – 4
PRIVATE PLACEMENT OFFER LETTER

(Pursuant to Section 42 and Rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014)

1. General Information:

A. Name, address, website and other contact details of the Company, indicating both registered office and the corporate office:

Issuer / Company	:	Fedbank Financial Services Limited
Registered Office	:	Kanakia Wall Street, A Wing, 5th Floor, Unit No. 511, Andheri Kurla Road, Mumbai, Maharashtra – 400 093
Corporate Office		Kanakia Wall Street, A Wing, 5th Floor, Unit No. 511, Andheri Kurla Road, Andheri (East) Mumbai, Maharashtra – 400 093
Telephone No.	:	+91 22 6852 0601- ext 616
Contact Person	:	Mr. S. Rajaraman, Company Secretary and Compliance Officer
Email	:	secretarial@fedfina.com
Website	:	https://fedfina.com/

B. Date of Incorporation of the Company:

April 17, 1995

C. Business carried on by the Company and its subsidiaries with the details of branches or units, if any:

For the details of the business carried out by the Company and the details of branches or units, please refer to **Section 4.5** of the Disclosure Document.

The Company has its offices / sites / branches across India, however, for the purpose of this issue, the concerned are requested contact the Compliance Officer at the registered office of the Company during the business hours.

D. Brief particulars of the management of the Company:

The details of the directors of the Company are set out under paragraph E below. Apart from the directors, the following persons are also involved in the management of the Company:

Name, Designation & PAN	Occupation	Residential Address
Mr. Anil Kothuri, Managing Director & Chief Executive Officer; (**PAN**: ABTPK8927A)	Service	B-703, Rustomjee Oriana, Dharmadhikari Marg, Near Navjeevan School, Bandra East, Mumbai – 400 051
Ms. Anila Rajneesh, Chief Human Resources Officer; (**PAN**: AGRPR0869H)	Service	A-1602, Ekta Meadows, Near Siddharth Nagar, Borivali East, Mumbai – 400 066

Name, Designation & PAN	Occupation	Residential Address
Mr. Shardul Kadam, Chief Risk Officer; (**PAN**: ALFPK7412G)	Service	F-501, Country Park Phase 3 II, Datta Pada Road, Opp. Tata Steel, Dattapada, Borivali (East) – 400 066.
Mr. Krishnaswamy Siddharth, Chief Operating Officer; (**PAN**: ALKPS4926N)	Service	Heritage 3402, Hiranandani Gardens, Powai, Mumbai Suburban – 400 076
Mr. C.V. Ganesh, Chief Financial Officer; (**PAN**: AFRPG0283P)	Service	34, Punarvasu, Tarangan 2, Samata Nagar, Opp. Jekegram, Thane West, Thane – 400 606
Mr. Rajaraman Sundaresan, Company Secretary and Compliance Officer; (**PAN**: AATPS7386Q)	Service	203, Building, 1 B Wing, Ratan Nagar Condominium, Near Kokilaben Ambani Hospital 4 Bungalows, Andheri West, Mumbai – 400 053
Mr. Ramchandar Ragavendran, Chief Business Officer - Unsecured Loan; (**PAN**: ADLPR5399D)	Service	# 19, Srikrishnanjali 7th A Main, Sarvabhoumanagara, Chikkallasandra, Bangalore, Karnataka 560 061
Mr. Vikas Srivastava, Chief Business Officer - Small Ticket Mortgage; (**PAN**: ANNPS9156M)	Service	F-404, Raheja Vista, Chandivali, Mumbai – 400 078
Mr. Jagadeesh Rao Janardanan, Chief Business Officer - Gold Loan; (**PAN**: AJBPJ8574A)	Service	Flat no 102, Tower 8 Sky Dugar Appartment, Kil- Ayanambakkam, Behind Srivari, Kalyanamandapam, Chennai – 600 095
Mr. Sureshkumar K, Chief Business Officer – 'Loan Against Property' & Distribution; (**PAN**: ALOPS5878D)	Service	DB Woods, Flat no.2604, C WING, Krishna Vatika Marg, Goregaon East Mumbai – 400 063
Mr. Chirag Shah, Head – Internal Audit; (**PAN**: AGWPA8405B)	Service	A 10 Shree Sandesh, Opp. Citi Point Hall Telli Galli, Andheri East Mumbai – 400 069

E. Name, address, DIN and occupations of the directors:

Name, Designation & DIN	Occupation	PAN Card	Residential Address
Mr. Balakrishnan Krishnamurthy; Independent Director	Business	AEWPB3430K	2, Lloyds Garden, Appa Saheb Marathe Marg Prabhadevi, Mumbai – 400 025

Name, Designation & DIN	Occupation	PAN Card	Residential Address
(**DIN**: 00034031)			
Mr. Anil Kothuri, MD & CEO; (**DIN**: 00177945)	Service	ABTPK8927A	B-703, Rustomjee Oriana, Dharmadhikari Marg, Near Navjeevan School, Bandra East, Mumbai – 400 051
Mr. Shyam Srinivasan, Director; (**DIN**: 02274773)	Service	AOHPS4065A	Federal Villa, Althara, GCDA Road, Thottakattukara P O, Aluva, Ernakulam - 683 108
Mr. Ashutosh Khajuria, Nominee Director; (**DIN**: 05154975)	Service	AIRPK6520G	Flat No.2901, 29th Floor, Ashok Towers, C Wing Parel, Near Hotel Grand Central, Mumbai – 400 012
Mrs. Gauri Rushabh Shah, Independent Director; (**DIN**: 06625227)	Professional	ANPPS0476G	Flat No 5, III Floor Indian Mercantile Mansion Madam Cama Road, Colaba, Mumbai – 400 039
Mr. Maninder Juneja Singh, Nominee Direcotor; (**DIN**: 02680016)	Service	AAHPJ5570F	Flat 1002, Floor-10, Wing D, Mayfair Meridian Ceasar Road, Near Filmalaya Studio, Andheri West, Mumbai – 400 058
Mr. Peruvemba Ramachandran Seshadri, Additional Director (in capacity of Independent Director), (**DIN**: 07820690)	Service	ABTPS9863P	107, Sowmya Springs, Diwan Madhavarao Road, Bangalore 560004

F. Management perception of Risk Factors:

Please refer to **Section 3** of this Information Memorandum.

G. Details of defaults, if any, including the amounts involved, duration of default, and present status, in repayment of:

Sr. No.	Particulars	Default Amount
1.	Statutory Dues	NIL
2.	Debenture and interest thereon	NIL
3.	Deposits and interest thereon	NIL
4.	Loans from banks and financial institutions and interest thereon	NIL

H. Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the Issue:

Name of Nodal/	Designation	Address	Phone No.	Email ID

Compliance officer				
Mr. S. Rajaraman	Company Secretary and Compliance Officer	203, Building 1 B Wing, Ratan Nagar Condominium, Near Kokilaben Ambani Hospital, 4 Bungalows, Andheri West, Mumbai – 400 053	+91 22 6852 0601 ext 616	secretarial@fedfina.com

I. Any default in annual filing of the Company under the Companies Act, 2013, or the rules made thereunder – NIL

2. **Particulars of the Offer**:

Financial position of the Company for the last 3 financial years	Please refer to **Part A** of **Annexure IV** of this Information Memorandum.
Date of passing of Board Resolution	Resolution passed by the Board of Directors of the Issuer on April 28, 2023. Copy of the said board resolution is annexed hereto and marked as **Annexure VI** of the Information Memorandum.
Date of passing of resolution in general meeting, authorizing the offer of securities	The shareholders resolution under Section 42 of the Act and the resolution under Section 180(1)(c) of the Act are dated August 05, 2022. A copy of the said shareholders' resolutions (under both Section 42 and Section 180 of the Act) is collectively annexed at **Annexure VII** of the Information Memorandum.
Kinds of securities offered (i.e. whether share or debentures) and class of security; the total number of shares or other securities to be issued	Unsecured, Listed, Rated, Redeemable, Transferable, Fully Paid Up, Subordinated Non-Convertible Debentures
Price at which the security is being offered, including premium, if any, along with justification of the price	The Debentures are being issued at face value of Rs. 1,00,000/- (Rupees One Lakh only) each at par / premium, as may be applicable. The pricing of the Debentures has been arrived at on the basis of prevailing market terms and conditions.
Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer	N.A.
Relevant date with reference to which the price has been arrived at [Relevant Date means a date at least thirty days prior to the date on	N.A.

which the general meeting of the Company is scheduled to be held]	
The class or classes of persons to whom the allotment is proposed to be made	Please refer to '*Persons who may apply*' under **Section 7.15** of the Information Memorandum
Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) [not required in case of issue of non-convertible debentures]	N.A.
The proposed time within which the allotment shall be completed	As indicated in Section 4.28
The names of the proposed allottees and the percentage of post private placement capital that may be held by them [not required in case of issue of non-convertible debentures]	N.A.
The change in control, if any, in the company that would occur consequent to the private placement	N.A.
The number of persons to whom allotment on preferential basis/ private placement / rights issue has already been made during the year, in terms of number of securities as well as price	For details on allotments made by the Company during the year, please refer to Section 4.6 of this Information Memorandum.
The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.	N.A.
Amount, which the Company intends to raise by way of proposed offer of securities	10,000 (Ten Thousand) Unsecured, Listed, Rated, Redeemable, Transferable, Fully Paid Up, Subordinated, Non-Convertible Debentures (in form of subordinated debt eligible to be categorized as Tier II Capital in compliance with RBI Master Directions) having a face value of Rs. 1,00,000/- (Rupees One Lakh only) each, of the aggregate nominal value of Rs. 100,00,00,000/- (Rupees One Hundred Crore only), a green shoe option of up to 10,000 (Ten Thousand) Unsecured, Listed, Rated, Redeemable, Transferable, Fully Paid Up, Subordinated Non-Convertible Debentures (in the form of subordinated debt eligible to be categorized as Tier II Capital in compliance with RBI Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) having a face value of Rs. 1,00,000/- (Rupees One Lakh only) each, aggregating up to Rs. 100,00,00,000/- (Rupees One Hundred Crore only) (the "**Debentures**"/ "**NCDs**")
Terms of raising securities	Duration, if applicable: 6 (Six) years and 11

		(Eleven) months from the Deemed Date of Allotment
	Coupon	The Coupon payable in relation to the Debentures shall be 9% (Nine Percent) per annum which shall be payable on an annual basis.
	Mode of Payment	RTGS, electronic fund transfer or other permitted mode
	Mode of Repayment	RTGS, electronic fund transfer or other permitted mode

Proposed time schedule for which the offer letter is valid	As indicated in Paragraph 4.28.
Purpose and objects of the Issue	To augment the Tier II Capital of the Company for strengthening its capital adequacy and for enhancing its long term resources and for the regular business activities of the Company
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	NIL
Principal terms of assets charged as security, if applicable	N.A.
The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations	NIL

The pre-issue and post-issue shareholding pattern of the Company in the following format:

There will be no change in shareholding pattern of the Company pursuant to the Issue, as non-convertible debentures are being issued. Please find below the details in relation to the same, set out in the tables drawing comparison between 'pre-issue' and 'post-issue' shareholding pattern of the Company:

1. *Pre-issue:*

Sr. No.	Category	No. of Equity shares held	Percentage of shareholding	No. of Preference shares held	Percentage of shareholding
A	**Promoters' holding**				
	Indian	0	0	0	0
1	Individual	0	0	0	0
	Bodies Corporate	235,685,332*	73.22%	0	0
	Sub-total	235,685,332*	73.22%	0	0

2	Foreign promoters				
	Sub-total (A)	235,685,332*	73.22%	0	0
B	**Non-promoters' holding**				
1	Institutional Investors	0	0	0	0
2	Non-Institutional Investors	0	0	0	0
	Private Corporate Bodies	8,28,08,361	25.72%	0	0
	Directors and relatives	27,29,730	0.85%		
	Indian public	6,88,182	0.21	0	0
	Others (including Non-resident Indians)	0	0	0	0
	Sub-total (B)	8,62,11,273	26.78%	0	0
	Grand Total	**32,19,11,605**	**100%**	**0**	**0**

2. Post Issue

Sr. No.	Category	No. of Equity shares held	Percentage of shareholding	No. of Preference shares held	Percentage of shareholding
A	**Promoters' holding**				
	Indian	0	0	0	0
1	Individual	0	0	0	0
	Bodies Corporate	235,685,332*	73.22%	0	0
	Sub-total	235,685,332*	73.22%	0	0
2	Foreign promoters				
	Sub-total (A)	235,685,332*	73.22%	0	0
B	**Non-promoters' holding**				
1	Institutional Investors	0	0	0	0
2	Non-Institutional Investors	0	0	0	0
	Private Corporate Bodies	8,28,08,361	25.72%	0	0
	Directors and relatives	27,29,730	0.85%		
	Indian public	6,88,182	0.21	0	0
	Others (including Non-resident Indians)	0	0	0	0

	Sub-total (B)	8,62,11,273	26.78%	0	0
	Grand Total	**32,19,11,605**	**100%**	**0**	**0**

3. Mode of payment for subscription:

- Cheque
- Demand draft
- Other banking channels, such as RTGS

4. Disclosure with regard to interest of directors, litigation, etc.:

Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons	NIL
Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree Company during the last three years immediately preceding the year of the issue of the private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	NIL
Remuneration of directors (during the current year and last three financial years)	(***Rs. In Lakhs)***

Particulars	**Current Year**	**FY 2022-23**	**FY 2021-22**	**FY 2020-21**
Remuneration paid to Directors including sitting fees paid	4.23	568.99	256.30	351.70

Related party transactions entered during the last three financial years immediately preceding the year of issue of private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided	Please refer to **Annexure V** of this Information Memorandum for the related party transactions for the financial years 2020, 2021 and 2022.
Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue of private placement offer cum application letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark	NIL
Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous Company law in the last three years immediately preceding the year of issue of private placement offer cum application letter in the case of the Company and all of its subsidiaries, and if there were any were any prosecutions filed (whether pending or not), fines imposed, compounding of offences	NIL

<table>
<tr><td>in the last three years immediately preceding the year of the private placement offer cum application letter and if so, section-wise details thereof for the Company and all of its subsidiaries</td><td></td></tr>
<tr><td>Details of acts of material frauds committed against the Company in the last three years, if any, and if so, the action taken by the Company</td><td>
<table>
<tr><th>FINANCIAL YEAR (FY)</th><td>2020-21</td><td>2021-22</td><td>2022-23</td></tr>
<tr><th>TOTAL NO. OF FRAUD CASE FILED</th><td>20</td><td>28</td><td>15</td></tr>
</table>

The Company has established a comprehensive framework for addressing fraud incidents, categorising them into two distinct types i.e. internal frauds and external frauds.

In case of any internal frauds, once a fraudulent activity is identified, the Company reports such fraud to the RBI in line with the guidelines and circulars issued by RBI in this regard, from time to time. Further, a show cause notice is issued to the staff members involved in such frauds, requesting an explanation for their actions. The matter is then referred to the Disciplinary Action Committee constituted by the Company ("DAC"), which DAC is responsible for conducting a thorough investigation and making appropriate decisions regarding disciplinary actions. In appropriate circumstances, the Company may lodge a police complaint against the erring staff member and / or may also initiate recovery actions against such erring staff members.

In case of any external frauds, once a fraud is identified involving persons outside the Company, the case is promptly reported to the RBI in accordance with the applicable circulars and guidelines issued by RBI in this regard, from time to time. In appropriate circumstances, the Company may also lodge a complaint against such person involved in fraud committed against the Company. Additionally, recovery actions may also be initiated against such persons to minimize the financial losses incurred by the Company.</td></tr>
</table>

5. Financial Position of the Company:

The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)	For details in this regard, please refer to **Section 4.6(A)** of this Information Memorandum.
Size of the Present Issue	10,000 (Ten Thousand) Unsecured, Listed, Rated, Redeemable, Transferable, Fully Paid Up, Subordinated, Non-Convertible Debentures (in form of subordinated debt eligible to be categorized as Tier II Capital in compliance with RBI Master Directions having a face value of Rs. 1,00,000/- (Rupees One Lakh only) each, of the aggregate nominal value of Rs. 100,00,00,000/- (Rupees One Hundred Crore only), with a green shoe option of up to 10,000 (Ten Thousand) Unsecured, Listed, Rated, Redeemable, Transferable, Fully Paid Up, Subordinated Non-Convertible Debentures (in the form of subordinated debt eligible to be categorized as

	Tier II Capital in compliance with RBI Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) having a face value of Rs. 1,00,000/- (Rupees One Lakh only) each, aggregating up to Rs. 100,00,00,000/- (Rupees One Hundred Crore only)
Paid-up Capital: **a. After the offer:** **b. After the conversion of convertible instruments (if applicable):**	This issuance of Debentures will not alter the paid-up capital of the Issuer.
Share Premium Account: **a. Before the offer:** **b. After the offer:**	This issuance of Debentures will not alter the share premium account of the Issuer.

Details of the existing share capital of the Issuer:

Year & Date of Allotment	No of Equity Shares	Face Value of Shares Allotted (Rs.)	Price (Rs.)	Details of Consideration (Rs.)	Form of consideration
April 17, 1995	700	10	10	7,000	Cash
1995-1996*	49,99,300	10	10	4,99,93,000	Cash
May 22, 1997*	1,00,00,000	10	10	10,00,00,000	Cash
March 5, 2001*	Pursuant to a resolution of our Shareholders dated October 28, 2000 and an order of the High Court of Kerala dated February 12, 2001, the issued and paid-up Equity Share capital of our Company was reduced by ₹145,000,000 from ₹150,000,000 comprising 15,000,000 Equity Shares of face value ₹ 10 each to ₹ 5,000,000 comprising 500,000 Equity Shares of face value ₹ 10 each.				
July 5, 2007*	95,00,000	10	10	9,50,00,000	Cash
December 30, 2010*	2,50,00,000	10	10	25,00,00,000	Cash
September 3, 2011*	3,50,00,000	10	10	35,00,00,000	Cash
February 15, 2012*	12,00,00,000	10	10	1,20,00,00,000	Cash
November 13, 2018	4,00,42,500	10	42.11	1,68,61,89,675	Cash
September 27, 2019	2,67,14,257	10	42.11	1,12,49,37,362.27	Cash
March 30, 2020	1,66,66,668	10	48	80,00,00,064	Cash
October 13, 2020	1,65,00,000	10	48	79,20,00,000	Cash
April 21, 2021	12,000	10	30	3,60,000	Cash
June 29, 2021	2,85,71,450	10	70	2,00,00,01,500	Cash
November 13, 2021	1,20,000	10	30	36,00,000	Cash
December 22, 2021	91,000	10	42.11	38,32,010	Cash
December 22, 2021	40,000	10	30	12,00,000	Cash
February 14, 2022	27,29,730	10	42.1	11,49,21,633	Cash
March 28, 2022	10,000	10	30	3,00,000	Cash
	20,000	10	48	9,60,000	Cash
May 6, 2022	30,000	10	30	9,00,000	Cash
July 21, 2022	60,000	10	30	18,00,000	Cash
July 21, 2022	2,60,000	10	48	1,24,80,000	Cash
	29,000	10	42.11	12,21,190	Cash
October 17, 2022	15,000	10	42.11	6,31,650	Cash

<table>
<tr><td>Number and price at which each of the allotments were made in the last one year preceding the date of the private placement offer cum application letter separately indicating the allotments made for consideration other than cash and the details of the consideration in each case</td><td>For details on allotment made by the Company during the year, please refer to Section 4.6 of this Information Memorandum.</td></tr>
<tr><td>Profits of the Company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of the private placement offer cum application letter</td><td>(Rs. in Lakhs)
<table><tr><th>Particulars</th><th>FY 2022</th><th>FY 2021</th><th>FY 2020</th></tr><tr><td>Profit before Tax</td><td>13,921</td><td>7,693</td><td>5,600</td></tr><tr><td>Profit after Tax</td><td>10,346</td><td>6,168</td><td>3,914</td></tr></table></td></tr>
<tr><td>Dividends declared by the Company in respect of the said three financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)</td><td><table><tr><th>Particulars</th><th>Rs.
FY 2022</th><th>Rs.
FY 2021</th><th>Rs.
FY 2020</th></tr><tr><td>Dividend declared</td><td>Nil</td><td>Nil</td><td>Nil</td></tr><tr><td>Interest coverage ratio (on a standalone basis)</td><td>1.51</td><td>1.34</td><td>1.37</td></tr></table></td></tr>
<tr><td>A summary of the financial position of the Company as in the three audited balance sheets immediately preceding the date of issue of private placement offer cum application letter</td><td>Please refer to Part A of Annexure IV of this Information Memorandum</td></tr>
<tr><td>Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter</td><td>Please refer to Part A of Annexure IV of this Information Memorandum</td></tr>
</table>

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

PART B: APPLICANT'S DETAILS

1. Name:
2. Father's Name:
3. Complete address including flat/ house number/ street, locality, pin code:
4. Phone number, if any:
5. Email ID, if any:
6. PAN:
7. Bank account details:
8. Demat Account Details:
9. Tick whichever is applicable:

   (a) The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares: ☐

   (b) The applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith:

   ☐

Signature of the Applicant

_____

Initial of the officer of the Company designated to keep the record

_____

DECLARATION

The Company and each of the directors of the Company hereby confirm and declare that:

a. the Company has complied with the provisions of the Act and the rules made thereunder, including the compliances in relation to making a private placement of the Debentures;

b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of Debentures, if applicable, is guaranteed by the Central Government;

c. the monies received under the Issue shall be used only for the purposes and objects indicated in the Information Memorandum (offer letter);

I am authorised by the Board of Directors of the Company *vide* resolution number dated April 28, 2023 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Information Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **FEDBANK FINANCIAL SERVICES LIMITED**

_____

Mr. Anil Kothuri, Managing Director and Chief Executive Officer; and
Mr. C. V. Ganesh, Chief Financial Officer
Date: May [•], 2023
Place: Mumbai

7. OTHER INFORMATION AND APPLICATION PROCESS

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

7.1 Mode of Transfer/ Transmission of Debentures

The Debentures shall be transferable freely. 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 dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the Depository and the relevant DPs of the transferor or transferee and any other Applicable Laws and rules notified in respect thereof. It would be the responsibility of the Investors to ensure that they sell the Debenture in strict accordance with the terms and conditions of this Information Memorandum and Applicable Laws, so that the sale does not constitute an offer for sale to the public within the meaning of the Companies Act. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

7.2 Debentures held in Dematerialised Form

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

The list of beneficiaries as of the 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 RTGS or such other permitted mode to the bank account of the Debenture Holder(s) for redemption payments.

7.3 Trustee for the Debenture Holder(s)

The Issuer has appointed Axis Trustee Services Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intends to enter into 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 authorised 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 Amount and Coupon thereon and they will take necessary action, subject to and in accordance with 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 Trust Deed

shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

7.4 Rights of Debenture Holders

The Debenture Holders shall have the rights and privileges specified in the Transaction Documents, including and not limited to:

(a) The Debentures shall not, except as provided in the Companies Act, 2013 confer upon the holders thereof any rights or privileges available to the members, including the right to receive notices or annual reports of, or to attend and/or vote, at the general meeting. However, if any resolution affecting the rights attached to the Debentures is to be placed before the shareholders, the said resolution will first be placed before the concerned Debenture Holders for their consideration. In terms of Section 219(2) of the Act, holders of Debentures shall be entitled to a copy of the balance sheet on a specific request made to the company.

(b) The rights, privileges and conditions attached to the Debentures may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Debentures or with the sanction of Special Resolution passed at a meeting of the concerned debenture-holders, provided that nothing in such consent or resolution shall be operative against the company, where such consent or resolution modifies or varies the terms and conditions governing the Debentures, if the same are not acceptable to the company.

(c) The registered Debenture Holder or in case of joint-holders, the one whose name stands first in the Register of Debenture Holders/list of Beneficial Owners shall be entitled to vote in respect of such Debentures, either in person or by proxy, at any meeting of the concerned Debenture Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her/its voting rights shall be in proportion to the outstanding nominal value of Debentures held by him/her/it on every resolution placed before such meeting of the Debenture Holders.

(d) The quorum for such meetings shall be at least five Debenture Holders present in person or as may be prescribed by Applicable Law from time to time.

(e) The Debentures are subject to the provisions of the Companies Act, 2013, the Memorandum and Articles, the terms of this Information Memorandum and other Transaction Documents and Application Form.

(f) A register of debenture holders will be maintained in accordance with Section 152 of the Act and all interest and principal sums becoming due and payable in respect of the Debentures will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Debenture Holders/ List of Beneficial Owners. The Debenture Holders will be entitled to their Debenture free from equities and/or cross claims by the Company against the original or any intermediate holders thereof.

7.5 Sharing of Information

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

7.6 Debenture Holder not a Shareholder

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

7.7 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 way of a Special Resolution (unless otherwise provided specifically in the Transaction Documents).

For the avoidance of doubt, any amendment to the terms and conditions of the Debentures or the Transaction Documents shall require approval by way of a Special Resolution (unless otherwise provided specifically in the Transaction Documents), either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders.

7.8 Right to accept or reject Applications

The Board/ Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

7.9 Notices

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

All notice(s) to be given by the Debenture Holder(s) to the Issuer/ Debenture Trustee shall be sent by registered post, recognised overnight courier service, hand delivery or by facsimile transmission to the Issuer or to such persons at such address/ facsimile number as may be notified by the Issuer from time to time through suitable communication. All correspondence regarding the Debentures should be marked "Private Placement of Debentures".

Notice(s) shall be deemed to be effective: (a) in the case of registered mail, 3 (Three) calendar days after posting; (b) 1 (One) Business Day after delivery by recognised overnight courier service, if sent for next Business day delivery; (c) in the case of facsimile at the time when dispatched with a report confirming proper transmission or (d) in the case of personal delivery, at the time of delivery.

7.10 Issue Procedure

Only investors as specified in the section titled "Persons who may apply" 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.

The final subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the Electronic Book Mechanism Guidelines by placing bids on the electronic book platform during the Issue period.

<u>Application Procedure through electronic book process:</u>

In order to be able to bid under the BSE electronic book platform, Eligible Investors must have provided the requisite documents (including but not limited to know your customer) in accordance with the Electronic Book Mechanism Guidelines. The Issuer is entitled at any time to require an Eligible Investor to provide any know your customer or other documents as may be required to be maintained by it or delivered to a third party by it in accordance with applicable laws. All Eligible Investors are required to register themselves as a one-time exercise (if not already registered) with the BSE electronic book platform for participating in electronic book building mechanism.

Eligible Investors should refer the operating guidelines for issuance of debt securities on private placement basis through an electronic book mechanism as available on the website of BSE. Eligible Investors will also have to complete the mandatory know your customer verification process.

The details of the Issue shall be entered on the BSE electronic book platform by the Issuer at least 2 (Two) Business Days prior to the Issue Opening Date, in accordance with the Electronic Book Mechanism Guidelines. The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer's bidding announcement on the BSE electronic book platform, at least 1 (one) Business Day before the start of the Issue Opening Date.

Some of the key guidelines in terms of the extant Electronic Book Mechanism Guidelines on issuance of securities on private placement basis through an electronic book mechanism, are as follows:

(i) Modification of Bid: Eligible Investors may note that modification of bid is allowed during the bidding period or window. However, in the last 10 minutes of the bidding period or window, revision of bid is only allowed for upward revision of the bid amount placed or to improve the coupon or yield by the Eligible Investor.

(ii) Cancellation of Bid: Eligible Investors may note that cancellation of bid is allowed during the bidding period or window. However, in the last 10 minutes of the bidding period or window, no cancellation of bids is permitted.

(iii) Multiple Bids: Bidders are permitted to place multiple bids on the BSE electronic book platform in line with the Electronic Book Mechanism Guidelines.

(iv) Manner of bidding: The Issue will be through closed bidding on the BSE electronic book platform in line with the Electronic Book Mechanism Guidelines.

(v) Manner of allotment: The allotment will be done on uniform yield basis in line with the Electronic Book Mechanism Guidelines.

(vi) Manner of settlement: Settlement of the Issue will be done through the clearing corporation.

(vii) Settlement cycle: The process of pay-in of funds by investors and pay-out to Issuer will be done on T+1 day, where T is the Issue Closing Date.

(viii) Offer or Issue of executed Information Memorandum to successful Eligible Investors. The final Information Memorandum will be issued to the successful Eligible Investors, who are required to complete and submit the application form to the Issuer in order to accept the offer of Debentures.

No person other than the successful Eligible Investors to whom the Information Memorandum has been issued by the Issuer may apply for the Issue through the application forms received from a person other than those specifically addressed will be invalid. However, Eligible Investors should refer to the extant Electronic Book Mechanism Guidelines as prevailing on the date of the bid.

Withdrawal of Issue:

The Issuer may, at its discretion, withdraw the issue process on the conditions set out under the Operational Circular; provided that the Issuer shall accept or withdraw the issue on the BSE electronic book platform within 1 (one) hour of the closing of the bidding window, and not later than 6 pm on the Issue Closing Date. However, Eligible Investors should refer to the Electronic Book Mechanism Guidelines as prevailing on the date of the bid. If the Issuer has withdrawn the Issue, and the cut-off yield of the Issue is higher than the estimated cut-off yield disclosed to the BSE electronic book platform, the estimated cut off yield shall be mandatorily disclosed by the BSE electronic book platform to the Eligible Investors. The expression 'estimated cut off yield' means yield so estimated by the Company, prior to opening of issue on the BSE electronic book platform. The disclosure of estimated cut off yield by BSE electronic book platform to the Eligible Investors, pursuant to closure of the Issue, shall be at the discretion of the Issuer.

Process flow of statement:

Successful bidders shall make pay-in of funds towards the allocation made to them, in the bank account of the clearing corporation, the details whereof are as set out in paragraph 7.14 herein below, on or before 10:30 A.M. on the Deemed Date of Allotment.

The fund pay-in by the successful bidders will be made only from the bank account(s), which have been provided/updated in the electronic book mechanism system. Upon the transfer of funds into the aforesaid account and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of the Debenture Holder(s) to Indian Clearing Corporation Limited, the R&T Agent shall provide the corporate action file along with all requisite documents to the Depositories by 12:00 hours and subsequently, the pay-in funds shall be released into the following bank account of the Issuer:

Beneficiary Name	Fedbank Financial Services Limited
Account No.	10990200088664
Bank	Federal Bank Limited
Branch	Fort Branch, 32/34, Church Gate House, Veer Nariman Road, Fort, Mumbai – 400 001
Account Type	Cash Credit
IFS Code	FDRL0001099

7.11 Application Procedure

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

7.12 Fictitious Application

All fictitious Applications will be rejected.

7.13 Basis of Allotment

Notwithstanding anything stated elsewhere, Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, priority will be given to Investors in line with the Electronic Book Mechanism Guidelines. The investors

will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Deemed Date of Allotment.

7.14 **Payment Instructions**

The Application Form should be submitted directly to the Issuer. The full amount of Rs. 1,00,000/- (Rupees One Lakh only) per Debenture is payable along with the making of an application.

All payments must be made through NEFT, RTGS, electronic fund transfer to Indian Clearing Corporation Limited. The details for payments are mentioned herein below:

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

Name of Bank	ICICI BANK LIMITED
IFSC Code	ICIC0000106
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

7.15 **Persons who may apply/ Eligible investors**

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. The class of investors to whom this Information Memorandum is being issued are:

The Persons to whom this Information Memorandum is being issued are the only persons eligible to apply for this private placement of Debentures to the extent permitted under and in accordance with the EBP Guidelines, the following categories of Investors ("**Eligible Investors**"), when specifically approached, and identified upfront by the Issuer, shall be eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them and by completing the participation/nodding requirements prescribed for the EBP platform and/or by submitting all the relevant documents along with the Application Form:

(a) Qualified Institutional Buyers ("**QIBs**") means the following entities:

(i) A mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with SEBI;
(ii) Foreign portfolio investor other than individuals, corporate bodies and family offices;
(iii) a public financial institution;
(iv) a scheduled commercial bank;
(v) a multilateral and bi-lateral development financial institution;
(vi) a State Industrial Development Corporation;
(vii) An insurance company registered with Insurance Regulatory and Development Authority of India (IRDAI);
(viii) A provident fund with minimum corpus of Rs.25,00,00,000/- (Rupees Twenty Five Crore)
(ix) A pension fund with minimum corpus of Rs.25,00,00,000/- (Rupees Twenty Five Crores)
(x) National Investment Fund set up by resolution No: F.No.2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;

(xi) An insurance fund set up and managed by Army, Navy / Air force of the Union of India;
(xii) Insurance funds set up and managed by the Department of Posts, India; and
(xiii) Systemically, important Non- Banking Financial Companies.

(b) Any non-QIB including *inter-alia* resident individual investors, Hindu Undivided Families (excluding minors and NRIs), Partnership Firms and Limited Liability partnership firms, Trusts (including public charitable trusts), association of persons, societies registered under the Applicable Laws in India, companies, bodies corporate etc, who/ which has been authorized by the Issuer, to participate in a particular issue on the EBP platform.

(c) Any other person eligible to invest in the Debentures subject the relevant prevalent guidelines and as permitted under Applicable Laws.

Additionally, those arrangers/brokers/intermediaries etc. (as per the defined limits under the EBP Guidelines) specifically mapped by the Issuer 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. The Issuer, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, nor is the Issuer required to check or confirm the above.

Hosting of this Placement Memorandum on the website of BSE/EBP bond platform should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the Placement Memorandum has been hosted only as this is stipulated under the SEBI NCS Regulations read with the EBP Guidelines. Eligible Investors should check their eligibility before making any investment. All Eligible 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.

Participation by Anchor Investors

The Issuer shall decide on the participation by anchor investors in the anchor investor allocation portion of the Issue subject to such allocation not exceeding 30% (Thirty Percent) of the base Issue size. The anchor investors may also participate in the Issue under the non-anchor portion of the Issue if identified as an Eligible Investor by the Issuer.

7.16 **Procedure for Applying for Dematerialised Facility**

(a) The Applicant must have at least one beneficiary account with any of the DP's of the Depository prior to making the application.

(b) The Applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".

(c) Debentures allotted to an Applicant will be credited to the Applicant's respective beneficiary account(s) with the DP.

(d) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.

(e) Non-transferable allotment advice/refund orders will be directly sent to the Applicant by the Registrar and Transfer Agent to the Issue.

(f) If incomplete/ incorrect details are given under the heading "Details for Issue of Debentures in Electronic/ Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.

(g) For allotment of Debentures, the address, nomination details and other details of the Applicant as registered with his/her DP shall be used for all correspondence with the Applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.

(h) The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, till such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

7.17 **Depository Arrangements**

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

7.18 **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 and interest monies.

7.19 **Application under Power of Attorney**

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

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

7.20 **Documents to be provided by Investors**

Investors need to submit the following documents, as applicable

(a) Memorandum and Articles of Association or other constitutional documents,

(b) Resolution authorising investment,

(c) Certified true copy of power of attorney,

(d) Specimen signatures of the authorised signatories duly certified by an appropriate authority,

(e) Copy of PAN card to be submitted,

(f) Application Form (including RTGS details).

7.21 **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 RTGS.

7.22 **Succession**

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognise the executor or administrator of the concerned Debenture Holder(s), or the other legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognise such executor or administrator or other legal representative as having title to the Debenture(s), unless such executor or administrator obtains probate or letter of administration or other legal representation, as the case may be, from a court in India having jurisdiction over the matter.

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

7.23 **Mode of Payment**

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

7.24 **Effect of Holidays**

Whenever any Record Date falls on a day other than a Business Day, the Record Date shall be moved to the immediately following Business Day.

If any of the Coupon Payment Date(s), other than the ones falling on the Redemption Date, falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day, which becomes the Coupon Payment Date for that Coupon. However, the future Coupon Payment Date(s) would be as per the schedule originally stipulated at the time of issuing the Debentures. To clarify, the subsequent Coupon Payment Date(s) would not be changed merely because the payment date in respect of one particular Coupon payment has been postponed earlier because of it having fallen on a non-Business Day.

If the Maturity Date/ Redemption Date and the Last Coupon Payment Date of the Debentures falls on a day that is not a Business Day, the Redemption Amount in respect of the Debentures shall be paid by

the Issuer on the immediately preceding Business Day which shall thereafter be considered the revised Maturity Date / Redemption Date, along with Coupon accrued thereon, until but excluding the date of such payment

It is hereby clarified that any payments shall also be subject to the day count convention as per the SEBI NCS Regulations.

7.25 Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the debenture holders at the office of the transfer agents of the Company at least 15 (Fifteen) days before the relevant payment becoming due. Tax exemption certificate / declaration of non deduction of tax at source on interest on application money, should be submitted along with the Application form.

7.26 Letters of Allotment

The letter of allotment, indicating allotment of the Debentures, will be credited in dematerialised form within 2 (Two) Business Days from each Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of all statutory formalities, the aforesaid letter of allotment shall be replaced with the actual credit of Debentures, in dematerialised form.

7.27 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 May 26, 2023 by which date the Investors would be intimated of allotment.

7.28 Record Date

The date which will be used for determining the Debenture holder(s) who shall be entitled to receive the amounts due with respect to the Debentures on any Due Date, which shall be the date being 15 (Fifteen) calendar days prior to the Due Date. Provided that if any Record Date falls on a day other than a Business Day, the immediately succeeding Business Day shall be considered the Record Date for that particular Due Date.

7.29 Refunds

For Applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (Seven) days from each 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 Registrar shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

7.30 Interest on Application Money

The Issuer shall be liable to pay to each Debenture Holder, interest on Application Money which will be the same as the Coupon Rate (subject to deduction of Tax at Source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modifications or re-enactment thereof) and will be paid on Application Money for the period commencing from the date on which the said Debenture Holder has made payment of the Application Monies in respect of the Debentures and ending on the day prior to the Deemed Date of Allotment.

Provided that, notwithstanding anything contained herein above, the Company shall not be liable to pay any interest on monies liable to be refunded in case of invalid Applications or Applications.

The interest on the Application Monies shall be paid by the Issuer to the Debenture Holders within 7 (Seven) Business Days from the Deemed Date of Allotment.

7.31 **PAN**

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

7.32 **Payment on Redemption**

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the 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 the Depository and accordingly the account of the Debenture Holder(s) with the Depository 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 may 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 other documents/ authorisations/ information, which are likely to be required by the Issuer. The Issuer may, but is not bound to revert to any investor for any additional documents/ information, and can accept or reject an application as it deems fit. Investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. Governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

8. DECLARATION

The Company and each of the directors of the Company hereby confirm and declare that:

a. the Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder, including the compliances in relation to making a private placement of the Debentures;

b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of Debentures, if applicable, is guaranteed by the Central Government;

c. the monies received under the Issue shall be used only for the purposes and objects indicated in this Information Memorandum;

d. whatever is stated in this Information Memorandum and in the attachments hereto is true, correct and complete and no information material to the subject matter of this Information Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

I am authorised by the Board of Directors of the Company *vide* resolution dated April 28, 2023 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Information Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **FEDBANK FINANCIAL SERVICES LIMITED**

_____

Mr. Anil Kothuri, Managing Director and Chief Executive Officer; and
Mr. C. V. Ganesh, Chief Financial Officer
Date: May [•], 2023
Place: Mumbai

ANNEXURE I: RATING LETTER AND RATING RATIONALE

(Attached Separately)

ANNEXURE II: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

(Attached Separately)

ANNEXURE III: APPLICATION FORM

FEDBANK FINANCIAL SERVICES LIMITED

A public company with limited liability incorporated on April 17, 1995 under the Companies Act, 1956 (registered as a non-banking financial company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934)) and validly existing under the Companies Act, 2013.

Registered Office: Federal Towers, Alwaye, Ernakulam, Kerala – 683 101
Corporate Office: Kanakia Wall Street, A Wing, 5th Floor, Unit No.511 & Andheri Kurla Road, Andheri (East) Mumbai, Maharashtra – 400 093
CIN: U65910KL1995PLC008910
Telephone No.: +91 22 68530665, **Contact Person:** Mr. S. Rajaraman, Company Secretary and Compliance Officer
E-mail: secretarial@fedfina.com, **Website:** https://fedfina.com/

DEBENTURE APPLICATION FORM SERIAL NO.	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**

Addressed to: FEDBANK FINANCIAL SERVICES LIMITED

ISSUE OF UPTO 10,000 (TEN THOUSAND) RATED, LISTED, UNSECURED REDEEMABLE, TRANSFERABLE, FULLY PAID UP, SUBORDINATED NON CONVERTIBLE DEBENTURES (IN FORM OF SUBORDINATED DEBT ELIGIBLE TO BE CATEGORIZED AS TIER II CAPITAL IN COMPLIANCE WITH RBI MASTER DIRECTIONS FOR NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016) HAVING A FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH ONLY) EACH, OF THE AGGREGATE NOMINAL VALUE OF RS. 100,00,00,000/- (RUPEES ONE HUNDRED CRORE ONLY), WITH A GREEN SHOE OPTION OF UP TO 10,000 (TEN THOUSAND) UNSECURED, LISTED, RATED, REDEEMABLE, TRANSFERABLE, FULLY PAID UP, SUBORDINATED NON-CONVERTIBLE DEBENTURES (IN THE FORM OF SUBORDINATED DEBT ELIGIBLE TO BE CATEGORIZED AS TIER II CAPITAL IN COMPLIANCE WITH RBI MASTER DIRECTIONS FOR NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016) HAVING A FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH ONLY) EACH, AGGREGATING UP TO RS. 100,00,00,000/- (RUPEES ONE HUNDRED CRORE ONLY) ("DEBENTURES"/ "NCDs") ON A PRIVATE PLACEMENT BASIS ISSUED UNDER THE INFORMATION MEMORANDUM DATED [•], 2023 ("INFORMATION MEMORANDUM" OR "DISCLOSURE DOCUMENT") AS AMENDED / SUPPLEMENTED FROM TIME TO TIME

DEBENTURE APPLIED FOR:

Series/ Tranche: N.A.

Number of Debentures _____ in words _____

Amount Rs. _____ /- in words Rupees _____Crore Only

DETAILS OF PAYMENT:

Cheque / Demand Draft / RTGS
No. _____ Drawn on_____

Funds transferred to Fedbank Financial Services Limited
Dated _____

Total Amount Enclosed

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

APPLICANT'S NAME IN FULL (CAPITALS) **SPECIMEN SIGNATURE**

APPLICANT'S ADDRESS

ADDRESS																		
STREET																		
CITY																		
PIN							**PHONE**							**FAX**									

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

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

We have read and understood the Terms and Conditions of the issue of Debentures contained in the Information Memorandum including the Risk Factors described therein 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 Issuer in dematerialised form. Details of my/our Beneficial Owner Account are given below:

Details for Issue of Debentures in Electronic / Dematerialised Form

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

Applicant Bank Account:	

(Settlement by way of RTGS, electronic fund transfer)	

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

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) 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 Issuer 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.

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

SERIAL NO.	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**

Received from _____

Address_____
_____
UTR # _____ Drawn on _____ for Rs. _____ on account of application of _____ Debenture

ANNEXURE IV: FINANCIAL STATEMENTS

PART A: AUDITED FINANCIAL STATEMENTS (For FY22, FY21 and FY20)

(Attached Separately)

PART B: LIMITED REVIEW FINANCIAL STATEMENTS FOR NINE MONTHS ENDED DECEMBER 31, 2022

(Attached Separately)

ANNEXURE V: RELATED PARTY TRANSACTIONS

Details of Related Party Transactions – FY22, FY21 and FY20:

(Attached Separately)

ANNEXURE VI: COPY OF BOARD RESOLUTION

(Attached Separately)

ANNEXURE VII: COPY OF SHAREHOLDERS' RESOLUTIONS

(Attached Separately)

ANNEXURE VIII: IN PRINCIPLE LISTING APPROVAL

(Attached Separately)

ANNEXURE IX: INDICATIVE CASHFLOW SCHEDULE

ILLUSTRATIVE BOND CASH FLOWS

Details of the Bonds	
Particulars	**Details**
Issuer/ Company	Fedbank Financial Services Limited
Face Value per NCD (Rs.)	1,00,000
Deemed Date of Allotment	26-May-23
Tenor	6 years and 11 months
Maturity/ Redemption Date	26-Apr-30
Coupon Rate (% p.a.)	9.00%
Coupon Payment Frequency	Annual
Day Count Convention	Actual/Actual

Day Convention		
From	**To**	**Number of days**
1-Jan-23	31-Dec-23	365
1-Jan-24	31-Dec-24	366
1-Jan-25	31-Dec-25	365
1-Jan-26	31-Dec-26	365
1-Jan-27	31-Dec-27	365
1-Jan-28	31-Dec-28	366
1-Jan-29	31-Dec-29	365
1-Jan-30	31-Dec-30	365

Illustrative Bond Cash Flows*					
Month	**Scheduled Payment Date**	**Actual Payment Date****	**Number of days in coupon period**	**Number of days in the year^**	**Amount per NCD (in Rs.) #**
Deemed Date of Allotment	Friday, 26 May, 2023	Friday, 26 May, 2023			(100,000)
1st Coupon	Sunday, 26 May, 2024	Monday, 27 May, 2024	366	366	9,000
2nd Coupon	Monday, 26 May, 2025	Monday, 26 May, 2025	365	365	9,000
3rd Coupon	Tuesday, 26 May, 2026	Tuesday, 26 May, 2026	365	365	9,000
4th Coupon	Wednesday, 26 May, 2027	Wednesday, 26 May, 2027	365	365	9,000
5th Coupon	Friday, 26 May, 2028	Friday, 26 May, 2028	366	366	9,000
6th Coupon	Saturday, 26 May, 2029	Monday, 28 May, 2029	365	365	9,000
7th Coupon	Friday, 26 April, 2030	Friday, 26 April, 2030	335	365	8,260

Principal Redemption	Friday, 26 April, 2030	Friday, 26 April, 2030			100,000

**The above-mentioned cash flows are illustrative and indicative. The actual due dates and the cash flow will be in accordance with the SEBI Operational Circular.*

***after adjusting for Non-Business Days. The interest/redemption payments shall be made only on a day on which commercial banks are open for business in the city of Mumbai, Maharashtra and when the money market is functioning in Mumbai.*

As per Business Day Convention, if any of the Coupon Payment Date(s), other than the ones falling on the Redemption Date, falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day, which becomes the Coupon Payment Date for that Coupon. However, the future Coupon Payment Date(s) would be as per the schedule originally stipulated at the time of issuing the NCDs. In other words, the subsequent Coupon Payment Date(s) would not be changed merely because the payment date in respect of one particular Coupon payment has been postponed earlier because of it having fallen on a non-Business Day.

If the Maturity Date/ Redemption Date and the Last Coupon Payment Date of the Debentures falls on a day that is not a Business Day, the redemption amount shall be paid by the Issuer on the immediately preceding Business Day which becomes the new redemption date, along with interest accrued on the Debentures until but excluding the date of such payment.

^ In case of scheduled payment date falling during a leap year, number of days for coupon working have been reckoned as 366 days for the entire calendar year.

 # In the event, the interest / pay-out of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer.

ANNEXURE X: KEY TERMS OF THE ISSUE

1. **COVENANTS AND UNDERTAKINGS**

Affirmative and Information Covenants

The Company undertakes and covenants that, the Company shall until the Final Settlement Date:

(a) **Accounts and Records**

(i) The books of accounts of the Company have been fairly and properly maintained, the accounts of the Company have been prepared in accordance with Applicable Law and in accordance with the generally accepted accounting principles, so as to give a true and fair view of the business (including the assets, liabilities and state of affairs) of the Company.

(ii) Provide such information as the Debenture Holders may require as to all matters relating to the business, property and affairs of the Company that materially impacts the interests of the Debenture Holders and provide access to relevant books of accounts and records in relation to this Issue as required by the Debenture Trustee.

(iii) Provide to the Debenture Trustee any information, relating to the business, property and affairs of the Company, pursuant to a monitoring or servicing request of the Debenture Holders.

(b) **Validity of Transaction Documents**

The Company shall ensure that the Transaction Documents are duly executed and delivered and will continue in full force and effect and will constitute valid, enforceable and binding obligations of the Company.

(c) **Preserve Corporate Status**

The Company shall 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) **Make the Relevant filings**

Pursuant to the Act and the relevant rules thereunder, the Company undertakes to make the necessary filings of the documents mandated therein including the Form PAS-3 for return of allotment with the relevant registrar of companies and/or any other authority within the timelines stipulated under the Act and the relevant rules thereunder.

(e) **Records and Inspection**

(i) The Company shall keep such adequate accounting and control systems, management information systems, books of account, and other records as are required to be maintained under law 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 generally accepted accounting principles consistently applied and all requirements of law; and

(ii) The Company shall at its sole cost and expense permit the Debenture Trustee, as the representative of the Debenture Holders, to enter into, after having provided the Company with reasonable notice of at least 7 (Seven) Business Days, 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 Company to discuss the affairs, finances and accounts of the Company with, and be advised as to the same, by its officers.

(f) **Compliance with laws**

(i) The Company shall at all times be in compliance with Applicable Laws and comply with all laws, rules, regulations and guidelines (including the Act) as applicable in respect to the Issue, and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following (i) the SEBI NCS Regulations; (ii) SEBI Operational Circular; (iii) the provisions of the listing agreement entered into by the Company with the Stock Exchange in relation to the Debentures including the SEBI LODR; and (iv) the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the other notified rules under the Act; (v) applicable RBI guidelines;

(ii) The Company shall comply with all the applicable provisions under the SEBI Debenture Trustee Regulations, SEBI NCS Regulations, the SEBI Operational Circular and any other applicable notification, circular, press release as may be issued by SEBI and/ or RBI, from time to time.

(iii) The Company shall at all times be in compliance with applicable financial record keeping and reporting requirements and money laundering statutes and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority.

(g) **End-Use**

(i) The Company shall utilise the monies received towards subscription of the Debentures for the purposes of augmenting its Tier II Capital, for strengthening the capital adequacy standards of the Issuer and enhancing its long-term resources and for business requirements in compliance with the provisions of Applicable Laws or as may be specified in the Information Memorandum.

(ii) The Company shall furnish to the Debenture Trustee a certificate from the statutory auditor of the Company to the Debenture Trustee in respect of the utilisation of funds raised by way of issue of the Debentures. In addition to the above, upon completion of each financial year, the Company shall furnish to the Debenture Trustee a statement/certificate showing the manner in which the said monies have been utilized from its management.

(h) The Company shall ensure, and/or cause the Registrar and Transfer Agent to forward the details of Debenture Holder(s) to the Debenture Trustee at the time of allotment and thereafter by the seventh working day of every next month in order to enable Debenture Trustee to keep its records updated and to communicate effectively with the Debenture Holders, especially in situations where Events of Default have occurred.

(i) The Company shall submit to the Debenture Trustee a half-yearly certificate along with half yearly results from the statutory auditor regarding compliance with all the covenants, in respect of the Debentures, by the statutory auditor, along with the half-yearly financial results in the manner specified by SEBI from time to time and shall on quarterly basis submit to Debenture Trustee a certificate by its statutory auditor regarding compliance with the financial covenants (if any) in relation to the Debentures.

(j) The Company shall promptly within 1 (one) working day of the interest or principal or both becoming due, submit a certificate to the Stock Exchange(s) along with the Debenture Trustee, regarding status of payment in respect of the Debentures and also upload the information on its website. While intimating the status of payment to the Debenture Trustee, the Company shall also intimate the Debenture Trustee on whether they have informed the status of payment or otherwise to the Stock Exchange(s) and Depository.

(k) The Company shall, provide / cause to be provided information in respect of the following promptly and no later than 30 (Thirty) Business Days from the occurrence of such event (unless otherwise specifically provided):

(i) notify the Debenture Trustee in writing, any change in the senior management officials i.e, the Chief Executive Officer or the Chief Financial Officer or the Chief Operating Officer or the Chief Risk Officer;

(ii) provide details of any material litigation, arbitration, legal action or administrative proceedings including those that are required to be disclosed to the relevant Stock Exchange(s), as per the listing agreement entered into by the Company with the relevant Stock Exchange(s), except any litigation, arbitration, legal action or administrative proceedings filed by or against the Company in the ordinary course of business;

(iii) 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 material respect;

(iv) notify the Debenture Trustee in writing of any change to the constitutional documents of the Company which could have any direct or indirect adverse effect on the Debenture Holders;

(v) notify the Debenture Trustee in writing, of any proposed change in the nature or scope or the business or operations of the Company or the entering into any agreement or arrangement by any person that may materially affect the assets and liabilities of the Company, at least 3 (Three) Business Days prior to the date on which such action is proposed to be given effect;

(vi) provide to the Debenture Trustee such further information regarding the financial condition, business and operations of the Company as the Debenture Trustee may reasonably request in relation to the Debenture Outstandings;

(vii) promptly notify the Debenture Trustee of any revision in either of the ratings provided by any of the Rating Agencies;

(viii) promptly notify the Debenture Trustee of any significant changes in the composition of its board of directors;

(ix) promptly notify the Debenture Trustee of any investments by way of equity into the Company;

(x) inform the Debenture Trustee before declaring or distributing any dividend, unless the Company has paid the amounts then due and payable on the Debentures under the Transaction Documents;

(xi) inform the Debenture Trustee of one or more of the other creditors of the Company accelerating its payment obligations on the grounds of (a) a Material Adverse Effect in the financial, operational or regulatory conditions governing the Company or (b) on account of a breach of representation or breach of an information covenant) under the terms of any other agreement involving borrowed money or the extension of credit or any other indebtedness under which the Company may be obligated as a borrower or guarantor;

(l) The Company shall promptly and no later than 5 (Five) Business Days from the occurrence of such event (unless otherwise specifically provided):

(xii) notify the Debenture Trustee in writing, of any notice of an application for winding up having been made or receipt of any statutory notice of winding up under the provisions of the Act or any other notice under any other law or otherwise of any suit or legal process intended to be filed affecting the title to the property of the Company;

(xiii) notify the Debenture Trustee in writing of any one or more events, conditions or circumstances that exist or have occurred that has, had or could reasonably be expected to have a Material Adverse Effect;

(xiv) notify the Debenture Trustee in writing of any dispute, litigation, investigation or other proceeding which could result in a Material Adverse Effect;

(xv) notify the Debenture Trustee promptly in writing, of any event which constitutes an Event of Default, or of circumstances existing which could give rise, with the passage of time or otherwise, to an Event of Default specifying the nature of such event and any steps the Company proposes to take and/ or is taking to remedy the same;

(m) The Company agrees that it shall forward to the Debenture Trustee promptly, which information can be forwarded in electronic form or fax:

(i) a copy of the statutory auditors' and directors' annual report, balance sheet and profit and loss statement 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; and

(iii) a copy of all the notices, call letters, circulars, 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.

(n) **Furnish Information to Debenture Trustee**

The Company shall give to the Debenture Trustee or their nominee(s) (and to the Debenture Holder(s), if so requested), information in respect of the following within a maximum of 10 (Ten) calendar days from the occurrence of such event:

(i) As soon as practicable, and in any event within 1 (One) Business Day, upon the Company having knowledge of any winding up proceeding including filing of any application under the IBC or initiation of any insolvency resolution process against the Company under the IBC.

(ii) Furnish quarterly report within 7 (seven) days of the relevant board meeting or within 45 (forty five) days from the end of the relevant quarter (unless specified otherwise, in which case, reports shall be submitted according to the specified timeline) to the Debenture Trustee (and to the Debenture Holders), containing the following particulars

A. Details of any change in shareholding structure and/ or of any change in the composition of the board of directors of the Company;
B. Unaudited or limited-review financial statements of the Company;
C. Details of any change in the accounting policy of the Company;
D. Details of any change in the senior management officers of the Company i.e. any chief financial officer or chief executive officer or any other officer of the Company holding such equivalent post;
E. Details in relation to the asset liability management report in the format set out under the applicable directions issued by RBI (as may be amended from time to time)
F. Submitting such information, as may be reasonably required by the Debenture Trustee.

(iii) The Company shall provide to the Debenture Trustee such information as it may require for any filings, statements, reports that the Debenture Trustee is required to provide to any Governmental Authority under Applicable Law.

(iv) The Company shall provide / submit such information, as may be required by the Debenture Trustee from time to time, pursuant to a monitoring or servicing request of the Debenture Holders.

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

(vi) Submit to the Debenture Holder *(in a format which shall be provided by the Debenture Holder from time to time)* such other information relevant to the Issue that the Debenture Holder may reasonably request on a monthly, quarterly and annual basis or pursuant to an annual diligence by the Debenture Holder, subject to such information being available with the Company.

(o) **Payment of dividend**

Subject to Applicable Laws, the Company shall not declare or pay any dividend to its shareholders during any financial year unless it has paid the amounts then due and payable on the Debentures or has made provisions satisfactory to the Debenture Trustee for making such payment.

2. **EVENTS OF DEFAULT**

If one or more of the events specified below, happen(s), the same shall constitute an "Event of Default" (hereinafter each an "Event of Default" and collectively, "Events of Default") happen(s), the Debenture Trustee shall be entitled to exercise any and all rights hereunder as contained in this IM:

(a) Transaction Documents

Any Transaction Document once executed and delivered, ceases to be in full force or becomes unlawful, invalid and unenforceable.

(b) End Use

All or any part of the proceeds of the Issue is not utilised or is not being utilised for the intended end use as stipulated in the Debenture Trust Deed.

(c) Applicable Law

The Company fails to comply with Applicable Law and/ or with the Applicable Law in relation to the Issue.

(d) Material Adverse Effect

The occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders, if such Material Adverse Effect has not been remedied or rectified for a period of 10 (Ten) Business Days.

(e) Unlawfulness and Invalidity

(i) It is or becomes unlawful for the Company to perform any of its obligations under the Transaction Documents, or if the Transaction Documents or any part thereof ceases, for any reason whatsoever, to be valid and binding or in full force and effect;

(ii) The Company repudiates a Transaction Document to which it is a party or evidences an intention to repudiate Transaction Documents to which it is a party.

(f) Seizure

An expropriation, distress, attachment, sequestration, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Company and which affects any asset or assets of the Company or any of its affiliate having an aggregate value of more than or equal to the amount of the Debentures or 10% of the Company's net worth as per the latest financial statements whichever is lesser and which is not discharged within 15 (Fifteen) days.

(g) Promoters, Directors and Employees of the Company

(i) Any of the directors or the promoters of the Company are declared as wilful defaulter(s).

(ii) Any of the directors and/ or the promoters of the Company are convicted of

criminal offence or of any act of moral turpitude, dishonesty or which otherwise impinges on the integrity of the director and/ or the promoter, including any accusations, charges and/or convictions of any offence relating to bribery.

(iii) Any officer, employee, or member of management of the Company commits any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Company/ promoter funds or revenues or any other act having a similar effect.

(h) Net Worth

If Company's net worth as per its latest audited financing statements erodes by 50% or more when compared with its net worth as per audited financing statements of the immediately preceding Financial Year and the same has not been remedied within 30 (Thirty) Business Days.

3. **CONSEQUENCES OF AN EVENT OF DEFAULT**

(a) Upon the occurrence of an Event of Default, the Debenture Trustee shall, after obtaining prior written permission of RBI (for so long as such permission is required from the RBI as per the extant regulations) accelerate repayment of all amounts due and payable in relation to the Debentures including any accrued Coupon amounts and the principal amount on the Debentures, along with other costs, charges and expenses incurred under or in connection with the Debenture Trust Deed and other Transaction Documents and exercise the rights available to the Debenture Trustee under Applicable Law.

(b) It is hereby clarified that the Debenture Holder(s) shall not have the right to convert the Debenture into equity shares of the Issuer upon the occurrence of an Event of Default.

(c) In addition to above, so long as there shall be an Event of Default, the Company shall pay the Default Interest as per the terms set out in the Transaction Documents, without any prejudice to the remedies available to the Debenture Holders or the consequences of Events of Default.

(d) **Nominee Director**

The Debenture Trustee shall in consultation with the Debenture Holders have a right to appoint a nominee Director on the board of directors of the Company (hereinafter referred to as "**the Nominee Director**") in accordance with the provisions of the SEBI Debenture Trustee Regulations in the event of:

(i) 2 (Two) consecutive defaults in payment of interest to the Debenture Holder(s); or

(ii) Any default on the part of the Company in redemption of the Debentures; or

(e) The Nominee Director so appointed shall not be liable to retire by rotation nor shall be required to hold any qualification shares. The Company shall take steps to amend its Articles of Association for the purpose if necessary.

(f) The Nominee Director shall be appointed by the Company as a director on its board of directors not later than 1 (One) month from the date of receipt of such nomination from the Debenture Trustee. The Company shall amend its Articles of Association for the purpose of giving effect to its obligations under this paragraph including in relation to

appointment of the Nominee Director.

(g) The Nominee Director shall also be appointed as a member of any committee of the Board and shall not be liable for any act or omission of the Company.

(h) The Nominee Director shall be entitled to all the rights and privileges of other non-executive directors and the sitting fees, expenses as payable to other directors on the Board and any other fees, commission, monies or remuneration in any form payable to the non-executive directors, which shall be to the account of the Company.

(i) The Debenture Trustee shall, on being informed by the Company of the happening of any of the Event(s) of Default or upon the happening of any of such Event(s) of Default coming to its notice, forthwith give written notice to the Debenture Holder(s) of the same.

(j) Subject to receipt of prior written consent from the RBI (for so long as such consent is required from the RBI as per the extant regulations) with respect to acceleration of all amounts due and payable in relation to the Debentures, the Debenture Trustee shall, on the occurrence of an Event of Default, follow the standard operating procedure for entering into the inter-creditor agreement. The process for entering into the inter-creditor agreement has currently been stipulated by SEBI under 'Chapter X: Breach of Covenants, Default and Remedies of SEBI DT Operational Circular' as stipulated under the SEBI DT Operational Circular, ("**SEBI Defaults (Procedure) Circular**") as amended from time to time. If any meeting of the Debenture Holders is proposed to be conducted in respect of any matter prescribed in the SEBI Defaults (Procedure) Circular, the process and timelines set out with respect to convening and conducting such meeting shall be in accordance with the SEBI Defaults (Procedure) Circular and the sub-paragraphs set out hereinbelow:

(b) A notice for a meeting being convened in terms of / pursuant to the SEBI Defaults (Procedure) Circular shall contain the details prescribed in the SEBI Defaults (Procedure) Circular, including without limitation, the negative consent for proceeding with the enforcement of security, positive consent for signing the inter-creditor agreement, the time period within which the consent needs to be provided, and the date of meeting to be convened.

(c) Any action of the Debenture Trustee in respect of the occurrence of an Event of Default and the application of the SEBI Defaults (Procedure) Circular shall be in accordance with the decision of the Debenture Holders taken at any meeting convened in accordance with this, subject to the exceptions (if any) set out in the SEBI Defaults (Procedure) Circular.

(d) For the purposes of a meeting convened in accordance with this sub-paragraph, in accordance with the SEBI Defaults (Procedure) Circular, all decisions shall require the consent of 75% (seventy five percent) of the Debenture Holders (by value) and 60% (sixty percent) of the Debenture Holders (by number).

(e) The Debenture Trustee after obtaining consent of Debenture Holder(s) for enforcement shall inform the designated stock exchange seeking release of the Recovery Expense Fund. The Debenture Trustee shall follow the procedure set out in the SEBI DT Operational Circular for utilisation of the Recovery Expense Fund and be obligated to keep proper account of all expenses, costs including but not limited to legal expenses, hosting of meetings etc., incurred out of the Recovery Expense Fund.

(f) All expenses over and above those met from the Recovery Expense Fund incurred by

the Beneficial Owners(s)/Debenture Trustee after an Event of Default has occurred in connection with collection of amounts due under the Transaction Documents, shall be payable by the Company.

4. **SUBORDINATED OBLIGATIONS**

(a) The Debentures shall be issued as subordinated debt which are fully paid up, unsecured and are at all times subordinated to the claims of other creditors of the Company and are free from restrictive clauses and are not redeemable at the instance of the Debenture Holder(s) or without the consent of the supervisory authority of the Company, being the RBI.

(b) Without limiting the generality of the foregoing, in the event of any distribution, division or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the assets of the Company or the proceeds thereof to creditors of the Company or upon any indebtedness of the Company, by reason of the liquidation, dissolution or other winding up of the Company or the Company's business, or in the event of any sale, receivership, insolvency or bankruptcy proceeding, or assignment for the benefit of creditors, or any proceeding by or against the Company for any relief under any bankruptcy or reorganisation, compositions or extensions, then and in any such event any payment or distribution of any kind or character, either in cash, securities or other property, which may be payable or deliverable to the Debenture Holder(s) shall:

(i) not be payable and deliverable until all of the other senior creditors of the Company have been fully paid and discharged, unless otherwise permitted under Applicable Law; and

(ii) be *pari passu* with all other subordinated debt of the Company which qualify as Tier II Capital of the Company under Applicable Laws.

ANNEXURE XI: DUE DILIGENCE CERTIFICATE

(Attached Separately)

ANNEXURE XII: DETAILS OF THE PROMOTER

Name of the Promoter	The Federal Bank Limited
Date of Incorporation	April 23, 1931
Age	N/A
Registered Address	Federal Towers, Aluva – 683 101, Kerala, India
Educational Qualification	N/A
Experience in the business or Employment	N/A
Positions/Posts held in the past	N/A
Directorships held	N/A
Other ventures of each promoter	N/A
Special achievements	N/A
Business and Financial activities	N/A
Photograph	N/A
Permanent Accountant Number	AABCT0020H

The Company/ Issuer confirms that the Permanent Account Number and Bank Account Number(s) of the Promoter and Permanent Account Number of directors have been submitted to the stock exchanges on which the Debentures are proposed to be listed, at the time of filing of the Information Memorandum.

ANNEXURE XIII: ALM STATEMENTS

(Attached Separately)

ANNEXURE XIV: LENDING POLICY

The risk management committee constituted by the Company ("**RMC**") reviews and approves our loan product programs on an on -going basis. These product programs outline the framework of any credit financial product being offered by our Company. Within this established framework, credit policies have been incorporated to manage, among others, the sourcing of proposals, channels of business acquisition, process of underwriting, information systems involved, verification, documentation, disbursement procedures, portfolio quality triggers, recovery mechanism and non-performing asset management.

The impact of macroeconomic, regulatory, competition and other high impact variables and portfolios underwritten within the credit policy framework are reviewed on an ongoing basis.

underwriting comprises of record verification through digital and external agencies, credit bureau check, financial analysis, cash flow assessments, assessing net-worth, leverage and debt service ability etc. through submitted records, personal discussion with borrowers, market reference etc. collateral verification through independent legal & valuation agencies is a critical aspect in case of secured loans. Legal documentation to create proper charge on mortgaged security, under legal guidance, is another critical aspect.

Whilst ability of a customer to repay a loan can be adequately determined through assessment of financials and cash flows, defaults with the intention of fraud or misreported information are additional challenges to the Company.

The RMC also has oversight over the implementation of our core credit policies and remedial management policies, as well as the review of the overall portfolio credit performance of and establishing concentration limits by product programs, collateral types, tenures and customer segments. Product level credit risk policies are implemented to segment all new customer acquisitions across locations and regions, individual profiles, income levels, leverage positions, collateral types and value, source of income and continuity of employment/business.

The credit risk monitoring is broadly done at two levels: account level and portfolio level. Account monitoring aims to identify weak accounts at an incipient stage to facilitate corrective action. portfolio monitoring aims at managing risk concentration in the portfolio as well as identifying stress in certain occupations, markets and states. Our portfolio credit quality is determined by our RMC by reviewing non-performing loan loss rates, provision held, write-offs and statuses of recoveries from defaulting borrowers.

ANNEXURE XV: AGGREGATED EXPOSURE TO TOP 20 BORROWERS

Sr. No.	Name of the Borrower	Amount Outstanding (Rs. In Crore)
1	TARUN REALTORS PRIVATE LIMITED	27.00
2	MANJEERA RETAIL HOLDINGS PRIVATE LIMITED	17.13
3	SIDHDHESHWAR CORPORATION	12.56
4	LOANTAP CREDIT PRODUCTS PRIVATE LIMITED	6.71
5	NAVA SAKTHI AUTO FUELS	6.01
6	SRI SAI PRASANNA INDANE SERVICES	5.87
7	ANIL CHAWLA	5.37
8	ASHAY ARVINDBHAI SHAH	5.31
9	VARUN FEED AND POULTRY PRIVATE LIMITED	5.10
10	SUNLAND VENTURES PVT LTD	5.03
11	SNS HOTELS PVT LTD	4.82
12	MANJUNATH B K	4.78
13	OLYMPIC WEDDING CARDS PRIVATE LTD	4.77
14	SUBBA REDDY BUMIREDDY	4.75
15	SHRI DEVI INFRASTRUCTURE PVT LTD	4.74
16	SHIVAM CASHEW INDUSTRY	4.54
17	TALLARI HANUMAPPA THEJORAMANA	4.54
18	NANJRAJGUPTA LOKESH KUMAR	4.52
19	SIVANESAN HARDWARES	4.40
20	YELLAPPA N	4.37